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26 September 2008

Dear Kalim

### **Review of local government structure (Suffolk) – final response from Mid Suffolk District Council**

I am pleased to be writing to you at the end of this stage of what I know has been an extremely busy consultation activity for yourself and your colleagues.

Over the past 12 weeks Mid Suffolk District Council has been working very closely with Suffolk County Council on the proposals for a single unitary Suffolk council, our joint preferred option, and with all the District and Borough Councils, to address all of the proposals and variants in the Boundary Committee's recommendation of 7 July, and subsequent clarifications.

We have been extensively involved in meetings with key stakeholders, not just in Mid Suffolk but across the County, to ensure that our Council's views have been informed by a strong body of evidence. This has included county-wide meetings with Town and Parish Councils facilitated by the Suffolk Association of Local Councils, meetings with many of our own Parishes at their invitation, breakfast sessions with business, voluntary and community sector leaders. We have also closely monitored the views of the people of Suffolk expressed in the press and in submissions to yourselves.

At a special meeting of Mid Suffolk District Council last night (25 Sept.), the Council confirmed its support for Local Government reform and the establishment of a single unitary council to serve all Suffolk people. The following resolutions were made:

- That Council reconfirms its support for a single unitary Council for Suffolk (with Lowestoft) on the grounds that it is the only proposal that meets its requirements for a cohesive approach to public service planning and delivery in Suffolk, meets its requirements for empowering citizens in their localities through Community Boards and offers the best opportunity for citizens in rural and urban areas to relate to a Council that has the influence and strategic capacity to deliver what is right for Suffolk people.
- That the County Council's draft submission is supported and endorsed.
- That the Secretary of State is requested to approve implementation arrangements that ensure representation of Districts and Boroughs equally with the County, in order to seek a consensus in designing the structure of the new authority(s).

The Suffolk County Council / Mid Suffolk District Council joint submission document, referred to in the second bullet above, has been sent to you separately, today, by the County Council. The

rationale for Mid Suffolk District Council's continuing commitment to a single unitary council is contained in the attached committee report.

We are very pleased that the outcome of this consultation has concluded with MSDC, and the County Council, continuing to champion strongly a single unitary authority in Suffolk, including Lowestoft. It meets the criteria of having a broad section of support, while providing strategic leadership, neighbourhood empowerment, value for money and affordability, and is best placed to lead Suffolk into a strong and prosperous future. Suffolk needs strong and capable local government. Splitting the county up into different chunks will not let this happen. Local communities need to know that their council is shouting to get recognition for them at a national level, and also work with them to make decisions about their own communities. Suffolk needs Ipswich and Ipswich needs Suffolk. Dividing the county will be divisive and sow the seeds of social and political discord. The Council has consistently supported radical reform so that the public can benefit from an end to duplication, investment in services at a local level and a strategic approach to public services.

The interests of Mid Suffolk communities are likely to be better served by a Council that can speak for Suffolk and its common needs. There is no stated desire for any part of the Mid Suffolk community to be administered by a North Haven unitary. The fear expressed, in the main, is that a North Haven Council will be urban in nature and, therefore, focussed on urban issues. It is arguable whether a Council with a core urban area and 47 village type communities will be at ease with itself. The current Ipswich Borough Council has no history of managing such tensions and demographics.

It has been argued by some that a single unitary Council could be remote from the people it serves. The history of large unitaries suggests that they can utilise their capacity and resources to effectively manage neighbourhood delivery and citizen empowerment. The single unitary proposal is predicated on devolving aspects of service delivery to Community Boards and to Parish and Town Councils if they so desire. The intention is that citizens in their communities should be able to influence local priorities and spending decisions to a far greater extent than Districts and the County Council have jointly or individually achieved to date. Failure to reconnect with citizens and genuinely involve them would be regarded as an abdication of leadership and is something that any new Council must design into their structures from day one.

Creating two or more unitaries cannot deliver the scale of savings and efficiencies that one can achieve. Council taxpayers want value for money services, especially in the current difficult economic climate, so it is difficult to argue that creating two councils will achieve that aim. Dividing Suffolk into two would also create a rural unitary that is potentially economically weak compared to a North Haven unitary, yet has to plan and manage the consequential impacts of urban Ipswich in terms of road and other infrastructure. Splitting education, social care and other major services between two Councils will be divisive and sow the seeds of social and political discord at a time when citizens want easier access to services and confidence in local delivery irrespective of where people live.

In conclusion, notwithstanding that there is some very limited political support for an enlarged Ipswich, there is no evidence seen by this Council that suggests that anything other than a single Council for Suffolk, including Lowestoft, can be supported.

