



TO: **ALL CABINET MEMBERS**  
**(Copy to recipients of Cabinet Papers)**

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4 February 2015

Dear Councillor

**ST EDMUNDSBURY CABINET - TUESDAY 10 FEBRUARY 2015**

I am now able to enclose, for consideration at the Tuesday 10 February 2015 meeting of Cabinet, the following reports that were unavailable when the agenda was printed.

<b>Agenda No</b>	<b>Item</b>
4.	<b><u>Report of the Performance and Audit Scrutiny Committee: 29 January 2015 (Pages 1 - 8)</u></b> Report No: <b>CAB/SE/15/002 AMENDED</b>
12.	<b><u>West Suffolk Pension Discretions Policy (Pages 9 - 26)</u></b> Report No: <b>CAB/SE/15/010</b>
18.	<b><u>West Suffolk Operational Hub (Pages 27 - 40)</u></b> Report No: <b>CAB/SE/15/015</b>
20.	<b><u>Exempt Appendices: West Suffolk Operational Hub (Pages 41 - 44)</u></b> Exempt Appendices to Report No: <b>CAB/SE/15/015</b> (Not in public domain)

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Yours sincerely

Claire Skoyles  
SEBC Cabinet Officer/Committee Administrator  
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# Cabinet



*St Edmundsbury*  
BOROUGH COUNCIL

<b>Title of Report:</b>	<b>Report of the Performance and Audit Scrutiny Committee: 29 January 2015</b>	
<b>Report No:</b>	<b>CAB/SE/15/002</b>  <b>AMENDED</b> <i>(Amendments to this report are shown in bold, italics and underlined.)</i>	
<b>Report to and date:</b>	<b>Cabinet</b>	10 February 2015
<b>Portfolio holder:</b>	David Ray Portfolio Holder for Resources and Performance <b>Tel:</b> 01359 250912 <b>Email:</b> <a href="mailto:david.ray@stedsbc.gov.uk">david.ray@stedsbc.gov.uk</a>	
<b>Chairman of the Committee:</b>	Sarah Broughton Chairman of the Performance and Audit Scrutiny Committee <b>Tel:</b> 01284 787327 <b>Email:</b> <a href="mailto:sarah.broughton@stedsbc.gov.uk">sarah.broughton@stedsbc.gov.uk</a>	
<b>Lead Officer:</b>	Christine Brain Scrutiny Officer <b>Tel:</b> 01638 719729 <b>Email:</b> <a href="mailto:Christine.brain@westsuffolk.gov.uk">Christine.brain@westsuffolk.gov.uk</a>	

<p><b>Purpose of report:</b></p>	<p>On 29 January 2015, the Performance and Audit Scrutiny Committee held an informal joint meeting with members of Forest Heath’s Performance and Audit Scrutiny Committee, and <u>considered the first three items jointly</u>:</p> <ol style="list-style-type: none"> <li>(1) Key Performance Indicators and Quarter Three Performance Report 2014/2015;</li> <li>(2) West Suffolk Strategic Risk Register Quarterly Monitoring Report – December 2014 ;</li> <li>(3) Work Programme Update;</li> <li>(4) Financial Performance Report (Revenue and Capital) Quarter 3 – 2014/2015;</li> <li>(5) Delivering a Sustainable Budget 2015/2016 Update;</li> <li>(6) Treasury Management Report 2014/2015 Investment Activity 1 April - 31 December 2014;</li> <li>(7) Annual Treasury Management and Investment Strategy Statements 2015/2016; and</li> <li>(8) Update on Procurement Exercise for External Fund Manager to Support Treasury Management Activities.</li> </ol> <p>Separate reports are included on this Cabinet agenda for Items <b>(7) and (8)</b> above. In addition, a recommendation relating to car park tariffs for 2015/2016, which was considered as part of Item (5) above is detailed below for Cabinet’s consideration.</p>
<p><b>Recommendation:</b></p>	<p><b>It is <u>RECOMMENDED</u> that:</b></p> <ol style="list-style-type: none"> <li>(1) <b>the majority of Report No: CAB/SE/15/002, being the report of the Performance and Audit Scrutiny Committee be noted; and</b></li> <li>(2) <b>the car park tariffs for 2015/16, as set out in Paragraph 1.3.2 of Report No: <u>PAS/SE/15/005 and the amendments outlined to the Borough of St Edmundsbury (Off Street Parking Places) Order 2010, as set out in Paragraph 1.9 of Report No: <u>OAS/SE/14/001</u></u>, be approved, as part of the budget setting process for 2015/16.</b></li> </ol>

<b>Key Decision:</b>	No, it is not a Key Decision - <input checked="" type="checkbox"/>
<b>Consultation:</b>	<ul style="list-style-type: none"> <li>• See reports listed in Section 2 below.</li> </ul>
<b>Alternative option(s):</b>	<ul style="list-style-type: none"> <li>• See reports listed in Section 2 below.</li> </ul>
<b>Implications:</b>	
Are there any <b>financial</b> implications? <i>If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.
Are there any <b>staffing</b> implications? <i>If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.
Are there any <b>ICT</b> implications? <i>If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.
Are there any <b>legal and/or policy</b> implications? <i>If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.
Are there any <b>equality</b> implications? <i>If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.
<b>Risk/opportunity assessment:</b>	Please see background papers.
<b>Ward(s) affected:</b>	All Wards
<b>Background papers:</b>	Please see background papers, which are listed at the end of the report.
<b>Documents attached:</b>	None

## **1. Key issues and reasons for recommendation**

### **1.1 Key Performance Indicators and Quarter 3 Performance Report 2014-15 (Report No: PAS/SE/15/001)**

- 1.1.1 The Committee received and noted the report, which set out the Key Performance Indicators (KPIs) being used to measure the Council's performance for 2014/2015. The report also included the third quarter indicators covering April to December 2014 for both Forest Heath and St Edmundsbury Borough Council, together with a combined performance for West Suffolk, where relevant.
- 1.1.2 For St Edmundsbury, the current Quarter Three performance showed that of a total of 27 indicators, 11 were green, 4 were amber, 2 were red and 10 were data only indicators. For West Suffolk, there were a total of 19 indicators, of which 7 were green, 4 were amber, 1 was red and 7 were data only indicators.
- 1.1.3 Members discussed a number of the indicators, and asked questions to which officers duly responded. In particular, discussions were held on the new and existing businesses benefiting from the Council's Business Grant scheme and the number of planning enforcement cases closed.
- 1.1.4 No issues were required to be brought to the attention of Cabinet.

### **1.2 West Suffolk Strategic Risk Register Quarterly Monitoring Report – December 2014 (Report No: PAS/SE/15/002)**

- 1.2.1 The Committee received and noted the third quarterly risk register monitoring report in respect of the West Suffolk Strategic Risk Register. The Register was updated regularly by the Risk Management Group and at its recent meeting the Group reviewed the target risk, the risk level where the Council aimed to be, and agreed a current risk assessment. These assessments formed the revised West Suffolk Risk Register (Appendix 1). Since the last assessment report presented to the Committee on 26 November 2014, there had been no new risks identified and no risks had been amended or closed. Some individual controls and actions had been updated and those which were not ongoing and had been completed by December 2014 had been removed from the Register.
- 1.2.2 However, following the December review, the probability of the Inherent Risk of WS1A had been changed from 2 to 3 to reflect the importance of Business Rates Retention and improved financial reporting. Also, in light of the recent news concerning the closure of RAF Mildenhall, the probability of the Inherent Risk WS12 had been changed from 2 to 3 to highlight the risk of losing a large employer and contributor to the local economy.
- 1.2.3 Members scrutinised the report and asked questions to which officers duly responded. In particular discussions were held on inherent risk WS12, - loss of a key employer, which included RAF Mildenhall. Members noted that in future reports, RAF Mildenhall would be reported as a separate risk.

