

# Creating an east Suffolk Council

A summary proposal for the formal merger of Suffolk Coastal & Waveney District Councils

Suffolk Coastal & Waveney District Councils



**in partnership**

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Suffolk Coastal and Waveney District Councils are considering a merger to create a new council, serving the residents and communities of east Suffolk, from Lowestoft in the north to Felixstowe in the south. This document summarises the reasons for the proposal and the process that the councils will follow.

### **How do the councils work together at the moment?**

Suffolk Coastal and Waveney have been working together in partnership since 2008 when they first began sharing a Chief Executive. They now share a full management team and the majority of services are run together on behalf of both councils.

### **Why does this arrangement need to change?**

Working in partnership has been hugely successful and has already enabled the councils to save over £16m since 2010. However, further savings cannot be made unless the partnership progresses further. Most of the services provided are delivered in partnership, and a huge amount of innovation and improvement has been achieved. There are however some internal/support services that cannot be delivered in partnership whilst the councils are

separate and a merger would allow these services to be delivered by a single council. This would enable further savings to be made and would open up further possibilities for the future, ensuring that the councils are best-placed to deal with future changes in local government. In addition, there is considerable duplication of effort including, for example, meetings, decision-making and administration, under the current arrangements. The councils could continue to work in partnership, but there is a limit to what more can be achieved in the future under this arrangement.

### **Is a merger the only option?**

Various alternative options were explored, including a wider partnership with one or more other district / borough councils, a Unitary Council for east Suffolk to replace the district and county councils, and a stand-alone company to deliver all services in east Suffolk (with or without other

public and / or private sector partners).

None of these alternative options were found to be as suitable as a merger, which is the most natural next step from the current partnership arrangement and which is something the Councils can pursue themselves to produce significant further savings.

### **What could the new council achieve?**

The new council would be the largest district council in England, by population - giving it a greater ability to represent local people with a stronger voice across Suffolk. It would have greater influence at a regional level (with other bodies such as the New Anglia Local Enterprise Partnership) and would be able to run more services, particularly from Suffolk County Council, to ensure they are tailored to meet the needs of our local communities.



# How would the new council benefit the residents of east Suffolk?

**A new, merged, council would be better placed to address the shared challenges that Suffolk Coastal and Waveney District Councils both face. We could grasp more opportunities, and deliver on our collective priorities of becoming financially self-sufficient, encouraging sustainable growth across east Suffolk, and enabling our communities to achieve more.**

There are a number of key challenges that east Suffolk faces in the current changing world of Local Government. A new merged council would have the scale to ensure that it can negotiate and influence to best respond to these challenges. The councils already have a joint 'East Suffolk Business Plan' that sets out our vision for the future of the area. We are committed to building a strong and successful future - enhancing the quality of life for east Suffolk's residents - and the new council would continue with this vision.

The districts share a number of similarities including geography, infrastructure, the railway, A12, market towns and coastline. Our economy boasts a small number of nationally and internationally significant businesses in technology, ports & logistics and the public sector; but is dominated by a huge number of small and medium-sized

enterprises, especially micro businesses, in and around our market towns, with a focus on areas such as tourism, creative industries, agriculture and food & drink. Most significantly the area also includes the Tourism and Energy Coast (combining expanding off-shore wind sector and nuclear power). This shared economy also shares the same economic difficulties, with under-achievement educationally, a skills & wages gap, the impact of welfare reform, poor transport & communications infrastructure, lack of commercial land supply, coastal erosion & flooding risks, and a lack of 'affordable' social and private housing to rent & buy.

A new council could better address a variety of economic challenges and opportunities with the scale required to borrow and invest in solutions ourselves; and reinvest business rates more effectively for further sustainable growth.

For example, the two councils currently have different models of social / affordable housing delivery as a result of their individual circumstances. Coming together as a new council, with a single Planning Authority and aligned Local Plan, would significantly accelerate the number of additional, truly affordable, homes being built across east Suffolk.

