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Dear Mr Caller

## **Mid Suffolk District Council response to the three unitary submission by St Edmundsbury, Forest Heath and Waveney Councils**

We believe that it is appropriate to draw the Boundary Committee's attention to some of the inadequacies of the submission you have received from the above mentioned Councils. We note that Babergh and Suffolk Coastal District Councils have not subscribed to the submission.

Our comments are expressed within the context that the submission has not been through the same rigorous examination and scrutiny as the Committee's preferred proposal and the proposal with merit. It is difficult therefore to know how the Committee can give serious consideration to the submission in the knowledge that it is not a proposal put forward for public consultation. We do however acknowledge the right of the Councils to submit their contrary views.

Our views are expressed under four headings:

- Unsupported assertions
- Misleading claims (consultation and support)
- Inaccuracies and contradictions
- Unproven financial figures

Each of these is covered in more detail:

### **(i) Unsupported assertions**

*[Page 1, third para.] [page 16, last para.] [Page 3, para 3.3.3, second bullet].* The proposal makes a very strong headline statement about substantial differences between East and West Suffolk and the needs and visions for each, but in reality it does not present strong evidence to support this assertion. Other than the Coast and aspects of landscape, it is not at all evident that there are 'fundamental' differences between an 'East' and 'West' Suffolk. Both have broadly similar rural and urban challenges. In fact, there are common issues right across Suffolk that would benefit from a synergistic approach rather than the disruption and fragmentation that will arise from splitting them, in particular regarding Children, Adult Social Care, Transportation, Energy and Education. The assertion that these services require a separate geographical focus and treatment is not supported by any evidence. Even accepting local area loyalties, the evidence from 'Suffolk Speaks' consistently shows that people identify with Suffolk first and their town or village second.

*[page 10, para 5.2.3].* Area working is cited as evidence of East-West differences. In fact, a pattern of area working is exactly what one would expect in any efficiently run organisation,

whether public or private sector. It is not, in any normal business model, an automatic argument for splitting the organisation into completely separate autonomous new organisations, thus losing any strategic focus or economies of scale. In the private sector this normally would destroy shareholder value.

*[page 3, para 3.3.3, third bullet] [page 7, section 4.2.1, first bullet, second para].* There is no independent evidence that supports the assertion that, "There is a price to pay for large size in a rural county ...". The suggestion that a large unitary won't work is simply not supported by any independent evidence that shows an upper limit on the population size of a well run unitary council. Indeed Cornwall (520,000), Durham (500,000) and the proposed Norfolk unitary (800,000) are examples broadly comparable with a One Suffolk unitary covering 700,000. Conversely, there is evidence (PricewaterhouseCoopers, 2004) that too small a unitary can be ineffective.

*[Page 8, first bullet].* To say that the arguments against splitting key services are not convincing simply ignores the large body of evidence and feedback from voluntary and community and business organisations, already flagged on the Boundary Committee website.

*[page 13, third para].* The reference to BT is not a valid argument for East Suffolk. BT also has large premises in central Ipswich, not just at Martlesham, and of course there are telephone exchanges right across Suffolk.

*[page 16, first para.].* The implication is that an East Suffolk unitary would be best able to promote the A12 upgrade north of Ipswich. In fact, given that the A12 is a key artery that runs right through the entire County, it would get hugely greater strategic focus and promotion via a single unitary council.

*[page 23. para 6.1.1] [page 24, fourth para] [page 26. Section 'D', second para].* A bold claim is made about the three unitary solution offering the best strategic leadership, but it does not go on to say why. Another bold statement is made about how bringing together county and district services will realise economies and efficiencies, but no supporting detail of how this could be realised in practice ("The councils will aim to save costs...."). In reality there is greater synergy to be realised from integrating all the district and borough services, as One Suffolk would do, in addition to the lesser savings realisable from District-County integration. There needs to be strong evidence and rationale, not just bold unsupported statements. Furthermore, the evidence to date points to a failure of councils in Suffolk to provide strategic leadership because of an apparent unwillingness to let go of parochial tendencies. Mid Suffolk has consistently involved itself in initiatives to provide pan-Suffolk solutions, and regrets that most other Districts have failed to act. A 3-unitary model would not change such a mindset.

## **(ii) Misleading Claims Regarding Consultation and Support**

*[page 1].* "Financial Analysis undertaken by District Council S151 Officers indicates that the proposal is entirely affordable" – MSDC CFO has not been consulted (presumably nor has Babergh or Suffolk Coastal).

*[Page 2, para 3.1, and subsequently in many sections].* The term, 'The District Councils' is used in a very misleading manner, wrongly conveying the impression that all the District councils in Suffolk are in agreement, and indeed not distinguishing between District and Borough councils. Contrary to the implication of para 1 of the proposal, MSDC believes that a

single Suffolk Council, with closeness via local delivery, Community Boards, and Town and Parish Councils, is the best solution.

