

BABERGH DISTRICT COUNCIL

FROM: Chief Executive

REPORT NUMBER: **J2**

TO: COUNCIL

DATE OF MEETING: 21 April 2009

FURTHER DRAFT PROPOSALS FOR UNITARY LOCAL GOVERNMENT IN SUFFOLK – DRAFT RESPONSE TO THE BOUNDARY COMMITTEE FOR ENGLAND (BCE) (Agenda Item 8 (a) refers)

- 1.1 Thank you for the opportunity to comment on the Boundary Committee for England's (BCE) further draft proposals for Suffolk.
- 1.2 At its meeting on 21 April 2009, Babergh District Council agreed to support the BCE's Draft Proposal for a two-unitary council solution for Suffolk, based on an Ipswich/Felixstowe unitary and a unitary council for the rest of Suffolk, including Lowestoft.
- 1.3 It further agreed to urge the BCE not to recommend to the Secretary of State the alternative Draft Proposal for a single unitary council for Suffolk, including Lowestoft.
- 1.4 The Council also expressed its support for a mandatory approach to the aggregation/pooling of costs, savings and reserves across all Suffolk Councils, and between unitary councils in a two-unitary model, to minimise any adverse impact on Council Tax levels for individual residents in any part of the county during the transitional period of implementing any new unitary arrangements.
- 1.5 The reasons for this decision are set out below.

2. Two-Unitary Proposal

- 2.1 Babergh DC has argued from the outset of this review that a two-unitary solution would be most likely in principle to meet the Secretary of State's criteria. We have also consistently argued that, whereas a number of models could potentially meet those criteria, a two-unitary solution for Suffolk would be most likely to achieve the optimum balance between cost effectiveness in service delivery and democratic engagement at community and neighbourhood level.
- 2.2 At the Concept Formulation stage of the review, we expressed a preference for a two-unitary arrangement for Suffolk based on an east-west split, for reasons detailed in our April 2008 submission. We made clear, though, that such a split should not revert to the historic east-west boundary, but should reflect the current and future needs of the county. We set out what the basis of such a split might be and specifically acknowledged the merits of splitting the current Babergh area between the two proposed unitary council areas to reflect the distinct communities of interest in the east and west of Babergh district.

- 2.3 Whilst nothing has changed Babergh's fundamental view that an east-west split of the county still potentially represents a sound unitary solution for Suffolk, the Council nonetheless considered the BCE's original Draft Proposal carefully and objectively.
- 2.4 The outcome of that consideration was that the Council accepted the merits of much of the BCE's supporting argument for its original two-unitary Draft Proposal, particularly in relation to the North Haven concept. The Council recognised that this was a solution that could work well for Ipswich and its hinterland, for the current Babergh area and, with some reservations on behalf of other parts of Suffolk, for the county as a whole.
- 2.5 Following the consultation period during the summer of 2008, Babergh therefore agreed to support the BCE's then single Draft Proposal for a two-unitary solution comprising an Ipswich/Felixstowe (or North Haven) unitary and a unitary for the remainder of Suffolk, excluding Lowestoft. The full reasoning behind that decision is set out in our response dated 25 September 2008 to the BCE's consultation. Those reasons largely form the basis of Babergh's support for the BCE's further two-unitary proposal, and will not therefore be repeated in this submission.

3. Lowestoft

- 3.1 However, the significant issue that now needs to be addressed in relation to Babergh's support for the BCE's further two-unitary Draft Proposal is the shift from our expressed view in September 2008 i.e. that, if Lowestoft were to be included in Suffolk's unitary arrangements, it should not simply be added to the proposed Rural Suffolk unitary.
- 3.2 In our September 2008 consultation response, we made it clear that we would welcome the retention of Lowestoft in Suffolk unitary arrangements. However, we did question whether that could be achieved without further modification to the BCE's then Draft Proposal.
- 3.3 We believed that Lowestoft's inclusion in the then proposed Rural Suffolk unitary would skew much of the BCE's rationale for that unitary, based as it largely was on the concept of a unitary comprising Suffolk's market towns. We expressed the view in our September 2008 submission that, in the event of Lowestoft being included in Suffolk's unitary arrangements, the BCE should look at alternatives to simply adding Lowestoft to the Rural Suffolk unitary and suggested that the BCE should discuss other possible options with Suffolk's councils, particularly those in the north of the county. Potentially, such options could have included a two unitary solution based on an east-west split of the county as proposed by Babergh or a three unitary solution, as being promoted by some other Suffolk councils.

- 3.4 However, whilst other alternatives still have merit, the Council feels that the BCE itself has now put forward (at para. 4.55 of its report) a potentially effective solution that could go a long way not only to achieving Lowestoft's effective integration into Suffolk's unitary arrangements but also to achieving a good level of balance and coherence across the entirety of the Rural Suffolk unitary.
- 3.5 The BCE's proposal for Public Service Villages (PSVs) in Bury St Edmunds and Lowestoft (based on existing and planned provision), together with a third PSV in Stowmarket (or, in our view, possibly Needham Market bearing in mind the current shared SCC/MSDC infrastructure there) has a great deal to commend it and should be given very serious consideration.
- 3.6 Together with the proposed Community Board arrangements for other parts of the Rural Suffolk unitary, the three-PSV concept provides great scope for imaginative, cohesive models of service delivery and democratic engagement across the entirety of the Rural Suffolk area. In our view, this model is potentially sufficient to allay our earlier concerns about the Lowestoft issue as well as substantially to address some broader concerns expressed by others about the fundamental concept of a Rural Suffolk unitary. For this reason, the Council is willing to set aside its previously expressed concerns on the Lowestoft issue and give its support to the BCE's further two-unitary Draft Proposal.

