

## County Councillor's Report to Parish Councils in the Thredling Division of Suffolk – first Quarter 2009

In many ways this is probably the most interesting Report I have produced since being elected in 2005. But you must judge that for yourself.

### Council Tax and the Budget 2009/2010:

Almost four years ago, the Lib Dem/Labour alliance that had ruled Suffolk County Council for 12 years was ousted and Conservative control was restored to continue the efficient style of government that the residents of Suffolk had been accustomed to for 100 years before control was lost in 1993. The reasons for this reversal are not terribly important because it is now history, but one imagines that a Council Tax increase of **18.5%** a year before the election, had something to do with it!

So, the Conservatives returned with quite a few pledges, not least of which was the promise to keep Council Tax increases as low as possible and certainly as close to inflation and state pension increases as possible. The first year, 2005/06, was difficult because an incoming administration inherits the budget set by its predecessors, so our task was to start overhauling the way the Council had been run for 12 years and to introduce efficiency measures that would be on-going and would result in real savings that could be passed on to the Council Tax payer.

Overall, we made savings to the value of **£60m.** in the first three years and are on course for a further **£12.5m.** this year. These savings are not, as opposition parties would have you believe, the result of service cuts; the opposite in fact is that services have been improved, as well as delivering the savings. The new way of working has been driven under the banner of “Securing the Future”, because that’s what it’s all about.

To put it in perspective, the Council Tax increase has reduced each year since we took charge to arrive at this year’s commendable effort of the lowest increase in the history of the Council at **2.45%**. This is less than half the increase in state pensions and lower than the government’s preferred measure of inflation – the CPI – at 3.1%. Of all the Shire Counties in England, it is the **fourth lowest increase.**

If we average out inflation over our four year term, it has been at a rate of **3.6%** and our average Council Tax increase has been **3.8%**. Again, making a comparison with the previous administration, if we look at the “real terms” rate of Council Tax increase, above the rate of inflation, for their last four years in office it was **27.4%** (2001- 05), and our four years concluding in May is **0.8%** (2005 – 09). To even keep their figures down to this astronomical increase, they made substantial raids on the reserves, running them recklessly low in their last year (sounds like Gordon Brown doesn’t it?).

We however, have rebuilt the reserves back to satisfactory levels that will allow us to give generous support to the most vulnerable in our society, during this recession that is upon us. Would you believe then that within the Labour group’s alternative Budget proposals, is a repeat of their old tricks, where to support their suggestions, they advise us to raid the reserves that we have so painstakingly built up!

Some would say that our Government Grant was generous this year at 4.9%, but that would only be the case if no account was taken of some massive cost increases, like electricity at 64% and Street Lighting at 33%, not to mention the cost of this Winter’s road gritting!

Our population is, thankfully, including an increase in the numbers of the elderly, but with that comes a huge increase in the cost of care. Waste Management doesn't come cheap, as we strive to reduce landfill to zero and make Suffolk the "Greenest County". Finally, the bitter pill to swallow is the so called "damping" effect in the Grant calculations – every County has its Grant calculated to the same formula, but then the damping process looks at the supposed poorer Counties up north (Labour strongholds) and takes contributions from the southern Counties to boost the income of the northern Counties – this year we had **£13m**. "stolen" by that method.

So, in summary, we have promised to manage the County's budget for the long term. In these difficult times, it is vital that we ensure we have the resources to help the most vulnerable. We will always strive to keep Council Tax rises as low as possible, whilst maintaining acceptable levels of service. And it's only possible through strong Conservative financial management that this is possible. Perhaps that is why we are the only four star Council in the East of England and perceived by the government as the most efficient County Council in the UK.

### **Local Government Review:**

The Boundary Committee for England was exploring suitable Unitary arrangements for the Counties of Suffolk, Norfolk and Devon and until a few weeks ago we were expecting a recommendation from the Boundary Committee, by the middle of February, to the Minister, Hazel Blears, on the proposed new Council structure for Suffolk.

This date was following a postponement announced in December, that the end of December 2008 deadline could not be achieved. The mid-February recommendation would have given the Minister until late April to announce her decision, with the existing County Council functioning until May 2010, in parallel with a "transition authority", allowing new Unitaries to assume the mantle of power in May 2010.

The options available to her were really only the original two decided upon by the Boundary Committee last year, namely, a two Unitary solution consisting of a so called "North Haven" authority that would embrace Ipswich, Felixstowe and much of the Shotley peninsula + a further Unitary comprising of the remainder of Suffolk. The other proposal was for a single Unitary for the whole of Suffolk and that was our preferred option.

