

At their meeting on 26 November 2015, the Scrutiny Committee recommended to the Leader of the Council, the Cabinet Member for Finance and the Director of Resource Management that the following information should be included as part of the report to the Cabinet on 26 January 2016:

“An Appendix providing brief statements from each of the District and Borough councils in Suffolk giving their comments on the potential impact of the County Council’s proposals from their perspective, and whether the budget proposals will result in cost-shunting”

This appendix includes the responses received to date, from Ipswich Borough Council, St Edmundsbury Borough Council, Forest Heath District Council and Suffolk Coastal District Council.

### **Response from Ipswich Borough Council**

Thank you for your email of 8 January 2016. Unfortunately because of the short period you have given us to comment I have not been able to seek the formal views of the Borough Council’s Executive Committee prior to replying. However this response will be appended to our budget report at the Executive on 9 February 2016.

I am aware that your Scrutiny papers were published well in advance of the Local Government Settlement announcement on 17 December 2015 and that the landscape has changed significantly as a consequence. Broadly, the settlement has provided better news for County Councils and worse news for district and boroughs than was expected. At Ipswich Borough Council this has resulted in a cumulative reduction in “spending power” (as defined by government) of over 14% or £2.65m by 2019/20.

In addition, and as you know, there has been a major change in central government thinking – from a position where the government was incentivising and expecting councils to freeze council tax to a position where there is no incentive and an actual assumption that Councils will / should increase to the threshold level (i.e. effectively 4% in your case). Clearly whether or not you do that is a matter for Suffolk County Council but it does all suggest that you are in a stronger financial position than anticipated.

In terms of the decisions that the County Council is seeking to make, I find it astonishing that you have decided to commission and undertake a wide-ranging public research piece about County services and spending and then to make all your financial decisions before the results become available.

In relation to the proposals in your Scrutiny papers my comments are:

- (i) Your decision to change Recycling Performance Payments for organic waste has clearly resulted in cost shunting – either to districts and boroughs – or to residents of Suffolk. This decision will cost Ipswich Borough Council around £125,000 per annum;
- (ii) Your intention to stop subsidising park and ride has been clouded by the muddled communications around this and the lack of clarity you have been

able to provide partners but it is potentially (depending on what you are actually proposing) a devastating blow to Ipswich town centre and the impression the residents of Suffolk will get about the interest the County Council takes in its county town;

- (iii) Your proposed reductions in grants are likely to have a hugely detrimental impact on the community and voluntary sector in its widest sense – I'm proud that Ipswich Borough Council has taken the opposite approach and has actually been increasing our grant levels during these challenging times;
- (iv) The proposal on the fire service simply don't make sense to me ... I do not understand why the bulk of the financial savings and detrimental impact seem to be falling on the station (Princes Street) and the town (Ipswich) where demand / need are the highest. I anticipate the Borough Council responding in more detail within the official fire and rescue service consultation period;
- (v) We are very concerned about the major proposals to cut Housing Related Support (by £2.4 million) and believe there is a major risk that this will just shunt costs and challenges to other places within the wider system (including to districts);
- (vi) Much of the detail is – to be honest – difficult to understand as we do not entirely understand County Council phraseology and jargon but we would be particularly concerned about any proposals that reduce the support to schools / education and skills and whilst we are pleased that you are looking to provide a new primary school in Ipswich we are not as yet clear that that is deliverable within the budget allocation you have made. I sincerely hope your ambition and commitment it to deliver a school which will be good or excellent and in time to meet the significant place based need can be achieved.

I apologise that this is a relatively short reply but I hope it makes it clear that I do have major concerns about your budget proposals which in many cases – whether directly or indirectly – are likely to result in cost shunting and in a detrimental manner to Ipswich Borough Council (and I would imagine other districts).

### **Response from Suffolk Coastal District Council**

The brief comments set out below represent this Council's initial response to the request from Suffolk County Council's Scrutiny Committee as referred to in the Minute shown below:

*“To recommend to the Leader of the Council, the Cabinet Member for Finance and the Director of Resource Management that the following information should be included as part of the report to the Cabinet on 26 January 2016:*

*(i) An Appendix providing brief statements from each of the District and Borough Councils in Suffolk giving their comments on the potential impact of the County Council's proposals from their perspective, and whether the budget proposals will result in cost-shunting.”*

Although we welcome the opportunity to comment on the proposed County Council

budget, unfortunately the short timescale has not allowed us to consider the proposals in any detail, or to undertake any further discussion or analysis. We would have appreciated earlier consultation which would have allowed us more of an input into the formulation of the County Council's budget.

We are obviously mindful of the financial position facing the County Council, and all of the districts in Suffolk, as a result of the Local Government Finance Settlement, and all Councils will be seeking significant savings. However, district councils have been particularly adversely affected by the overall proposals contained within the Finance Settlement, predominantly in the later years of the four-year Settlement period. As a consequence, our financial tolerance to any transfer of pressure from the upper tier is greatly reduced.

