Local Government Reform in Warwickshire

A Strategic Case for Change - August 2020

About this document

What is its purpose?

This document is a strategic case for change. It is not a full business case or final proposition. It is intended to start an ongoing, long-term conversation - locally, regionally and nationally - about what local government reform could mean for Warwickshire. Initially, the conversation with Government will seek an invitation from Ministers for Warwickshire to develop full proposals for reform. To protect Warwickshire's long-term interests we will show our ambition, potential and commitment to move forward towards a better future.

What has led to its production?

The current Government was elected in December 2019 with a majority of 80. Its manifesto included a commitment to a White Paper on English Devolution, expected to be published in October. Devolution is likely to offer additional powers, resources and investment for local places, if they move in line with the Government's reform objectives. Ministers have publicly set out a number of key principles for the White Paper. In particular, devolution will be contingent on local government reorganisation to simplify and streamline the current, sub-optimal configuration of councils through unitarisation; and also that there is likely to be a minimum size for new Councils 'substantially in excess of 300,000 to 400,000 population'.

Why has it been produced now?

Since the Government came into power, circumstances have changed dramatically as a result of the COVID-19 Pandemic. As well as the health and social impacts, we are in recession and the local, national and global economies face hugely challenging futures. We know the country will recover to a very different future.

All Councils now face an uncertain and challenging future. Despite our ongoing, primary focus on containing the virus, its wider impacts make it imperative to prioritise bold and radical action to give the county a sustainable and successful future as we recover from COVID-19.

Devolution can be a real catalyst for economic, social and environmental recovery, at a time when we face major challenges to maintain sustainable services and tackle long-term challenges like climate change and inequalities.

As a result, we fully expect Government to be bold and radical in the White Paper. In light of their public statements, we have set out in this document what we believe is the only viable option for Warwickshire. We know that other areas with two tier structures will be pushing to be early participants in reform, and so intend to protect and preserve Warwickshire's position by initiating the dialogue with central government at the earliest opportunity. We believe that this is critical to the County's future - we cannot afford to wait.

Who produced the document?

The strategic case for change is based on initial work undertaken by PwC, commissioned by Warwickshire County Council, to explore whether there is a business case for a single unitary council for Warwickshire.

What happens next?

If Ministers invite all Warwickshire Councils to develop and submit proposals for local government reform, this will trigger more detailed work to be taken forward by all six Warwickshire councils, working with business, public sector partners, the voluntary sector and our Town and Parish Councils. This more detailed work would develop a full proposition and business case. This would examine the options for a new structure. This would be co-produced with the six existing councils which, in the event of structural reform, would all be replaced by a single, new authority under the single unitary model, but also through a substantial and ambitious programme of engagement with our communities, citizens and partners. A major focus would be on 'double devolution' of powers, resources, assets and budgets to local communities.

How would the public be engaged and consulted?

This case for change has been produced to protect and preserve Warwickshire's position. It has not involved public engagement at this stage, as our view is that the right time for significant public and partner engagement is later in the conversation about reform, following an invitation from Ministers to develop a full business case and final proposals to submit to Government.

Government requires changes to be supported by a good deal of local support across the area concerned, and so any final proposals put to Government in the form of a full business case, would need to demonstrate this support.

So we commit to work closely and transparently with communities, residents, our businesses and partners if Government invites us to submit a detailed proposal for change.

Contents

Executive Summary

Warwickshire sits at the very heart of England, combining a wealth of history and culture with a strong track record in economic growth and service delivery. The Government's devolution agenda brings huge opportunities to fulfil Warwickshire's potential.

The configuration of local government in Warwickshire is no longer affordable nor fit for the future.

Warwickshire's Councils work well together. Relationships are important to us in Warwickshire. However, the in-built inefficiency, duplication and complexity of a two-tier structure slows us down and confuses citizens, businesses and communities. With the White Paper on devolution due in October 2020, there is a key window of opportunity to make a bold move to deliver a dynamic and ambitious model of local government to achieve the very best outcomes for the circa 578,000 residents and the businesses of Warwickshire.

This Strategic Case for Change presents a compelling case for a single, unitary council for Warwickshire:

1. **A single unitary will offer faster, fairer growth and infrastructure delivery to level up the County**

   Warwickshire is one of the UK's most dynamic and fast-growing economies. The Coventry and Warwickshire functional economic geography has attracted significant direct foreign investment to benefit our communities and residents. Warwickshire has a total economic output (GVA) of £19.5 billion, which grew by 65% between 2009 and 2018, **the fifth fastest of any local authority area in the UK.** Case studies in this report show Warwickshire's track record of levelling up the economy, employment and skills, showing the opportunities to build on this through devolution.

   As a single authority with devolved powers, we will have access to all the levers of growth, and will be able to level-up productivity at scale and with pace. We will be able to add **over £2.4 billion of economic output per year** to our already successful economy if all areas of the County were to level up, and this would increase to **£6 billion** if all areas of Warwickshire are top performing economically.

   The County has an outstanding track record of delivering major infrastructure. Over the past decade alone we have worked with Government to deliver five new rail stations to connect our communities. And, there is more to come. Our attractiveness to investors will be enhanced by a single unitary Council able to utilise levers of economic growth in a singular and focused way, building on changes set out in the Planning White Paper; to accelerate development activities and house building. We want to work closely with the Government to deliver on ambitious plans for housing and growth, and a Single Spatial Strategy for our County will catalyse our progress.

   A single unitary will be more joined-up and innovative in tackling complex challenges, including poverty, well-being, inequalities and climate change, long-term systemic issues brought into sharp relief by COVID-19. The increased scale and powers of a single unitary will provide the levers to level-up opportunity, targeting long-term support and enabling our residents to enjoy happier, healthier, more independent and prosperous lives.

Executive Summary

2. A single unitary will provide an effective model for devolution, accountable leadership and a strong voice for Warwickshire

Countywide scale and more accountable leadership is critical for Warwickshire's profile, voice and influence in meeting future challenges and capitalising on new opportunities.

The ability to join up around 'place' is a key benefit of a single unitary Warwickshire; for example, in the response to the Climate Change Emergency – we can make big things happen quickly if the resources for planning, transport, public realm and economic development are combined in a **single organisation with the scale and strategic relationships** with the Local Enterprise Partnership (LEP) and Growth Hub, public transport bodies and community organisations.

A single point of accountability and responsibility for the quality of all local authority services within the area, supported by a single executive function and agile leadership, offers clearer and simpler arrangements for the public, partners, businesses and Government. We want to move at great pace and remove the bureaucratic blockages which prevent this.

3. A single unitary will deliver a financially sustainable Council fit for the future

A sound, resilient financial footing is important to us in Warwickshire. Our history of prudent financial management meant that we went into the COVID-19 Pandemic better placed than most. But there is no doubt that all Warwickshire Councils faced financial pressures before COVID-19, which itself has created more serious financial risks. A single unitary offers the highest savings, lowest transition costs, fastest payback and most financially resilient balance sheet to sustain services, maximise investment in Warwickshire and minimise tax increases.

This strategic case for change anticipates payback on reorganisation within 18 months of delivery through **£22m of reorganisation savings**. This could grow to potential total annual savings of £54m through transformation, with more radical stretch case transformation taking this to £81m; far higher than other options and with less risk. Even without the COVID-19 imperative, a single Council able to achieve such benefits represents obvious value for money.

The aggregation of the assets of Warwickshire's Councils provides a springboard for greater investment in Warwickshire. There are benefits of combining risk at scale, rather than six times, and rationalising the assets of the six Councils. The balance sheet will support significant investment, measured risk taking, easier access to borrowing and the critical mass to retain the necessary expertise. Together, this provides the platform and firepower to deliver major development at scale and pace.

The establishment of a new unitary council in Warwickshire represents an opportunity to transform how services are delivered in the County. There is outstanding practice in every Council in Warwickshire and quite simply, our ambition is to combine the best of the best. The new Council will build upon the very best of all six of the existing councils, streamlining and standardising processes wherever possible, implementing new ways of working and developing innovative solutions to complex problems. The new Council will harness the full potential of the information and data it will hold, and use sector leading technology to support its operations and deliver better outcomes for residents.

Executive Summary

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4. A single unitary will balance scale and speed with a very local focus

This is the 'power of one' - a single unitary is the only option which meets the Government's indications on the size of new councils. Warwickshire fits those indications perfectly.

Existing countywide social care, safeguarding and education services will be enhanced by closer connection with related services such as housing, leisure and benefits, and provide a robust platform for further health and social care integration. The aggregation of those services, currently delivered five times by district and borough councils, comes with obvious outcome improvements as well as efficiency benefits, alongside the opportunity to save money on six sets of corporate services, without the risks and potential diseconomies of scale if these services were divided.

There are wider benefits of reshaping policy areas within a single unitary to optimise outcomes, for example: waste disposal and waste collection; highways, amenities, parks and street lighting; leisure and public health; and opportunities to improve and accelerate the conditions for economic growth by bringing together related services such as spatial planning, housing, transport, economic development, regeneration and infrastructure. A single spatial strategy is a long-held desire for Warwickshire and will act as an accelerant to housing and infrastructure delivery.

Learning from good practice elsewhere, a single unitary can enjoy all the benefits of scale but still be close to its communities through a flexible framework for local devolution, with an extended role for Town and Parish Councils across the County.

We believe local decision-making should be truly local, and we will make it so. Local, place-based services will be determined and delivered at the most local level where communities have the capacity and local knowledge to make the best decisions, with a robust framework to link local places and countywide decisions.

Why a new unitary authority for Warwickshire?

We are committed to preserving and building upon Warwickshire's strong traditions and sense of identity, world-renowned culture and history. We know that together we are stronger and that developing a more efficient and effective model of local government **for the whole county** is as important to our people and communities as it is for economic reasons.

We want to build on the collective strengths of our councils and communities, and remove inefficiencies for local and national benefit. Establishing a sector leading unitary council in Warwickshire will give us the platform, capacity and capability to secure better outcomes for residents, communities and businesses.

We have already achieved a great deal, and we are committed to striving for the very best for our people. **The people of Warwickshire deserve a council that will help them achieve their potential, not just now but over the long term.**

We are guardians of Our County and it is precious to us. As Public Servants, we believe that the value for money and service quality case for a single unitary Council, and the significant disbenefits of disaggregating county-wide services, will secure people's support for a United Warwickshire. We ask Government to help us do so and deliver a better future for Warwickshire.

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Context and Key Achievements

The County has a rich industrial heritage with coal fields in the north fuelling industrial growth in Coventry and Birmingham and the County's canal network shipping goods across the country. We remain excellently connected to the rest of the UK.

The Warwickshire Picture

POPULATION

Warwickshire currently has a population of **578,000.** This is predicted to rise to **630,394** by 2030

ECONOMY

Warwickshire has the **7th highest growth in productivity** from 2009-2018 of all statistically similar regions

JOBS

Roughly **299,000** people were employed in Warwickshire in 2018, an increase of **18,000** from 2015

CONNECTIVITY

Warwickshire has **2,368** miles of road, **24** rail stations, **6** interchanges at Railway Stations, **4** town centre bus stations and **4** town centres with key bus interchanges

HEALTH

The 'window of need' (the gap between life expectancy and healthy life expectancy) is **17.5 years** in women and **15.8 years** in men

Challenges

Warwickshire faces a number of challenges in the future.

- Tackling climate change
- Provision of enough affordable housing
- Rising elderly population
- Levelling up our County by removing social and economic barriers
- Post-COVID economic and financial challenges
- The future of our high streets
- Ensuring the best start for our children, young people and SEND cohorts

TOURISM

Our tourism industry is worth **£731,750,430** as of 2018. Warwickshire's tourism industry employs just over **23,000** people

HERITAGE

Home to Shakespeare, George Eliot, Warwick & Kenilworth Castles, a rich coal mining history and canal network

Economic recovery and levelling up

Growth and economic recovery

National drivers

There is a general recognition that some parts of England are simply not as prosperous as others. The north/south divide seen across the country is mirrored in many ways in Warwickshire, with a more prosperous south with a focus on technology, research and development and professional services, and the north of the county focusing on transport and logistics, manufacturing, personal services and generally lower-paid occupations.

There is significant opportunity to level up across the county, such as by:

● strengthening the economy through exploiting new growth areas;
● building on our unique assets; and
● maximising opportunities around our key anchor institutions (particularly growing our health economy and working with our universities).

We are also committed to investing in upskilling and reskilling to ensure that our residents are best-placed to take advantage of the future economy, and to improving physical and digital connectivity to better link residents to employment opportunities.

Devolution and levelling up

National drivers

Government is committed to levelling up powers and investment in the regions across England, allowing each part of the Country to decide its own destiny and wanting those regions to have greater accountability for delivery of their regional agenda. Councils want to work with the Government on how local communities can have the **freedoms** and **flexibilities** to play a lead role in the Nation's economic recovery and better connect local leaders to decisions made about how money is spent and raised for the benefit of their communities. There is also a national priority to ensure economic recovery is **fair for all**, responding to how COVID-19 has exacerbated existing inequalities and marginalised groups across the Country.

What this means for Warwickshire

Warwickshire has been the UK's fastest growing shire county in terms of economic output (GVA) over the past decade, with strong employment growth and record levels of low unemployment. Close working between the County and the Districts and Boroughs, Local Enterprise Partnership and West Midlands Combined Authority partners has resulted in a more coordinated approach, but for Warwickshire to unlock its true economic potential, **it is vital that we have one single strong voice** with all the levers of growth contained within a single organisation (particularly planning, housing, highways, infrastructure, skills, regulatory services and economic development). To support the vision for a Global Britain, we must work as a unified and committed partner at the sub-regional, regional and national level. This will enable us to work together, both strategically and at pace, in order to maximise the significant opportunities that exist and to contribute effectively to national economic recovery.

During COVID-19, the Coventry, Solihull and Warwickshire sub-regional powerhouse has been strengthened, which is particularly important given the focus on recovery being driven at a sub-regional level. We are also working to ensure that our organisations and services are strong, sustainable and fit for the future, driving an ambitious education, skills and employment agenda with a focus on our most deprived communities and those most affected by COVID-19. **This will help build skills to get people into work, training or new careers.**

> *"[The Devolution agenda] will include restructuring our local institutions to deliver these outcomes, establishing more mayors and more unitary councils, the populations of which will depend on local circumstances but as a rule of thumb are expected to be substantially in excess of 300,000 - 400,000."*
>
> Minister for Regional Growth and Local Government (response to Parliamentary Question 61741, 29 June 2020)

What this means for Warwickshire

There is an imbalance of wealth between the North and South of the County, with pockets of deprivation as well as areas of accelerated growth like Rugby. Our more deprived areas have levels of economic performance just two-thirds that of the best performing areas. It is important that we grow our economy in a balanced way, building on our many strengths but ensuring that growth is inclusive and is of benefit to all areas and residents.