The new council would better enable us to:

Address the need for investment in growth and infrastructure projects

Tackle increasing housing demand and costs

Capitalise on growing employment opportunities and wages

Withstand significant reductions in Central Government funding for councils

Take advantage of the devolution of greater local powers from Central Government

Encourage further alignment and integration across the public sector

Play a greater role in improving education and skills

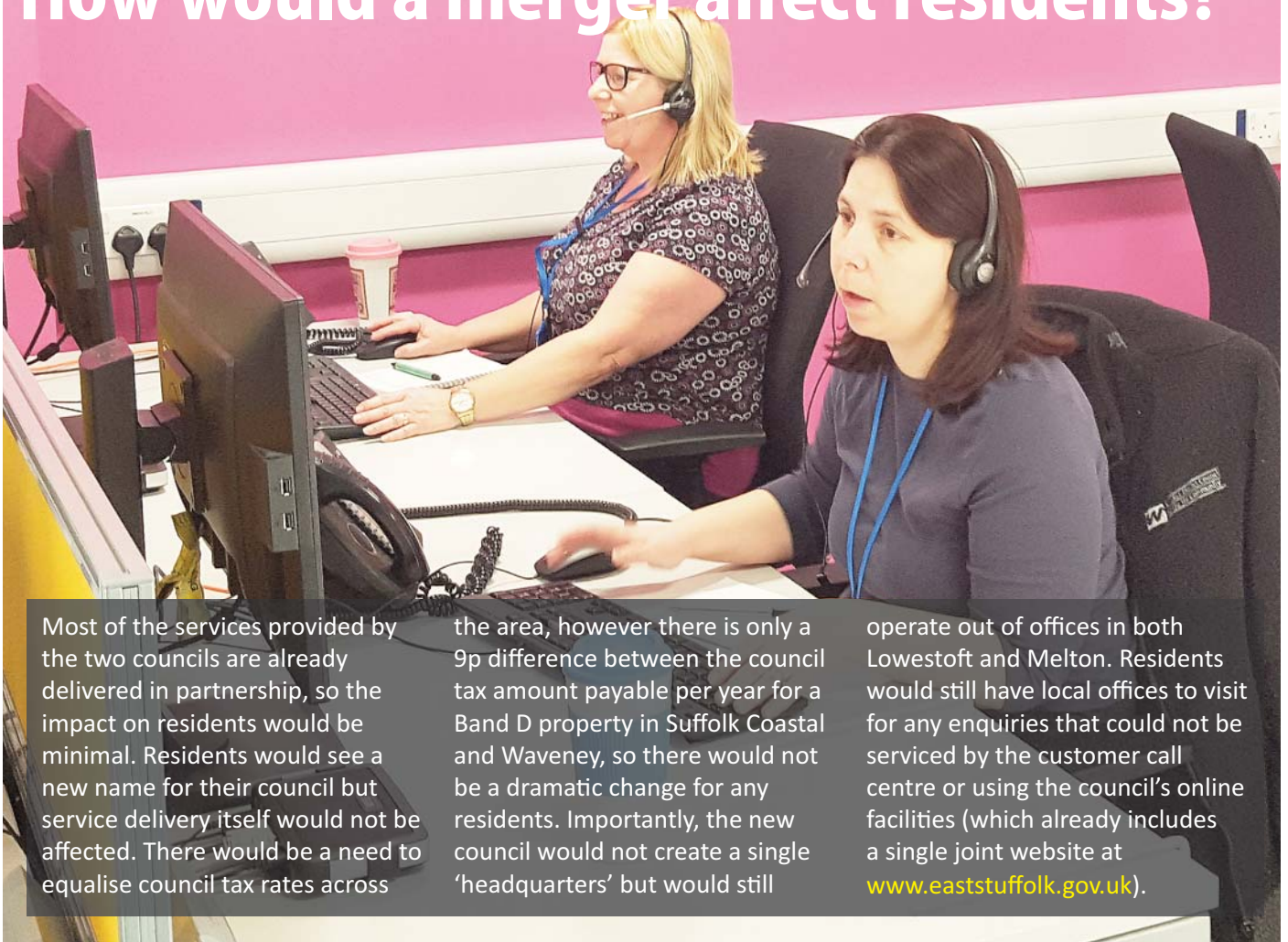
Make better use of technology

Address the effects of further welfare reform

Further encourage sustainable growth across east Suffolk



# How would a merger affect residents?



Most of the services provided by the two councils are already delivered in partnership, so the impact on residents would be minimal. Residents would see a new name for their council but service delivery itself would not be affected. There would be a need to equalise council tax rates across

the area, however there is only a 9p difference between the council tax amount payable per year for a Band D property in Suffolk Coastal and Waveney, so there would not be a dramatic change for any residents. Importantly, the new council would not create a single 'headquarters' but would still

operate out of offices in both Lowestoft and Melton. Residents would still have local offices to visit for any enquiries that could not be serviced by the customer call centre or using the council's online facilities (which already includes a single joint website at [www.eaststuffolk.gov.uk](http://www.eaststuffolk.gov.uk)).

## How much money would be saved?

**Merging to form a new single council would deliver an estimated saving of £1.3m per year, and because the councils already work so closely together, the transitional costs to join the councils as a single local authority would be very low.**

The financial saving of £1.3m per year would be delivered through:

- Aligning the remaining teams that do not work in partnership into single service teams;
- Removal of duplication of work that happens as a consequence of operating as two councils;
- Reduction in external costs incurred as a consequence of operating as separate organisations;
- A reduction in the current number of district councillors that Suffolk Coastal and Waveney have;
- Becoming a single organisation,

