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St Edmundsbury
BOROUGH COUNCIL

TO: ALL CABINET MEMBERS
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22 June 2016

Dear Councillor

ST EDMUNDSBURY CABINET - TUESDAY 14 JUNE 2016

Please find attached response from Councillors Stevens and Bowman in reply to the statement provided by Mr Howard Quayle, Chairman of Fornham All Saints Parish Council during Public Participation at the Joint Informal FHDC/SEBC Cabinet meeting held on 14 June 2016.

Yours sincerely

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Joint Cabinet 14JUN16 – Public Participation

Statement by Mr Howard Quayle

"I want to make a statement

Option 4 of the proposal - the WSOH- is clearly not the best option for the public purse and I trust that most of you or hopefully all of you will have read through the documents before you.

Choosing Option 5 - leaving the HWRC at Rougham Hill and co-locating the WTS and Vehicle Depot on a new site - gives a capital cost saving of nearly £2.2m over Option 4 (See section 6.6 of the Cabinet paper and supported in Appendix A of the Joint Three Councils' IAPOS Report)

The calculated savings for Option 4- the Hub - over Option 5 are shown as only £99k per annum, well within the limit of variance of a project of this sort and possibly reducing to nil.

Section 6.6 states that, if Option 4 goes ahead, the payback period on this project, compared to Option 5, is 19 years, ie assuming that the project opens in 2018, it will not show a return to the taxpayer until 2037, six years after the end of Vision 2031.

As with all published documentation on the WSOH, detailed financial data has been non-existent and continues to be so. Section 6.13 of the Cabinet paper is headed "Annual Revenue Cost Savings & Income", and lists areas where savings may be made, without any quantification whatsoever. There is not even a mention in this section of where and how Suffolk County Council expects to see savings.

I would ask Cabinet to reject this proposal, on the grounds that an alternative- based on the retention of the HWRC at Rougham Hill and a consolidated WTS/Vehicle Depot on another site - is workable, well-supported, and financially sound. At a time of cutbacks and service reductions in other areas, it makes no sense to proceed with the vanity project of the WSOH.

With that in mind you have some choices to make and you can make those choices. You can achieve the same objective at a lower cost to the electorate and proving that you do listen to people and that you take people's views into account both from the point of view of the project and financially."

Response to Mr Howard Quayle

Many of the services the councils will provide from a West Suffolk Operational Hub (WSOH) are statutory, there is a legal obligation to provide them in an increasingly changeable and uncertain environment. We therefore are unable to

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consider these services we have to provide on a commercial business case basis but instead have to anticipate and prepare for future demands. What is certain is that we are faced with significant levels of growth over the coming years and we therefore have to invest in the best facilities that secure our future in terms of efficient and cost effective service delivery for the taxpayer.

This is therefore not a normal return on investment scenario. We have identified a range of options, including the one that you would prefer the council to choose (option 5), and have analysed them against a range of criteria which are both financial and non-financial. Whilst other options may be viable, we believe that they are sub-optimal when compared to a fully integrated WSOH (option 4).

You are clearly correct in pointing out that undertaking a project of this nature is not without risk. However, the risk associated with option 5 would be much the same as for option 4 with a much reduced level of potential upside when considered over the medium to long term. We believe that our estimate of an annual benefit of £99,000 from year one is prudent with potential for much more. This is based upon our experience of entering into arrangements that share assets and resources across the public sector. The cabinet report presents the worst case scenario for members to consider.

Option 5 would also not deliver an improved HWRC for Bury St Edmunds and its surrounding areas. Suffolk County Council would not invest in this facility for many years to come given its other priorities elsewhere across the county. Option 4 gives us the opportunity to provide the best possible facilities for our expanding communities. The savings that the recommended option would offer Suffolk County Council include lower property costs as well as reduced staffing and administration costs through sharing resources on a single site.

Significant future growth in demand for our statutory services is a scenario that would not unreasonably result in increased costs to the taxpayer. It is our firm view that alternative options to the one that we are proposing (option 4) would definitely not deliver the same objectives at a lower cost to the taxpayer.

**Councillors Peter Stevens and David Bowman
SEBC and FHDC Portfolio Holders for Operations
22 June 2016**