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COMMITTEE: EXECUTIVE **Ref No: E/08/47**
DATE: 9 DECEMBER 2008
SUBJECT: BOUNDARY COMMITTEE – REVIEW OF LOCAL
GOVERNMENT STRUCTURES IN SUFFOLK
PORTFOLIO HOLDER: COUNCILLOR E HARSANT
DIRECTOR: JONATHAN OWEN

Short description of report content and the decision requested:

This report provides an update on progress with local government review in Suffolk. In particular, the recent announcement by the Boundary Committee that its independent financial consultants (IPF) have confirmed that its preferred option for two Suffolk unitaries i.e. a North Haven and a Rural Suffolk (including Lowestoft) are "low risk" and "likely to achieve" the Government's affordability criterion.

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This report was prepared after consultation with:

James Hehir (Chief Executive)
Cllr Liz Harsant (Leader)
Ian Blofield (Head of Finance)
Claire Barritt (Head of Legal Services & Monitoring Officer)

The following policies form a context to this report:
(all relevant policies must also be referred to in the body of the report)

Transforming Ipswich

This report is not a key decision included in the Forward Plan

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW

(papers relied on to write the report but which are not published and do not contain exempt information –

1. Terms of Reference to the Boundary Committee
2. Decision letter re Ipswich Unitary bid - 5 December 2007
3. Report to Executive 18 March 2008 – Update on Boundary Committee Structural review of Suffolk
4. Report to Executive – 8 April 2008 – Submission to the Boundary Committee: Concept for Unitary Councils for Suffolk
5. Report to Executive – 8 July 2008 – Boundary Committee, Review of Local Government Structures in Suffolk
6. Report to Executive – 29 July 2008 - Boundary Committee, Review of Local Government Structures in Suffolk
7. Letter from Boundary Committee to S151 Officers – inclusion of Lowestoft
8. Report to Executive Committee – September 2008 - Boundary Committee, Review of Local Government Structures in Suffolk
9. Boundary Committee Financial Consultants' report 21/11/08

OTHER HELPFUL PAPERS

(papers which the report author considers might be helpful – this might include published material)

1. Ipswich Borough Council bid and associated documents regarding Unitary status – see – www.unitarynews.com
2. Boundary Committee web site – www.boundarycommittee.org.uk

1. Introduction

- 1.1 This report updates Executive on progress with local government review in Suffolk.

2. Background

- 2.1 On 8 July 2008 the Boundary Committee published its draft proposals for reviewing local government in Suffolk. Its preferred proposal was for an Ipswich and Felixstowe unitary authority and a Suffolk Unitary authority comprising the rest of the county apart from the Lowestoft area. Ipswich Borough Council was invited to submit business and financial cases for the former (with a working title of North Haven) and Suffolk County Council invited to submit them for the latter. Subsequently the Boundary Committee also invited business and financial cases that included Lowestoft in the new pattern as well.
- 2.2 The Suffolk Local Government Association (SLGA) agreed to establish Member Boards from the affected Councils to oversee this process. The membership for the North Haven Board covering the Ipswich, Felixstowe and South Suffolk area was:

Cllr Liz Harsant (Chair)	Ipswich Borough Council	Cons
Cllr Kathy Pollard (Vice-Chair)	Suffolk County Council	Lib Dem
Cllr Nick Ridley	Babergh District Council	Cons
Cllr Derrick Haley	Mid-Suffolk District Council	Cons
Cllr Andy Smith	Suffolk Coastal District Council	Cons
Cllr Graham Newman	Suffolk County Council	Cons
Cllr Andrew Cann	SCC/IBC	Lib Dem
Cllr Christine Block	Suffolk Coastal District Council	Lib Dem
Cllr Mike Deacon	Suffolk Coastal District Council	Labour
Cllr David Ellesmere	Ipswich Borough Council	Labour
Cllr Kevan Lim	Suffolk County Council	Labour
Cllr Sue Wigglesworth	Babergh District Council	Ind

- 2.3 Business and financial cases for the draft proposals were submitted to the Boundary Committee at the end of September that demonstrated that the new North Haven Council would provide:

Strategic leadership that was strong, effective and accountable.

The area proposed for North Haven is very contained; nearly 86% of North Haven's working residents work in the North Haven area for example. This means that there is a strong focus on addressing the needs of the area and to improve quality of life. The new Council will be able to focus on the very different needs of this area - economic growth, developing the ports, improving skills and educational attainment and delivering cohesive

communities for example. The strategic leadership provided by a cabinet/leader model in Ipswich has delivered some of the most exciting economic regeneration projects in the Eastern region and will form a sound base for the work of the new council. Enhanced scrutiny arrangements, the attention of a very strong press and media base, which is largely coterminous with North Haven and very vocal, and active community groups will ensure accountability across the area.

This strong leadership will ensure that North Haven will be able to compete for economic development and regeneration with others across the Country including Thames Gateway, M11 Corridor, and Greater Cambridge etc.