- 1.2.4 No issues were required to be brought to the attention of Cabinet.
- 1.3 **Work Programme Update (Report No: PAS/SE/15/003)**
- 1.3.1 The Committee received and noted its Work Programme which provided items scheduled to be presented to the Committee during 2015.
- 1.4 **Financial Performance Report (Revenue and Capital) Quarter 3 – 2014/2015 (Report No: PAS/SE/15/004)**
- 1.4.1 The Committee received and noted the third quarterly monitoring report which informed Members of the forecasted outturn position for 2014-15. The latest Revenue Budget Summary for the year to date position after nine months showed a current underspend of £502,000, with a forecast position for the year end showing an underspend of £108,000. In terms of the Council's capital financial position, the first nine months of 2014/2015 showed an expenditure of £1,692,000.
- 1.4.2 Members scrutinised the report in detail, and asked a number of questions to which officers duly responded. In particular discussions were held on the Council's capital programme and the future planning of projects. Members noted that future reports would include a forecast position on the Council's capital programme.
- 1.5 **Delivering a Sustainable Budget 2015/2016 Update (Report No: PAS/SE/15/005)**
- 1.5.1 The Committee received and noted the update report on progress made towards delivering a balanced budget for 2015/2016. The update included additional pressures and the progress made to date in achieving the 2015/2016 savings target was set out in Table 1 of the report. These were now being incorporated into the budgets, over and above those items brought to members' attention in November 2014, as part of Report PAS/SE/14/010.
- 1.5.2 The report also informed the Committee on the Overview and Scrutiny Committee's consideration of the annual car park tariffs report (OAS/SE/14/001), at its meeting on 17 December 2014. The Committee had noted the proposed recommendations for inclusion in the Delivering a Sustainable Budget 2015/2016 Update Report to the Performance and Audit Scrutiny Committee (Paragraph 1.3.2 of Report No: PAS/SE/15/005), as part of the budget setting process:
- (1) In accordance with the Car Parking Charges Review Group recommendation (24 October 2012) and Cabinet approval (12 December 2012), that a full review of car parking charges should commence in June 2015 on completion of the Pay on Exit/Automatic Number Plate Recognition feasibility investigations and completion of a review on car parking capacity across the district.
  - (2) That no increase would be applied to any existing tariff or permit on any car park during 2015/16 financial year.
  - (3) The current 'Free from 3' offer in Bury St Edmunds and Haverhill on

Tuesdays and Fridays respectively would continue for a further year.

- (4) The introduction of a new tariff structure arising on commencement of a revised Borough of St Edmundsbury Off Street Parking Places Order in 2015:
- (1) A tariff of £1.80 for up to 4hrs and £3.00 (all day) to be introduced on the new 40-space Shire Hall car park in Bury St Edmunds (which will replace the Manor House provision).
  - (b) The introduction of low emission vehicle tariff of 60p for up to 4hrs, £1.20 all day on the Old Sale Yard (Rose and Crown) car park in Haverhill.

1.5.3 Members scrutinised the report in detail and asked a number of questions to which officers duly responded. In particular discussions were held on the budget assumptions set out in Table 1 of the report, and suggested that more detailed information on savings identified should be provided in future reports.

1.5.4 The following recommendation has been put forward by the Committee, as detailed on the first page of this report:

That the car park tariffs for 2015/16, as set out in Paragraph 1.3.2 of Report No: PAS/SE/15/005 be approved, as part of the budget setting process for 2015/16.

**1.5.5** ***In addition and in order to ensure amendments to the Borough of St Edmunds Off Street Places Order can be implemented, as detailed in Paragraph 1.9 of Report No: OAS/SE/14/001 considered by the Overview and Scrutiny Committee on 17 December 2014 and reproduced below, the above recommendation has been amended to include reference to this, as detailed on the first page of this report:***

### **1.9 Traffic Regulation Order (TRO)**

**1.9.1 A revision to the existing Borough of St Edmundsbury (Off Street Parking Places) Order 2010 will be needed in spring 2015, driven by the decommissioning of the Manor House Car Park in Bury St Edmunds and the provision of an alternative new car park on the Shire Hall site providing a minimum of 40 spaces at weekends.**

**1.9.2 The review of the TRO provides the authority with an opportunity to reflect on capacity and car park management issues, and make any amendments or inclusion of new parking places as required.**

**1.9.3 Specifically, two new car parking areas will be included within the order which are currently owned by the Council but not enforced. They are the West Suffolk House car park and the car park on Vinery Road/ Holywater Meadows in Bury St Edmunds.**



**1.9.4 The Order will also include the formalisation of the Old Sale Yard (Rose and Crown) Car Park in Haverhill. It is recommended that this medium/long stay car park will provide the opportunity to provide the first low emission vehicle car parking in the town.**

**1.9.5 Capacity in Bury St Edmunds continues to be monitored and based on the number of car parking acts this year, we can expect continued growth. Members will note that two further Resident Parking Zones have been established in the town this year, one of which is our largest zone in the Grove Road/Springfield Road area (Zone L). Displacement of vehicles from on street zones, particularly in the west of the town, are having an impact on the long stay car parking capacity, particularly on the Parkway multi storey car park. Since the Car Parking Review in 2012, Parkway surface car park has been re-designated a short stay car park. This has resulted in 4,000 fewer parking events across the week on the surface car park and maximum occupancy on the Multi Storey Car Park. The designation of the surface car park can be reconsidered as part of the proposed car parking occupancy review which will inform any changes made to the TRO.**

**1.9.6 Car parks at our leisure centres in Bury and Haverhill have charges for the purpose of discouraging use by non leisure centre users. The Council refunds the cost of parking by leisure centre users who make up around 80% of those that use these car parks. This arrangement creates administration costs for both the Council and Abbeycroft. We are in discussions with Abbeycroft Leisure to investigate options that can improve the customer experience and reduce the administrative burden for both organisations.**

**1.6 Treasury Management Report 2014/2015 Investment Activity 1 April to 31 December 2014 (Report No: TMS/SE/15/001)**

1.6.1 Following the Treasury Management Sub-Committee's consideration of Report No: TMS/SE/15/001 on 19 January 2015, the Head of Resources and Performance verbally reported on the Sub-Committee's consideration of the report, which summarised the Treasury Management activity for the first nine months of the 2014/2015 financial year.

1.6.2 The Sub-Committee had been advised that interest earned during the first nine months of the financial year amounted to £0.261m against the profiled budget for the period of £0.444m; a budgetary deficit of £0.183m. This was due to a lower average rate of interest than projected during the period. The reduction in the average interest rate was primarily due to the continued low bank base rate of 0.50%, which in turn had seen a reduction in the interest rates on the Council's call accounts and fixed term investments. In the current economic climate it is considered likely that the current low rates will continue for the remainder of this year.

1.6.3 The Sub-Committee had scrutinised the content of the report, asking

questions of officers who duly responded. Discussions were also held on the investment activity and the increase in balances as at 31 December 2014; the Council's potential future borrowing requirements; links to the use of treasury management investment balances and cash flow planning. There were no issues or recommendations needed to be brought to the attention of the Performance and Audit Scrutiny Committee on this occasion.

- 1.6.4 The Performance and Audit Scrutiny Committee considered the report and there being no decision required, **NOTED** the contents of the report.