and one legal entity, will also remove perceived and technical obstacles to wider partnership working;

- Working with current and prospective partners to develop optimal partnership arrangements that best serve east Suffolk;
- Using the new council's increased scale to renegotiate contracts on more favourable terms;
- Governance efficiencies e.g. one constitution, one set of service priorities and strategies etc;
- Removal of the complexity and duplication of time, effort and resources by managers - 'freeing up' capacity and resources to deliver more for the residents of east Suffolk;
- Reductions in the total amount of reserves that would be needed for the new council.

## Further Useful Reading

Detailed proposal for merging Suffolk Coastal & Waveney District Councils

East Suffolk Business Plan (2015 - 2023)

East Suffolk Growth Plan (2014 - 2025)

East Suffolk Enabling Communities Strategy (2015)

East Suffolk Annual Reports (2015 & 2016)

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# What are the risks if the councils do not merge?

The primary consideration and objective in merging is ensuring that east Suffolk is in the best possible position to respond to, and take advantage of, the emerging opportunities and challenges facing local government. Ensuring value for money for council tax payers, financial savings and future resilience in all aspects of service delivery is therefore critical. If the councils do NOT merge, there are a number of potential consequences:

- Detrimental impact on service provision - cuts to or removal of services;
- Reductions in current levels of service performance and / or customer satisfaction;
- Greater pressure on council tax levels;
- Reductions in capacity of some service areas and associated redundancies;
- Inadequate capacity to meet the challenges facing the Councils, leading to poor services, the needs of communities and citizens not being met;
- Insufficient capacity to maintain the 'in partnership' approach and working;
- Reduced staff morale;
- Public and Councillor dissatisfaction;

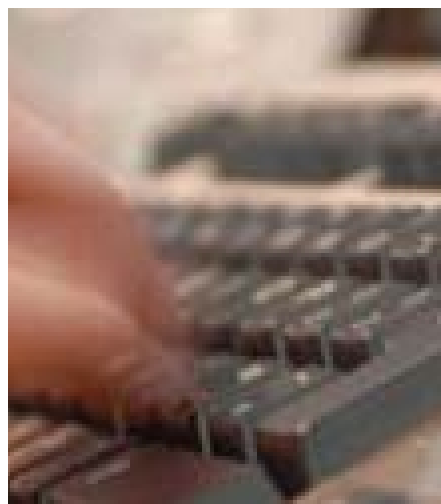
- Disjointed or contradictory political / managerial leadership in a period of considerable change;
- Political change resulting in strain between the councils, competing priorities, inefficient use of resources and / or termination of the 'in partnership' relationship.