We must provide equality of outcomes around health and wellbeing. Whilst overall health outcomes are good, health inequalities are present in different locations and across varied socio-economic and ethnic groups throughout the County, reflecting national inequalities. We need to better understand the needs of our residents and demand for services, in order to address gaps in the key determinants of health. A single unitary will allow us to develop and deliver a new, clearer approach to these challenges, building on the strength of our towns and villages, our communities, our Voluntary and Community Sector and our 22 place-based Joint Strategic Needs Assessments (JSNA). We will ensure that the successes of the Warwickshire Health and Care system are shared by all residents.

We must also close the opportunity gap that exists between different areas across the County, and ensure that services are **available** and **accessible** to all. Our skills agenda needs to reach citizens across Warwickshire and provide our increasingly diverse population with a strong core offer of education and employment opportunities in a rapidly changing economy with more targeted support (where needed) to level up.

Climate change

National drivers

It is essential that the national economic recovery takes place in a way which helps to address the climate change emergency, and sets Warwickshire up for a sustainable, low carbon future. Government has ambitions to be carbon net zero by 2050 and at the 2019 election promised to invest £9.2 billion in improving energy efficiency in homes, schools and hospitals. Delivered at sufficient speed, this will create around 100,000 jobs. These measures and policy decisions demonstrate the **importance of climate change as part of this economic revival.** All councils within the County have declared a climate emergency. The importance that Warwickshire's residents place on this agenda was evident through their feedback during WCC's comprehensive engagement and consultation process for the new Council Plan (2020-25).

What this means for Warwickshire

Climate change is at the heart of our Warwickshire councils' recovery agenda, and will need to guide the future priorities, objectives and investment decisions. Alongside improving public health outcomes, affordable new housing is a key priority across the Country and in Warwickshire. Through a single unitary, we will accelerate delivery of housing through proposals for a new Warwickshire Property and Development Company and a proposed new countywide collaboration with Homes England to unlock ten major regeneration schemes to ensure these homes are designed and delivered in an environmentally friendly way. This will deliver new housing, jobs and help us contribute to the objective of a carbon net zero economy by 2050. Further opportunities to address climate change for Warwickshire centre around our transport network and local planning to ensure environmentally friendly travel is encouraged and enabled by our physical environment. This will be best facilitated by the scale and reach of a single unitary to develop and deliver on countywide plans to make Warwickshire greener.

> Addressing our climate change priorities is key to our recovery through creating jobs and growing our economy in a more sustainable and environmentally-friendly way.
>
> We must use our strategic scale and reach to invest and support businesses to create a clear plan to address our long-term climate-related challenges.

Public service reform

National drivers

The Secretary of State for Housing, Communities and Local Government has emphasised repeatedly the need to **encourage more district and borough councils to merge into new unitary authorities** to help them deal with strategic issues, including housing and transport. In particular, it is indicated that there is not a long-term future for two-tier local government and that the mayoral model, in conjunction with unitary councils, is strongly preferred by Government when considering devolution deals. In this context, it is expected that any case for change presented to Government will need to include the potential for a combined authority to be established.

> There are also opportunities for local government and the wider public sector to accelerate change and create a system that is more integrated and which works for all. In tackling current challenges, the social care and health systems have already been required to increase joint working arrangements and councils have recently been given added responsibilities in terms of their oversight of care homes. **There is broad agreement that the public sector should be more integrated** and aligned on the priorities for their place, and that joining up services across the public sector is essential.

What this means for Warwickshire

For Warwickshire, devolution and public sector reform means ensuring decisions are made at the right spatial levels; extending and strengthening the role of Town and Parish councils across the County; devolving decision-making to Local Place Boards and Local Area Planning Committees. This will bring decision making closer to our communities and ensure local solutions are developed for local needs with greater democratic accountability at all levels.

Through a single unitary authority, there are other public sector reform opportunities to be seized to deliver better outcomes for our citizens, including:

- **increased Blue Light collaboration** across Fire, Police and Ambulance services to strengthen existing operational integration and align with community safety services;
- **integrated strategic commissioning** of health and care services working with the planned single Coventry and Warwickshire Clinical Commissioning Group to underpin an integrated health and care system and place-based delivery;
- enhanced approach to **welfare benefits and the skills agenda**; and
- enhanced approach to **supporting young people into employment**, building on existing innovative work with Special Educational Needs and Disabilities (SEND).

Service integration is a fundamental aspect of these public sector reforms. To deliver these collaborative arrangements and make them work for the public, **new structures of local government must be explored.**

Key achievements in Warwickshire

In Warwickshire we pride ourselves on our outstanding relationships with our anchor institutions: universities, neighbouring councils (as a sub-regional powerhouse - with Coventry and Solihull – of the West Midlands Combined Authority), and local NHS bodies. We have led from the front in this approach and see maintaining and developing these partnerships as critical to delivering for the people of Warwickshire:

1. Service Delivery

We have a well-established Warwickshire Waste Partnership, bringing together the County, District and Borough Councils, to develop and implement a joint municipal waste strategy across the collection authorities and the disposal authority. While we perform well at the moment, with recycling rates over 50% and well above the national average, a nationally recognised model for reuse shops at our recycling centres, and best practice campaigns for waste reduction – we want and need to go further. We now want to take a truly transformative approach to waste management in the County, and achieve the step change approach to waste minimisation, re-use and recycling. To achieve this, a new way of working through a single unitary authority is essential. There are huge opportunities of a single approach to address key challenges through more joined-up service delivery which will deliver more sustainable services and better-quality services to our citizens.

2. Economic Growth and the LEP

The County Council played a key role in the establishment and successful operation of the Coventry and Warwickshire Local Enterprise Partnership. With a clear focus on our functional economic geography (85% of people live and work within the Coventry and Warwickshire area), our combined efforts to develop strong private/public partnership have delivered significant dividends and enabled a genuine new era of cross-organisational working to support economic growth. Given the strength of the Warwickshire economy, it is no surprise that the Coventry and Warwickshire LEP is the best performing LEP area in the country in terms of the percentage of economic growth over the past economic cycle; and the key driver of growth in the area.

3. Coventry and Solihull councils

Warwickshire County Council has worked hard over a number of years to develop a strong sub-regional partnership approach to economic growth, working closely with Coventry City Council to support the work of our Local Enterprise Partnership and being a proactive non-constituent member of the West Midlands Combined Authority. Our strong sub-regional working relations with our neighbouring authorities of Coventry and Solihull have only been enhanced and strengthened through our collective experiences in response to the COVID-19 Pandemic with the Coventry, Solihull, Warwickshire Test and Trace Beacon showing the strength of countywide and sub-regional health collaboration.

Key achievements in Warwickshire

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4. Health

We have a strong track record of strategic ambition and partnership working to improve health and wellbeing; establishing the Health and Wellbeing Board Concordat, Coventry and Warwickshire Place Forum and draft Health and Care Plan. We have a unique Joint Strategic Needs Assessment model broken down to local level; 30,000 population and coterminosity with primary care. Through the 'Warwickshire Cares Better Together' programme, we have delivered significant improvements to health and care outcomes for people and improved performance in delayed transfers of care (levels have halved since 2017) and the effectiveness of reablement (5.7% above target in 2019/20 at 94.5%). Through effective system collaboration, we have delivered a range of services to improve outcomes for Warwickshire people, e.g. moving-on beds, hospital to home services, integrated community equipment, social prescribing and Street Triage.

5. West Midlands Combined Authority

As a county we play a proactive role in the West Midlands Combined Authority and our County Council holds the only Portfolio position outside the constituent membership. Members and officers are actively engaged in sub-groups addressing wellbeing, housing and land and devolution. The County's contribution to the economy of the Region is well recognised and reflected in the West Midlands Economic Strategy as the driver for key priorities around future mobility, digital creative, and culture and tourism. Warwickshire is the second largest economic contributor to the West Midlands, outperforms the wider Region on many core measures, and will play a central role in the future growth of the Region.

6. Universities

Our sub-region is home to two internationally renowned Universities – Coventry and Warwick. Together they offer a bedrock of innovation and learning as well as making a major contribution to the local economy and community. Working closely with Coventry City Council, NHS providers and the Coventry and Warwickshire LEP, the County Council has formed a partnership of Anchor Institutions. Together we are exploring what our collective assets can offer the County and sub-region. Included is work we have progressed directly with Warwick University on building their international profile and developing a policy partnership which will lead to commissioned research and a reciprocal exchange and secondment programme.

7. Voluntary and Community Sector

Our vibrant Voluntary and Community Sector is the result of many years' hard work to align around a clear vision and ambition and brings partners together collaboratively. Pre-COVID, the Sector excelled in supporting a range of policy themes across the county. The strength and future potential of the Sector was shown during COVID-19, where Warwickshire's work on shielding has been featured as best practice by the New Local Government Network. An online directory of Voluntary and Community Sector services, including new mutual aid groups set up during COVID-19, sets out the groups supporting individuals and communities in the County.

Case studies of our key achievements in Warwickshire

Year of Wellbeing

The 2019 Coventry and Warwickshire Year of Wellbeing campaign was a true collaboration between the Coventry and Warwickshire Health and Wellbeing Boards and the wider health and care system across sectors and the community. We trained **73** people to tell their positive wellbeing story and inspire others to create their own. We gathered **3,020** personal pledges from individuals who made one or more positive changes to improve their wellbeing during 2019 and beyond. We worked with **130** primary schools to share resources on physical and mental wellbeing and increase physical activity opportunities for children, to tackle obesity. We championed the brand new WMCA 'Thrive at Work' workplace wellbeing accreditation, and engaged **111** businesses and organisations in the scheme, **21** of those being large public sector organisations including Councils and the NHS. An estimated **36,101** employees are benefiting from strengthened workplace wellbeing offers as a result. We also drove the Workplace Wellbeing Champions Programme, with **250** staff from **8** organisations achieving the qualification during 2019.

Economic Growth and Recovery

Warwickshire County Council has invested significantly in economic growth over a number of years, and has led and delivered the **award-winning 'Rural Growth Network Programme'** (recognised at the 2016 Enterprise Britain Awards) a range of growth orientated business support programmes; access to finance measures; a network of business centres; an **award-winning Apprenticeship programme** (by PPMA), and the **nationally innovative model of Supported Internships**. The fact that Warwickshire is the **fastest growing County Council** area in the Country for GVA growth is no coincidence. We have also worked speedily in **response to the COVID-19 Pandemic**, quickly bringing together the District and Borough Councils and business intermediaries to coordinate national support programmes. Together we moved rapidly to address identified gaps, for example through WCC's **£1m injection** into a local provider of the Coronavirus Business Interruption Loan Scheme to provide increased access to this key programme. Councils across Warwickshire are developing and investing in a range of economic recovery initiatives to support a rapid return to growth in Warwickshire.

Case studies of our key achievements in Warwickshire

Digital Connectivity

Warwickshire County Council has led and managed **CSW Broadband**, a sub-Regional Government project to extend the roll-out of superfast broadband into areas of Coventry, Solihull and Warwickshire (CSW) where commercial providers had no plans to do so.

Before the CSW Project began, superfast broadband coverage across the whole of Warwickshire was at 73.2%. By the end of CSW's Contract 3 deployment programme (December 2021) this will have risen to around **98%**. Only 45.4% of Stratford District and 48.4% of North Warwickshire had superfast coverage before CSW started work. By December 2021, we forecast that the project will have helped to bring superfast broadband **to 95.6% of Stratford District** and **99.4% of North Warwickshire**. CSW's work in extending the local fibre network will have brought superfast broadband to nearly 70,000 residential properties and businesses across Warwickshire by the end of 2021. There is no doubt that our work has had a really positive impact on local businesses and the lives of residents – helping Warwickshire to remain an attractive place for people to live in, work in and invest in. WCC is now working at pace to develop new approaches to map and utilise its assets. Together we have already facilitated the acceleration of 5G deployment within key parts of the County, and will continue to work with private sector operators to **extend coverage of 4G and 5G**.
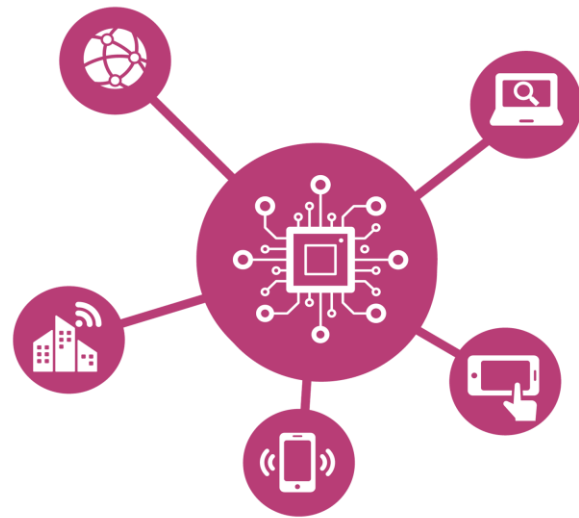
Place Shaping and Housing

Work is underway on an **exciting new collaboration between WCC and Homes England for Cabinet consideration this autumn**. The intention is to work together to speed up and unlock stalled sites to deliver homes in Warwickshire, including looking at modern methods of construction. This agreement will bring forward developments across the County, and deliver much needed homes for residents and those who decide to relocate and/or begin their adult careers and lives here. Affordable, quality homes will be key considerations as we progress schemes.

Our first live test of this has already commenced ahead of the agreement being formally signed off. The regeneration of Nuneaton Town Centre through the **Vicarage Street Development Site (VSDS)** is the key development site in the 'Transforming Nuneaton' Programme, and is being utilised as a test case. It brings with it the challenge and importance of delivering the Government's levelling up objectives at a county level. VSDS includes the landmark WCC library and business centre, a £20m investment by the County Council directly into this key regeneration scheme.

The wider **Transforming Nuneaton** programme is a regeneration scheme being run by Warwickshire County Council and Nuneaton and Bedworth Borough Council and is bringing investment into the town to transform it through mixed-use regeneration to boost economic growth. It aims to transform Nuneaton into a vibrant, attractive and prosperous town centre that offers a range of opportunities for everyone, stimulating jobs and improved well-being in our most deprived town centre with a substantial level of investment. There is an aspiration to bring an education offer, housing and primary care services into the town centre to improve transport infrastructure and to stimulate footfall and town centre prosperity by investing in businesses units for small / start-up businesses to be based in the heart of the town.

Case studies of our key achievements in Warwickshire

Warwickshire has a good track record of levelling-up economic and employment opportunities.

Levelling-up economic opportunities

Closing the GVA gap: While the latest data shows that Nuneaton & Bedworth has the lowest level of GVA per head, it has actually seen the fastest rate of growth of all districts and boroughs, growing by 69.2% between 2009-2018, compared to 56.3% for Warwickshire as a whole. North Warwickshire saw the second fastest rate of growth over the same period (65.3%). The differential between the best and worst performing areas is therefore reducing over time, and the north of the county is helping drive Warwickshire's overall growth.

Jobs density: A key driver of GVA per head is the number of jobs relative to the size of the population (known as job density). Nuneaton & Bedworth has historically had low job density, which has led to higher than average levels of out-commuting and lower levels of economic prosperity. Sustained efforts to target new business growth and inward investment into the north of the county is starting to pay dividends. Since 2015, job density has grown fastest in North Warwickshire (+9.6%) and Nuneaton & Bedworth (+7.1%), compared to a county average change of 2.6%.