*[page 7, para 4.2.1].* This statement is very misleading. The single unitary proposal has been consistently championed by Mid Suffolk District Council. It is also strongly supported by many stakeholder groups, as evidenced on the Boundary Committee's website. As such, a single unitary council is an ambition of many current organisations in Suffolk, not just the County Council.

*[para 5.1.4].* MSDC was not consulted at all on this proposed dividing line, which splits the District and its parishes/town communities in what appears to be a totally arbitrary manner, and without an understanding of the links between Parish communities either side of the line.

*[page 18, Figure 3].* This is misleading, as Babergh District Council figures are being shown in support of an argument about the so called 'West' Suffolk region. In reality the proposed boundary between East and West divides Babergh equally into two.

*[page 42, 8.1.6] [Page 56, first para].* It is not clear whether there was any attempt to solicit the information from MSDC. It is not apparent that we or others were ever asked to provide any information.

*[Page 43, 9.1.2] [Page 44, fourth para].* What weight of evidence ?. On the Boundary Committee website the weight of evidence is actually in favour of One Suffolk. It is surprising that there is no reference to the many stakeholder responses already on the BC website. Mid Suffolk attended meetings in the East and West of the county and found very little stakeholder support for either an East/West or 3-unitary arrangement.

*[Page 44, second para].* This is misleading. In fact, the Babergh DC proposal to the BC is in support of two-unitary North Haven with a 'Hadleigh extension', not the East-West proposal in this document. It is noted that Hadleigh does not wish to be included in a Haven proposal.

*[Page 59, section 1, bullets].* This is very misleading. The information listed here was not sent to everyone across Suffolk, just selected geographies.

### **(iii) Inaccuracies and Contradictions**

*[page 2, para 3.2.2].* 'complement and support the success of the North Haven area ..'. This is implicit acceptance of the need for strong strategic linkage between the various parts of Suffolk, rather than having the fragmentation of a three way split.

*[page 4, para 4.1.2].* Suffolk's single county identity is clearly recognised here, in contradiction to the arguments elsewhere for there being three different parts with different identities.

*[page 4, para 4.1.4. First bullet].* The focus on Suffolk-wide transport investment, recognised by the Suffolk Development Agency, will clearly be weakened significantly by a three way split of governance.

*[Page 5, first sub-bullet] [Page 6, first three paras] [page 13, last bullet] [page 29, 6.2.9, second bullet].* The emphasis on the relationship between Lowestoft and Haven Gateway is surely an argument for having a single Suffolk-wide focus, rather than just a separate East

unitary. In addition, the lack of focus on Suffolk in the Regional Spatial Strategy is another key argument for having a single, powerful county-wide voice to champion the case for investment, rather than the current eight, or the proposed three separate councils. Equally, the leisure and tourism linkage of Lowestoft with the Ipswich area, and the recognition of the strategic regional importance of Ipswich, is yet again an argument for having a single Suffolk-wide focus, rather than separate East, West and N Haven unitaries. In addition, the recognised linkage between coastal energy and 'rural heartland' energy sources is yet another strong reason to have a single strategic energy focus right across the county, rather than three separate pockets of partial focus. Further reference to East Suffolk and Haven Gateway linkage is again a strong argument for having One Suffolk, not two or three.

*[page 16, third para].* The recognised need for a strong coastal policy is in fact yet another argument for having a coordinated approach via a single council, rather than two separate approaches in East Suffolk and North Haven.

*[Page 7, section 4.2.1, second bullet, second para].* It is disappointing that the sentiment expressed here is that it is not worth the effort of making savings of less than 1%. These are very significant (£m's) sums of money, that could be spent on service improvement for customers.

*[Page 8, section 4.2.2, first bullet] [page 35, 7.1.1].* This is a very confusing and contradictory argument. Even with three unitary councils there will still be a need for a community focus at the very lowest level of neighbourhood, consistent with the government White Paper. The three unitary proposal is almost implying that it is sufficient to have just three giant unitary-wide 'communities' - this is quite strange. Conversely, the One Suffolk unitary proposal addresses this need by having local area delivery and a large number of empowered Community Boards complementing and supporting the Town and Parish councils. It is worrying that this proposal seems to imply that effectively three giant 'Community Boards', equal to each unitary council, will facilitate the required level of increased local neighbourhood engagement. It does not go far enough. In practice it will need a similar focus, with a larger number of smaller community boards, to that proposed for One Suffolk.

*[page 38, 7.5.1].* This seems very contradictory. See the previous comment, above. If neighbourhood engagement is indeed focused at the Community Board level, similar to the One Suffolk proposal, then what's the difference and why the criticism of One Suffolk?. Conversely, just having community focus at the three-unitary area level would be far too remote.

*[page 17, diagram].* The Cambridge sub region 'egg shape' diagram seems fairly arbitrary in its boundaries. In reality there is strong linkage between BT Martlesham and the IT industry along the A14 and into Cambridge. The diagram does not show this at all.