## **2. Background Papers**

- 2.1.1 [Report PAS/SE/15/001](#) to the Performance and Audit Scrutiny Committee: Key Performance Indicators and Quarter 3 Performance Report 2014-15
- 2.1.2 [Report PAS/SE/15/002](#) to the Performance and Audit Scrutiny Committee: West Suffolk Strategic Risk Register Quarterly Monitoring Report – December 2014
- 2.1.3 [Report PAS/SE/15/003](#) to the Performance and Audit Scrutiny Committee: Work Programme Update
- 2.1.4 [Report PAS/SE/15/004](#) to the Performance and Audit Scrutiny Committee: Financial Performance Report (Revenue and Capital) Quarter 3 – 2014-15
- 2.1.5 [Report PAS/SE/15/005](#) to the Performance and Audit Scrutiny Committee: Delivering a Sustainable Budget 2015-16 - Update
- 2.1.6 [Report TMS/SE/15/001](#) to the Performance and Audit Scrutiny Committee: Treasury Management Report 2014/15 - Investment Activity 1 April to 31 December 2014

# Cabinet



St Edmundsbury  
BOROUGH COUNCIL

<b>Title of Report:</b>	<b>Pension Discretions Policy</b>	
<b>Report No:</b>	<b>CAB/SE/15/010</b>	
<b>Report to and dates:</b>	<b>Cabinet</b>	10 February 2015
	<b>Council</b>	24 February 2015
<b>Portfolio holder:</b>	David Ray Portfolio Holder for Resources and Performance <b>Tel:</b> 01359 250912 <b>Email:</b> david.ray@stedsbc.gov.uk	
<b>Lead officer:</b>	Karen Points Head of HR, Legal and Democratic Services <b>Tel:</b> 01284 757015 <b>Email:</b> karen.points@westsuffolk.gov.uk	
<b>Purpose of report:</b>	The Local Government Pension Scheme (LGPS) changed to a career average ('CARE' – career average revalued earnings) scheme in April 2014. The new pension regulations gave employers a number of discretionary options. We are required to agree and publish our decisions in relation to these discretions in a written Statement of Policy that has to be agreed by Full Council.	
<b>Recommendation:</b>	<b>It is <u>RECOMMENDED</u>, that subject to the approval of full Council, the Pension Discretions Policy, as contained in Appendix A to Report No: CAB/SE/15/010 , be approved.</b>	
<b>Key Decision:</b> <i>(Check the appropriate box and delete all those that <b>do not</b> apply.)</i>	<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p> <p>Full Council decision</p>	
<b>Consultation:</b>	<ul style="list-style-type: none"> <li>Leadership Team, and Unison</li> </ul>	
<b>Alternative option(s):</b>	<ul style="list-style-type: none"> <li>A written policy is a statutory requirement but there are alternative options in relation to each discretion</li> </ul>	

<b>Implications:</b>			
Are there any <b>financial</b> implications? <i>If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> • As detailed in the Policy and Summary of Recommendations	
Are there any <b>staffing</b> implications? <i>If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> • As detailed in the Policy and Summary of Recommendations	
Are there any <b>ICT</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
Are there any <b>legal and/or policy</b> implications? <i>If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> • Written Statement of Policy is a statutory requirement ; as is approval by Full Council	
Are there any <b>equality</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
<b>Risk/opportunity assessment:</b>		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
<b>Risk area</b>	<b>Inherent level of risk</b> (before controls)	<b>Controls</b>	<b>Residual risk</b> (after controls)
Lack of written policy breaches statutory requirements	Medium	Approval of Policy	Risk removed
Dispute over the application of discretions	Medium	Discretions clear	Low
<b>Ward(s) affected:</b>		None directly	
<b>Background papers:</b> <i>(all background papers are to be published on the website and a link included)</i>		None	
<b>Documents attached:</b>		<b>Appendix A:</b> Pension Discretion Policy <b>Appendix B:</b> Summary of Recommendations	

**APPENDIX A**

Pension Discretions Policy

February 2015

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## **1. Introduction**

Access to a pension scheme is an important part of the reward package available to all employees and is a key objective of current Government Policy. The Councils make a significant contribution in addition to that made by the employees, to ensure that adequate provision is made for retirement or in the event of unforeseen events such as permanent injury or illness. Employees are automatically entered into the Local Government Pension Scheme (LGPS) and are encouraged to remain in it and gain the benefit of this provision.

The LGPS 2014 gives each Council discretionary powers that need to be agreed and followed in relation to certain specific pension issues.

This statement sets out Councils' approach to the administration and management of pensions and retirement for employees who are members of the Local Government Pension Scheme or are eligible to join. It outlines the retirement and pensions options available to employees depending on individual circumstances.

It incorporates the requirements of the LGPS Regulations 2014 and confirms the Councils' policies on the exercise of its discretionary powers under the various regulations.

The discretion decisions are however made by the Council who is the employer.

## **2. Retirement Age**

Employees are no longer subject to a general retirement date. Employment will, therefore, continue until their employment is ended either by the employee giving notice or until action is taken by the employer for a specified reason such as redundancy or dismissal for conduct or capability reasons. (See section 5 for further information on the age at which pensions become payable).

Under the LGPS Regulations 2014 the normal pension is aligned with State Pension Age (SPA). The State pension age is currently being increased and varies according to Date of Birth. (Further information can be found at [www.gov.uk/changes-state-pension](http://www.gov.uk/changes-state-pension) for details).

## **3. Supporting Employees thinking about Retirement**

The Councils recognise that it is important for employees to make decisions about when they may wish to retire and to plan accordingly.

Employees should ensure they obtain the appropriate information about their financial position and pension benefits.

Employees are encouraged to discuss their retirement plans with their manager at an early stage so that the process can be managed effectively to the benefit of all parties.

We also recognise the importance for employees planning to retire of achieving a balance between work and other interests and encourage serious consideration of requests for flexible retirement, but reserve the right to refuse requests where there are sound business reasons to do so.

## **4. Pensions**

### **4.1 General**

This policy applies to all employees who are members of the LGPS or are eligible to join.

Employees with a contract for at least three months, and aged between 16 and 75 are brought into the LGPS automatically from their first day of employment in accordance with the Auto-enrolment regulations effective 1 April 2014. Those with a contract of less than three months and casual employees have a right to join and can opt in.

From the first day of employment employees will be able to elect not to be a member of the LGPS. It is not permitted to complete and return an opt-out form until after commencing employment, so all eligible employees are auto-enrolled but can then ask to be taken out of the Pension Scheme.

The Councils are legally required to auto-enrol certain employees into a pension scheme once every three years starting 1 April 2014 or when they meet certain criteria. Those affected will be informed in writing on enrolment.

### **4.2 Pensionable Pay**

The Pension Scheme Regulations define which elements of pay are pensionable and which are not. In broad terms all salary and pay for work done is pensionable and certain other payments such as mileage or other expenses are not pensionable. Pay protection is pensionable if the protection arrangements began before 1 April 2014. If the protection payments began on or after 1 April 2014, the protection payments are non-pensionable.

### **4.3 Employee Contributions**

Employee contribution rates will be assessed as outlined below.



### 4.3.1 Contribution Bands

With effect from 1 April 2014, the bands for employee pension contributions are as follows:

Band	Pensionable Pay	Percentage Contribution Rates	
		Main Scheme	50/50 Scheme <sup>1</sup>
1	Up to £13,500	5.5	2.75
2	£13,501 to £21,000	5.8	2.90
3	£21,001 to £34,000	6.5	3.25
4	£34,001 to £43,000	6.8	3.40
5	£43,001 to £60,000	8.5	4.25
6	£60,000 to £85,000	9.9	4.95
7	£85,001 to £100,000	10.5	5.25
8	£100,001 to £150,000	11.4	5.70
9	£150,001 or more	12.5	6.25

Bandings are assessed on actual pensionable pay received irrespective of hours worked. Bands are reviewed annually.

### 4.3.2 Assessment of Pay for Banding

An assessment in regard to individual contribution bands is made annually based on pensionable pay for the tax year. Contributions will be made each pay period by the deduction of the monthly contribution based on annualised salary, plus any pensionable payments and allowances made to determine the correct contribution rate.

### 4.3.4 Notification of Banding

The Councils will make available on the intranet applicable bandings so that staff are aware of their contribution rates, and will publicise any changes.

### 4.3.5 Multiple Employments

Employees with more than one job with the Councils will be assessed separately for each individual contract of employment.

### 4.3.6 Review of Banding Decision

If you have a query about the contribution band you have been placed in you should contact Human Resources in the first instance to resolve it. If you still consider that your contribution rate has not been correctly assessed you must write to Human Resources for a review of the assessment. Human Resources will respond in writing. If you still consider that the policy has not been properly applied you may submit a written application for a review of the decision under the Pensions Internal Disputes Resolution Procedure outlined in Paragraph 11.

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<sup>1</sup> Employees have an option to pay half normal contributions and build up half the normal pension

#### 4.4 Discretions to Increase Pension Benefits

The Councils have discretion to increase pension benefits as outlined below. The Councils will **not** use discretion to award additional pension to:-

- active scheme members, or
- a member who was an active scheme member who was dismissed by reason of redundancy, or business efficiency, or whose employment was terminated by mutual consent on the grounds of business efficiency.