An underlying principle of the new organisation should be that local service delivery and customer engagement be maintained or improved in the new organisation(s), building on established best practice and skills wherever possible from the former councils and avoiding a new entity that is over-centralised and remote from the community it serves. Given the desire to continue strong

focus on local delivery and neighbourhood engagement it is anticipated that the district/borough councils will be strongly represented on the implementation executive that will design the new organisation, with balanced representation, perhaps similar to that in Cornwall.

As previously stated, our preferred model is a powerful one, and is unashamedly based on the need for Suffolk to speak with one voice and for citizens to re-engage with local government. The Council is very happy to continue to discuss further with the Boundary Committee and assist in concluding the right solution for the people of Suffolk.

Yours sincerely



Chief Executive

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Encl:

# C/86/08

**COUNCIL – 25 SEPTEMBER 2008**

**PROPOSALS FOR UNITARY STRUCTURES IN SUFFOLK – FINAL RESPONSE TO THE BOUNDARY COMMITTEE**

Authorship: Andrew Good, Chief Executive

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**1. Summary of the report and purpose of the meeting**

- 1.1 The Boundary Committee's public consultation closes on 26 September 2008.
- 1.2 Stakeholder and listening events have been held by the Committee across the County. Additionally, the lead authorities, Suffolk County Council and Ipswich Borough Council, have held meetings to inform stakeholders of their proposals and to listen to feedback.
- 1.3 The Section 151 Officers of the Councils in Suffolk have a duty to sign off the respective business cases and this has now been done with caveats, summarised below. The lead authorities are responsible for the actual submissions and it is for other Councils to now decide whether they support the Boundary Committee's proposal of two unitaries (Rural Suffolk and Ipswich North Haven) or a single unitary (One Suffolk) as the alternative option, both with or without Lowestoft.
- 1.4 This Council has been consistent in its views from the time of the Secretary of State's announcement that a review will take place. On three occasions, the Council has declared its position as supporting a single unitary for Suffolk on the grounds that a whole county approach to public services is required and that such an approach would be better placed to support local decision-making and influence through empowering communities. Further more, the Council has been mindful of the views of Parish and Town Councils potentially affected.
- 1.5 The sole purpose of this report is to confirm the Council's position and to invite the Council to support the County Council's submission to the Boundary Committee (Appendix 1). To assist Members, appropriate officers from the County Council will be in attendance.

**2. Financial Implications**

- 2.1 The business cases have been prepared by the lead authorities in consultation with the Section 151 officers of all Suffolk Councils, using a methodology prescribed by the Boundary Committee.
- 2.2 To be "affordable", business cases must ensure that savings arising exceed the transition costs within the period 2009/10 to 2013/14.
- 2.3 All business cases prepared pass the affordability test with varying degrees of risk and margin for error before they cease to become viable.
- 2.4 As shown in the tables below, the business case for the single unitary council has a larger net saving and greater margin for error before it ceases to be viable than the combined business cases for Rural Suffolk and North Haven. As such, of the two options that the

Boundary Committee is consulting upon, the single unitary council business case is the financially most sound.

**Table 1: Summary of business cases including Lowestoft**

£m	Rural Suffolk including Lowestoft	North Haven	Rural Suffolk + North Haven	Unitary Suffolk including Lowestoft
Savings	69.9	51.7	121.6	130.0
Transition costs	-19.0	-13.5	-32.5	-25.5
Ongoing costs	-18.2	-3.0	-21.2	-15.2
Council tax equalisation	-4.7	-6.0*	-10.7	-17.9
<b>Net saving</b>	<b>28.0</b>	<b>29.2</b>	<b>57.2</b>	<b>71.4</b>
Grossed total of costs and savings	111.8	74.2	186.0	188.6
<b>% margin for error</b>	<b>25%</b>	<b>39%</b>	<b>31%</b>	<b>38%</b>

**Table 2: Summary of business cases excluding Lowestoft**

£m	Rural Suffolk excluding Lowestoft	North Haven	Rural Suffolk + North Haven	Unitary Suffolk excluding Lowestoft
Savings	52.3	51.7	104.0	110.8
Transition costs	-18.1	-13.5	-31.6	-24.3
Ongoing costs	-21.0	-3.0	-24.0	-14.4
Council tax equalisation	-5.9	-6.0*	-11.9	-19.1
<b>Net saving</b>	<b>7.3</b>	<b>29.2</b>	<b>36.5</b>	<b>53.0</b>
Grossed total of costs and savings	97.3	74.2	171.5	168.6
<b>% margin for error</b>	<b>8%</b>	<b>39%</b>	<b>21%</b>	<b>31%</b>