Empowered citizens and communities

There will be one Councillor for every 3000 voters which provides good opportunity for interrelationship with residents. The new Council will benefit from Ipswich's nationally recognised approach to community engagement with neighbourhood forum reaching out to all communities. In addition the new council will build on the work of existing Town and Parish Councils and community groups to ensure citizens and communities have a strong voice in the new Council. The new Council will provide an opportunity to realise the potential of the recent White Paper "Communities in Control". A new Local Strategic Partnership will be created to reflect the needs and aspirations of all the North Haven area.

Value for money services and an affordable solution for local government review.

The new Council will deliver value for money services through its mixed economy philosophy, early work on service integration and transformation, effective engagement with interested parties in the design and targeting of services, partnership working and the development of shared service opportunities. There will also be scope to work more closely with the third sector on commissioned services and with LSP partners to reduce duplications across the public sector.

Over £35m of net savings will be delivered over the first four years through flatter management, smarter delivery of services and property rationalisation. The investment necessary to set up a new council will be "paid back" within 13 months. There will be annual on-going savings of £15m.

- 2.4 Following the submission of the business cases the Boundary Commission requested further information in support of the North haven Business case which was submitted and is available on their website at www.boundarycommittee.org.uk. In addition the three Group Leaders on Ipswich Borough Council wrote to the Boundary Committee expressing their opposition to the County Council's proposals for Ipswich as part of its business case for the alternative pattern of a unitary Suffolk. They indicated that they did not consider that those proposals would provide for strong leadership,

accountability or effective empowerment. The County Council proposals (**set out in bold**) and the concerns identified by the Group Leaders follow:

Introduce a portfolio holder or champion for Ipswich.

This person would presumably be drawn from the new unitary councillors and have a seat on its new Executive. To command credibility that person would have to be drawn from Ipswich unitary councillors, it surely would not be right for the Ipswich champion to come from Bury for example. Other points of concern include:

- Would the portfolio holder have to come from the party that constitutes the new unitary's Administration?
- Would that portfolio holder have responsibility for the strategic development of service delivery in Ipswich and if so, how would they relate to other portfolio holders?
- How would they relate to the Area Assembly and town council set out below?
- Would residents of Ipswich contact their local MP, councillor, the Ipswich Champion, service specific portfolio holders or the Area Assembly for action on issues that concern them?

Establish a Community Board or Area Assembly for Ipswich.

Suffolk County Council's proposal envisages 20 or so community boards across Suffolk ranging in size from 10,000 to 120,000 people. We assume that the proposed Area Assembly for Ipswich will also constitute the Community Board too - although that is unclear. These will bring together key local agencies, take on community initiatives and decide on how locality budgets will be allocated. In Ipswich this Assembly will also have greater devolution than in other areas.

Creating this Assembly will not simplify things for local residents in Ipswich or provide for strong leadership. How will it relate to the Portfolio holder, the Town Council or the local neighbourhood forums? Who takes the strategic view for Ipswich, who do residents contact for action?

The County Council's budget for Community Boards is £2.6m. If this is divided equally across the 20 community boards then the budget for Ipswich's 120,000 population will be only £130,000. If it is given more then clearly resources available to the rest of Suffolk will reduce significantly.

If the Board is genuinely given greater devolution then how will this address the problems identified with the current two tier arrangements which it will in fact replicate but with a democratic deficit?

Build on the Borough Council's existing neighbourhood forums.

There are currently five neighbourhood forums that are broadly coterminous with Safer Neighbourhood Teams and bring together local residents, key

organisations and councillors to solve problems in local areas and to allocate locality budgets – very similar to community boards in fact! They are recognised as national good practice and Ipswich is only one of only 18 national empowering authorities in the country. However the forums are currently operating on a shoestring following the withdrawal of financial support by the County Council. There is no suggestion in Suffolk County Council's submission that the necessary extra resources would be found to develop the forums. Nor is there any indication about how the forums would develop alongside the other arrangements. Their relationship with the Area Assembly is particularly confusing and likely to lead to multiplication of activity by stakeholder groups and residents. Would they still have devolved budgets? What would be unacceptable would be to replace them with one community board for Ipswich, which would see the number of opportunities for public engagement reduced from 20 to 3 per year.

Establish a Town Council for Ipswich and maintain a ceremonial mayor.

If Ipswich ceased to have democratically elected governance then a Town Council might well be a desirable option. However, our estimate is that the additional costs to local council tax payers of establishing and maintaining a town council would be in the region of £2m per annum (which has not been costed in the County's submission). It is also difficult to see how any devolution of responsibilities to this Town Council under legislation pertaining to town and parish councils would fit with the proposed devolution of powers to the Area Assembly. Neither is it clear how its role would fit with the Ipswich Champion or neighbourhood forums."

2.5 The Boundary Committee commissioned independent financial consultants to provide it with an assessment of the affordability of the business cases submitted. The results of this very full analysis were published on 21 November <http://www.electoralcommission.org.uk/boundary-reviews/about-structural-reviews> and consist of

- A 36 page summary report. This report outlines the consultants' view of which of the 16 authorities are or are not likely to meet the affordability criterion.
- A 300-page document which includes a detailed report on each of the 16 authorities identified. Each report sets out the findings from the consultants' analysis, indicates their considerations and tables their view on whether or not the submission is likely to meet each separate affordability indicator as set down by the Secretary of State.
- A 300-page 'compilation of financial information' document which contains the raw data used to inform the analysis as well as copies of correspondence between section 151 officers and our consultants.

