

Annual report by District Councillor, May 2011.

In the wake of the record budget deficit inherited from its predecessor, the new Government last year announced spending cuts which have impacted all areas of expenditure, including local government. While the severity of these cuts is unquestionable, they do mean that this country will avoid following the example of Greece, Ireland and Portugal, whose EU bail outs include much stronger medicine in the form of extremely tough, mandatory budget cuts.

The impact of these cuts on Mid Suffolk has been a reduction in grant of £931,000, or 15.8%, for 2011/12, while for 2012/13 there will be a further reduction of £614,000, or 10.4%, meaning that over the next two years we shall suffer a reduction of 26.2%, close to the government's headline figures that would be lost over the 4-year Comprehensive Spending Review period. Analysis of cost reductions across the country reveals that district councils have fared the worst amongst local authorities, and that rural districts have suffered more than their urban counterparts. In addition, some protection has been provided for local authorities which have been predominantly funded from government grant rather than council tax, whereas over 50% of Mid Suffolk's funding derives from council tax.

On the other hand, the Government has eased the burden on local authorities, for instance by abolishing the Comprehensive Area Assessment, which had taken up increasing amounts of officer time, and is therefore to be welcomed.

Nevertheless, such a reduction in government grant would have a catastrophic effect on us, requiring us either to reduce of services, or else to raise revenue, i.e. via Council Tax. Instead, by a combination of efficiency savings and minimal reduction in services, we have succeeded in freezing Council Tax for 2011/12.

Even so, with several years of efficiency savings behind us (and Mid Suffolk has been one of the most successful local authorities in this regard) it is clear that there is not much left in the cupboard, so to speak. The decision was therefore taken first to investigate the viability, and then to vote in favour, of a merger with Babergh to the south, mindful of the significant savings already generated through the Joint Waste Contract. Following the decision of both

councils to seek a full merger, local electors in both districts will decide whether to approve the merger, in a local poll due to take place later in May (as it was not allowed to coincide with the local council elections and referendum).

To summarise, the business case of a merger is as follows:

- The business plan expects to save over £7million between both councils over 4 years
- The grant we receive is likely to be cut over the same period by a similar amount
- The government has already agreed a £4 billion budget cut for next year. This will affect monies for areas such as housing, planning, regeneration and economic development
- There will be a nil council tax rise for at least 2 years
- Feedback from council staff is overwhelmingly positive and in favour of pressing on with the merger and provide absolute certainty for the future. They are fed up with prevarication and delay, particularly in light of the LGR debacle
- Failure to provide a clear lead is a failure of leadership and an abdication of responsibility by elected members
- The business plan figures have been exhaustively tested and reviewed. They are very cautious and therefore likely to be underestimates
- Only a full merger provides this level of savings as there will only be one senior management team
- The lack of money will impinge on the most vulnerable members of society as there will be less money available for affordable housing, community transport, voluntary bodies, community grants, CAB and rural services such as the Coffee Caravan in the more remote areas of both councils
- It will be more difficult to find the resources for economic development in areas such as Stowmarket and discretionary areas of activity such as arts and leisure
- Fewer resources for leveraging in funding from other sources of government and the private sector
- A joint council covering a third of the county's geographic area will have to be listened to and thus have more influence in critical areas such as the economy, education and healthcare. This is particularly important following the changes being proposed by the county council
- We can also co-ordinate services better with other bodies - health, police, emergency actions etc

- Greater economies of scale when new contracts are signed for leisure, procurement, IT and others
- Arrangements for localities are being drawn up by the constitutional working group. The group is collating evidence from the recently formed unitary councils, outside bodies, parish councils and individuals

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