\*possible figure; various options are included in the North Haven submission

- 2.5 The Boundary Committee methodology requires business cases to be based upon 2007/08 budget data and balances as at 31 March 2007. This historical information may not be consistent with the conditions that will exist in April 2010. The extremely tight timescale imposed by the Boundary Committee to produce the business cases creates a risk that they are not based upon robust policy making and political direction. There is a risk that errors and weaknesses in the business case may not have been detected due to insufficient scrutiny. For these reasons all numbers in the business cases must be viewed with caution and it is reasonable to expect that actual costs and savings will differ from those estimated in the business cases. The large margin for error in the Unitary Suffolk business case, however, provides a reasonable degree of assurance that in practice, a Unitary Suffolk council will be “affordable”. It should be noted that the business cases are not implementation plans.

2.6 There are no direct financial implications for MSDC arising from the recommendations.

### **3. Legal and Risk Management Issues**

3.1 The responsibility to meet the legal requirements of the Boundary Committee rests with the two lead authorities.

### **4. Consultations**

4.1 The Boundary Committee has consulted with local authorities in Suffolk and has undertaken listening events to inform its deliberations. The final public consultation commenced on 7 July and closes on 26 September. This Council has attended all countywide meetings for Town and Parish Councils to listen to views and to assist the County Council's own presentations. Additionally, the Chief Executive has attended formal and informal meetings of Mid Suffolk Parish and Town Councils at their request.

### **5. Recommendations**

5.1 That Council reconfirms its support for a single unitary Council for Suffolk (with Lowestoft) on the grounds that it is the only proposal that meets its requirements for a cohesive approach to public service planning and delivery in Suffolk, meets its requirements for empowering citizens in their localities through Community Boards and offers the best opportunity for citizens in rural and urban areas to relate to a Council that has the influence and strategic capacity to deliver what is right for Suffolk people.

5.2 That the County Council's draft submission is supported and endorsed.

5.3 That the Secretary of State is requested to approve implementation arrangements that ensure representation of Districts and Boroughs equally with the County, in order to seek a consensus in designing the structure of the new authority(s).

### **6. Background issues for consideration**

#### ***Governance***

6.1 The political governance arrangements have been satisfied by establishing a Board for each element of the Boundary Committee's draft proposal. The respective Boards have met on a number of occasions to understand, challenge and agree, or otherwise, the business cases. Agreement has been reached on a number of fronts but the focus has been on the financial elements and the desire to prove or disprove assumptions. It is in the gift of the lead authorities to make their submissions irrespective of agreement. Whilst elected representatives of Councils have participated in this process it remains to be seen whether the timescale has really allowed for proper consideration of all issues.

#### ***Stakeholder views***

6.2 Within the constraints of a time related process during the summer months, there have been considerable opportunities for Parish and Town Councils to engage. Feedback confirms that the status quo is a commonly expressed opinion but from the meetings attended and views published there is a substantial body of opinion from the Town and Parish Council community that a single Suffolk unitary would be their preference albeit with reservations about any change. In Mid Suffolk, the view is even more overwhelming if the Parish Liaison event attended by 102 people is a legitimate guide.

6.3 Of the seven Parishes potentially affected by the North Haven proposal, there is opposition to their inclusion with one Parish Council, Claydon and Whitton, not declaring its position to date.

6.4 The Boundary Committees web site is a guide to opinion and as at 1 September was showing:

Support for one unitary Council	125
Support for North Haven/Rural	28
Status quo	45
Support for including Lowestoft in Suffolk	238

6.5 The Business community could be said to have mixed views. The cost effectiveness of a single unitary is generally understood but it is difficult to draw any conclusions that can be supported with strong evidence.

6.6 The definitive view of the Suffolk PCT has not yet been published. However, a major pan-Suffolk stakeholder is the Suffolk Police Authority and they have confirmed that their preferred unitary option, to facilitate the better policing of Suffolk, would be the single unitary option (including Lowestoft). The removal of Lowestoft would seriously question the viability of the Suffolk force.

6.7 The voluntary and third sector is very strong in Suffolk with organisations particularly keen to avoid a disaggregation of services between two unitary councils serving their client base. This sector is a considerable employer of people and mobilises volunteers to provide services that would otherwise fall to local authorities. There are considerable contracts between public sector agencies and this sector running into many millions of pounds. The sector is a crucial element of the Suffolk Strategic Partnership and will influence the outcomes of the local authority agreement with Government. The declaration of the Suffolk Association of Voluntary Organisations (SAVO) and Suffolk ACRE that a single unitary council is their preference should be noted and taken account of.