New businesses starts: Warwickshire County Council has a led a programme to support new business start-up activity across the county for the past 5 years, targeting the areas with lowest rates of business start-ups, and investing in a "pre-start" programme ("Jumpstart") to work with individuals in our more deprived areas to explore the potential to start a business. This has been predominantly targeted in Nuneaton & Bedworth, and areas of North Warwickshire and Rugby. In 2018 (last available data), Nuneaton & Bedworth saw a 33% increase in new business births (680) compared to number of business births in 2015 (510).

Reducing unemployment: Warwickshire County Council has guided, supported and funded a range of employment support programmes, which predominantly operate in the areas of highest unemployment in the north of the county. We have ensured European Social Fund resources are targeted to our most disadvantaged wards. Through this, and against a backdrop of a growing economy, unemployment rates have fallen significantly across the county, reducing by the greatest amounts within Nuneaton & Bedworth (a fall of 5.5% from a high of 9.4% in 2011 to a rate of 3.9% at the end of 2019); and North Warwickshire (a fall of 4.7%, from a high of 7.8% to 3.1%).

Levelling-up skills and educational -opportunities

Improving skill levels: Skill levels are key drivers of economic growth, and to enable people to move into employment. The County Council has invested significantly in skills activity, through our Skills for Employment Programme, business skills support, promotion of apprenticeships and the establishment of our Apprenticeship Levy Transfer Programme, investment in employment support programmes and in shaping and directing the use of European Social Fund resources. Warwickshire's track record is evidenced by:

- North Warwickshire, which has historically had the poorest record with regards to the proportion of their residents with no skills (NVQ2 level equivalent and NVQ4 equivalent) has seen significant improvements over the last decade with the highest (16%) increase in those with NVQ2+.
- Over the last decade the gap between the district/borough with the highest and lowest percentage of working age people with NVQ2+ has halved from a difference of 15.5% to 8.6%.
- The gap between the highest and lowest percentage of working age people with no qualifications has reduced from 10.1% in 2010 to 2.8% in 2019.

Tackling educational inequalities: Recognising the need to improve educational performance and outcomes in Nuneaton, educational leaders from the borough's schools, colleges, educational settings and the County Council have come together with a range of local partners and stakeholders to take an innovative, place-based approach to improving educational provision, aspiration and outcomes for the young people of Nuneaton. The key focus of the strategy is 'raising aspiration, working together', and the strategy is based on giving children the best possible start (birth-5), promoting learning through an empowering curriculum (5-19), being ready for work and life (post 16), and supporting vulnerable learners and transition. A five-year delivery plan has been developed, with specific actions, milestones and measures of success, linked to the wider Transforming Nuneaton programme.

2

Case for Change

Warwickshire is famous for being the birthplace of Rugby, is home to the world class golf venue The Belfry and has a long history of first-class cricket. It is now also known for hosting elite international cycling and Commonwealth Games events making it a natural choice for sporting events.

Public sector landscape in Warwickshire and financial pressures

Warwickshire is currently administered by a two-tier system comprising Warwickshire County Council and the District and Borough Councils of North Warwickshire, Nuneaton and Bedworth, Rugby, Stratford-on-Avon and Warwick, serving a County population of **c.578,000.**

This means that some services are delivered by Warwickshire County Council, such as Social Care, Public Health, Highways and Education, and others are delivered by the District and Borough councils, such as housing, leisure and refuse collection. Each Council has its own elected councillors, Chief Executive, senior management team and staff. **This presents significant duplication of effort, bureaucracy and cost.**

It is widely recognised that current ways of working in two-tier areas are reaching the limits of what can be achieved, given continuing increases in demand, pressure on funding and on the finances of Council Tax and business rate payers. Re-thinking the way in which services are delivered will be essential if the Country is to secure a fair recovery which focuses on improved outcomes for all citizens, maximises the effectiveness of services and minimises the cost of government.

In recent years, local authorities across the UK have experienced **a period of unprecedented pressure**, most recently demonstrated by the impact of COVID-19. Reductions in public spending at a national level have seen many councils streamline their operations, improve their processes and reduce provision in non-statutory service areas. In addition to the downward pressure on spending, demand for services in many parts of the Country has increased.

The financial position of each of the councils in Warwickshire varies. Some of Warwickshire's councils are more resilient than others, as exemplified by the impact of COVID-19; the Pandemic has placed all of the Districts and Boroughs under significant pressure, while the County Council's position remains relatively strong, but we do expect to have to deliver significant additional savings as a result of COVID-19.

However, none of the councils are immune from the pressures described above and although all of the councils in Warwickshire have implemented improvements and changes in recent years, services will not be able to withstand ongoing austerity without undergoing radical transformation.

Whilst there are clear questions about the viability of many councils in future years, radical change is required if local authority services in Warwickshire are to be protected. Without it, further cuts to service provision are inevitable. The national policy direction looks set to result in continued pressure on local authority funding. **Local government reorganisation offers Warwickshire the opportunity to address projected financial pressures whilst making a broader contribution to growth in the UK.**

£61.6 million	£1.3 billion

...is the total cumulative funding gap across Warwickshire Councils forecast by 2025/26, assuming limited taxbase growth, requiring savings to be made.

...is the funding shortfall all county councils are managing in 2020/2021, according to the County Councils Network in their 2020 report on the impact of COVID-19 on county authority finances.

There are urgent financial pressures across the local government sector and within Warwickshire. It is essential to act now; in a way which mitigates a more significant impact of these financial pressures on continued delivery of essential services to our citizens.

Over the last ten years, councils have managed financial pressures and greater demand for increased service provision, particularly in social care and SEND services. For Warwickshire, the financial position, resilience and sustainability of the County Council is relatively strong. Lower tier authorities' financial viability has been significantly impacted by COVID-19. We acknowledge these national challenges and pressures. The financial benefits of unitarisation are key to sustainable local government finance and service levels across the whole County. We have concluded that transformational change **via a single unitary** is the only way to maintain high quality, modern, dynamic services whilst tackling future financial and demand pressures and levelling up opportunity through investment and innovation.

Limitations of the two-tier system and the need for change

Like most two-tier areas, the current model is **reaching the limits** of what can be achieved. Given these pressures and the wider context, retaining the status quo is not an option. It is clear that **alternatives must be considered now.**

We know the complexity of the current two-tier model prevents us from delivering at greater pace and collaborating more effectively with partners.

Two-tier system in Warwickshire

We believe the two-tier system is operating at the limit of its capacity and preventing us from realising our ambitions for both our residents and the place. At the heart of this are a number of key issues:

The current system is overly complicated

- Whilst two-tier collaboration has resulted in some services being delivered across more than one council, there are proven limits to this approach.
- For example, the Warwickshire Waste Partnership has now reached its limits and cannot deliver a truly transformative approach to waste management in the county, nor can it achieve the step change approach to waste minimisation, reuse and recycling. For example, the Warwickshire Waste Partnership has achieved all it can within current structures. Contractual buying power will be enhanced by a single end-to-end waste service.
- Aligning six local government voices as well as partners around shared outcomes for social care and health is challenging.
- **A single unitary authority** will have the scale and capacity to develop a whole place approach and accelerate new housing, employment and deliver zonal planning policies, breaking down some of the complexities that currently exist.

There is a need to attract more inward investment

- The two-tier system offers neither the **scale** nor **strategic reach** required to attract the right level of investment.
- **Competing voices**: we need to be able to articulate a single, clear offer to central government, partners and businesses in order to attract the right level of long-term investment. This will be essential in driving sustainable, longer-term economic growth and recovery from COVID-19 that is fair for all.
- **Before decisions can even be made, five local plans must first be navigated**, which is an inefficient and time-consuming process.
- A single unitary authority - working with others across a wider economic geography - will create the conditions required to achieve this ambition.

More effective service delivery

- There is a strong need to level up different areas within Warwickshire, but currently we have neither the levers nor the geography to adopt a strategic and countywide approach to address areas of deprivation. This limits how effectively we can ensure all have the opportunity for prosperity and healthy and happy lives, such as by bringing together Housing and Adult Social Care services to tackle homelessness, mental health and other critical issues.
- **There is currently duplication in service delivery,** with a requirement for residents to know who they need to contact for different services, rather than a single point of customer service. This is expensive, wasteful and means it is difficult to leverage better contractual arrangements. **Services overlap and reflect a pre-digital era**, which is time consuming for residents and businesses to navigate.

Simplified, more accountable leadership

- Local democracy is complex and in Warwickshire there are currently **248 Councillors.** This means decision making can be time-consuming and resource intensive, with several different layers of government involved. Unitarisation will simplify this by removing layers and in being clearer as to who is responsible for leading the place and taking decisions.
- Therefore, a single unitary with sub-regional geographies and clear decision-making powers devolved to them will reduce the cost of government. Innovative methods of engagement will be pursued, making use of available technologies with an aim to more closely connect people with decision-making and delivery that is closer to the community.

Greater freedoms to deliver on our ambition for Warwickshire

Local government reorganisation in Warwickshire needs to be considered in the context of the Government's ambitions to devolve additional responsibilities to unitary councils via devolution. Local government reorganisation presents a significant opportunity for Warwickshire to secure additional resources and powers.

Warwickshire therefore needs a new model of local government to deliver for the UK and our communities. Through structural change, we can deliver faster and at greater scale by speaking with one voice. This will allow us to engage and collaborate with our partners with simplicity, whilst providing strategic oversight across the County.

With greater freedoms, we will:

...deliver at scale, faster, smarter, and bigger for national economic impact:

- **Accelerated growth and increased investment**: we will build on our track record of attracting inward investment to create income, growth and deliver a fairer recovery for our region. We want a simplified system which improves our offer to businesses, providing them with the support, facilities and resources to invest. This will create more opportunities to attract skilled working age people to our economy.
- **Improved planning and housing**: we will offer affordable and intermediate housing options to attract and retain younger working age people and others migrating into the County. We will accelerate delivery of housing through a proposed new Warwickshire Property and Development Company and a new collaboration with Homes England to unlock ten major regeneration schemes to deliver new homes. We will take advantage of new zonal planning powers following the Planning White Paper to invest in 'shovel ready' projects, which will stimulate local economies and create employment opportunities. We will be better placed to invest in improving and upgrading the quality of existing social and council housing. Lastly, we will realise ambitions to enhance housing with care opportunities for vulnerable citizens.
- **Integrated transport**: we will make our transport system more integrated, customer-focused and environmentally-friendly. This will involve working with the West Midlands Combined Authority, Coventry and Warwickshire LEP and others to deliver improvements to our transport network. We will invest in electric vehicles, cycling infrastructure, highways, parking and public transportation to ensure that all areas of Warwickshire benefit from greater access to green travel opportunities - this will maximise public health outcomes.
- **Enhanced connectivity**: we will build on our existing strengths in digital and gaming through development of the full fibre and mobile networks (including 5G), particularly in rural communities. We will further use digital and data to support Council services to business and communities and delivery of commissioned health and care services.

...deliver joined up services; locally, simply and at better value to our communities:

- **Place-led growth and local decision-making**: a single approach to the master planning and reimagining of our town centres will link economic, infrastructure, local and transport plans. This will support the regeneration in our town centres and rural areas. Empowering local decision-making bodies to identify placed-based needs will allow us to make the right investment decisions and recognise the diversity of our towns and rural communities.
- **Levelling up and tackling inequality**: Warwickshire shows significant variation in average earnings and levels of deprivation. It is therefore essential that we work together with partners (particularly with our Voluntary and Community Sector and health partners) to build better, healthier and happier lives.
- **Improving health and wellbeing**: we will integrate planning, leisure and housing with education, economy, social care and health to maximise impact on wider determinants of health. This includes obesity, smoking, homelessness, poverty, loneliness and mental health, taking a holistic approach to creating healthier lives. We start from a position of strength, as our care providers and the Care Quality Commission value our approach (evidenced strongly throughout the COVID-19 response). We will establish an Integrated Care System for Coventry and Warwickshire from 2021, in addition to delivering a more holistic offer to Warwickshire citizens in need of support from Adult Social Care and Children and Family Services.
- **Climate change**: we have a significant opportunity to fundamentally change the way our residents live, work and travel around the County. We will work with and influence our business community and supply chain to move to a low carbon economy, and we can drive forward change in waste management and shift to a more circular, rather than linear, economic model. In turn, this will support our priority to enhance public health outcomes.

19

3

Options Appraisal

Warwickshire has been shaped by people including William Shakespeare, writer George Eliot, filmmaker Ken Loach and Star Wars director Gareth Edwards highlighting the County's rich heritage of creativity.

Options feasible for Warwickshire

We have considered the following structural options and weighed up the benefits and disbenefits of each against a set of criteria based on frameworks suggested by the Ministry for Housing, Communities and Local Government. Please see the Appendix for further detail on these criteria.

Our conclusion is that the single unitary option best meets the Government's aspiration and delivers more for the local people of Warwickshire.

Option one: Enhanced status quo

Option two: Single unitary

Option three: Two unitaries

Option one. This option would broadly be the same as **current two-tier arrangements** but with optimised collaboration in some areas of duplicated responsibility, such as waste management, community safety or leisure.

The option was chosen in order to explore whether structural change is truly required for Warwickshire to level up as a County, or whether we can continue as-is and achieve the same outcomes.

As this option meets only one of the seven tests (p22), it has not been subject to further financial analysis. PwC's recent report for CCN stated that 'the benefits likely to be delivered through these sorts of arrangements are typically lower, take longer to accrue, and require relatively complex governance and oversight.'

Option two. The Districts, Boroughs and County Council would **together form a new single unitary.**

This option was chosen due to Warwickshire's population size of c.578,000. As stated by the Minister for Local Government, the population of new unitary authorities is *"expected to be substantially in excess of 300,000 - 400,000."* This means that for Warwickshire, a single unitary is likely to align with Government indications of size.

Option 3 entails the creation of two unitary authorities - one for the **North** (North Warwickshire, Nuneaton and Bedworth, Rugby) and one for the **South** (Warwick and Stratford-on-Avon).

This option would align with the economies and geography in the North and South, but would also disaggregate a number of key services, most significantly Adult and Children's Social Care and Education.

In the proposed two unitary model, the population of the North and South would be 304,100 and 273,900 respectively. This configuration - or any other configuration of two unitaries - will mean one or both of the unitaries will not be **substantially in excess of the anticipated viable size** for new unitary authorities.

What options have we discounted and why?

Option four: Three unitaries or more
This option is limited by total population size and would see even greater disaggregation of Adult and Children's Social Care and other Countywide services. This would further reduce potential economies of scale and result in service disruption, which is likely to worsen outcomes for vulnerable people. It can also weaken strategic economic focus to secure inward investment and attract employers to Warwickshire.

Option five: Additional configurations that change county boundaries
Additional options for configuration (such as combining with councils outside the Warwickshire border) have been discounted as there is a clear direction from Government to maintain existing and historical county boundaries. A number of services (such as Warwickshire Fire and Rescue Service and Warwickshire Police) are coterminous with the County's boundaries and therefore any options that change county boundaries would bring significant additional complexity, such as redefining geographic boundaries, service delivery responsibilities and existing workforces. Such additional configurations are therefore discounted.