Active scheme members may enter into an arrangement to pay additional pension contributions (APCs). The Councils will not contribute to the funding of additional pension contributions other than when it is required to do so because the APC arrangement is to make up for pension rights lost during a period of authorised unpaid absence. In these cases the request must be received by HR within 30 days of the end of the authorised unpaid absence, otherwise the employee will be required to meet the full cost.

The Councils will **not** enter into a shared cost additional voluntary contribution (SCAVC) scheme unless required to do so (for example, the purchase of lost pension when on unpaid maternity leave).

#### 5. Retirements

Employees may choose to retire before normal pension age. The earliest age that an employee can choose to draw their pension paid is 55, but it will be actuarially reduced in accordance with the LGPS Regulations, on a sliding scale according to age and gender.

LGPS pension benefits must be put into payment by age 75 and the LGPS provides for an actuarial increase in pension benefits if they are not put into payment until after normal pension age.

In some appropriate circumstances employees may be dismissed by the Council and receive pension payments before age 65.

These retirements are explained below.

##### 5.1 Voluntary Retirement

An employee who is aged 55 or older may choose to leave employment by giving notice of their resignation and draw their pension by giving our Pension Scheme Administrators, Suffolk County Council, the appropriate notice of their request for payment of their pension benefits. A minimum of three months' notice is required for early payment of pension benefits.

If the scheme member requests immediate payment of their pension before age 60 then all pension benefits payable (whether built up in the scheme before or after April 2014) will be subject to a full reduction. The Councils will **not** use their discretion to waive all or any part of the reduction that may apply in the early payment of a pension under this Regulation unless there is a sound compassionate or financial case to do so. In this case approval from the Head of Human Resources, Legal and Democratic Services is required, in consultation with the Head of Resources and Performance.

A sound financial benefit means that the cost of waiving the reduction is recovered within two financial years of the retirement.

The Councils **may** exercise discretion to approve 'switching on' the 85 Rule<sup>2</sup> protection, only when it is in the Councils' interests to do so. Managers will have to provide a proposal for all requests they support demonstrating how it meets both Councils' business objectives, employee relations benefits, service delivery benefits, financial and funding considerations.

Employees should ensure they obtain information about the amounts of their pension benefits and the amounts of any reductions that apply to them before formally resigning from employment. This information is available upon request from [pensions@suffolk.gov.uk](mailto:pensions@suffolk.gov.uk).

## 5.2 Flexible Retirement

An employee who is aged between 55 and 75 may request "flexible retirement" under the LGPS Regulations. This involves continuing to work and either reducing his/her hours of work or accepting a lower paid job within the Council while receiving an immediate payment of pension benefits. These benefits may be reduced or unreduced depending on entitlement. The Council may use its discretion to waive any reduction that may apply in the early payment of a pension under this section. Requests for payment of part benefits will **not** be agreed.

In response to written requests from eligible employees for flexible retirement the Council will:-

- Give consideration to the impact that the request will have upon other Council policies, particularly the Organisational Change and Redundancy Policy.
- Approve requests only when it is in the Councils' interests to do so. Managers will have to provide a proposal report for all requests they support demonstrating how it meets the Councils' business objectives, employee relations benefits, service delivery benefits, financial and funding considerations.

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<sup>2</sup> The 85 year rule is satisfied if your age at the date you draw your benefits and your scheme membership (in whole years) add up to 85 or more; levels of protection under this rule are complex.

- Approve requests only where the cost of the waiver is paid back in terms of financial benefit within two years.
- Approve requests only where the income of the employee (pension plus salary) is not increased as a result of the flexible retirement.

A request must involve a reduction in gross salary of at least 40%, either through reduced hours or level of responsibility (grade).

Once the Council has agreed to a request for flexible retirement it will not consider any requests from the employee to increase their hours or grade in the position for which flexible retirement has been agreed. No further requests for flexible retirement will be considered.

The employee's contract of employment will be amended by mutual agreement to reflect the new hours or grade, as agreed, and continuity of service will be preserved for terms and conditions purposes.

Flexible retirement is an easing into retirement, and where pension commences payment, there is an expectation that a plan is mutually agreed in relation to when the retirement will take place, in order to ease and support the move into retirement for the individual, and enable succession planning in the service.

### **5.3 Retirement as a result of Redundancy or on the Grounds of Efficiency of the Service**

Early retirement may be granted for employees aged 55 years and over with at least two years membership in the LGPS in the circumstances outlined below, taking into consideration the full cost to the Councils and best interest of the Councils.

The Council may find it necessary to dismiss an employee on the grounds of redundancy. The pension is paid without any actuarial reduction<sup>3</sup>. Payment of pension benefits is in addition to any redundancy compensation.

Alternatively, there may not be a redundancy situation, but it may be necessary to dismiss an employee or mutually agree a termination of employment for other reasons on the grounds of the efficiency of the service. The pension can be paid with or without any actuarial reduction as appropriate in the circumstances and as approved by the Head of Human Resources, Legal and Democratic Services.

These cases will normally be subject to a settlement agreement.

As specified in 4.4 above the Councils will not use discretion to award additional pension in these cases.

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<sup>3</sup> A reduction that is made to the pension to reflect the fact that the pension is being paid early

## **5.4 Ill Health Retirement**

Where an employee, with at least two years membership of the LGPS, has been certified by an Independent Registered Medical Physician (approved by the Council) as being permanently incapable of discharging their duties by reason of ill health or infirmity of body or mind and having a reduced likelihood of undertaking other gainful employment, the Council will consider awarding early retirement with immediate payment of pension benefits. Ill health retirement may occur at any age. This authorisation will only be given after all alternatives have been explored.

Further information on ill health retirement is available in the Pensions Booklet available on the staff intranet, or from Human Resources.

## **5.5 Deferred Pension Members<sup>4</sup>**

If an ex-employee suffers deterioration in their health, such that they consider they meet the LGPS criteria for ill health retirement, they can make a request for early payment of pension benefits on health grounds. The Council will consider such requests in accordance with the appropriate LGPS regulations and, if it is satisfied that the criteria are met, early payment of pension benefits will be authorised.

Members with deferred benefits under the LGPS Regulations 2014 may request payment of their deferred pension from age 55 without needing employer consent. As previously stated, the Council will not, in any circumstance, use its discretion to waive all or any part of the reduction that may apply in the early payment of a pension under this Regulation. The Council will not use its discretion to 'switch on' the 85 Rule for deferred pension members.

Under previous Scheme Regulations, deferred pension members require employer consent for early payment of pension benefits before the age of 60. Ex-employees may make a request for early payment of pension. The Council will only consider requests on compassionate grounds, but is unlikely to agree a request if there is a cost to the Council.

The Council will not use its discretion to waive any reduction that may apply for the early payment of a pension unless approved by the Portfolio Holder for Resources in exceptional circumstances.

## **5.6 Re-employment in Local Government**

Employees who retire from the Councils may seek re-employment with the Councils through the Councils normal recruitment procedures. If an employee is in receipt of a pension from one of the West Suffolk Councils then re-employment with a West Suffolk Council or any LGPS employer may affect the pension payment. All re-employed pensioners are required

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<sup>4</sup> Deferred member is an ex-employee who has now left the Pension Scheme

to tell the Authority who pays their pension of any new employment and their pension may be reduced in accordance with LGPS and Discretionary Compensation Regulations.

If an employee is made redundant, they will forfeit their right to a redundancy payment if they are offered and take up other employment with a body covered by the Redundancy Payments (Continuity of Employment in Local Government etc.) (Modification) Order within four weeks of leaving the Council. There must be a clear break of not less than 4 weeks between such employment.

Any employee who receives an enhanced pension or redundancy package by virtue of the fact they have left the Council's employment will not normally be re-employed to work for a West Suffolk Council in any capacity for a period of three years.<sup>5</sup>

Exceptions to this will be made only, and exceptionally, where a business case is made and approved by the Head of Human Resources, Legal & Democratic Services, for example in a situation where there is an identified skills shortage that would justify a temporary appointment.

## **6. Injury Allowance Regulations**

The Councils will **not** provide a compensation scheme under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011.

