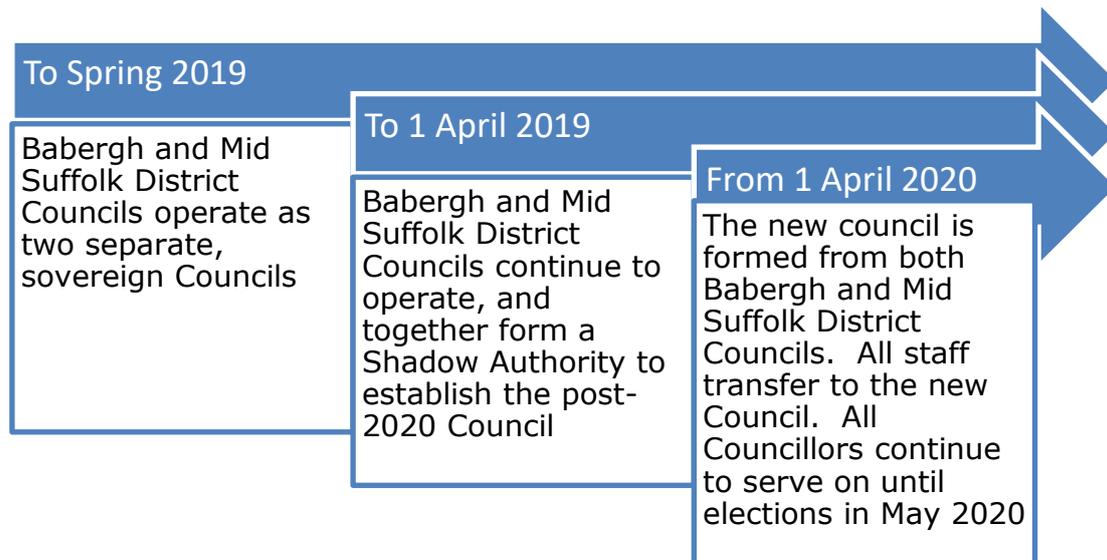


G. IMPLEMENTATION

108. Becoming a single council represents an opportunity for both Councils, as sovereign bodies, to come together to further improve community governance. In that regard, we strongly support a shadow authority arrangement to implement the proposals; this will enable consideration to what is the “best” approach to operation in the future, and for both authorities to come together as equals.

109. It is anticipated that the Shadow Authority would become operational in the Spring of 2019. It will adopt all necessary policies, appoint statutory officers and determine its constitution in line with the draft Memorandum of Understanding (Appendix (e)). Importantly, it would also agree an Implementation Executive to oversee the planning of the transition arrangements.

110. Although it remains preferable to create the new council from April 2019 it has been assumed that the earliest practical implementation would be 1 April 2020. From implementation both current authorities would cease and the new council will take on the powers and responsibilities of the former bodies. Elections to the new council would take place in May 2020. This will mean that all necessary modifications to systems and procedures will need to be implemented for April 2020 and on 1 April 2020, all staff TUPE transfer to the new Authority.



111. Due to the level of integration between the Councils at present, work to create the new Authority will be less significant than within authorities that do not have the same level of harmonisation. In particular, due to staff operating on single terms, conditions and pay, the TUPE requirements are more straightforward. Work undertaken indicates that implementation at a service level should be achievable within a concentrated, 6 month period.

H. FUTURE CHANGES AND CHALLENGES

112. The Local Government world is continually changing and the Government is committed to further public sector reform. Both Councils face a number of key local challenges, including:

- Providing long term financial stability in the face of reduction in grant from central government and desire to maintain low council tax;
- The need for investment in growth and infrastructure projects;
- Addressing increasing housing demand and costs;
- Growing employment opportunities and wages;
- Improving education and skills; and
- Being equipped to meet the needs of the growing numbers of older people across our districts.

113. We believe that we therefore need to maximise the resilience of local government in the heart of Suffolk in order to be able to achieve the ambitions set out above, while responding intelligently to, and overcoming, the challenges facing our communities and the councillors who serve them.

114. Any consideration of the proposal for creating a single council needs to be set against this background of change. When comparing the 'more of the same' option with the single council proposal, for example, we need to bear in mind that the context in which both Councils will operate will be very different from the current position in five to fifteen years' time. Our thinking therefore needs to focus on which model will best allow us to achieve our ambitions, give us the greatest resilience and financial self-sufficiency from 2020 onwards.

Examples of future changes and challenges

Behaving more commercially

The way councils are financed is changing and the main Government grant will end by around 2020. This means looking at new investments which generate an annual return and allow the councils to be more self-sufficient and therefore to protect public services.