Overview of our assessment

Below we have summarised our options appraisal, highlighting the key reasons why a single unitary outperforms the other options. This is primarily because a single unitary will:

- deliver the most savings (see Section 5 for further information)
- have the greatest scale and reach to achieve the best outcomes for our people
- result in a simplified and streamlined customer experience due to a single point of contact

A more detailed version of our appraisal can be found in the Appendix.

Criteria	Option 1 - *Enhanced status quo*	Option 2 - *Single unitary*	Option 3 - *Two unitaries*
Improved services and outcomes	✓ Some service areas and functions would be shared to deliver better outcomes, but **only in a few service areas** - the majority would remain as-is.	✓✓ Simplified **user experience** for residents and businesses through a single point of access, with a holistic and joined-up approach to services.	✓ Somewhat **simplified service delivery** given that the two organisations will operate at a greater scale than the existing District and Borough Councils, with service synergies and some savings as unitaries.
Improved value for money and efficiency	X Unlikely to deliver the **transformation opportunities and efficiencies** associated with other options.	✓✓ **Increased scale** will deliver significantly improved value for money and efficiency.	✓ Potential for joint service delivery in areas such as waste, but this is **limited**.
Cost savings and payback	X **Minimal opportunity for further savings** as a result of maintaining costs of current duplication, dysfunction and waste.	✓✓ Significant savings to be realised (£22.1 million in "reorganisation" scenario) in removing duplication in service delivery, rationalisation of property and IT, reductions in third party spend and election savings.	✓ Savings as a result of reorganisation (£12.9 million), but higher transition costs.
Stronger and more accountable leadership	X Leadership would continue as is, with **no change to democratic accountability**.	✓ Simplified leadership structure will result in stronger representation, with **faster** and **more holistic decision-making**.	✓ Having unitaries which cover different areas may empower leaders to shape services related to the experience and identity of their respective residents.
Sustainability in the short and long-term	X Inability to **join up duplicated services** and realise economies of scale, which is unsustainable.	✓✓ Potential future opportunities for the **devolution of powers** and additional resources into Warwickshire.	X Multiple voices with reduced bargaining power and influence at a local, regional and national level, which is confusing to both residents and businesses. This results in two small unitaries lacking **viability** and **financial resilience**.
Command a good deal of local support	X Lack of a **unified voice** for all of Warwickshire and consequent inability to attract resources to the County.	✓ Creation of a **single, unified voice** gives us greater influence to attract investment and support business growth, whilst being more effective in representing our people and place on a **local**, **regional** and **national** level.	✓ Given the diversity of the North and South, some residents may feel better represented by a more local government. Nonetheless, this may create further division among economic and social lines, reinforcing **disparity** and **differences in identity**.
Credible geography for proposed new structures	X Preserves current geography but **does not involve establishing a new structure** so cannot be seen to meet the criteria.	✓ Current population of c.578,000 is in line with the expectation that new unitaries should "**be substantially in excess of 300,000 - 400,000**".	X Population of the North and South would be 304,100 and 273,900 respectively, meaning neither unitary will comply with the **anticipated viable size** as set out in ministerial statements, both now and in the longer-term.

National analysis of the risks of disaggregation of county-wide services

A recent County Councils Network (CCN) report[1] produced with support from PWC highlighted the significant risks of disaggregating county-wide services, setting out implications in a number of areas: costs and benefits or reorganisation; risk, resilience, performance, place and the recovery and learning from COVID-19.

Theme	Key points
Cost and savings	• Increased size provides greater opportunity for economies of scale. The analysis reflect the costs and benefits set out in this case for change, with basic 'reorganisation' benefits of single unitary councils across all 25 counties triple the equivalent benefits if each area were split into two or more unitaries. • The report also highlights further opportunities for transformation; based on experience of previous rounds of reorganisation, the process can also serve as a catalyst for transformation with potential transformation benefits that could be much higher than those associated with reorganisation alone. • The process of disaggregation of county-wide or strategic services (such as children's services) has the potential to duplicate effort in key areas such as leadership, service delivery and in democratic structures.
Risk and resilience	• Disaggregation will create increased competition for senior management talent, in a market which is in many cases struggling to attract talent. • Disaggregation could favour one newly created authority over the other in terms of distributing the experiences and knowledge of key individuals. • Increased scale offers the potential for a systemwide approach to market management. Disaggregation introduces additional parties into the system which could create a competitive environment for providers, potentially creating instability in care markets and impacting the quality of commissioning. • More fragmentation within the system can increase the likelihood of delays or errors which can pose significant safeguarding challenges and risks. • Disaggregation can cause fragmentation of strategic oversight, increasing complexity within the system; smaller functions may require further investment to ensure they can remain operational and could create an additional layer of complexity and governance arrangements creating more interaction points. • Creates a short-term distraction in terms of the process of disaggregating services but potentially longer-term disruption in terms of diluting high performing teams, attracting, and retaining talent into essential roles. • The implementation of alternative models of delivery can avoid some of the risks of disaggregating services, but financial costs and risks to service delivery through additional handoffs and loss of political influence could be significant. There is no evidence the implementation of these types of models can lead to an immediate improvement in service outcomes.

[1] _Evaluating the importance of scale in proposals for local government reorganisation_, County Councils Network Report, August 2020

National analysis of the risks of disaggregation of county-wide services

Theme	Key points
Performance	• Increased scale can help facilitate improvements in performance through service integration, coterminous boundaries, simpler governance arrangements and increased resilience to maintain consistent performance in times of external disruption. • Integration and partnership working can be much more effective when it takes place along coterminous boundaries and at scale. • Disaggregation has the potential to cause disruption and distraction, setting back efforts towards wider integration. • Increased scale allows for coterminosity with strategic partners as well as increased likelihood of a single point of contract for interacting with central government.
Place shaping	• When implemented well, planning at a large scale can enable effective place-shaping as key strategic decisions can be implemented more efficiently, for example housing and infrastructure development. • Disaggregation has the potential to restrict areas of high housing growth at a time when new delivery expectations are being placed on councils. • The interaction between proposed reforms to planning policy and housing delivery, and its relationship with scale and reorganisation, need detailed consideration. • Disaggregation can create and concentrate economic disparities between new administrative boundaries, the implications of which need to be considered in any options appraisal exercise. • Benefits of strategic growth can be maximised when delivered at scale across a wider geographical footprint covering areas of low and high growth, with a stronger single voice creating a more attractive proposition for investors.
COVID-19	• Scale increases councils' resilience to financial shocks ensuring they are more likely to be able to maintain service delivery in times of crisis. • Disaggregation significantly reduces the potential for reorganisation to meet pre-existing funding shortfalls and contribute towards service sustainability over the next five years. • Disaggregation could create an environment where one new authority benefits disproportionality from increased funding and income streams compared to the other(s). • The Covid-19 impact on council income streams could create further sustainability challenges when disaggregating income streams and considering the implications of council tax harmonisation in all scenarios. • In response to crisis, increased scale can support a clear, coherent voice in mobilising a response. Disaggregating authorities could place disproportionate pressure on the newly created unitaries depending on the geography and size of the new organisation. • Increased scale does not necessarily mean a disconnection from communities, although to ensure that the community voice is heard, local governance structures need to give appropriate consideration to the options appraisal and design phases of reorganisation.

Local risks of disaggregation

Disaggregating County-wide services poses real risk to the people of Warwickshire. This would be most profound in safeguarding vulnerable children and adults and improving their life opportunities. Effective safeguarding relies on strong partnership working between Adults and Children's Social Care, Education, Police and Health commissioners and providers. Dividing social care, such as by fragmenting Children's Services across the County would **increase complexity for professionals** and i**ncrease risk for the most vulnerable**. This would erode and undermine the progress the County Council and strategic partners are making towards a single education and social care provider, a single countywide community health provider, a single health commissioner and our existing countywide Police Force and Fire and Rescue Service.

The effective response to COVID-19 in Warwickshire schools, including supporting vulnerable children, has been made possible by **close working between social care and education**, integrated within a single, countywide organisation, supported by the capacity and expertise possible within a countywide public health service.

Children with Special Educational Needs and Disabilities and their families are faced with a variety of complicated relationships with different agencies. Close working between social care and education, interfacing with a single voice with health services, is vital to **ensure that that they receive the support they need** and can access those opportunities which are so important for their life chances. The transition from Children's to Adult Services is a particularly complex time for these families and the close relationship between Children's Services and Adult Social Care helps to mitigate these challenges.

Adult Social Care, operating at scale, can offer both generic localised services, such as support for older people, alongside specialised teams in areas such as mental health and learning disabilities, providing individuals with the expertise they deserve. **Disaggregating Social Care and creating smaller services would inevitably lead to a loss of expertise.**

Changing people's lives for the better is complex. Warwickshire has already committed to an integrated health and care system with countywide health and care commissioning, supported by localised delivery. Dividing the County Children's Services or separating Children's Services from Adults' **will make integration more complex and put these developments at risk.**

The ability to bring Social Care, Education and Housing together on the same geography with the local health economy, to tackle these issues earlier and more effectively, requires both scale, integration and enhanced ability to work in partnership with NHS providers, the Police and Local Enterprise Partnership, all of which have key roles in improving the life chances of vulnerable people.

The main financial pressures facing the County Council reflect the impact of these complex issues around Looked After Children, adults with learning disabilities and Special Educational Needs and Disabilities. **Disaggregation would increase costs and duplication, threaten key safeguarding responsibilities and create an unnecessarily fragmented and duplicated system.**

Indisputably, there are strong moral, social and service imperatives to **keep these major services together**, as well as significant financial drivers to avoid having more than one statutory Director of Children's Services, Director of Adult Social Services and Director of Public Health, and other duplicated roles and structures throughout these major services.

There would also be significant challenges and cost in disaggregating other countywide services such as Highways, Economic Development, Libraries, Planning and Strategic Waste services.

Selecting the preferred option

A single unitary is the <u>best</u> way forward for Warwickshire

While the other options offer some positive outcomes, Warwickshire will see the most transformative benefits through **forming a single unitary:**

£22.1 - £80.6 million estimated annual savings* ranging from reorganisation to full transformation

Single, unified voice with greater influence and ability to attract investment

Fully integrated service delivery across the County

Long-term sustainability and potential to further develop our relationship with the West Midlands Combined Authority

Reducing from 248 councillors to 80 - 100, meaning quicker decisions, lower cost and clearer accountability

Single point of contact for residents, business, partners and Government, streamlining the user experience

Single Unitary Warwickshire Authority

Further detail on the Warwickshire single unitary proposition and offer to Government can be found in the next section.

*financial savings are further explored in Section 5.

4

Our Proposition

Warwickshire continues to attract burgeoning new economies and is also home to computer games manufacturer Codemasters and many games design companies in the South Warwickshire area dubbed 'Silicon Spa'.

Our unitary model

A single unitary authority for Warwickshire delivering better outcomes, better services, and better opportunities both now, and for our future generations.

Priorities for a Warwickshire Unitary Authority

- Our **economy** will be fit for the future - greener, sustainable, more productive and built on partnership working.
- Our **future growth** will be accelerated through a strategic and integrated approach to planning, transport and economic growth, based on a low carbon mode
- Our **children** will be given the best possible start in life, with equal opportunities whatever their background.
- Our **vulnerable** citizens will be supported quickly and efficiently to maintain their independence and improve their outcomes.
- Our **communities** will be safer, healthier, greener, inclusive and built on trust.
- Our **services** will be easy-to-access, holistic, innovative and digitally-enabled, so that our people quickly know how to find the support they need.
- Our **partners** will be valued and local.
- Our **transport** will be greener, efficient and fit-for-purpose.
- Our **people** will be empowered to take responsibility for their own health and wellbeing, communities and **making Warwickshire the best it can possibly be.**

...by drawing upon the **latest technologies** to streamline service delivery	...by having credible, **accountable** leadership visible to all and speaking with one voice
...by improving the **customer experience** at first point of contact and **maximising synergies between services**	...by strengthening relationships with **partners** and **businesses**

How will we do it?

...by intelligent, excellent **commissioning** and **delivery**

Our model for a single unitary operating model

Our Residents

Customer Services
Single point of contact
Simple, flexible and responsive services

Services
Strategic, focusing on prevention, across the County and within individual localities

County-wide Support functions
HR and Training
Finance and Procurement
ICT, Property and Legal
Business Support
Policy and Change Management

Underpinned by...

Data sharing and predictive analytics	Technology and digital	Standardised and simplified processes county-wide	Collaborative partnerships	Consistent services tailored locally

The benefits of a unitary authority

pwc

Establishing a unitary council for the whole of Warwickshire will facilitate the transformation of service provision across the county and support a more ambitious approach to economic development, place-shaping, integration of the health and social care system, and addressing climate change. It will be a step towards securing the devolution of additional powers and resource, further enhancing Warwickshire's future and enabling more to be delivered for local people and a lower cost overall. Our proposition will deliver:

● clearer accountability and transparency for citizens through stronger local leadership

● rapid improvement in outcomes for citizens with more effective commissioning and joined-up service provision, enabled by the greater scale of a single unitary

● a stronger financial position through scale benefits and greater efficiency, creating a more sustainable Council in the long-term; and

● empowerment of local places and local governance to improve speed and quality of decision-making at the right spatial levels

Single Unitary Warwickshire Authority

The key strengths of our proposition are:

A powerful economy able to drive recovery through strengths in key sectors: Warwickshire is one of the UK's most dynamic and fast-growing economies, ideally placed to drive future growth locally, regionally and nationally. Our total economic output (GVA) is **£19.5 billion**, the second largest in the Midlands and with growth of 65% between 2009-2018, one of the fastest growing in the Country. A single unitary will enable a coherent, integrated approach, combining the key levers of growth and providing the scale to seize opportunities presented through devolution. We will drive Warwickshire forward to be one of the best performing economic areas in England.

A track record of attracting inward investment and delivering major infrastructure at pace: The Coventry and Warwickshire functional economic geography has led the way attracting direct foreign investment with one of the top three performing LEPs in the Country. The County has an outstanding track record of delivering major infrastructure and our offer and attractiveness to investors will be significantly enhanced by a unitary Warwickshire able to utilise its enhanced levers of strategic economic growth in a singular and focused way, balanced with local tailoring and targeted investment where beneficial.

High potential for connecting local recovery with levelling up: Significant variation within Warwickshire provides a great opportunity to level up and tackle inequalities. This will be best delivered through a single Council able to make fast and agile decisions that drive skills, employment growth and reduce inequalities. Devolution to a single, unitary Council will allow a more targeted, strategic approach to level up, building on a strong approach to employability, skills and careers. Our increased investment capability, borrowing power and risk appetite will allow us to attract greater inward investment and grow our regional economy in a fair and more balanced way across the County.

Commitment to create a new, innovative model of local government: Developing a responsive local governance model which empowers communities and devolves powers is critical to our proposition. We will develop a model of local engagement jointly with stakeholders, based on key principles, building on the foundations of our existing Joint Strategic Needs Assessment geography of populations of c.30,000 to ensure decision-making is accelerated and powers are aligned to and supportive of local needs.