## **7. Administrative Regulations**

### **7.1 Deferred Members who become Active Members again**

If a deferred member again becomes an active member, the deferred pension account is aggregated with the active pension account, unless the member makes an election to retain the deferred pension account. This election must be made within 12 months of the opening of the active member account. The Councils will **not** extend the 12-month limit unless there are exceptional circumstances.

### **7.2 Concurrent Employments**

In the case of members who have concurrent (more than one at the same time) employments and one employment ends, the deferred pension account will be aggregated with the on-going active account. If the member has more than one on-going active account they may choose which of the active accounts to join it with. The member can elect to retain the deferred pension account within 12 months of the date the concurrent employment ended, unless the account was for less than two years, ie

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<sup>5</sup> Re-employment for the purposes of running an election is not restricted by this policy.

deferred refund account which must be aggregated. The Councils will not extend the 12-month limit unless there are exceptional circumstances.

### **7.3 Inward Transfer of Pension Rights**

The Councils will not consider allowing requests of transfers of previous pensions outside of the 12-month time limit, unless there are exceptional circumstances. If any such requests are agreed they will, also, be subject to the agreement of the Administering Authority.

## **8. Authorisation**

All retirements that require the Councils' authorisation will be subject to the approval of a business case by the Head of Human Resources, Legal & Democratic Services.

Exceptions to this requirement are:-

- Flexible Retirements, in accordance with the policy, which require Head of Service and Head of Human Resources, Legal & Democratic Services (or nominated deputy) approval of business case.

Requests for early payment of deferred benefits on compassionate grounds, which may involve a cost, require the approval of the Head of Human Resources, Legal & Democratic Services and the Head of Resources and Performance.

The Head of Human Resources, Legal & Democratic Services will determine:-

- Waiving the time limit for inward transfers (7.3 applies)
- Waiving of time limit to separate membership for re-joining deferred members and concurrent employments. (7.1.& 7.2 applies)

## **9. Employees who are not in the LGPS**

An employee who has chosen not to contribute to the LGPS (ie not an active scheme member) will not receive pension benefits from the scheme upon retirement. If an employee has deferred pension scheme benefits from previous LGPS membership, they should contact the administrators of that pension scheme for details of the benefits they have and when they might become payable. Employees may, however, choose to retire by giving the appropriate notice.

Employees who are not in the pension scheme may also apply for flexible retirement.

The Councils will apply the same criteria as set out in the policy statement on flexible retirement, except that there will not be any pension benefits to put into payment.



## **10. Financial Considerations and Further Information**

Employees are advised to seek guidance about the financial implications of drawing their local government pension or any other pension benefits they may have, either when considering retirement or a flexible retirement (ie where they continue to work and draw a pension).

Further information about the LGPS is available on these websites:-

- Pension Services – [www.suffolkpensionfund.org](http://www.suffolkpensionfund.org)
- [www.LGPS2014.org](http://www.LGPS2014.org)

and information about the State Pension is available at:-

- <https://www.gov.uk/browse/working/state-pension>

If you have queries about your LGPS pension benefits please contact:-

- Pension Services

*By email - [pensions@suffolk.gov.uk](mailto:pensions@suffolk.gov.uk)*

*By telephone – 08456 053000 (option 4)*

*By post – Pensions, Suffolk County Council, 2<sup>nd</sup> Floor, Constantine House,  
5 Constantine Road, Ipswich, Suffolk  
IP1 2DH*

or

- Human Resources

*By email - [human.resources@westsuffolk.gov.uk](mailto:human.resources@westsuffolk.gov.uk)*

*By telephone - 01284 757007*

*By post - Human Resources, West Suffolk House, Western Way, Bury St  
Edmunds, Suffolk IP33 3YU*

## **11. Dispute Resolution Procedure**

If a member of the LGPS has a dispute regarding a decision made in respect of their pension benefits, they may wish to refer to the Pension Scheme Internal Disputes Resolution Procedure. Complaints under this procedure must be made within six months of the date that the pension decision was made.

Complaints should be made to a Director. If the member is not satisfied with this decision, they may refer the complaint to the Administering Authority's Adjudicator within six months of receiving the decision.

If an employee wishes to raise a concern not relating to pension benefits, referral to the Grievance Procedure may be appropriate.



## 12. **Review of Policy**

In formulating and reviewing its policy, the Council:

- a. has regard to the extent to which the exercise of its discretionary powers (in accordance with the policy), unless properly limited, could lead to a loss of confidence in the public service; and
- b. is satisfied that the policy is workable, affordable and reasonable having regard to the foreseeable costs.

The Regulations require the Councils to keep this policy under regular review. This policy will, therefore, normally be reviewed every three years or earlier if deemed necessary.

If the Councils decide to change its policy, it will publish a statement of the amended policy within one month of the date of its decision.

This document is not a full statement of the law. The West Suffolk Councils retain the right to change policies at any time. This policy confers no contractual rights and the policy that is current at the time that a relevant event occurs to an employee will be the one applied to that employee.

### **Revisions**

<b>Date of review or revision</b>	<b>Reason</b>	<b>Author</b>
February 2015	Requirement to provide written policy on further to Pension Scheme Changes 2014.	Karen Points

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The LGPS Pension Regulations require a written Statement of Policy on a number of discretionary decisions that can be taken. In developing this policy serious consideration of the extent to which the exercise of these discretionary powers could lead to the loss of confidence in public services has taken place; and recommendations made accordingly.

Below is a table detailing the items that we must include, and a summary of the proposed approach:

<b>The discretions are whether to:</b>	<b>Decision to consider</b>		<b>Policy reference</b>
Grant extra annual pension	Can grant up to £6,500 extra annual pension to employees who are redundant or leaving on grounds of efficiency Full cost to employer CPI increase annually	Not recommended	4.4
Contribute to a Shared Cost AVC Scheme (SCAVC)	Employer can contribute towards an AVC to purchase extra pension for employee Max £6,500 pension per annum CPI increase	Not recommended unless the Council is required to contribute under the LGPS rules	4.4
Permit Flexible Retirement	Whether to permit flexible retirement where an employee reduces hours or grade, and draws pension benefits	Recommended : Maintain existing scheme Both Councils have a scheme in place enabling flexible retirement subject to any pension strain (costs incurred) being recovered within two years Also subject to no overall increase in income to the employee; and a reduction in salary of no less than 40%	5.2
Switch back on the 85 year rule	Council can choose to waive actuarial reduction where rule of 85 is met for those who choose to retire between 55 and 60	Not recommended unless it is in the Councils' interests to do so Not recommended for deferred pensioners	5.1  5.5
Waive actuarial reductions	Whether to waive in whole or in part any actuarial reduction, employer meets cost of pension strain	Not recommended unless in the interest of the council to do so	5.1 5.2

Grant applications for the early payment of deferred pensions (2008 scheme)	Whether to agree to early payment on grounds of severe ill-health (i.e. meet the criteria for an ill-health retirement)	Recommendation – if ill-health retirement criteria met, payment of pension benefits can be authorised	5.5
Waive actuarial reduction to deferred benefits on compassionate grounds (2008 scheme)	Whether to waive actuarial reduction at cost to the council	Not recommended	5.5
Injury Allowance (Discretionary Payments Injury Allowances Regulations 2011) To make an award to those who sustain an injury or contract a disease resulting in loss of pay, employment or whom die.	To make an award to those who sustain an injury or contract a disease resulting in loss of pay, employment or whom die.	Not recommended	6

Additional Pension Discretions and information included in the Policy (no legal requirement)

<b>The discretions are whether to:</b>	<b>Decision to consider</b>		<b>Policy Reference</b>
Extend the 12 month time limit for transferring pension rights into the LGPS		Recommendation : in exceptional circumstances to be authorised in agreement with the Administering Authority	7.3
Extend the 12 month time limit for a member to retain separate benefits		Recommendation : in exceptional circumstances only	7.2 7.1
Criteria for Flexible Retirement		Recommendations: Cost repayable within 2 years Reduction in salary of not less than 40% Limit on total income	
Redundancy		Recommendation: No re-employment within 3 years	