4. Single Unitary Proposal

- 4.1 In its April 2008 submission, the Council expressed its view that a single unitary council for the county could represent a sound solution for Suffolk and, indeed, expressed this as its second choice solution after its preferred two-unitary solution.
- 4.2 However, by September 2008, the Council had withdrawn its support for that option, for reasons set out in its consultation response at that time and which still prevail. At its meeting on 21 April 2009, the Council reiterated and reinforced its concerns about this option, and once again agreed that the BCE should be urged not to recommend this option to the Secretary of State.
- 4.3 In addition to the reasons given in September for no longer supporting this option, Babergh is convinced that a single unitary would be too large and remote to effectively engage with its constituent communities. In terms of democratic accountability, the Council believes that the reduction from the current number of County and District Councillors to the number proposed in the single unitary model is too great a cut and the balance between cost savings and democratic representation is much better struck by the larger combined number of new unitary councillors envisaged in the two-unitary model.

- 4.4 It is accepted that a significant streamlining of decision-making arrangements within the corporate body of the unitary council(s) is essential, and this Council fully supports the proposition of a significant reduction in overall councillor numbers, and hence cost savings, following the implementation of unitary arrangements. The business case for the two unitary model still represents a very significant reduction in councillor numbers.
- 4.5 However, the effort required of elected unitary councillors to play their full representational role within their wards, and in particular to spearhead and champion the proposed new community and neighbourhood empowerment arrangements in their areas, should not be under-estimated. These are new and exciting neighbourhood concepts that will ultimately make or break the success of new unitary arrangements, and overall confidence in local democracy, in the eyes of the public.
- 4.6 These new arrangements will require resources, commitment and resilience if they are to be developed, implemented *and sustained*. The capacity of unitary councillors to adequately fulfil that crucial representational and community role with the proposed size of their electorate in a single unitary council would be under serious strain, thereby putting the successful implementation of these proposed community arrangements, and hence the overall success of new unitary arrangements, at unnecessarily high risk.
- 4.7 The overall arrangements for PSVs, Community Boards and Neighbourhood Committees within the two-unitary proposal also represent a stronger overall infrastructure than that proposed within the single unitary solution, thereby once again achieving a better balance across the county as a whole between cost savings and service delivery/community leadership.
- 4.8 Overall, there are no significant financial advantages to the single unitary proposal that outweigh the disadvantages inherent in that model. The two-unitary model overall offers a better balance of outcomes against the Secretary of State's five criteria, as the BCE itself acknowledged at the original Draft Proposal stage. We supported the BCE's view at that time on this point, and nothing has changed our view since then. This Council fervently hopes that nothing has changed the BCE's mind either on this fundamental judgement, notwithstanding the fact that the outcome of recent Judicial Reviews has necessitated formal consultation on this sub-optimal option.

5. Affordability and In Aggregate Assessments

- 5.1 We are reassured that, based on submissions from the two lead Councils (Suffolk CC and Ipswich BC), the BCE's independent financial advisers have confirmed that both of the BCE's further Draft Proposals have the capacity to meet the Secretary of State's affordability criteria. We specifically note their assessment that, in accordance with one of those criteria, average Council Tax levels would not have to increase in either of the BCE's Draft Proposals to meet the transitional costs of implementing new unitary arrangements.
- 5.2 We welcome those findings, and we also recognise that decisions on actual as opposed to notional future Council Tax levels would be for the new unitary council(s) to determine. Nonetheless, some sensitive and difficult Council Tax equalisation issues will inevitably arise to varying degrees during the transitional period within any of the prospective unitary council areas before full realisation of the projected longer term savings that would underpin future Council Tax levels.
- 5.3 It appears that the Secretary of State's further guidance in December 2008 may only point to the concept of aggregation of costs, savings and reserves etc in a two-unitary area in circumstances where her own affordability criteria would not otherwise be individually met in these unitary areas. Even then, it appears that the expectation would only be for some form of voluntary collaboration in terms of aggregation arrangements between the respective councils.
- 5.4 Given the current level of understandable public concern about Council Tax levels, and the apparently high level of public cynicism as to whether new unitary arrangements will yield promised savings and Council Tax reductions, all possible measures should be taken to minimise *any* adverse impact on actual Council Tax levels for individual residents in any part of the county during the transitional period to any form of new unitary arrangements. In our view, this should in principle and if necessary involve mandatory aggregation/ pooling of costs, savings and reserves to support the transition process of moving to any new unitary arrangements that are in the long term interests of *all* of Suffolk's residents.
- 5.5 Whilst this is a matter for the Secretary of State rather than the BCE, we would urge that full consideration be given to whether and how a mandatory aggregated/pooled approach could be secured to support as necessary the transition to any new unitary structures.

21 April 2009