Financial resilience, enabling ambitious investment and innovation Estimated annual reorganisation savings of a minimum of £22 million from a single unitary Council could rise through transformation to a basic £54 million and stretch case transformation of up to £81 million. This will provide capacity for investment in communities and businesses. Greater efficiency and integration will improve outcomes and reduce costs as a result of the transformational opportunity of unitary governance, all enabled by investment in digital and data to transform key services through predictive analytics, automation and early intervention. Our increased scale and strong balance sheet will allow a greater risk appetite for investing in our infrastructure, towns, rural areas and communities.

Benefits of alignment and integration of previous two-tier services: the scale required for successful delivery of larger service areas will result in greater efficiency and improved outcomes for residents. Rationalising services provided by current councils will deliver accelerated outcomes and improved value for money. Tax payers will see clear benefits in what they get for their money.

Stronger sense of place and more accountable leadership

In considering whether or not local government reform will improve accountability in Warwickshire, we have taken the following issues into account:
- the opportunity to deliver stronger strategic leadership across Warwickshire;
- the importance of local and community leadership; and
- the role that reorganisation will play in supporting clearer decision making.

Place	System
Warwickshire needs dynamic, passionate and agile leadership to deliver its future ambitions. Reorganisation will provide the senior leaders of the new Council with a **stronger voice and greater influence at a regional and national level** - further amplifying Warwickshire's existing role within the West Midlands Combined Authority. At the same time as having greater resources and influence, we can put more power in the hands of local people and communities via "double devolution". We can become a beacon of modern, effective and high impact public services powering growth, building homes and infrastructure, supporting people to have better, healthier lives and genuinely delivering value, thereby saving significant amounts of taxpayers' money.	One of the challenges of the two-tier model is that lines of accountability can be unclear and confusing. We have an opportunity to establish a new Council with clearer and stronger accountability in delivering for citizens. In Warwickshire, political leaders face a series of tensions and complex delivery issues, made more difficult by the fact that they are being overseen by six councils. The complexity and cost associated with this arrangement pose issues for the Warwickshire Councils in making the most of the opportunities presented and the issues that they must tackle. The complex structure also creates 'failure demand' with people contacting the wrong Council as they do not understand how the two tiers operate. A single point of contact and accountability will address many of these challenges.

We have looked at democratic arrangements and considered how this might change in the case of options two and three. Set out below in the first table is a simple presentation of the total number of councillors across the current local authorities in Warwickshire.

The number of councillors in any unitary arrangement will change from the current position. A move to a single unitary authority will result in roughly 80 - 100 members. However, this is an assumption and **any democratic changes will be made as a consequence of a Full Business Case being developed and an independent boundary review.**

Current number of councillors in Warwickshire	
Authority	**Number of councillors**
Warwickshire County Council	57
North Warwickshire	35
Nuneaton and Bedworth	34
Rugby	42
Stratford on Avon	36
Warwick	44
Total	**248**

Accelerating outcomes through one unitary

Moving to a single unitary will enable us to bring together key services and our partners in order to deliver a set of outcomes for our places.

The Future Warwickshire - bringing together the Coventry and Warwickshire LEP, skills and our Universities

Warwickshire launchpad

- Top performing Local Enterprise Partnership for growth over the last decade and strong track record of levelling up economic growth and employment
- Strong links into further and higher education with two excellent universities
- Countywide skills strategy
- Strong local business networks across the County
- Strong presence of key employers, including JLR, BMW, Sega, Aldi, National Grid and Telent
- Diversity of sectors, such as Digital Creative in 'Silicon Spa'; rail technology in South Warwickshire; logistics across the North of the County

Accelerated outcomes

- Greater scale and powers to accelerate our economic growth potential – combining and fully utilising all the levers for growth to build on our economic strengths, level up by matching the performance in the South East, and become a major driver of growth regionally and nationally
- One voice – Convene the power of our anchor institutions to speak with one voice for the County on a national and international stage
- Super local - Build on local clusters of business and link up education to support skills, local talent, careers and employability for all, informed by proposed Local Place Boards

✔ **Faster** ✔ **Simpler** ✔ **Better** ✔ **Cheaper**

A Connected Warwickshire - bringing together Planning, Highways and Housing

Warwickshire launchpad

- Shared commitment to coordinated spatial plan – making the best of two-tier limitations
- 85% of our residents live and work in the Coventry and Warwickshire functional economic geography.
- Our business and supply chains are deeply interconnected across the County
- We are a top performing highway maintenance service
- New Countywide Local Transport Plan being developed
- Proposed Warwickshire Property and Development Company and a proposed new collaboration with Homes England to unlock ten major regeneration schemes

Accelerated outcomes

- Invest more in electric vehicles, cycling infrastructure, highways, parking and public transportation
- Better, faster planning – scale and reach to accelerate planning via Single Local Plan driving inclusive growth, linking housing, economic development and employment growth
- Greater powers to drive growth – opportunity to integrate place shaping and local growth activity
- Voice and influence – strength of single voice for Warwickshire can drive faster growth at a regional, county and local level, and make seamless connections with the wider West Midlands transport network
- Greater scale - deliver new affordable housing faster and at scale within a single local plan, and achieve synergies between place shaping, housing, health, economy and improving the lives of vulnerable people
- Connectivity - the scale and reach of a single unitary will allow to accelerate the development of the full fibre and mobile networks (including 5G), particularly in rural communities, as well as increasingly using digital and data to support Council services to business and communities

✔ **Simpler** ✔ **Scale** ✔ **Smarter**

Accelerating outcomes through one unitary

Moving to a single unitary will enable us to bring together key services and our partners in order to deliver a set of outcomes for our places.

A Greener Warwickshire - bringing together Climate, Waste and Healthy Spaces

Warwickshire launchpad

- Climate change emergency declared by all six Councils and a shared priority for recovery
- Warwickshire Waste Partnership bringing together all Councils
- We currently ensure 100% use of green electricity at an affordable price, and invest in renewable energy generation for our own use and for Warwickshire.
- £8.4m investment in new cycle schemes (£6.5m WCC funding. £1.9m Getting Building Fund)
- Investment in cycling and sustainable transport
- Delivery is complex and fragmented leading to postcode inconsistencies e.g. on charging for green waste

✔ **Scale** ✔ **Pace**

Accelerated outcomes

- Simpler structure for tackling climate change action and measuring carbon reduction performance
- One voice - influence our business community and supply chain to move to a low carbon economy
- Control of all of the levers to address climate change will enable a more strategic, ambitious and integrated approach, including air quality, active travel and creating a greener fleet
- Driving countywide climate change standards - central to housing, infrastructure, transport, regeneration, capital programme and house building
- Locality and community focus - speaking with one voice on climate change could be embedded in the Local Place Boards to engage communities in delivering local change/impact
- Scale and service redesign - create a single waste service with a strong focus on implementing the new resources and waste strategy and minimising climate impacts. This will deliver increased recycling and composting and minimise costs
- Accelerate the delivery of our electric vehicle charging infrastructure, fully integrated across on and off-street parking, and embedded within a single planning policy framework
- Our transport plans and infrastructure will maximise walking and cycling and ensure places, especially town centres, are enjoyable public spaces that people want to visit
- A single, rationalised estate of public buildings that are fit for purpose, efficient, carbon neutral and maintain a local, community presence.
- A planning system that ensures the same rigorous environmental criteria are applied fairly and equally across the whole county to ensure all development is designed and constructed to meet high environmental standards to reduce its carbon emissions and ensure biodiversity net gain
- Targeted support to accelerate the growth of the low carbon economy, helping existing businesses transition and support growth in new opportunity areas through proactive business support

A fairer Warwickshire - bringing together skills, education and housing

Warwickshire launchpad

- Inequalities well-understood through Joint Strategic Needs Assessment at place level (30,000 populations)
- Inequalities well-understood at county level, and have been highlighted by COVID-19
- Vibrant Voluntary and Community Sector, and opportunity to build on learning from shielding and COVID-19 volunteering and social action
- Targeted investment in place e.g. Transforming Nuneaton
- SEND and Inclusion strategy and transformation programme underway
- Targeted employment support for people with learning disabilities and mental health needs

Accelerated outcomes

- Flexible framework of community devolution will empower communities, voluntary, community and mutual aid groups
- Delivering £2.4bn benefit by levelling up opportunity across the county by tackling the health, economic and social inequalities affecting different sections of our communities
- Scale of single unitary will allow major regeneration and investment to maximise opportunities and quality of life for all
- Holistic approach to investment in community capacity, infrastructure and strategic engagement with our Voluntary and Community Sector to reduce financial exclusion, poverty, skills gaps and digital exclusion
- Maximising innovation and impact though creative commissioning for early intervention and prevention on complex, cross-cutting issues like troubled families
- More holistic approach to achieving outcomes for children and young people with SEND and progress to an integrated, all-age disability support offer

✔ **Targeted** ✔ **Scale** ✔ **Smarter**

32

Accelerating outcomes through one unitary

Moving to a single unitary will enable us to bring together key services and our partners in order to deliver a set of outcomes for our places.

A Healthier Warwickshire - bringing together Public Health, Leisure, Social Care and Housing

Warwickshire launchpad

- Strong Coventry and Warwickshire partnership structures. Agreed health and wellbeing priorities
- 22 place based joint strategic needs assessments informing planning around resident not organisational needs; but organisational barriers mean levers of better health and care outcomes are fragmented
- Our population is growing; ageing; becoming more diverse and generally considered healthy. But there is variation in health and care outcomes between genders, ethnic groups and communities.
- Consistent and strong performance and outcomes in Adult Social Care
- Improving Children and Family Services with transformation programme underway.
- Coterminosity of social care and health providers as anchor institutions.
- Integrated commissioning and delivery arrangements with Health, with pooled funds, at county and sub-regional level.
- Coventry, Solihull, Warwickshire Test and Trace Beacon shows strength of countywide and sub-regional health

Accelerated outcomes

- Move to population health management approach and integrated system intelligence cell
- Expand the range and impact of public health interventions, notably, to reduce smoking, teenage pregnancy, obesity and childhood accidents.
- Integrate planning, leisure and housing with education, social care and health to commission, design and deliver more efficient support that gives Warwickshire children the best start in life and enables people to be mentally and emotionally resilient, connected to their communities and as independent as possible.
- Enhance our housing with a care support offer
- New integrated platform to tackle poverty
- One local government voice at regional, sub-regional, county and place level
- Establish an Integrated Care System for Coventry and Warwickshire from 2021
- Alignment to plans for a single Clinical Commissioning Group (CCG) as strategic commissioner for Coventry and Warwickshire and mixed economy of delivery of statutory health and care services at system, county and place level

✔ **Faster** ✔ **Simpler** ✔ **Smarter**

A Safer Warwickshire - bringing together Environmental Health, Trading Standards and Fire

Warwickshire launchpad

- County Fire Service integrated and supports Council priorities on health, well-being, community and business support
- Longstanding, embedded Blue Light collaboration supports community safety
- Coventry, Solihull and Warwickshire Resilience and Emergency Planning team operates across Coventry, Solihull and Warwickshire and has played a key role in the COVID-19 Pandemic.

Accelerated outcomes

- Ability to better coordinate support to protect vulnerable people
- Improved business support by joining up all regulatory services – Environmental Health, Trading Standards, Licensing and Fire Safety
- Stronger single voice and influence, working with Police and Crime Commissioner and Community Safety Partnerships
- Tighter operational alignment between Blue Light services and links to community safety partnerships

✔ **Smarter** ✔ **Seamless**

Improved value for money through a single unitary

Why does value for money matter?

There are urgent financial pressures across the local government sector and within Warwickshire. This is even more profound due to the combined impact of COVID-19 on the economy and public finances, and after 10 years of austerity. Warwickshire Councils all have different financial positions and pressures but share a challenging future. Whilst the County Council's financial position, resilience and sustainability is relatively strong, the current situation is extremely volatile and uncertain, particularly for the District and Borough Councils who are more exposed to loss of income. Collectively, we must move quickly to mitigate the impact.

Reorganisation to a single unitary delivers the greatest service efficiencies and economies of scale, removing duplication of services. It means local government will represent improved value for money to our citizens. Public services have a duty to provide value for money to the taxpayer. Improved value for money will allow reinvestment in services across Warwickshire, ensuring greater sustainability of service levels and minimising increases in tax.

The importance of value for money to the public finances has been heightened by new pressures all councils are experiencing. The costs and reduction in income streams and limited tax base increases resulting from COVID-19 also mean existing planned savings are likely to be compromised. More significantly, the economic, social and environmental impacts of COVID-19 are likely to further increase demand. During the Pandemic, councils have spent hundreds of millions of pounds more than expected on social care, Personal Protective Equipment and our service providers, housing rough sleepers, and supplying emergency food packages, while losing revenue from fees, charges and tax, among others. We welcome Government COVID-19 grant funding, which has reduced the funding gap yet been insufficient to fully close it.

In addition, significant predicted losses in Council Tax and business rate income are expected to cause large deficits in collection, impacting on 2021/22 budgets and beyond.

These increased pressures serve to heighten the imperative, moral and service-driven, to improve value for money, deliver more effectively, efficiently and economically, to sustain the services and investments that matter most to our citizens, and make Warwickshire a better place to live, work and do business.

A single unitary improves value for money

We know that the two-tier system is inefficient and duplicative, and a single unitary is an important opportunity to deliver improved economy, efficiency and effectiveness in services across Warwickshire:

Value for Money Category	Specific opportunities to deliver improved value for money
Economy *Doing things cheaper*	• Increased purchasing power and ability to achieve contract management savings • A need for fewer councillors and senior managers, smaller support functions, fewer offices and IT systems than the current set of organisations • Investment in digital, data and infrastructure will be cheaper on a wider scale, saving money in the long-term.
Efficiency *Doing more for the same or for less*	• Improved administrative, business support and other support services, digitising manual and time-consuming activities at scale • Providing central support functions where we could collectively save £8.2 million if we achieved median unitary costs per resident • Rationalise services currently provided at both County and District/Borough level, such as waste, and planning where responsibilities are split across the two-tier model
Effectiveness *Doing things better*	• Ultimately, saving money through early intervention and getting things right for individuals and communities at the earliest opportunity, more often; the 'holy grail' for public service is preventing future, long-term demand and reducing the costs of systemic failure; we have seen savings already by helping people live more independently; a side product has been a reduction in delayed transfers of care • Reduce failure demand in customer service through a single point of access and accountability for service provision and a more holistic, joined-up service • Bring together Adult Social Care and Housing to create a holistic approach to complex issues, including homelessness, mental health, unstable accommodation, joblessness, saving money in the long-term through early, life-changing intervention across the complex range of needs • Bring together Public Health, Leisure and Social Care to reduce demand on the overall care system by improving wider determinants of Health and early years outcomes, and more effectively tackling obesity • Having the ability to take a strategic approach to innovation, for example supporting troubled families, and applying 'what works' on a broader scale, informed by predictive data and analytics.

Double devolution - empowering local communities

Warwickshire is not a homogenous place; it is a rich combination of very different places and communities. A key opportunity presented by a single, larger Council will be balancing strategic reach, scale and influence with a flexible model to empower local communities and places. We have strong ambitions to embed 'double devolution' in local communities, building on and enhancing our vibrant Voluntary and Community Sector, as a foundation of a new unitary Council.