*[page 22. para 5.5.1, 5.5.4 and 5.5.5].* This is contradictory. In one sentence it says that West Suffolk is not experiencing the same issues as East Suffolk. In the next para it then says that low skills are an issue in the West, which is exactly what is said also about the East (poor skill levels) in a preceding paragraph (5.5.1). In reality there are many common issues right across Suffolk - there is no fundamental East-West difference, contrary to what is asserted in the proposal.

[page 27, para 6.2] [page 31, 6.3]. The East Suffolk vision includes growth of the very high tech industry that are cited elsewhere as one of the distinguishing characteristics of West Suffolk !. In similar vein the West Suffolk vision focuses on rural deprivation, ie. similar to that for East Suffolk. Clearly, the two are not fundamentally different as is argued elsewhere in the document !.

[Page 45, third and fourth paras + para 9.1.4]. It is very contradictory to claim that a fresh start is needed in one breath, and in the next to say that status quo would be an acceptable option. In reality the three unitary proposal seems to be very focused on preserving the existing geographical district power bases, with one foot firmly in the past.

[Page 45, fifth para]. This is at variance with the 'Value for Money' assertion about minimising cost. The single unitary One Suffolk proposal is agreed by all to be the lowest cost option.

[Page 49, third para]. CSD already provides modern, forward looking IT facilities, with the 'public server network' ethos described here. Why then propose to change this to something supposedly similar, at potentially extra cost ?.

[Page 56, last para]. This is quite incorrect. The Suffolk unitary cases do not assume that ALL back office staff transfer to Ipswich.

#### **(iv) Unproven financial figures.**

No figures have been shared with MSDC and we have not been consulted nor have we provided any information for this business case. The authors have presumably made use of the information provided to Suffolk County Council and Ipswich Borough Council to produce the North Haven, Rural and One Suffolk business cases.

From the limited information included, the methodology appears to be broadly similar to that followed in other financial workbooks. The other workbooks received qualified sign offs by all District CFOs (including FHDC, SEBC and WDC) so presumably their reservations should be also applied to this three-unitary business case. (The areas of concern included, Corporate Support/Shared services, Efficiency Savings, the cost of dividing the County Services, Waste Savings, and Supporting Community Boards)

[page 55]. Total five year savings claimed at £33m compares with Rural £32m and Unitary £89m. This is higher than the Rural figure, when actually you would expect a smaller saving. (It is to be noted, however that District CFOs felt that the relative savings (and costs) shown for the Rural Suffolk option were understated (or overstated) compared to the Single Unitary option.). Unfortunately MSDC has not seen the detailed calculations and would not be able to sign off this business case, and as such the level of savings claimed here would need to be regarded as "unproven" and cannot be accepted as reliable. Similarly, the ongoing annual saving figure of £22m seems disproportionately high when compared to Rural (£15.8m) and North Haven (£13.5m). In addition, there is nothing included for council tax equalisation and nothing mentioned about council tax strategy at all. This is a major omission.

[page 34] Is the intention to use CSD or not?. North Haven has seen the value of utilising the experience of CSD and modern operating systems. If those creating the three-unitary submission do not intend to do so, then termination payments would seriously dent the business case.

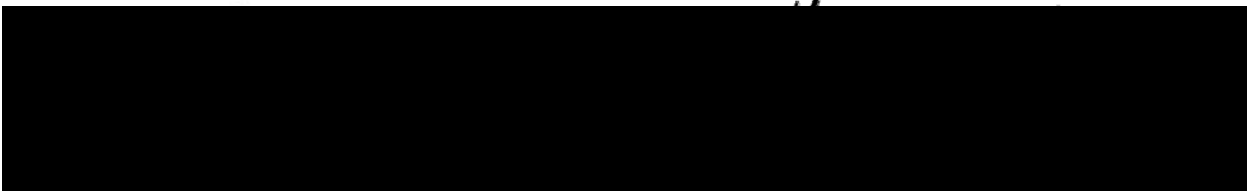
[page 42]. The proposal claims to have disaggregated existing council budgets and RSG based upon Workbooks agreed between Suffolk County Council and the Districts, but that cannot be true, because the Workbooks do not disaggregate Mid Suffolk or Babergh on the same basis as this new proposal.

Given all of the above, and the fact that the proposal sees 'status quo' as a possible acceptable option, a reasonable conclusion is that the entire document is just a dressed up defence of the existing power bases of the three councils that have produced it, two of which have consistently declared their preference for retaining the two tier system.

A three unitary solution for local government in Suffolk would be even more diluting than two. Mid Suffolk has diligently worked with others to speak for a united Suffolk; one where all agencies pull together to represent Suffolk's sub regional case for economic growth. Whether it is transport infrastructure, health care, education or health, Mid Suffolk has championed a co-ordinated, non-parochial approach across the county, evidenced by our track record of partnership working within the private and public sectors. Suffolk requires strategic leadership to rise to the many challenges, and any attempt to dilute this must be resisted.

A new beginning for Suffolk presents the opportunity to be really radical and set a gold standard for the rest of the country, with a totally new business culture based on modern political and managerial leadership that cares for all of Suffolk, not one based on artificial boundaries.

Yours sincerely



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