## ...And what are the risks if the Councils DO merge?

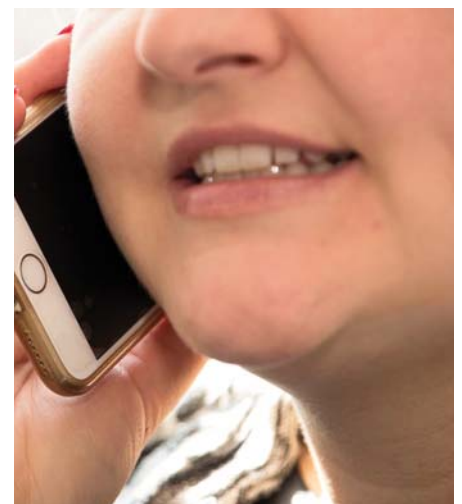
Significant change will always cause concern and anxiety; however both councils have a successful history of partnership working and managing change and are therefore confident that a merger can be delivered successfully. The councils do not believe there are any significant issues that cannot be resolved or that would have significant financial implications that would undermine the detailed merger proposal.

# How are we consulting with you?

Councillors from Suffolk Coastal and Waveney have decided that a merger of the two councils is their preferred option and have therefore requested that officers further analyse this option and go out to public consultation to gain residents views. In order to gain feedback from residents, telephone polling (a survey of between 10–15 minutes of 1,000 residents of east Suffolk) will be conducted by an independent external provider in October 2016, followed by a detailed engagement campaign which will take place from 1st November 2016 to 12th December 2016. Residents will be able to submit their views and any questions they have about the merger proposal during the consultation period, and their submissions will be considered by all councillors along with the



feedback received during the telephone polling. Following the consultation period, all councillors will meet to decide whether to adopt the proposal to merge. The final decision on whether the councils merge would be taken by the Secretary of State in 2017. There will not be a referendum/vote



on the decision to merge, largely because a referendum is a non-binding vote which would cost a considerable amount of money to run (around £100,000) when public opinion can be established in far greater depth through alternative, more cost-effective, forms of engagement, as described above.

# Key facts

The councils first started working together in 2008.

The councils began by sharing a Chief Executive, saving over £70k annually

Today there is a single Corporate Management Team for both councils which is less than half the size of the original two management teams – delivering annual savings of around £1million

64% of staff are already working in single staffing teams that operate a shared service across the two councils (over 73% of the services) saving over £16m since 2010

90 district councillors represent the wider east Suffolk area (42 for Suffolk Coastal & 48 for Waveney)

This is a reduction from the original number that formed the partnership as Suffolk Coastal reduced its number of councillors from 55 to 42 in 2015

Both councils are currently Conservative led with mixed political opposition groups of varying sizes.

Unlike the staffing resource, the political and governance arrangements of the two councils have remained largely separate

Each council has its own Leader and Cabinet (with broadly aligned portfolios), committee system and Constitution.

Each council raises its own council tax and sets separate budgets to deliver its services. There is only 9p difference per year between the current Council Tax levels

There has already been some political integration e.g. Simultaneous Cabinet Meetings, joint Business Plan and performance reporting, merged partnerships and shared representation at Suffolk meetings e.g. Suffolk Health & Wellbeing Board

Combined savings of £10m are required over the next three years as a result of increased cost pressures and dramatically reduced Central Government funding.

Next steps:

Council decision **January 2017** Secretary of State decision **September 2017**

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