The new Council will build on the strengths of our different places, cultures and heritage. It will be designed both to get the big decisions right for the whole of Warwickshire, whilst enabling communities and individuals to control and shape their local places, supported by the community leadership of their local elected councillors. This in turn will inform and shape countywide approaches, drive performance and service improvement, improved commissioning and secure better value for money.

> Our vision is based upon empowering local communities, devolving appropriate powers and resources to them, just as we want a unitary council to secure extra powers and resources for Warwickshire. This will allow the right decisions to be taken at the right level, by the right people, and in a way that increases transparency and local accountability informing countywide priorities and activity.

The approach to local devolution must be developed carefully in collaboration with communities, Town and Parish Councils, community-based voluntary and mutual aid groups, partners and elected councillors, working towards a model where local arrangements are aligned with electoral divisional boundaries wherever possible. We will build a collaborative structure based on broad principles which will empower local places and influence the county's future priorities:

1. **Empower local communities with choices about devolving funding, decision-making and assets:** We know from national surveys and local insight that Town and Parish Councils want more power, influence and authority. We intend to extend the coverage and role of Town and Parish Councils across the whole County and will offer a flexible menu of options for Town and Parish Councils to take on responsibility for local services, budgets and assets.

2. **Give voice to local places, their identities and priorities:** We plan to establish a Countywide network of Local Place Boards, involving local members, partners and stakeholders, to interface with the Council on behalf of neighbourhoods, communities and Town and Parish Councils on key issues and functions, with direct links to Council members and senior officers to ensure effective connections are 'designed in'. They will cover populations of around 30,000 on average but with significant flexibility to reflect local places, aligning as far as possible with ward, health and Community Safety Partnership geographies. They will focus on place-based issues, drive growth, identify solutions for local challenges and help share learning across the County through scrutiny of performance and local service delivery, enhancing the work of the Coventry and Warwickshire Place Forum, Health and Wellbeing Board, three place-based Health and Care Partnerships, Community Safety Partnerships and the work of Overview and Scrutiny Committees. This network of Local Place Boards will also enable communities to actively engage at a local level in other key cross cutting issues such as climate change and air quality.

3. **Make decisions at the right spatial levels:** We know that there is a real opportunity for greater localism by devolving decision making to Town and Parish Councils and giving a local voice to communities through Local Place Boards. We also recognise that there are some decisions which will be better made at a different spatial level to bridge the gap between very local and countywide decisions. Our intention will be to establish area based committees, the geographies of which we will design with local communities. These formal Committees of the Council will allow for decision making on issues such as planning, where having Committees with a larger geographical footprint will bring the benefits of area-based planning policies and the opportunities for the Government's new planning White Paper, recognising that Warwickshire is not homogenous.

4. **Build community capacity:** Investing in social capital will help level up in the most disadvantaged communities, by addressing financial inclusion, food poverty and digital exclusion. The new Council will use data and insight to allow commissioners to understand need in real time, and work with voluntary, community and statutory services on early intervention, prevention and strengths-based approaches to improve outcomes and value for money. The Council will invest in community capacity and infrastructure, creating conditions for volunteering, community and mutual aid groups to flourish, and take a strategic approach to training local councillors and encouraging more local people to stand for local office.

5. **Create a culture of community innovation and collaboration:** Innovation will be a core competence for staff of the new Council, to drive social enterprise, innovation in local service delivery and applying successful innovations at pace and scale across the County; we will integrate our offer to communities and citizens, digitally and in terms of multi-purpose community assets based around our libraries, fire stations, and community buildings, working collaboratively with partners such as the NHS where possible; we will ensure our staff understand what Voluntary and Community Sector services are available and how to refer people to them, and use digital technology to support volunteering, community groups and help people access the support they need.

Double devolution – case studies

'Double devolution' is a fundamental principle underpinning the case for a single unitary, empowering local communities. There is much that can be learned from other areas' experiences.

A key focus now is to develop the more detailed double devolution framework right and making it sufficiently dynamic and flexible to meet all local circumstances. This will be taken forward through deep engagement with Town and Parish Councils, District and Borough councils, voluntary and community groups, NHS and other public service partners, businesses and residents.

The following brief case studies how other Local Authority areas, which are at different stages of the double devolution journey, have made progress. They illustrate how local ambition can be supported through devolution without creating a one size fits all approach.

Wiltshire

Wiltshire Area Boards (18 in total) exist as a way of working with communities to make sure that decisions are made that support local people. Meetings take place regularly, with residents, council staff and councillors with local community engagement managers facilitating the discussion. Local issues are discussed and solutions are found which suit and benefit that population. They are able to provide small grants and funding to local community groups to support local issues.

The Area Boards are part of a wider framework of devolution which makes use of provision for neighbourhood and community planning to complement wider council planning, right to challenge bids for Parish and Town councils to run existing council services, the right to bid for community assets and community area transport groups.

Cornwall

19 community networks were set up to serve as main communication channels between communities and address any local issues; their purpose was to: support the wellbeing and place strategy for the local area, prioritise services and the best way to deliver those to the residents, and build relationships between the people and the organisations working within the community.

Cornwall has a well-established framework for Town and Parish Councils and Community Groups to have an increased role in service delivery. They can work with the Council at the level that best suits them. There is a range of options, from service and contract monitoring to taking responsibility for delivering local services and assets. Examples of assets and services that have been devolved include, car parks, grass cutting, management of a leisure centre and a charitable trust which has developed youth services.

Buckinghamshire

The new council is setting up 16 community boards which aim to influence local councillors, partners and community members to come together and collaborate to solve important issues within their area. The committee will meet five times a year, with councillors sitting on their local board and citizens having an active role in decision making. The council plans to allocate £3.9m to community boards to support local projects. As part of the devolution offer Buckinghamshire are also running place-based devolution pilots with expressions of interest open to organisations including Parish and Town councils, charitable organisations and Community Interest Companies.

Durham

Durham enables its Town and Parish Councils, and neighbourhoods to have their own plans to deliver their local priorities through the creation of 14 Area Action Partnerships. This has been recognised nationally and internationally as an example of strong and effective localism.

The Area Action Partnerships Forum meets twice a year and priorities are determined on a thematic basis. Business is then driven by 14 Area Boards that meet 6 times per year to discuss progress against the Area Action Plan, manage spending and work with local partners around issues. Each Board is made up of elected members from organisations such as the Council, Town and Parish Councils, and health, police, fire, community and voluntary groups, and the public.

A Charter is in place setting out the rights, roles and responsibilities of the unitary Council and the Town and Parish Councils, so there is clarity of expectation and a framework for positive and dynamic relationships between all councils. The County Council supports local councils seeking 'quality' status and devolves powers and functions to those with the capacity and business case.

Operating a single unitary - representing the people

Currently there are 248 councillors representing Warwickshire across the District, Borough and County functions. Those councillors represent a total voting-size for Warwickshire of **438,320** (a ratio of 1,767 electors per councillor). The ratio of councillors to electors is set out in the table below. Note: all ratios in this section are based on the total electorate size of Warwickshire, not total population.

Number of electors taken from Electoral statistics for the UK, ONS. May 2020

Area	No. of councillors	Electorate numbers	Ratio (electors per councillor)
North Warwickshire	35	49,071	1,402
Nuneaton and Bedworth	34	98,328	2,892
Rugby	42	80,584	1,919
Stratford on Avon	36	101,312	2,814
Warwick	44	109,025	2,478
Warwickshire	57	438,320	7,690

New electoral arrangements will be put in place for a single unitary Council in Warwickshire. An independent review by the Boundary Commission will be undertaken to determine the most appropriate number of councillors for a single unitary area. The Boundary Commission will decide how many councillors should be elected to the new Council. In doing so it will aim to recommend that each councillor represents approximately the same number of voters and that the divisional boundaries reflect the interests and identities of local communities as well as promoting effective local government.

Without making any presumptions as to the outcome of the Boundary Commission review, it is anticipated that the number of councillors for a new unitary Warwickshire will fall within the range of 80 - 100. This will produce a ratio in the range of 1 councillor per 1:5,479 (80 councillors), 1:4,870 (90 councillors) or 1:4,383 electors (100 councillors). That compares with 1:3,924 in Wiltshire and 1:3,677 in Northumberland.

In several other areas where a move to a unitary Council has been implemented there has been a doubling up of councillors for each county electoral division prior to the undertaking of the boundary review. This approach if undertaken in Warwickshire would result in 114 councillors as a transitional arrangement pending the outcome and implementation of the Boundary Commission review and subsequent election arrangements. A transitional arrangement of 114 councillors would result in a ratio of 1 councillor per 3,845 electors.

Whatever the ultimate outcome of the review, it is envisaged that the number of councillors for Warwickshire will reduce whilst still maintaining effective levels of representation, being comparable to the ratios of representation for other unitary areas. In addition, it would result in;

- greater clarity for the public with one councillor per ward representing all local government service delivery for that area;
- simplicity and efficiency in the running of a single set of elections every four years which will replace the varying election cycles that currently exist within the County; and
- financial savings from a reduction in member allowances and rationalisation of the election cycles.

Operating a single unitary - accountable leadership, effective governance and connectivity

Providing accountable leadership

Five of the six councils in Warwickshire operate a 'Cabinet and Leader' model as provided for in the Local Government Act 2000. North Warwickshire's population size allows it to operate under 'alternative arrangements' and has elected to do so, adopting a committee style governance structure.

Continuing with the prevailing model of Cabinet and Leader for a single unitary Warwickshire will ensure efficiency, transparency and accountability of decision making. There will be a clearly and identified separate executive to give strategic leadership and clarity of decision making, ensuring that decision makers are readily identified by the public, and that they can be held to account in public by overview and scrutiny committees. The Leader and Cabinet will have the ability to engage with partners, neighbouring authorities and the West Midlands Combined Authority on an equal footing, speaking with one voice for the whole county, achieving parity of leadership status for the whole of Warwickshire, relative to Coventry and Solihull.

The size of any new Cabinet will need to be determined as part of the transitional arrangements. Adopting this model for a new Council will see the appointment of a Leader and up to 9 Cabinet members. The composition of the Cabinet portfolios will be a matter for the new executive leadership and will provide an opportunity for services to be brought together under a single portfolio lead in a way which makes sense to local residents and is easy to understand. The reconfiguration of portfolios will also provide a clear focus on the ambition of the new Council and how it will deliver for Warwickshire.

Delivering effective governance

All councillors will have important roles, acting together in the full council, or as members of the cabinet or other non executive Council committees such as overview and scrutiny committees, regulatory committees and committees dealing with staff, audit and standards matters.

Local members will play a pivotal role, connecting the countywide single unitary Council to local communities and local people, supported by dedicated senior officers to ensure proper alignment and connection with local places.

People will know who is responsible for decisions, and communities will have a clear focus for leadership. Decisions will be scrutinised in public, and those who take and implement them will be held to account publicly on performance.

The exact detail of the new unitary Council's governance arrangements and committee structure will be set out in a new Council constitution.

Connecting across the region

Warwickshire is uniquely positioned in terms of its functional economic geography, aligning closely with Coventry and extending its reach in terms of wider economic prosperity into the West Midlands conurbation.

We enjoy strong sub-regional working relations with our neighbouring authorities of Coventry and Solihull, consolidated over many years; relationships which have only been enhanced and strengthened through our joint response to the COVID-19 Pandemic.

Warwickshire also enjoys non constituent membership of the WMCA, playing an active role on the combined authority, with our Leader holding the only portfolio position outside of the constituent membership.

There is the potential to strengthen our ongoing relationship with the mayoral West Midlands Combined Authority. Warwickshire and the WMCA will need to consider whether a full constituent membership would bring mutual benefits to both bodies and the wider region.

5

Financial Case for a Single Unitary

Steeped in culture Warwickshire is home to many historic, well-known buildings including Warwick Castle, Kenilworth Castle and Shakespeare's birthplace, giving us a thriving tourism industry.

A single unitary will ease financial pressures

Across Warwickshire, the six Councils are facing a pressing need to realise significant financial savings based on current assumptions, which has been worsened by the projected reduction in the tax base as a result of COVID-19:

- **£35 million** is (pre-COVID-19) the forecast cumulative deficit across all of our local authorities by 2022/23; and
- **£62 million** cumulative funding gap by 2025/26 if we do nothing and there is a sustained low tax base growth.

We cannot take half measures in closing this gap, nor can we simply assume we can or should increase Council Tax given the pressures on household and business budgets. Indeed, closing the gap would require us to increase Council Tax by more than the 2% limit and this would place a considerable financial burden on our residents, even if it were permitted or approved via a referendum. Therefore, if we are to close the funding gap whilst investing in the County's economy and services and levelling up our area, the most viable option **is structural transformation in the form of a single unitary Council for Warwickshire.**

Based on the selected new structure of local government, we have modelled scenarios which:

1. bring together existing organisations to remove duplication and wasted costs, without making any major changes to delivery models and ways of working ("**Reorganisation**");
2. go further by making changes to delivery models and the way in which services operate ("**Transformation Base Case**"); and
3. go further still by driving more radical changes to transform delivery models and the way in which services operate ("**Transformation Stretch Case**").

A single unitary offers the most compelling financial argument

Based on a high-level, independent financial assessment by PwC of the above approach, a single unitary can offer gross savings in the range of **£22 million** from basic restructuring benefits to **£54 million for transformation. There is the potential to achieve total benefits up to £81 million** from more radical transformational change subject to further scoping and analysis of the six councils' base position..

Total Savings (£k)	One Unitary Authority
Reorganisation	22,060
Transformation Base Case + Reorganisation	54,525
Transformation Stretch Case + Reorganisation	80,626

Evidence from new unitaries' actual performance suggests that the estimated £22m 'reorganisation' savings are realistic, if not cautious, for a County the size of Warwickshire:

	Forecast savings £ million	Actual savings £ million	Actual savings per head population £
Cornwall	17	25	44
Wiltshire	18	25	50
Shropshire	20	20	61
Durham	22	22	41
Northumberland	17	28	87

A single unitary will also offer the following benefits:

- Savings to sustain and potentially enhance services, providing **a positive impact for all of our residents**.
- More transformative and diversified investments enabled by bringing together the collective assets and resources of all authorities in Warwickshire. **This will contribute significantly to levelling up our communities and Warwickshire regionally and nationally**. COVID-19 has shown how even the most prosperous areas, like Stratford-upon-Avon, can suddenly suffer significant financial and economic impact. The scale of a single unitary helps mitigate such impacts, and keep all parts of Warwickshire on a sustainable and resilient footing.

If Warwickshire were to achieve £22m of reorganisation benefits, its savings per head would equate £38 per resident, plus further transformation savings.