We have been bold with our investments so far. For example both Councils are investing a total of £50m through their property investment company CIFCO which will generate a gross return to each Council of approximately £1m in 2018/19.

Considering new funding models

The Councils have been taking new steps to develop our organisation, estate, Councillors and staff. We are now looking at new ways to provide efficient services which generate efficiency savings and build resilience into our services in the future.

One model being explored is the purchase of a local Enterprise Zone, Gateway 14 in Stowmarket, and entering into a joint venture arrangement for the delivery of an estimated £65m investment in the site. Becoming a single council would make the process of forming joint ventures and partnerships more straightforward, enabling us to drive forward this element of our commercial agenda.

I. OUTCOMES OF PUBLIC ENGAGEMENT

115. The Options Appraisal (Appendix (a)) was considered simultaneously by both Cabinets at their meeting on 13th October 2017, and subsequently again by Babergh District Council's Cabinet on 7th December 2017. For the following reasons, the Cabinets confirmed their preferred option of formally dissolving the two district councils, and creating of a new, larger, district council:

Organisational

- Natural incremental extension of working together approach;
- Previous informal comments from electorate to the effect of 'why haven't you merged' and specific (historical 2011) mandate from Mid Suffolk electorate;
- Staff capacity – equivalent savings of approximately £400k per annum;
- Additional efficiency and financial savings of approximately £600k per annum generated from acting as a single Council – with one Cabinet, Constitution, MTFS, Budget, Business Plan, Performance report etc;
- Long term financial stability and resilience from combining the strengths of the respective General Funds, Housing Revenue Accounts and Reserves.

For Communities

- Opportunity to create a new council with stronger 'localism', engagement and devolution arrangements with its local communities; which is highlighted clearly through the ComRes telephone survey as being wanted by communities;
- Equalisation and 'protection' from either future dramatic Council Tax increases or service cuts through delivery of greater Value for Money, especially in Babergh;
- Greater alignment, through an electoral review, of ward boundaries of Councillors to better reflect actual community identities rather than being defined by historic local government boundaries;
- Ability for Mid Suffolk area to benefit from becoming a more financially resilient landlord, able to develop more council and affordable housing.

More broadly

- Able to act in even more co-ordinated way for shared challenges including infrastructure (especially A140, A14 and railway) and the wider economy;
- Providing a more mixed / balanced economic focus overall to build on and complement the strengths of both areas;
- Better placed (as a larger district by population nationally) to take a leading role in Suffolk, regionally e.g. with NALEP, and nationally e.g. with DCN; especially on rural issues;
- Better placed to be able to respond to Double Devolution – with the scale and capacity to directly deliver some current county services and functions locally ourselves, consequentially improving local services for our residents.

116. Informal public engagement began with the publication of the Cabinets' report in October 2017. The Cabinets' decision formally triggered a period of formal public engagement from December 2017. The engagement process was designed to inform residents, businesses, partners, stakeholders and staff of the proposals as well as giving people an opportunity to have their say if they wished. It also included an independent and representative telephone survey which gave a 99% (+ or – 2%)

confidence level. A high level of public awareness was generated through the public engagement, as demonstrated by Appendix (c)8 and (c)1.

117. We have prepared a full report summarising the engagement exercise, the outcomes and how we have responded to the feedback which is attached to this report at Appendix (c). In summary:

- Our engagement through the independent ComRes survey shows there is support for the proposals – in fact, when provided with a little more information, 62% of residents were supportive towards it. Over 79% of residents are supportive of:
 - Providing long term financial stability to protect services
 - Delivering better services, more tailored to local need
 - Meeting the challenges facing local government
 - Maintaining low council tax
 - Creating better relationships with local communities
 - Strengthening residents' voices
 - Cost savings and efficiencies
 - Providing a more effective housing and economic role
- Sector stakeholders have shown particularly strong support.
- Suffolk County Council, the Local Enterprise Partnership, Health partners, Suffolk Chamber of Commerce and neighbouring District Councils are universally supportive.
- Feedback from our parishes, local communities and residents highlights that the operation of our new council should be fair to all parts of our district, recognising the unique nature and challenges that all parishes, towns and communities face; and with enhanced methods for community engagement.