Against this background, we would be supportive of efficiency savings proposed by the County Council, but would have obvious concerns about any proposals that either transfer cost pressures to the district councils themselves, or which have an adverse service or financial impact on its residents. In this respect, whilst the Scrutiny Committee report on the budget proposals is helpful to some extent, it is difficult to comment without specific details.

In particular, we believe one area of further efficiency is the development of the "double devolution" transformation agenda. Districts have a proven track record of efficient and effective service delivery, and we would welcome a fast-tracked approach to the transfer of some County Council services, such as on-street parking, the planning and development function, Public Health etc., to a more local level. One area where there is a transfer of cost pressure, and where the County Council's budget proposals will undoubtedly have an impact, concerns recycling credits. The County Council is reducing the price per tonne for recycling credits, and for Suffolk Coastal District Council the impact of this reduction is estimated increase of around £200k which equates to an almost 3% increase in Suffolk Coastal's Council Tax.

The effect of these increases forms part of the savings quoted for Waste in the Scrutiny Committee report of 26 November 2015 of around £1m in 2016/17, and a further £1m in 2017/18. This increase represents a significant additional sum to be met from the Council's budget and we would consequently urge that this proposal be reconsidered.

As a result of the timescale, this is a short initial response, and we reserve the right to make further representations during the budget process and in further discussions.

However, hopefully you will appreciate that we do have concerns about the example of cost shunting identified above, and any other proposals that may have an adverse impact on both the Council and its residents.

**Response from West Suffolk Councils (St Edmundsbury and Forest Heath)**

Thank you for requesting feedback from the West Suffolk councils on the draft County Council budget proposals for the next two financial years. The proposals have been considered by my Leadership Team and I have discussed this reply with

both finance portfolio holders. The opportunity to comment was welcomed by all. Given our own focus on the budget I have limited our response to some broad strategic issues.

We feel strongly that in these times of increasing budget pressures, at all levels of the Suffolk public system, that there should be more than just an opportunity to offer general observations on budget proposals. Future budgets must not be formed in organisational silos. Instead they should be created in partnership to ensure a budget reduction by one organisation doesn't create service pressures for another. A medium term financial strategy for the Suffolk system which in one of the TCA work streams will provide the foundations for this to be put into practice, and contribute to, this work gathering pace over the next financial year.

Further to this, outlined below are some areas where we believe that a shared approach to budget setting is needed. I would welcome future engagement on the comments and suggestions.

The County Council is proposing a £5.9million Health and Social Care Integration saving as a result of efficiencies and service transformation. As noted in the report, delivery of this saving is marked as extremely high risk without significant structural transformation of services. The boroughs and districts can make an important contribution to this agenda as part of our work to tackle inequalities and wider determinants of health. We are committed to supporting this agenda through, amongst other things, joint commissioning and approach to families and communities.

Another area where a new partnership approach is needed to generate system savings is in grant giving for Adult and Community Services. Both tiers of local government in Suffolk are supporting this important sector and it is imperative that we continue developing new ways of working together to award these grants as they play a very important role in supporting families, strengthening communities and therefore achieving wider benefits in terms of health and crime and therefore a reduced demand for public services. Simply reducing capacity in this sector will impact on public services; therefore a new shared approach and joint approach to commissioning against outcomes is needed in the future.

In West Suffolk we have a fantastic range of heritage and culture assets and the use of these support good health outcomes, community resilience and make a valuable contribution to the local tourism economy. We note that the County Council is proposing a 31% reduction in Culture, Heritage and Sports grants and we would like to suggest a shared approach to this funding in the future.

A 'one stop shop' approach will ensure organisations can access one system of funding support and are supported by us to develop other forms of income where necessary and build a sustainable offer.

As you are aware, St Edmundsbury has recently had two areas designated as Enterprise Zones; the Suffolk Business Park and the Haverhill Research Park. I read through the budget scrutiny presentation that you gave and the Haverhill Research

Park was missing from the list of Enterprise Zones; I'd be grateful if you could amend this document.

The Suffolk Business Park enterprise zone presents a fantastic opportunity for Bury St Edmunds and we are delighted that block funding has been secured for the Eastern Relief Road. This has been a great example of tireless partnership working and we would like there to be more cross tier working on the transport infrastructure improvements that are required in the area. I note that you've recently adopted a highways infrastructure asset management policy and strategy and would like to suggest that future documents of this type are produced in partnership and adopted by both the County Council and the districts.

We also welcome the commitment of funding to build primary schools in Red Lodge and Lakenheath, improvements to the Coupals Academy Primary in Haverhill and funding of the Schools Organisation Review in Bury St Edmunds. I look forward to being involved, at an early stage, in any plans for future education development.

Once again, thank you for the opportunity to comment and I hope we can work closer on the budget setting process in future years.

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