Source of forecast/actual savings: *A Vision for Local Government in Leicestershire, October 2019. Source of Population Figures: Office of National Statistics Populations 2020*

How a two-unitary model compares

When applying the same modelling approach to the two unitaries option defined in the options appraisal, a single unitary offers **significantly greater savings** in the range of an **additional £9 - £29 million**. This is due to reduced economies of scale and the need to duplicate significant County Council structures through disaggregating major services like Adult Social Care, Children's Services, Education, Economic Development and Highways. **Our modelling shows the following range of costs and savings:**

Total annual _savings_ (£k)	Two Unitary Authorities			One Unitary Authority (£k)
	North (£k)	South (£k)	Total (£k)	
Reorganisation	7,099	5,842	12,941	22,060
Transformation Base Case + Reorganisation	19,131	15,304	34,435	54,525
Transformation Stretch Case + Reorganisation	28,597	22,869	51,466	80,626

Based on the reorganisation savings alone, a single unitary would provide a **£38** cost reduction per resident per annum, whereas two unitaries would result in a **£22** cost reduction per resident per annum.

What about costs?

Not only would a two-unitary model result in lower savings, but implementation costs would be considerably higher through supporting two new organisations and significant disaggregation of existing County Council services, as shown in the table below. Overall, this means **more funding will be required for significantly less financial gain**, at a much higher risk to delivery, benefits realisation and the wider levelling up agenda.

Total one-off _costs_ (£k)	Two Unitary Authorities			One Unitary Authority (£k)
	North (£k)	South (£k)	Total (£k)	
Reorganisation	17,030	16,543	33,573	18,505
Transformation Base Case + Reorganisation	32,474	30,624	63,098	45,474
Transformation Stretch Case + Reorganisation	40,126	37,324	77,449	59,204

Other financial limitations of a two-unitary model:

- the payback period is **twice as long as for the single unitary**; there is a much greater risk of **not delivering** benefits as separate transformations would be required in two entities, on a smaller scale in each;
- the option provides less opportunity to bridge Warwickshire's cumulative projected financial gap of £62 million by 2025/26;
- both authorities would have a lower financial resilience to the impact of **fluctuations in income and the impact of the local economy on tax revenue**;
- less efficient use of resources with more needing to be held in reserves to manage financial risk;
- potentially significant restructuring of services and diseconomies of scale through disaggregating countywide services and failure to achieve the synergies and join-up of a single unitary; and
- in some parts of the UK, some (but not all) smaller unitaries have struggled with scale, viability and financial/service resilience; this shows that unitarisation on a smaller scale, especially in light of the unprecedented challenges ahead, may not fully exploit the opportunities of devolution and **may prove a model that is unfit to meet future challenges.**

Overall, it is clear that a single unitary is the most beneficial option on all financial metrics, including:
- **Payback** - we can cover the cost of investment in reorganisation within 18 months of delivery through £22m of reorganisation savings;
- **800% return on investment** over a ten year period for reorganisation scenario; and
- Achieving the stretch transformation case **would cover the 2025/26 projected deficit.**

Maximising the impact of our balance sheet

The financial position of each of the Councils in Warwickshire varies. Currently, some have greater resilience than others, but all the District and Borough Councils have been placed under significant pressure by COVID-19, whilst the County Council's position remains relatively strong, notwithstanding the difficult financial challenges it faces.

A single unitary will be on a much surer financial footing and provide greater resilience in addressing the immediate pressures on public finances.

A key opportunity for a single, larger unitary is to leverage increased scale through a stronger balance sheet. This will allow a single unitary in Warwickshire to increase its impact, investment and financial resilience and provide improved value for money.

Below are a number of areas in which a single unitary will be well positioned to exploit, through its increased scale to deliver further growth and improve resilience.

Reserves

Across the six Councils, significant resources are held in reserves. This translates to **material diseconomies of scale for the Districts and Boroughs**, who need to hold a higher proportion of their budgets in general reserves than larger councils. COVID-19 has shown how seriously smaller councils like this can be impacted by events outside their control.

Balancing financial risks through the scale of a single unitary will create greater resilience and capacity to manage financial risks efficiently. Potentially, this releases significant resources from duplicated reserves held by the six councils to **support investment in the local economy, services and recovery.**

Assets

Under one unitary authority, we will be able to join up assets such as office spaces, both across the Council and with partners. This will reduce total spend relating to ongoing running costs (e.g. energy, cleaning and routine repairs) and support modern, dynamic ways of working.

There is also the opportunity for savings in the one-off disposal of **rationalised Council office space,** whilst ensuring these continue to have a local, community presence.

Joining up assets under one unitary, will position us strongly to achieve our full transformation benefits.

Council Tax harmonisation

There is currently a 5.8% variation in the Band D Council Tax per household, excluding Town and Parish Councils and the Warwickshire Police precept. It will be essential to harmonise Council Tax under one unitary authority. There are different approaches that can be taken to realise this and we will commission specialist support to ensure we choose a fair and equitable model for our citizens, with full engagement about the possible options to inform the Full Business Case.

Low spending

The total expenditure per resident (excluding schools) of a forecast Warwickshire unitary authority was 8% below the unitary median, based on 2019/20 levels. However, for those services where some of the gains from unitarisation will be greatest - central services and planning and development - we were 40% and 69% above the median respectively. **This is equivalent to £8.2 million and £5.7 million savings**, which demonstrates that a two-tier structure is more expensive compared to a unitary structure.

Investment and commercial mindset

Through the strength of a **combined balance sheet**, we will have capacity to manage risk and investment much more effectively, for example through vehicles such as the proposed Warwickshire Recovery and Investment Fund and Warwickshire Property and Development Company.

Our increased scale and strong balance sheet will allow a greater risk appetite to optimise commercial activity to support delivery of outcomes in Warwickshire. We will do this by investing in planning, building homes, speeding up planning on a much greater scale and by adopting a commercial approach and mindset to deliver core Council outcomes within Warwickshire.

6

Implementation Approach

We have a thriving economy which has attracted large employers including Jaguar Land Rover, National Grid, BMW, Aston Martin Lagonda, NFU Mutual, TNT UK, Aldi Ltd and Mira to the County. They have all bolstered our economic landscape and continue to provide opportunities, jobs and wealth.

Immediate next steps

Subject to the decision about submission of this strategic case for change, from **September 2020,** we will work closely with Government to inform Ministerial and subsequent Parliamentary decision.

All six existing councils would be replaced within a new local government structure involving one or more unitary Councils. Those Councils are not considered as 'partners' in the context of this case for change as all six of the existing Councils would be asked to work together to contribute to detailed proposals for a new local government structure.

In parallel, we will undertake public, business and partner engagement to ensure all voices are heard as we continue to develop and shape the detail of a Full Business Case, in preparation for potential structural change in Warwickshire.

How will we engage partners around structural change?

In addition to the existing six councils working together to frame specific proposals for change, there will be a series of engagements with our other key partners and the public to **gather feedback on the future model for local government in Warwickshire** where we will discuss the benefits of coterminous and improved relationships with different partners. See the table below for an outline of what this would entail.

Engagement with our partners	Engagement with our people
These partners would include: ● Health ● Town and Parish Councils ● Voluntary and community sector ● Employers and big business e.g. Jaguar Land Rover ● Warwickshire and Coventry LEP ● West Midlands Combined Authority ● Warwickshire Police ● Universities and Colleges	Alongside engagement with our key partners, we would develop a programme of communication and engagement with our residents, which could include: ● Telephone interviews ● Online questionnaires ● Virtual focus groups ● Polls

The outputs of this engagement will feed directly into a Full Business Case and inform all stages of design and transition.

This engagement will also act as a precursor to the formal and statutory consultation process required.

Establishing design principles

To ensure effective implementation of a single unitary, we will also draft an initial set of design principles for the type of Authority we want for Warwickshire and how it should be governed. This would focus on the following areas:
- a Leader with Cabinet to make decisions;
- a continuing authority in order to effectively transition to the new unitary;
- decision-making processes at community/locality level; and
- devolving powers and resources to Town and Parish Councils.

Post-Parliamentary approval, these design principles can be finalised in partnership with the District and Borough Councils.

Single Unitary Warwickshire Authority
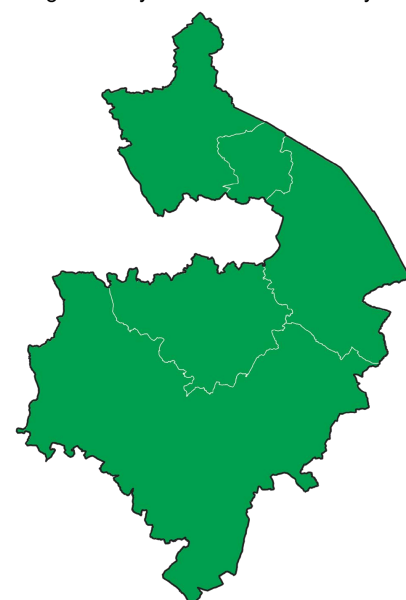
How we would create a single unitary authority

The implementation of a single unitary authority in Warwickshire will be no easy feat. We recognise that such an important and sensitive transformation process requires immense care, foresight and engagement to build consensus and momentum among all of the stakeholders affected and involved. We have already begun to reflect on how we can best deliver the change.

How would we deliver the change?

We would form a new single unitary authority over **three phases** with **five workstreams**. Below we provide a brief overview of the transformation phases and workstreams, with a visual overview of how each fits together detailed on the following page.

Phase 1: Design and Planning

In this phase, we would lead a period of project mobilisation with the Districts, Boroughs and Town and Parish Councils in order to prepare the programme for success and ultimately begin the process of transformation in a structured and coordinated way, with engagement from all parties, including public sector partners, residents, business and the voluntary sector.

Phase 2: Transition Management

This phase begins once the implementation team has been mobilised and the plan signed off. It involves establishing new infrastructure by implementing transition activities in areas of substantial change. By the end of the phase, key changes should be implemented in areas such as IT, payroll and HR.

Phase 3: Transformation

This phase begins once the new infrastructure is in place. It's about reviewing and optimising the new infrastructure and solving any issues. By the end of this phase, all technology, people and service-related capabilities should be running smoothly.

The workstreams for delivering change

The five workstreams required during the three phases would be as follows:

Programme Management
The 'catalyst for change', this workstream would ensure the necessary programme structures are in place and would then monitor successful delivery and benefits realisation. This would also include managing our relationship with the Government and ensuring the correct legislative processes are followed.

Infrastructure (Technology, Data, Information, Property and Fleet)
This workstream would be responsible for planning and implementing changes in IT architecture, property, data and information management.

People and Culture
The responsibilities of this workstream would lie in planning and implementing changes in areas such as Human Resources, pay harmonisation and communications.
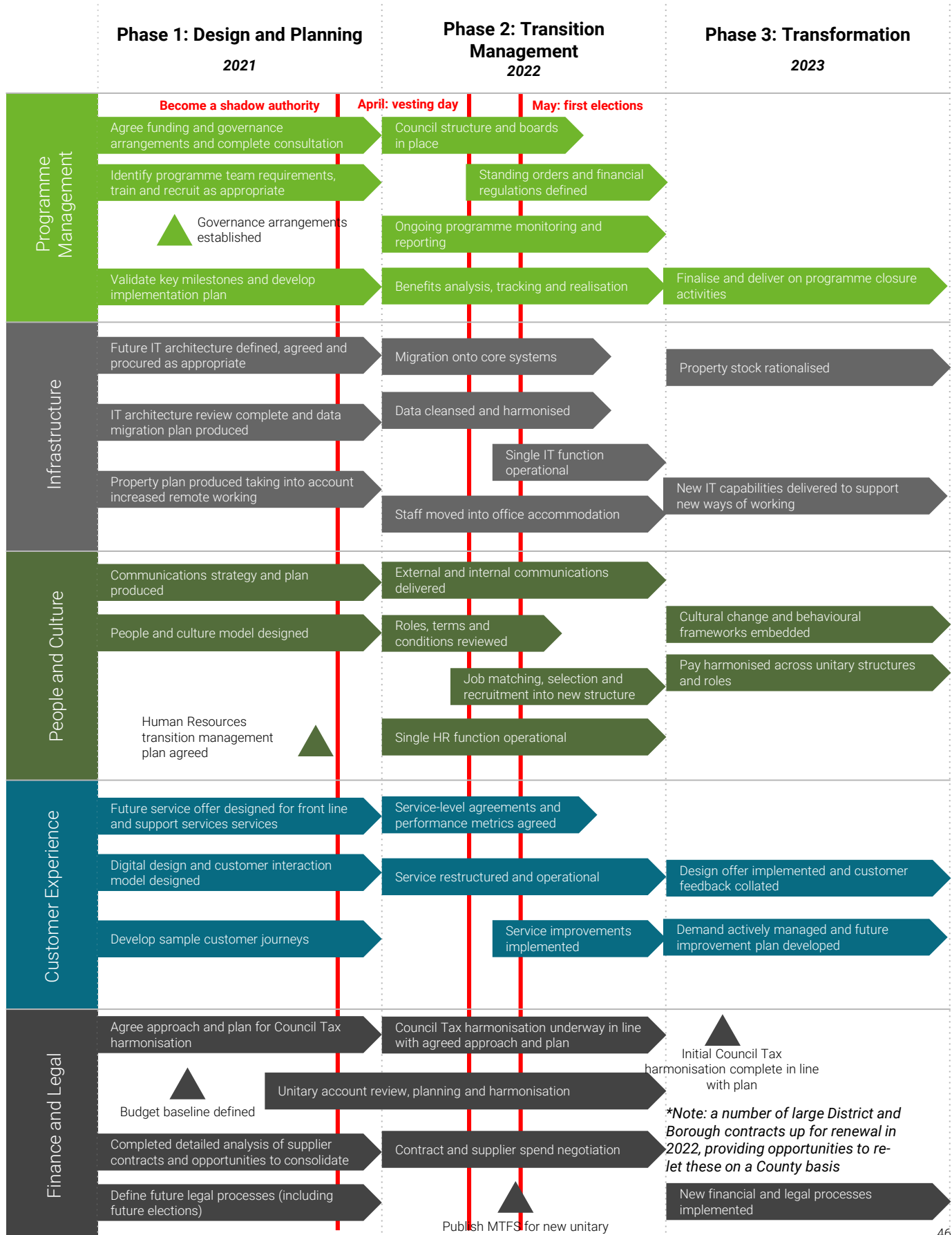
Finance and Legal
This workstream would be responsible for coordinating the legal, policy and financial management changes required for the new Authority.

Customer Experience
This workstream would focus on consolidating and transforming service delivery across Warwickshire, using digital channels to reshape customer offerings in order to achieve countywide outcomes.

Implementation roadmap

Below is an **overview of our initial plan on a page** for implementing a single unitary. Note that this reflects our initial thoughts on implementation - detailed planning will follow Parliamentary approval. For now, we present a **snapshot** of what an implementation roadmap would look like, with key activities and milestones for successful delivery of transformational change.