# Cabinet



*St Edmundsbury*  
BOROUGH COUNCIL

<b>Title of Report:</b>	<b>West Suffolk Operational Hub</b>	
<b>Report No:</b>	<b>CAB/SE/15/015</b>	
<b>Report to and date:</b>	<b>Cabinet</b>	10 February 2015
<b>Portfolio holder:</b>	John Griffiths MBE Leader <b>Tel:</b> 07958 700434 <b>Email:</b> <a href="mailto:john.griffiths@stedsbc.gov.uk">john.griffiths@stedsbc.gov.uk</a>	
<b>Lead officer:</b>	Mark Walsh Head of Operations <b>Tel:</b> 01284 757300 <b>Email:</b> <a href="mailto:mark.walsh@westsuffolk.gov.uk">mark.walsh@westsuffolk.gov.uk</a>	
<b>Purpose of report:</b>	<p>To provide an update on the progress of the joint West Suffolk and Suffolk County Council project to review the feasibility and deliverability of a West Suffolk Operational Hub at Hollow Road Farm in Bury St Edmunds to deliver a combined depot, waste transfer and Household Waste Recycling Services for West Suffolk.</p> <p>For Members to note the current anticipated costs and benefits of the project and the further work still to be carried out.</p> <p>For Members to approve proceeding to the next planning phase of the project noting this will also be contingent on approval by FHDC and SCC Cabinet Members.</p>	
<b>Recommendation:</b>	<p><b>It is <u>RECOMMENDED</u> that the Cabinet:</b></p> <p><b>(1) notes the contents of Report No: CAB/SE/15/015; and</b></p> <p><b>(2) agrees to proceed to the next stage of the project which will be to seek planning consent for a West Suffolk Operational Hub at Hollow Road Farm, Bury St Edmunds.</b></p>	

<p><b>Key Decision:</b></p> <p><i>(Check the appropriate box and delete all those that <b>do not</b> apply.)</i></p>	<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input checked="" type="checkbox"/></p> <p>No, it is not a Key Decision - <input type="checkbox"/></p> <p>(a) A "key decision" means an executive decision which, with regard to any guidance from the Secretary of State, is likely:-</p> <p>(i) To result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates; or</p> <p>(ii) To be significant in terms of its effects on communities living or working in an area comprising two or more Wards in the Borough.</p> <p>(b) Pending any further guidance from the Secretary of State, a decision which results in expenditure or savings of more than £50,000 will normally be considered as a key decision.</p> <p>(c) Wherever practicable, a decision which has a significant impact on people living or working in a single Ward will be treated as a key decision.</p> <p>(d) A decision taker may only make a key decision in accordance with the requirements of the Executive procedure rules set out in Part 4 of this Constitution.</p>
<p><i>The key decision made as a result of this report will be published within <b>48 hours</b> and cannot be actioned until <b>seven working days</b> have elapsed. This item is included on the Decisions Plan.</i></p>	
<p><b>Consultation:</b></p>	<ul style="list-style-type: none"> <li>• Suffolk County Council, Forest Heath District Council and other potential public sector partners.</li> <li>• Some informal consultation has taken place with local Ward Members representing the proposed site.</li> <li>• Wider pre-planning consultation will be undertaken at the next stage of the project.</li> </ul>
<p><b>Alternative option(s):</b></p>	<ul style="list-style-type: none"> <li>• Outlined in 1.3.8 and Exempt Appendix B.</li> </ul>
<p><b>Implications:</b></p>	
<p><i>Are there any <b>financial</b> implications?</i></p> <p><i>If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> <li>• Outlined in sections 1.3.7 to 1.3.11 and Exempt Appendix B.</li> </ul>

<p>Are there any <b>staffing</b> implications? If yes, please give details</p>		<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> <li>• If the project proceeds a large number of staff will be relocated to the new shared facility.</li> <li>• The move to a combined facility is likely to usher in new ways of working at the operational level that will impact staff.</li> <li>• The shared facility will accommodate staff from a number of organisations working to aligned site policies.</li> </ul>	
<p>Are there any <b>ICT</b> implications? If yes, please give details</p>		<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> <li>• Relocation to a new combined facility will necessitate a new ICT infrastructure.</li> </ul>	
<p>Are there any <b>legal and/or policy</b> implications? If yes, please give details</p>		<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> <li>• If the project proceeds there will be a significant procurement element.</li> <li>• A decision to proceed will be required from respective Cabinet and full Council.</li> <li>• Legal property agreements concerning land and title to a new combined asset will be required.</li> </ul>	
<p>Are there any <b>equality</b> implications? If yes, please give details</p>		<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> <li>• Waste and Street Scene Services affect all residents. Newly configured services from a combined facility need to be assessed to ensure they are appropriate and accessible to all.</li> </ul>	
<p><b>Risk/opportunity assessment:</b></p>		<p><i>(potential hazards or opportunities affecting corporate, service or project objectives)</i></p>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
Planning consent or environmental permitting for the site is refused or significantly delayed and/or leads to high mitigation costs	Medium	Develop a detailed planning strategy with supporting evidence. Engage early with stakeholders	Medium
Ground and environmental elements (inc archaeology) leading to extra cost and delay	Medium	Surveys of site undertaken. Engaging with appropriate experts to manage risk	Medium
Escalating project costs	Medium	Land costs fixed. Elemental cost plan developed to manage budget moving forward.	Medium
Lack of resource, skills and capacity to deliver project.	Medium	External support engaged. Sharing officer resources with SCC.	Low

<b>Ward(s) affected:</b>	All Wards
<b>Background papers:</b> <i>(all background papers are to be published on the website and a link included)</i>	<a href="#">St Edmundsbury Borough Council Report F51 dated 30 June 2014</a>
<b>Documents attached:</b>	<b>Exempt Appendix A :</b> Current site layout <b>Exempt Appendix B:</b> Financial Summary <b>Appendix C:</b> Register of Benefits

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## **1. Key issues and reasons for recommendation(s)**

### **1.1 Executive Summary**

- 1.1.1 Much has been achieved in West Suffolk already through sharing facilities and staff across established local authority boundaries, for example West Suffolk House in Bury St Edmunds with Suffolk County Council (SCC) as well as shared services between Forest Heath District Council (FHDC) and St Edmundsbury Borough Council (SEBC). We have also started to share facilities with other public sector partners including the Department of Work and Pensions (DWP) and NHS Clinical Commissioning Group, where opportunities and a willingness from partners have allowed. However, it is apparent that if the public sector as a whole is going to be able to deal with continued financial constraint along with in some areas, a growth in demand and expectation for services, a more radical approach will be called for.
- 1.1.2 We are currently faced with a unique set of opportunities in West Suffolk to significantly change the way in which public services are delivered. The DHL / NHS depot, adjacent to West Suffolk House and our waste depot at Olding Road in Bury St Edmunds, has recently been acquired by a developer. This presents the opportunity to develop the entire site creating the Public Sector Village envisaged at the later phases to the West Suffolk House project (PSV phase 2) along with potential for some commercial development. Such a development would deliver more space to co-locate other public sector partners, share facilities, join-up service delivery and release public sector property assets in the area for ongoing development, promoting further economic growth.
- 1.1.3 Relocation of SEBC's aging waste and street scene depot would facilitate the PSV2 development at Western Way. Following earlier reports to Members in 2014, officers from West Suffolk and SCC have been working on a joint project to investigate the feasibility of a West Suffolk Operational Hub (WSOH) on land at Hollow Road Farm on the northern edge of the town. The primary option being developed into a business case is to co-locate a West Suffolk depot and fleet based operations with the SCC Transfer Station and Household Waste Recycling Centre (HWRC) operations. This project has initially been joint funded by SEBC and SCC with each allocating £100,000 (see SEBC Council Report F51 dated 30 June 2014). A contribution from FHDC will be sought during the next phase of work where costs and funding will be further refined. The site also has space for other potential partners who use vehicles to co-locate offering the opportunity to share space for vehicle parking, fleet servicing, vehicle washing, bunkered fuel and staff welfare facilities as well as further sharing costs.
- 1.1.4 These projects (PSV2 and WSOH) along with the Mildenhall Hub project are fully supported by Central Government through the [Transformation Challenge Award](#) and the [One Public Estate Programme](#) for the reasons below:
- (a) The development of WSOH is one of a number of important linked public sector estate projects in Suffolk.
  - (b) This programme seeks to identify opportunities for shared use of public sector facilities. Bringing services from different partners together on to

the same site and sharing costs (co-location) will give better value for taxpayers and better services for residents and businesses through efficiencies which come from more joined-up working.