There was a further complication however, wherein Lowestoft was proposed to be hived off to join Gt Yarmouth in Norfolk and that could have been effected with either of the two proposals above. It has of course left the SCC with a big question mark about whether or not its scheduled elections for June 4<sup>th</sup> (a date to coincide with the EU elections) should proceed or not.

As if all this was not unsettling enough, for not just Councillors striving to run the biggest business in Suffolk, but for the Council's 27,000 employees, wondering about their own futures, a further complication and inevitable delay has emerged. There was a legal challenge in Norfolk about the fairness and extent of the consultation in their County and that had much to do with the original postponement from end of 2008 to mid February 2009. Now however, an extra more potent legal challenge has emerged in Devon on similar grounds, questioning the fairness and extent of the consultation there. It seems that the challenge there has been dismissed by the Judiciary, but not without a host of conditions that the Boundary Committee must comply with to ensure the complete transparency of the consultation process there.

The consequence is that the Boundary Committee will not now report to the Minister until mid July! Political commentators are quite satisfied that this will mean no new Authorities until May 2011 at the earliest. But there is going to be a General Election before then and the

Conservatives have pledged to reverse the process if they are returned and if the government hasn't had time to convert their proposals into law, thus restoring the status quo. So we now understand that our County Council elections on June 4<sup>th</sup> will proceed.

So now the question is – will we get Unitaries and if so, how many, or after all the expenditure and apprehension, will we return to the two tier (Counties and Districts/Boroughs) status quo?. If you wrote it as a script for a drama, it would be thrown out as too ridiculous to merit consideration or credulity!

### **Energy from Waste (through Incineration):**

I may be incredibly naïve, but I do think we have a large measure of support for my solution to our Waste to Landfill problem (with its associated methane emissions), through my proposal to build an Energy from Waste (EfW) Plant to convert Suffolk's Residual Waste (after recycling more than half of it) into electricity (and perhaps heat energy) through burning. Certainly my plans in that respect are moving ahead according to the agreed timetable and we have in place four very reputable international players in this field of modern engineering science, with the capability of producing for us an outcome of distinction.

They are (in no particular order) Shanks, Sita, Veolia and the Waste Recycling Group. They are in the process of working up proposals based on our initial proposal of a "Waste Treatment Facility" where we named no particular technology, but they will probably all be seeking an "Energy from Waste" through Incineration solution on the Great Blakenham site that we offered to the market. A solution that is favourite with the Banking Community that will fund it and therefore the most reliable way forward. Not only was the banker argument prevalent in our minds, but also the knowledge that the main alternative solution – Mechanical Biological Treatment – resulted in a residue that was so bulky in volume that it would be too invasive of our limited remaining landfill capacity to bury and was only disposable alternatively by burning – a solution that either needed a commercial outlet as a fuel, though we were unaware that such a market existed, or could be burnt by ourselves, but at substantially more expense than EfW (about **69% more** in fact). Furthermore, the government approved our outline business case and awarded us **£102m**. PFI credits towards the cost of the Project.

I have been rather well vilified at public meetings for favouring this approach and have often been accused of not learning from neighbouring Counties, such as Norfolk, for not following their preferred route of Mechanical Biological Treatment with Anaerobic Digestion, coupled with the claim that NAIL (Norfolk Against Incineration & Landfill) had persuaded Norfolk County Council that Energy from Waste was not acceptable. Furthermore, they offered to create SAIL (a Suffolk version) to fight my proposals. I did know of course that Norfolk's decision to drop EfW in favour of MBT had nothing to do with NAIL's influence, but more importantly, the discovery of a covenant on the land at Costessey that they planned to use, that banned burning!

Imagine the smile that invaded my face when I learned of Norfolk's latest revelation. Although they are committed to the MBT Plant at Costessey and it is being built, they had now concluded, and I quote, "Norfolk County Council's 25-year PFI funded waste treatment contract has been delayed due to the council changing its outline business case to focus on energy-from-waste and combined heat and power (CHP) instead of mechanical biological treatment (MBT) with anaerobic digestion (AD)". They had just discovered that there was no market for the outputs of MBT and that landfill was the only solution and that there was a "reduced appetite for MBT" and that Banks were "looking at it a bit more cautiously". Something we have known for several years. So now they plan an EfW Plant in Kings Lynn.

**Cllr. Eddy Alcock – February 2009**

