Written evidence submitted on behalf of the Leaders of Suffolk’s Local Authorities

[FSR 023]

Executive Summary:
Key issues raised in this submission are:

- It is vital that the 2019 Spending Review address the compelling need for an increased quantum of funding available to the public sector. Councils in Suffolk are forecasting a total budget gap of £39.1 million for 2020-21 – the year of greatest budget pressure.

- Demand is increasing particularly in Adults Social Care and Children’s services, against a backdrop of reducing funding.

- The challenges we face in Suffolk relate not just to local government, but also to Police and NHS partners. Should the overall quantum of funding for public services not be properly addressed then vital services will become under unreasonable pressure.

- Local Government has made significant savings during the current spending review period. Suffolk’s local councils have found over £100 million in savings during this spending review period alone.

- The current approach of short-term solutions and “sticking plaster” grant funding should be stopped to allow us to take a longer-term and more sustainable approach to the planning of local public services, which delivers ‘best value’ for taxpayers.

- Time is of the essence. We are currently facing some incredibly difficult options for 2020/2021 budgets.

Introduction:
1. Suffolk’s public sector has a strong tradition of collaboration and its leaders (from all councils, CCGs, Police and PCC) meet regularly to drive shared strategic priorities. All are agreed that it is a critical time for public sector funding.

2. Suffolk’s Local Authorities have collectively saved over £100m during the current spending review period in response to reductions in funding from central government. In addition to successive years of budget reductions, there is increasing uncertainty relating to future funding. For example, Government’s Fair Funding Review and Business Rates review and continued uncertainty on other critical forms of funding, such as the proposed UK Shared Prosperity Fund. In addition, councils in Suffolk are forecasting a total budget gap of £39.1 million for 2020-21 – the year of greatest budget pressure.

3. Therefore, the content and timing of the 2019 Spending Review is particularly significant. Consequently, Suffolk’s local authority Leaders are keen to maximise opportunities to help inform Government thinking, such as, responding to the Committee’s Inquiry. Leaders have also sent a letter containing the evidence in this submission to the Minister for Local Government.

Evidence:
4. Leaders in Suffolk agree that there is a need for a new settlement between national and local government. However, reforming business rates retention and conducting the Fair
Funding Review can only be done effectively with an increased quantum of funding available to the sector. Councils in Suffolk are forecasting a total budget gap of £39.1 million for 2020-21 – the year of greatest budget pressure. These are issues that we urge Government to recognise in the upcoming Comprehensive Spending Review.

5. The increased demand for local government services (particularly Adults Social Care and Children’s services) across England have been well publicised, as have the many savings which all local authorities have already made. Of the £31.9 million budget gap currently forecast by Suffolk councils for 2020-21, £25.1 million is the County Council’s budget gap.

6. Suffolk’s Local Authorities have collectively saved over £100m during the current spending review period, and made major structural changes such as the dissolving of four district councils through mergers to create East Suffolk Council and West Suffolk Council; consolidation of our estate with Babergh District Council, Mid Suffolk District Council, Suffolk County Council, West Suffolk CCG and Ipswich & East Suffolk CCG all co-located in a single headquarters; and a reduction of 60 District Councillors. Our Suffolk Public Sector Leaders Board has successfully led a 100% Business Rate Retention Pilot, focusing on economic growth and demand management projects, and has enabled a multi-agency Local Full Fibre project, the first one to complete procurement across local government and the NHS.

7. The challenges we face in Suffolk relate not just to local government, but also to Police and NHS partners. Should the overall quantum of funding for public services not be properly addressed then vital services will become under unreasonable pressure.

8. The current approach of short-term solutions and “sticking plaster” grant funding should be stopped to allow us to take a longer-term approach to the planning of local public services. It is important that the approach to local government funding is sustainable and stable so councils can develop budget strategies and transform and deliver services in a way which delivers ‘best value’ for taxpayers.

9. Finally, time is of the essence. Having just set our budgets for 2019/2020, our planning for the financial year 2020/2021 will commence shortly. Having passed the end of the previous settlement period, we are currently facing some incredibly difficult options, without, at the very least, an early indication of funding arrangements for 2020/2021.

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