2.6 The reports confirm that the option for two Suffolk unitaries i.e. a North Haven and a Rural Suffolk (including Lowestoft) is "low risk" and "likely to achieve"

the Government's affordability criterion. This is good news and exactly the same rating given to a single unitary Suffolk. Key points to note include:

- All the Suffolk options are considered to be "affordable"
- There is "a significant benefit arising from Lowestoft remaining in Suffolk"
- The rural Suffolk option with Lowestoft is considered a "low risk" but without Lowestoft is a "medium risk"
- "Higher expenditure would be incurred by a county based unitary compared with a more locally based unitary authority" on localisation features.
- The £0.35m estimate for a combined Suffolk Fire Authority has been accepted and the Norfolk equivalent of £1.9m has therefore been reduced.
- In the case of Norfolk, only the single unitary pattern is considered affordable. Neither of the two-unitary Norfolk plans are considered affordable.

2.7 This report forms just one piece of the evidence the Boundary Committee will take into account when it gives its advice to the Secretary of State. It is important to note that the conclusions in the report are those of the IPF consultants, not the Boundary Committee's conclusions.

2.8 One of the Secretary of State's other criteria that must be met is that the proposals receive a broad measure of public support. Inevitably given the absence of developed business cases and the summer consultation a relatively small number of views have been submitted to the Boundary Committee. There is no independent analysis of those returns as yet. However, the majority of those responses appear to favour either smaller unitary councils or no change over the creation of a large and remote unitary Suffolk.

2.9 As a new proposal, and without a fully developed business and financial case until the end of September, the Ipswich and Felixstowe unitary case has received a surprisingly high level of public support. Six of the seven districts in Suffolk support a unitary pattern of Government focused on Ipswich and its surrounding area. The North Haven proposal also has the support of large neighbouring districts in Essex including Colchester and Tendring. A number of parish and town councils have also proffered their support including Beccles, Belstead, Bury St Edmunds, Copdock and Washbrook, Euston, Holbrook, Lindsey, Newmarket, Pinewood and Shotley. There is also support from business, community groups, educational facilities and individuals as represented on the Boundary Committee website. These include: Bury St Edmunds Chamber of Commerce, Genesis Orwell Mencap, Haverhill Association of Voluntary Organisations, JG Land and Estates, Kessingland Primary School, Onslow, Suffolk New College, The Ipswich Society etc. A number of other organisations whilst supporting other options for Suffolk have

indicated that they could work with a unitary pattern based on Ipswich – for example Suffolk Constabulary and the NHS.

3. Policy Context

3.1 A North Haven unitary will improve local outcomes. The new Council will need to prepare a new corporate plan and lead on the development of a new Sustainable Community Strategy.

4. Performance Monitoring

4.1 Deadlines have been met for the submission of material and the Boundary Committee’s independent analysis is that the case is likely to meet the affordability criteria.

5. Risk Management

Risk	Impact of risk, if it occurred* (Scale of 1-4) 1 - Catastrophic 4 - Negligible	Probability of risk occurring* (Scale A-F) A- Very likely F - almost impossible	What is the council doing (or what has it done) to avoid the risk or reduce its effect?
Boundary Committee reaches a different conclusion to its preferred draft proposal.	1	D	Business cases/ public support/ briefings etc
Secretary of State reaches a different conclusion	1	C	Business cases/ public support/ briefings etc

6. Environmental Impact Assessment

6.1 There are no direct environmental impacts of this proposal. However, a unitary council for North Haven will provide more opportunity for improvements to the local environment and more scope for a co-coordinated approach to environmental improvements.

7. Equalities and Diversity Implications

7.1 Ipswich and the rest of Suffolk have very different demography. Suffolk County Council is, as would be expected, focussed on provision across the whole of the Suffolk demographic. A unitary North Haven Council would enable the full range of local government services to be focused on North Haven demography, which would enable a greater focus on the equalities and diversity issues.

8. Financial Considerations

- 8.1 Full information on the financial implications of a move to a North Haven unitary are set out in the financial case which shows that over £35m of net savings will be delivered over the first four years through flatter management, smarter delivery of services and property rationalisation. There will be annual on-going savings of £15m.
- 8.2 The Boundary Committee relies on individual Authorities to provide data and resources to complete the work required. Executive approved a maximum budget for external support for this phase of the work on 8 July, current projections show that we will come well within that sum.

9. Conclusions

- 9.1 This independent assessment is good news and confirms that good progress is being made with pressing for accountable unitary government, close to the people of Ipswich and Suffolk

10. Recommendation:-

- 10.1 That the report of the Boundary Committee's independent financial consultants, confirming that two unitaries for Suffolk would be affordable, be welcomed.**

Reason: This independent assessment is good news and confirms that good progress is being made towards accountable unitary government.