118. As Appendix (c) highlights, there are some concerns that have been raised via our engagement activity regarding the proposals. We believe that we demonstrate throughout this business case how we are addressing these concerns, but to provide some further insight in relation to the most common concerns:

SERVICES	Local services provided by visible staff	We expect to continue operating our services at all current service locations, and in particular, will hold meetings and deliver services across our three main locations of Stowmarket, Sudbury and Endeavour House (Ipswich).
	Running services efficiently	As a result of having the 'Working Together' approach since 2011 the transition to one council will be relatively straight forward – as demonstrated by the draft Memorandum of Understanding (Appendix (e)).
	Benefits for residents	The services that residents have already identified through public engagement as being most important

DISTANCE		to them (see Appendix (c)) will be protected by the creation of a single council, in particular through generating an extra £600k of annual savings. In addition, as described in Section E, the new council will develop stronger relationships and locality working arrangements with communities through local ward Councillors and the increased officer capacity created. This approach is being developed through an emerging Communities Strategy.
	Accessible and effective customer service	The Public Access Strategy adopted by the Councils in 2016 has led to the creation of two new and improved 'one stop shop' customer facilities in Sudbury and Stowmarket. All of the Councils' services can be accessed from these sites (as well as online and by phone). It is also part of the Councils' Public Access Strategy that appointments with residents take place in the districts rather than at the Councils' offices - although residents can also access the Councils' services at Endeavour House it has deliberately not been designed as a full customer facility as it is located just outside of both Councils' boundaries. A further refinement of the Public Access Strategy is taking place during 2018 to ensure all services are easily accessible.
	Strong relationships and connections to local communities	The delivery of services by the new council will continue from the same locations and it is anticipated that the new council will have the same number of Councillors (following the current Electoral Review). In addition, as described in Section E, the new council will develop stronger relationships and locality working with communities through local ward Councillors and the increased officer capacity created.
	Transparent Greater engagement and communication	The delivery of services by the new council will continue from the same locations. The current arrangements for decision making through two councils could be considered to be undemocratic – with representatives from one district influencing the

DEMOCRACY	Local decision making	decisions made by the other district. Moving to a single cohort of local Councillors will therefore strengthen democracy and transparency. Ward Councillors will continue to represent their local area but through stronger local arrangements enshrined by the emerging Communities Strategy.
	Local representation based upon local voices, people, places and knowledge	This is an important consideration which Councillors took into account when debating revisions to the Council sizes (number of councillors) of Babergh and Mid Suffolk under the current Electoral Review. The Councils' emerging Communities Strategy and refreshed Public Access Strategy will form a core part of the way we expect the new council to operate, supporting communities to help themselves. This approach requires strong ward representation, and as a result, we have approached our consideration of future governance with the view that whilst there may be opportunities to make savings in decision making, strong local representation must continue.
	Democratic, with appropriate political governance	Currently there are over 1300 elected representatives serving the two districts. The current Electoral Review of the Councils is likely to reduce the number of Councillors by approximately 17. No further reductions to the number of Councillors are planned. The political make up of those Councillors will of course be a matter for the electorate on polling day.
FINANCE	Minimising financial impacts for residents	If the Councils continue as they currently are then there will be an additional £1m that will either need to be saved or generated through new income in order to balance the Councils' budgets. The Councils have a combined, cumulative, budget gap of over £2m by 2021/22. Dissolving the existing Councils and creating a new single council will therefore significantly reduce the need to find other savings and / or income (Section F). Residents of Babergh District Council are therefore more likely to have to pay a higher Council Tax and incur new / higher fees and charges if

		the Council is not dissolved. Section F is clear that dissolving the Councils would result in a reduction of Babergh residents' Council Tax.
	Value for money	Whilst finance is a key aspect of this business case there are a number of significant opportunities that would arise from this proposed change, as identified in Section D and elsewhere within the business case.
	Combining the Councils' finances	Babergh District Council has not been extravagant in its spending. The main difference between the two Councils' General Fund positions is as a result of fewer new homes having been built in Babergh than in Mid Suffolk; and so less New Homes Bonus or Council Tax being generated. As described in Section F however Babergh has a stronger Housing Revenue Account position and less debt than Mid Suffolk District Council.
	Minimising any costs of transition	As set out in Section F, the success of 'Working Together' since 2011 means that the transitional costs of re-organisation will be extremely small. If a new council is not created, with the consequential savings, then greater costs will need to be passed on to residents through Council Tax and fees / charges; or services cut.
	Avoiding redundancies	Both Councils already have a shared officer structure; however officer time could be more effectively employed to drive forward key initiatives rather than supporting two Councils. As a result, we propose to more effectively utilise officer time available to the new council; and there is no expectation of redundancies arising, through careful utilisation of natural wastage.

119. In summary, we believe that the outcomes of this engagement show broad public support towards the proposals, and all concerns raised through the engagement can be adequately addressed through this Business Case and the way that the new council will operate.