6.8 The public have been invited to make their views known to the Boundary Committee. The letters page of each of the local papers could be said to be an indication of what the public think but it would be wrong to draw a conclusion either way bearing in mind that most correspondents are not likely to be typical of the public at large.

### ***Timetable and process***

6.9 The public consultation closes on 26 September. The Boundary Committee will then consider the responses and draw up their report against the criteria summarised as:

- Can the proposal draw support from a range of key partners/stakeholders/users/residents
- Can the proposal provide strong, effective and accountable strategic leadership
- Can the proposal deliver genuine opportunities for neighbourhood flexibility and empowerment
- Can the proposal deliver value for money and equity on public services
- Is the proposal affordable, with transition cost payback within 5 years

- 6.10 The report will be delivered to the Secretary of State on or before 31 December 2008 and a decision is then expected from late February 2009 onwards.
- 6.11 Once the Secretary of State has made her decision, enabling regulations will follow in a matter of weeks. These will establish transitional arrangements which will allow either a new implementation executive (One Suffolk) or shadow authorities (Rural Suffolk and North Haven) to lay the foundations of the new council(s) starting in 2010. If the One Suffolk model is chosen, it appears that the 7 districts will cease to exist but the county council will nominally be allowed to remain in existence as a "holding vehicle" providing continuity in such things as asset ownership and employment of staff. This is what has happened in county wide unitaries such as in Wiltshire and Cornwall. This makes practical sense as in a time of substantial change it is good that there is this sort of bedrock. If the Rural Suffolk and North Haven model is chosen, then all councils will be abolished and new legal entities established to manage the transition. This is what is happening in Bedfordshire and Cheshire where the county is to be served by 2 unitaries.
- 6.12 An underlying principle of the new organisation should be that local service delivery and customer engagement be maintained or improved in the new organisation(s), building on established best practice and skills wherever possible from the former councils and avoiding a new entity that is over-centralised and remote from the community it serves.
- 6.13 Given the desire to continue strong focus on local delivery and neighbourhood engagement it is anticipated that the district/borough councils will be strongly represented on the implementation executive that will design the new organisation, with balanced representation, perhaps similar to that in Cornwall.

#### ***The Council's preferred option***

- 6.14 The Council has discussed its position on three previous occasions. It has consistently declared its position in support of a single unitary council to serve Suffolk. The view of Mid Suffolk parishes stating a position would support this.
- 6.15 The interests of Mid Suffolk communities are likely to be better served by a Council that can speak for Suffolk and its common needs. There is no stated desire for any part of the Mid Suffolk community to be administered by a North Haven unitary. The fear expressed, in the main, is that a North Haven Council will be urban in nature and, therefore, focussed on urban issues. It is arguable whether a Council with a core urban area and 47 village type communities will be at ease with itself. The current Ipswich Borough Council has no history of managing such tensions and demographics.
- 6.16 It has been argued by some that a single unitary Council could be remote from the people it serves. The history of large unitaries suggests that they can utilise their capacity and resources to effectively manage neighbourhood delivery and citizen empowerment. The single unitary proposal is predicated on devolving aspects of service delivery to Community Boards and to Parish and Town Councils if they so desire. The intention is that citizens in their communities should be able to influence local priorities and spending decisions to a far greater extent than Districts and the County Council have jointly or individually achieved to date. Failure to reconnect with citizens and genuinely involve them would be regarded as an abdication of leadership and is something that any new Council must design into their structures from day one.
- 6.17 Creating two or more unitaries cannot deliver the scale of savings and efficiencies that one can achieve. Council taxpayers want value for money services, especially in the current difficult economic climate, so it is difficult to argue that creating two councils will achieve that aim. Dividing Suffolk into two would also create a rural unitary that is potentially economically weak compared to a North Haven unitary, yet has to plan and manage the consequential impacts of urban Ipswich in terms of road infrastructure. Splitting education, social care and other major services between two Councils will be divisive and sow the

seeds of social and political discord at a time when citizens want easier access to services and confidence in local delivery irrespective of where people live.

- 6.18 In conclusion, notwithstanding that there is some very limited political support for an enlarged Ipswich, there is no evidence seen by this Council that suggests that anything other than a single Council for Suffolk, including Lowestoft, can be supported.

Andrew P Good  
Chief Executive

Background Documents:

APPENDIX 1:

1. County Council Agenda Item No. 5, 25 September 2008, "Boundary Committee Review of Local Government in Suffolk – Brief Summary of Report"
2. County Council Appendix 2, DRAFT Submission for Discussion at Council 25/9/08, "Unitary Suffolk: Creating Excellence – Submission to the Boundary Committee, Suffolk County Council – Draft for Discussion at Council".