Phase 1: Design and Planning
2021

Phase 2: Transition Management
2022

Phase 3: Transformation
2023

Become a shadow authority | April: vesting day | May: first elections

Programme Management

- Agree funding and governance arrangements and complete consultation
- Council structure and boards in place
- Identify programme team requirements, train and recruit as appropriate
- Standing orders and financial regulations defined
- Governance arrangements established
- Ongoing programme monitoring and reporting
- Validate key milestones and develop implementation plan
- Benefits analysis, tracking and realisation
- Finalise and deliver on programme closure activities

Infrastructure

- Future IT architecture defined, agreed and procured as appropriate
- Migration onto core systems
- Property stock rationalised
- IT architecture review complete and data migration plan produced
- Data cleansed and harmonised
- Single IT function operational
- Property plan produced taking into account increased remote working
- New IT capabilities delivered to support new ways of working
- Staff moved into office accommodation

People and Culture

- Communications strategy and plan produced
- External and internal communications delivered
- People and culture model designed
- Roles, terms and conditions reviewed
- Cultural change and behavioural frameworks embedded
- Job matching, selection and recruitment into new structure
- Pay harmonised across unitary structures and roles
- Human Resources transition management plan agreed
- Single HR function operational

Customer Experience

- Future service offer designed for front line and support services services
- Service-level agreements and performance metrics agreed
- Digital design and customer interaction model designed
- Service restructured and operational
- Design offer implemented and customer feedback collated
- Develop sample customer journeys
- Service improvements implemented
- Demand actively managed and future improvement plan developed

Finance and Legal

- Agree approach and plan for Council Tax harmonisation
- Council Tax harmonisation underway in line with agreed approach and plan
- Initial Council Tax harmonisation complete in line with plan
- Budget baseline defined
- Unitary account review, planning and harmonisation
- Completed detailed analysis of supplier contracts and opportunities to consolidate
- Contract and supplier spend negotiation
- Define future legal processes (including future elections)
- Publish MTFS for new unitary
- New financial and legal processes implemented

Note: a number of large District and Borough contracts up for renewal in 2022, providing opportunities to re-let these on a County basis

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46

7

Conclusion

Both the school and old age population are set to increase providing both challenges and opportunities for across Warwickshire.

Conclusion

The case for unitary government for Warwickshire is compelling. It is compelling for Warwickshire's residents; for everyone committed to the prosperous future of all who live and work in our beautiful place; for Government who want to see Warwickshire play its full part in national growth and progression, and for everyone committed to effective, dynamic and truly local, government.

This strategic case for change is a catalyst for transformation:

- **A single unitary provides an effective model for devolution, accountable leadership and a strong voice for Warwickshire** – countywide scale and more accountable leadership is critical for Warwickshire's profile, voice and influence in facing future challenges, achieving prosperity and sustainable services, and capitalising on new opportunities.

- **A single unitary delivers a financially sustainable Council fit for the future** - the strategic case for change anticipates payback of investment in reorganisation within 18 months of delivery through £22m of reorganisation savings per annum. This would grow to potential annual savings of between £54m through base case transformation with the potential, through more radical transformation, for up to £81m, far higher than other options and with less risk. Even without the COVID-19 imperative, a single Council able to deliver such benefits represents obvious value for money.

- **A single unitary can balance scale and speed with a truly local focus** - a single unitary is the only option which meets the Government's indications on the size of new councils. Existing countywide social care, safeguarding and education services will be enhanced by closer connection with related services such as housing, leisure and benefits, and provides a robust platform for continued health and social care integration.

The opportunity is now and whilst the timetable is ambitious, the rewards are high and within reach.

The strategic case for change is presented for further refinement and ongoing dialogue with our residents, businesses, stakeholders and UK Government. With them we look forward to developing a compelling and exciting Full Business Case to take advantage of the opportunities for Warwickshire of the Government's forthcoming White Paper.

We are ready to act now to ensure the very best outcomes are achieved for Warwickshire.

Document published 19/08/2020

The Warwickshire Story

Warwickshire past present and future...

Steeped in culture Warwickshire is home to many historic, well-known buildings including Warwick Castle, Kenilworth Castle and Shakespeare's birthplace, giving us a thriving tourism industry.

Warwickshire has been shaped by people including William Shakespeare, writer George Eliot, filmmaker Ken Loach and Star Wars director Gareth Edwards highlighting the County's rich heritage of creativity.

The County has a rich industrial heritage with coal fields in the north fuelling industrial growth in Coventry and Birmingham and the County's canal network shipping goods across the country. We remain excellently connected to the rest of the UK.

Warwickshire is famous for being the birthplace of Rugby, is home to the world class golf venue The Belfry and has a long history of first-class cricket. It is now also known for hosting elite international cycling and Commonwealth Games events making it a natural choice for sporting events.

We have a thriving economy which has attracted large employers including Jaguar Land Rover, National Grid, BMW, Aston Martin Lagonda, NFU Mutual, TNT UK, Aldi Ltd and Mira to the County. They have all bolstered our economic landscape and continue to provide opportunities, jobs and wealth.

Warwickshire continues to attract burgeoning new economies and is also home to computer games manufacturer Codemasters and many games design companies in the South Warwickshire area dubbed 'Silicon Spa'.

Warwickshire is one of the fastest growing counties in the UK. Population and economic productivity are predicted to continue increasing which will add to our vibrant economy.

Both the school and old age population are set to increase providing both challenges and opportunities for across Warwickshire.

New technology and our skills base mean Warwickshire is in an excellent position to meet both ongoing and future challenges.

8

Appendix

Warwickshire is one of the fastest growing counties in the UK. Population and economic productivity are predicted to continue increasing which will add to our vibrant economy.

Government success criteria for structural change

The public sector in Warwickshire is approaching the limits of what can be achieved under the current model.

Structural change will simplify our approach, strengthen our voice at a regional and national level, deliver improved services and outcomes for residents, achieve significant financial savings and provide stronger and more accountable leadership. It will also establish a more sustainable form of local government for Warwickshire.

In assessing the options for structural change, we have established a set of criteria based on the frameworks suggested by the Ministry for Housing, Communities and Local Government (MHCLG). These criteria are not yet formalised but illustrate the benefits of our offer to residents, partners and the Government through coherence, simplicity and connectivity:

Criteria	Key indicators of success for Warwickshire
Improve the Area's local government	**Deliver improved services and outcomes for local residents:** ● Provides a unified voice whilst preserving and enhancing a sense of place and identity across Warwickshire to take into account different demographics, different needs for different places, and areas where provision is currently lacking. ● Provides increased local focus, being able to respond to the needs of individual communities and residents in the provision of essential services. **Demonstrate improved value for money and efficiency:** ● Local reform which makes full use of any possible service efficiencies or economies of scale, and removes duplication of spend and services. **Deliver cost savings and demonstrate how the cost of change can be recovered over a fixed period:** ● True reform with a transformative agenda which allows even more savings to be made through reductions in third party spend, ensuring service efficiency and developing more innovative and effective delivery models. ● Minimising transition and transformation costs, whilst implementing reform thoroughly across Warwickshire to ensure investment is spread across the County. **Support stronger and more accountable leadership:** ● A model which encourages accountable strategic decision making across a broad geography. ● Stronger local leadership that listens to and delivers on local needs across the County. **Demonstrate sustainability in the immediate to long term, both in service delivery and financial terms:** ● An operating model which is not only financially viable now, but also years into the future, coping with future demand pressures. ● Empowerment of local communities to shape services and desired outcomes throughout Warwickshire.
Command a good deal of local support across the Area	● Support from key stakeholders and a range of partners. ● Demonstrates an understanding of the importance of improving democratic accountability and the significance of embedding an effective community engagement model.
Cover an area that provides a credible geography for the proposed new structures	● Any new unitary council's population would be expected to be "**substantially in excess of 300,000 - 400,000"** to avoid the problems of new unitaries being too small and lacking scale and resilience. ● There are benefits of preserving existing and particularly historic county boundaries.

Option one: enhanced status quo

What would this look like?

Warwickshire is currently administered by the County Council and five District and Borough Councils. Other public services such as the Police and Fire service operate within the same geographical boundaries. The Fire Service is an integral part of the County Council.

In this option, Warwickshire would **retain a two-tier structure of local government** but with some element of optimised collaboration, such as within community safety, waste management and leisure.

Overall, this option would mean the Councils operate more or less the same as they do currently.

Criteria	Assessment
Improve the Area's local government	**Deliver improved services and outcomes for local residents:** ● Some service areas and functions would be shared, resulting in a simpler experience for residents, but only in a few service areas. ● Most other service users would continue to interact with different Councils through different channels, which is confusing and worsens their overall experience. **Demonstrate improved value for money and efficiency:** ● Unlikely to deliver the transformation opportunities and efficiencies associated with the other options. **Deliver cost savings and demonstrate how the cost of change can be recovered over a fixed period:** ● Minimal opportunity for further savings as a result of maintaining costs of current duplication, dysfunction and waste. ● Savings originally identified by each Council will still be planned for delivery, but significantly less than that possible through structural reorganisation. **Support stronger and more accountable leadership:** ● Leadership would continue as is, with no change to democratic accountability. **Demonstrate sustainability in the immediate-to-long term, both in service delivery and financial terms:** ● Continuing to operate as six different organisations will result in limited realisation of economies of scale through increased purchasing power, and an inability to join up duplicated services. ● Financially, continued costs of current democratic arrangements and the continued existence of executive teams across Warwickshire are unsustainable in the long-term.
Command a good deal of local support across the Area	● Arguably, some stakeholders may prefer to continue as-is simply to minimise short-term disruption, but this fails to consider the wider benefits that would be achievable in other options. ● Lack of a unified voice for the whole of Warwickshire and the consequent inability to **attract resources** and **powers** to the County as a result of devolution, potentially slowing the County's economic growth.
Cover an area that provides a credible geography	● Misalignment with plans for the Coventry and Warwickshire Integrated Care System and place based delivery. ● Preserves the current geography, thereby reducing disruption and maintaining historical county boundaries. ● This option does not involve establishing a new unitary and so cannot be seen to meet the criteria fully.

Option two: single unitary

What would this look like?

A single unitary authority would operate as a **completely new organisation** across the whole County area. The existing administrative arrangements both at County Council and District/Borough Council level would cease to exist in this scenario.

The current boundaries between the County Council and District/Borough Councils are coterminous, so a single unitary authority would **cover the same population and geographical area** as the present County Council arrangements. There would be continuity and preservation of historical county boundaries and identity.

This unitary authority would combine all services currently provided by each of the County, District and Borough Councils and take responsibility for provision of these services.

Criteria	Assessment
Improve the Area's local government	**Deliver improved services and outcomes for local residents:** ● Simplified user experience for residents and businesses interacting with the Council, resulting in improved public perception through a single point of access and accountability for services. ● Better alignment to health reorganisation, such as the planned creation of one Clinical Commissioning Group with a lead health provider operating across Warwickshire and supporting delivery across the place. **Demonstrate improved value for money and efficiency:** ● Greater buying power and representation across the whole of Warwickshire. ● Ability to deliver improved economy, efficiency and effectiveness through increased scale, reach and powers will allow for better value for money services and sustained service levels. **Deliver cost savings and demonstrate how the cost of change can be recovered over a fixed period:** ● Removing duplication in service delivery would result in significant savings. ● Further savings to be realised from property and IT rationalisation, reductions in third party spend and election savings. **Support stronger and more accountable leadership:** ● Simplified leadership structure covering a greater population will result in stronger representation for matters affecting Warwickshire, with faster and more holistic decision-making. **Demonstrate sustainability in the immediate-to-long term, both in service delivery and financial terms:** ● As a new unitary located within a Combined Authority area, there will be potential future opportunities for the devolution of powers and additional resources into Warwickshire. ● Unified service delivery will create greater stability, service sustainability and promote financial resilience in the longer term.
Command a good deal of local support across the Area	● A larger authority could be seen as less locally responsive to the electorate, given that it operates at greater scale than existing Districts and Borough Councils. ● However, a unitary authority would be able to deliver double devolution, empowering communities to develop and deliver on local solutions in response to local issues. ● A single unitary would be more effective in representing our people and place, on a local, regional and national level due to the creation of a single, unified voice, which ultimately gives us greater influence and ability to attract investment.
Cover an area that provides a credible geography	● A single unitary would cover the same population and geographical area as the present County Council arrangements. There would be continuity and preservation of historical county boundaries. ● The current population of c.578,000 is in line with the expectation that a new unitary should "**be substantially in excess of 300,000 - 400,000**", and is also in line with recently created new unitary Councils, for example Cornwall and Buckinghamshire.

Option three: two unitaries

What would this look like?

Option 3 entails the creation of two unitary authorities - one for the **North** (North Warwickshire, Nuneaton and Bedworth, Rugby) and one for the **South** (Warwick and Stratford-on-Avon).

These two unitaries would operate independently of each other, taking responsibility for all local authority services within their respective areas. For example, both the North and South unitaries would each provide social care, education, highways, economic development and Public Health services in their respective regions, in addition to all other services currently provided by the District and Borough Councils.

Criteria	Assessment
Improve the Area's local government	**Deliver improved services and outcomes for local residents:** ● Somewhat simplified service delivery given that the two organisations will operate at a greater scale than the existing District and Borough Councils, with service synergies as unitaries. ● Added layer of complexity for services currently delivered at the County Council level only (e.g. Adult Social Care, Public Health and Highways). Such services would need to be disaggregated. **Demonstrate improved value for money and efficiency:** ● Potential for joint service delivery in areas such as waste, but this is limited. ● Duplication in service areas is unnecessary, inefficient and illogical across areas of such proximity and low populations, resulting in diseconomies of scale. **Deliver cost savings and demonstrate how the cost of change can be recovered over a fixed period:** ● Savings as a result of reorganisation, but this will be less significant than when compared to a single unitary. ● Higher transition costs, particularly in duplicated management structures and service delivery (such as social care, highways and education) which consequently become fragmented and may reduce outcomes for residents. **Support stronger and more accountable leadership:** ● Dividing the County in this way may empower local communities to shape services related to their own experience and identity, with leaders able to more effectively represent communities of place (which would also quicken decision-making). **Demonstrate sustainability in the immediate-to-long term, both in service delivery and financial terms:** ● Multiple voices with reduced bargaining power and influence at a local, regional and national level, which is confusing to both residents and businesses - this results in two small unitaries lacking viability or financial resilience. ● Entrenches inequality (particularly regarding the economy and health outcomes) which reduces overall scope to level up and leaves both councils exposed to sudden shocks, e.g. Stratford and COVID-19. ● Division may leave one half less well-positioned than the other, resulting in further reform and restructure being required in future years. This will simply add to cost and complexity.
Command a good deal of local support across the area	● Some residents may feel better represented by a more local government, given diversity between the North and South. ● Nonetheless, this will bring further division among economic and social lines, reinforcing disparity and differences in identity rather than unifying the people of Warwickshire. This poses a risk to levelling up as a result of the inability to prioritise and meet need at scale.
Cover an area that provides a credible geography	● Misalignment with plans for the Coventry and Warwickshire Integrated Care System and place based delivery. ● The population of the North and South Councils would be 304,100 and 273,900 respectively (projected to increase to 317,800 and 289,400 by 2025). Even by 2043, the population of Warwickshire is only expected to increase by just over 100,000, with a total predicted population of 630,400 by 2030. Therefore, this configuration - **or any other configuration of two unitaries** - will mean one or both of the unitaries will be well below the anticipated viable size for new unitary authorities as set out by the Government both now and in the longer term. It is consequently unlikely to be a viable option.

54