- (c) This reorganisation will make better use of assets; ensuring modern, efficient facilities are available for the future with a minimum overall cost to taxpayers.
  - (d) The relocation of waste services into this new facility will enable a series of exciting new developments to be completed on the vacated land. This will include the second phase of the ambitious Public Sector Village in Bury St Edmunds, which in turn could potentially allow other sites in West Suffolk to be vacated.
  - (e) A new facility at Hollow Road Farm means that immediate efficiency gains can be realised by all parties and new commercial opportunities explored. There is further potential to explore additional savings and delivery models
- 1.1.5 The project assumes that both FHDC and SEBC close their existing depot facilities at Mildenhall and Bury St Edmunds respectively and develop a new co-located West Suffolk facility with SCC at Hollow Road Farm. There will be a need to retain a small base for cleansing activities in Forest Heath which is reflected in the developing business case.
- 1.1.6 During this initial stage of the project we have secured an option to purchase the land at Hollow Road Farm and developed a site design and construction cost plan. Alongside this we have reviewed the operational benefits, cost savings and revenue we would expect to derive through co-locating facilities, increasing commercial capacity and releasing value from other sites. In comparing the costs to the taxpayer (for both tiers of local government) across a range of potential options, there are considerable savings and benefits to be derived. These benefits could be increased if other parts of the public sector were to become partners in the project. However, there are also considerable capital costs associated with a number of the options for which the funding needs to be further explored.
- 1.1.7 This report requests that, within existing budgets, Members grant approval for the project to move forward to the next phase which will be to formally start the planning application process in order to achieve a planning consent for Hollow Road Farm. During this next phase we will also review options for capital funding which will include funds from other related projects (such as PSV2), and consideration of financing options – including the use of reserves and prudential borrowing. Approval to fully proceed with the WSOH project will be required at a later stage through full Council.

## 1.2 **Background**

### **Waste Infrastructure Drivers**

- 1.2.1 Waste collection and disposal services in Suffolk are undergoing a period of significant change. Under the two tier arrangements for managing waste in Suffolk, SCC is the Waste Disposal Authority (WDA) and the District and

Borough Councils are Waste Collection Authorities (WCAs). The disposal of residual (black bin) waste has recently switched from landfill to being disposed of at the new Energy from Waste facility at Great Blakenham.

- 1.2.2 In preparation for this switchover in residual waste treatment, SCC has been investigating the establishment of a new long term network of waste transfer stations across Suffolk. These will receive and bulk residual waste for onward transportation to and processing at the new Energy from Waste facility in Great Blakenham. Planned locations for transfer stations are at Lowestoft, East of Ipswich and at Bury St Edmunds. This network of SCC owned transfer stations can be augmented further by commercially owned and operated transfer stations subject to this being in the best interest of the taxpayer in terms of their cost and benefit.
- 1.2.3 The current planned location for a transfer station in Bury St Edmunds is at the site of the Household Waste Recycling Centre (HWRC) at Rougham Hill. SCC planned to expand the current site and co-locate a new transfer station and HWRC operation. SCC, as the Waste Planning Authority, granted planning consent for the new facility on 17 October 2013. This decision met with some local opposition and was subject to an unsuccessful challenge through a Judicial Review.
- 1.2.4 Waste haulage is a significant cost to the taxpayer. Residual waste and blue bin recycling from FHDC and SEBC is currently predominately deposited at the transfer station at Red Lodge. This is likely to cease with the opening of a new transfer facility at Bury St Edmunds. This decision provides the opportunity of putting waste transfer and collection operations closer to the disposal point in Gt Blakenham and closer to the major waste generating populace in and around the largest West Suffolk town.
- 1.2.5 In early 2014 there was a change in ownership of the land adjacent to the current SEBC depot which is occupied by DHL / NHS supplies. This has prompted renewed consideration of the potential for wider development of the site and the linked PSV2 project to develop this site is now underway.

### 1.3 **Building the Wider Business Case for a WSOH**

- 1.3.1 In June 2014 it was agreed that officers from West Suffolk and SCC would embark upon a joint project to assess the feasibility and deliverability of a shared facility, the west Suffolk Operational Hub, at Hollow Road Farm. This followed an initial investigation of potential sites by West Suffolk officers and agreement by SCC to delay development of the Rougham Hill site whilst a business case was further developed for the identified site. Assessment of feasibility and deliverability is the initial step in a project that is phased as follows:

Phase 1 – Initial assessment of feasibility, costs and benefits

Phase 2 – Pre-planning consultation followed by a planning application

Phase 3 – Further development of costs and funding

Phase 4 – Detailed design and procurement

Phase 5 – Construction

Phase 6 – Pre-occupation activities and move to new facilities

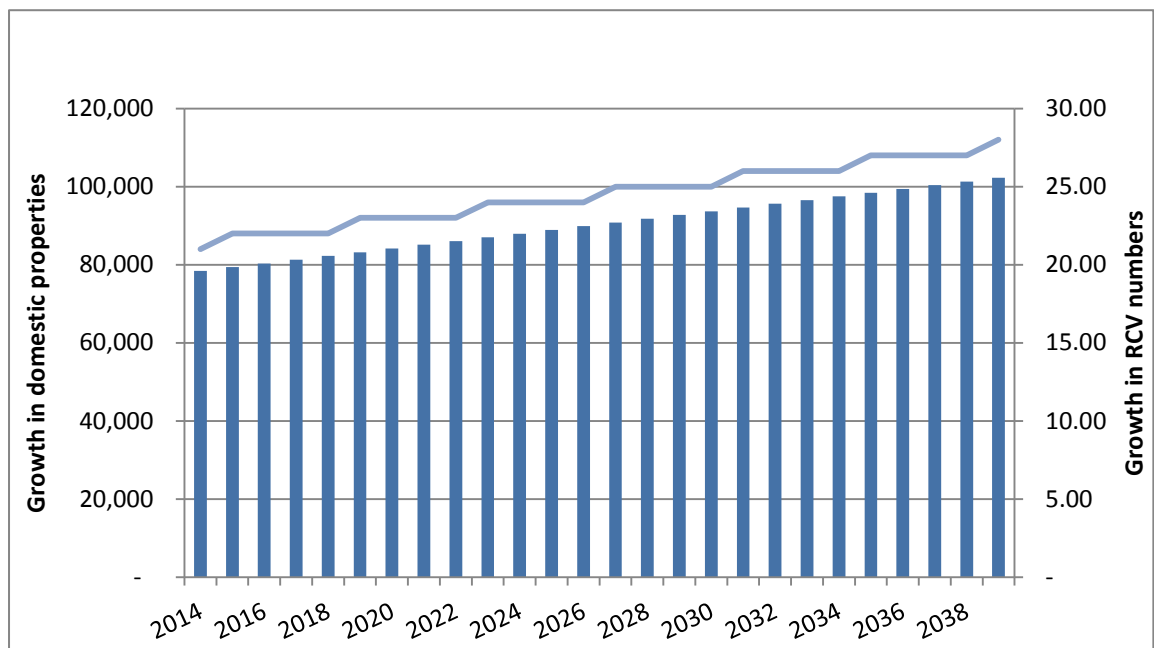
Phase 7 – Disposing of vacated property assets or putting them to new use

Some phases may overlap, for example phases 3 and 4 could run concurrently with phase 2. It is anticipated that we will come back to Members in the summer before commencement of phase 4.

1.3.2 Phase 1 has been completed and we are ready to embark on phase 2 (planning). Phase 1 has included the following elements:-

- Establishing a project team
- Developing the business need – future requirements and strategic / operational benefits
- Securing an option agreement for the land at Hollow Road Farm
- Carrying out site surveys and investigations
- Developing site design (with input from Planning / Highways)
- Estimating costs and benefits to the taxpayer
- Engaging with other potential public sector partners

1.3.3 There is a growing understanding that continuing as we are is not a sensible option. Some of the existing buildings and arrangements for operational services are at capacity and not sustainable in the long term, unable to accommodate long-term demand, are inefficient with relatively high running costs and their number reduces opportunities for staff and operational flexibility. There is also a significant maintenance liability associated with the Olding Road waste depot, estimated to be approximately £2.25million over the next 5 to 10 years. The table below also shows projected growth in the number of West Suffolk households (left hand axis) and the consequential growth in the required number of Refuse Collection Vehicles (RCVs) to meet expected demand (right hand axis).



**Transformation Challenge Award (TCA)**

1.3.4 The relocation of waste and other operational services needs to be justified in its own right but also on the basis that it enables the development of PSV2 with the wider long term benefits to public services this can bring. Suffolk Public Sector Leaders have recognised the need for *integrated Whole System*

*Leadership* in the successful Transformation Challenge Award bid. The WSOH and PSV2 will contribute to delivering many of the commitments made in the bid, including:

- joint agile working – investing in infrastructure and skills to maximise the benefits of multi-agency working;
- the co-location of service providers with single points of access for service users – reducing transaction, accommodation, management and support costs; and
- multi-skilled staff working across the public sector, the Voluntary and Community Sector (VCS) and local communities to maximise local assets enabling people to be as self-sustaining as possible.

### **One Public Estate**

1.3.5 This project (along with the Mildenhall Hub) forms part of the Norfolk and Suffolk submission to the 'One Public Estate Programme' which is a property initiative promoted by the Local Government Association and the Cabinet Office. This pioneering programme is designed to facilitate and enable local authorities to work successfully with Central Government and local agencies on public property and land issues through sharing and collaboration. Aimed at generating public sector savings the programme objectives are to:

- create economic growth;
- generate capital receipts;
- reduce running costs; and
- deliver more integrated customer focussed services

Clearly, the creation of a West Suffolk Operational Hub that also facilitates the potential development of the Western Way site for phase 2 of a Public Sector Village, meets the objectives of the One Public Estate Programme. There is also further potential for the WSOH to develop and support these principles by enabling the colocation of different public sector organisations.

### **Developing Site Design**

1.3.6 Design for the site has been developed iteratively with input from technical officers and external consultants. The current site layout is attached at Exempt Appendix A and shows the current assumed site access, along with the layout of depot, transfer station and HWRC elements of the scheme. The layout also shows where there is capacity for future growth and other partners to co-locate within the facility.

### **Developing the Financial Case**

1.3.7 Having developed the site layout to a more detailed level, a construction cost estimate has been made. Alongside this work the operations team have assessed the operational benefits to be derived from consolidating operations and facilities at Hollow Road Farm. This work has included:

- detailed route planning to determine numbers of vehicles and staff;
- benefits for street cleansing;
- reductions in management and staff;
- increased commercial waste efficiency and capacity;
- increased revenue from new fleet operations;
- released value from the Rougham Hill site owned by SEBC;
- released value from the FHDC depot in Mildenhall; and
- a negation of SCC 'tipping away' payments.

1.3.8 In developing the financial case we have considered four options and compared them against the status quo in terms of overall cost to the Suffolk taxpayer. These options are as follows:

Option 1a	Develop transfer station and HWRC at Rougham Hill. Develop new SEBC depot somewhere else in Bury St Edmunds area. FHDC depot at Mildenhall remains in-use.
Option 1b	Develop transfer station and HWRC at Rougham Hill. Develop new West Suffolk depot somewhere else in Bury St Edmunds area. Close FHDC depot at Mildenhall and relocate to new West Suffolk depot.
Option 2	Establish West Suffolk depot, Transfer Station and HWRC at Hollow Road Farm. Close HWRC operations at Rougham Hill. Close Mildenhall Depot.
Option 3	HWRC operation at Rougham Hill. West Suffolk depot and transfer station at Hollow Road Farm. Close Mildenhall depot.

1.3.9 Based on an assessment of these options, Option 2 is preferred. The rationale for this is:

- Option 1a and 1b present the significant issue of having to identify a suitable depot site elsewhere, which is close to Bury St Edmunds, on a site serviced by a suitable road network, which also meets planning and permitting requirements;
- Options 1a and 1b (particularly 1a) also don't appear to provide the same financial benefits to the taxpayer as the other options considered; and
- Option 3 is likely to be riskier in planning terms as a reduction of the facilities to be located at Hollow Road Farm may diminish the sequential test and the public need arguments for the site.

1.3.10 The current financial summary of the options is attached at exempt appendix B. It should be noted that this summary doesn't currently include any capital contributions from the PSV2 project to relocate the depot as it is too early in the lifecycle of that project to identify what value can be generated. The summary also doesn't include the financing costs of any potential prudential borrowing, should that be necessary. However, the appraisal clearly shows that there are significant potential financial advantages to be derived (options 2 and 3 particularly).

1.3.11 Costs and benefits have been summarised for SCC and West Suffolk. The equitable apportionment of costs and benefits between FHDC and SEBC will

be future work as part of developing the financial case for the project (phase 3).

### **Non-Financial Benefits**

- 1.3.12 There are a number of benefits to the WSOH that have been identified that either do not have an identifiable financial value (but still have value) or cannot at this stage be quantified. A register of benefits is contained in Appendix C.

### **Engaging with other Potential Public Sector Partners**

- 1.3.13 We have widely distributed a development prospectus to a number of public sector agencies thought to have fleet based elements to their operations. We are also continuing to develop direct contacts with a number of interested parties concerning the potential for them to relocate operations to the WSOH. The benefits of attracting other public sector partners to the site are clear in terms of further sharing of development costs, running costs thereafter and joined-up service delivery where it makes sense to do so. Members will receive future updates on the potential opportunities to attract other public sector partners to the site. It is worth noting that the West Suffolk councils have a growing track record in attracting other public sector partners to College Heath Road in Mildenhall and West Suffolk House in Bury St Edmunds.





## Appendix C – Register of Benefits

<b>FINANCIAL</b>	
F1	Realising assets including Rougham Hill, Olding Road and Mildenhall Depot will provide capital and revenue benefits.
F2	Sharing assets has the potential to realise financial benefits for all partners.
F3	Opportunities to develop new/extended commercial activities for all partners.
F4	Releasing Olding Road Depot site for wider economic benefits - Public Service Village 2 and better use of site.
F5	Sharing of overhead costs.
F6	Sharing of management costs.
F7	Keeping the money in the public sector.
F8	Providing long-term financial stability.
F9	Reduces building running costs including maintenance.
F10	Reduces operational costs.
F11	Reduces staff costs.
F12	Manages housing growth and increasing demands on services.
F13	Trade Waste reorganisation - creating capacity for increased commercialism and business growth.
F14	Increased retail element – Reuse store, MOTs, compost, logs, flowers etc.

<b>OPERATIONAL</b>	
OB1	Increased space for operational activity.
OB2	Increased opportunities for other ways of working e.g. 4-day working, 2 shifts.
OB3	Higher levels of staff at one location leading to consistency of service, able to manage emergency situations better etc.
OB4	Having a weighbridge on site.
OB5	Improved staff welfare facilities.
OB6	A fit for purpose facility that meets operational requirements.
OB7	Improved coordination and synergies between services.
OB8	Flexibility for future - unknown waste need - opportunity for 4-day week, 2 shift.
OB9	Reduce double handling of waste.
OB10	Reduce waste miles.
OB11	House Clearance/fly tipping - easier for operatives to make right decision leading to reduced residual waste stream.
OB12	Increase in baling operations leads to increased income from resale.
OB13	Some operations become more viable -e.g. increased commercial opportunities from Waste Transfer Station.
<b>MANAGEMENT</b>	
MB1	Single site approach to management and operations.
MB2	Better communication.
MB3	Better facilities including IT.
MB4	More professional appearance and image.
MB5	Opportunity to develop multi-skilled staff to improve operational flexibility.
MB6	Increased control of waste management activities.
MB7	Fewer locations to manage.
MB8	Brings Waste Disposal Authority and Waste Collection Authority functions closer together - assists with creating a joint culture.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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