

Council



Forest Heath
District Council

Title of Report:	A Single Council for West Suffolk - Business Case	
Report No:	COU/FH/17/026	
Report to and date/s:	Council	27 September 2017
	Extraordinary Cabinet	27 September 2017
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Purpose of report:	<p>In June, Council considered draft proposals to form a single Council for West Suffolk. Following agreement of the draft proposals, a period of public engagement has been undertaken which has concluded strong support from residents and stakeholders towards the proposals.</p> <p>This report provides the final business case, amended in response to public engagement and the work of the Future Governance Steering Group and seeks approval to the proposal to form a single Council for West Suffolk.</p>	
Recommendation:	It is <u>RECOMMENDED</u> that Council approves the final business case for a single Council for West Suffolk, for submission to the Secretary of State for Local Government.	

<p>Key Decision:</p> <p><i>(Check the appropriate box and delete all those that do not 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 type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p> <p>The Department of Communities and Local Government (DCLG) have confirmed that in their view, the agreement of the business case is an executive Key Decision and therefore will be subsequently ratified by Cabinet (see Report No: CAB/FH/17/045).</p>
<p>Consultation:</p>	<ul style="list-style-type: none"> The final business case has been subject to a formal engagement exercise that began with the announcement of the proposals in May 2017 and ended on 31 August 2017. The outcomes of this consultation are summarised at Appendix D of the Business Case, which is attached at Appendix 2.
<p>Alternative option(s):</p>	<ul style="list-style-type: none"> The alternative options are explored within the Business Case, as summarised in Appendix A.
<p>Implications:</p>	
<p><i>Are there any financial 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"> The financial implications of becoming a single Council are set out in section F of the business case. It is currently proposed to fund the transitional set up costs from each council's earmarked reserves. or alternatively officers are considering the use of the capital receipts flexibility (available to councils) which would enable the costs to be capitalised and funded from in-year right-to-buy receipts up to 31st March 2019. Future details will be provided in a report to Council in October.
<p><i>Are there any staffing 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"> The business case makes clear that the decision will not result in any changes to the overall level of resources in the long term, and in particular, we do not envisage any loss of staffing as a result. However, the business case does commit to expenditure in supporting delivery of a single council, which may entail the employment of additional resources, and ultimately if a single Council was agreed, all staff would transfer under TUPE regulations to the new organisation.

<p>Are there any ICT implications? If yes, please give details</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> As the business case identifies, it will be necessary to modify Council systems to ensure they reflect a single Council. A budgetary allocation has been made for this.
<p>Are there any legal and/or policy implications? If yes, please give details</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> The business case is being progressed under the Cities and Local Government Devolution Act 2016. As a result of a single Council, both current Councils would cease in their current form and a new Council would be created.
<p>Are there any equality implications? If yes, please give details</p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <ul style="list-style-type: none"> An equalities screening assessment is attached at Appendix E to the business case, which demonstrates there are no equalities implications as a direct result of this decision.
<p>Risk/opportunity assessment:</p>	<p>A full risk assessment is included at Appendix C to the business case.</p>
<p>Ward(s) affected:</p>	<p>All Wards</p>
<p>Background papers: (all background papers are to be published on the website and a link included)</p>	<p>Draft Business Case, as considered by Council on 14 June 2017 and available at: https://democracy.westsuffolk.gov.uk/documents/s20788/COU.FH.17.013%20West%20Suffolk%20Council%20Report.pdf Scoping Report to Joint informal Cabinet 30th May 2017 https://democracy.westsuffolk.gov.uk/documents/g3746/Public%20reports%20pack%20Tuesday%2030-May-2017%2016.38%20Forest%20Heath%20Cabinet.pdf?T=10</p>
<p>Documents attached:</p>	<p>Appendix 1: Summary of proposal Appendix 2: Final Business Case for a single council for West Suffolk (plus appendices A – E) Appendix 3: Responses to feedback given during engagement period Appendix 4: Summary of outcome of opinion poll (ComRes) Appendix 5: Summary data tables from opinion poll (ComRes) Appendix 6: FAQs about opinion poll Appendix 7: Letters received</p>

1. Background

- 1.1 On 30 May 2017, the Leaders of Forest Heath District Council and St Edmundsbury Borough Council announced proposals to consider the future of local Government in West Suffolk (see summary business case at Appendix A). A draft business case was prepared, which concluded that a single Council would be the most effective way forward. This draft business case was agreed by Council in June in principle, subject to testing the proposal through a public engagement exercise.

2. Progress since June 2017

- 2.1 Following the draft business case being agreed in principle, a formal engagement exercise was undertaken – as explored in section 3 below.
- 2.2 In addition to the engagement exercise, officers have been working with colleagues at the Department of Communities and Local Government, and District / Borough Councils also proceeding with proposals to become a single Council (namely West Somerset and Taunton Deane, and Suffolk Coastal and Waveney).

Parliamentary Process

- 2.3 Shortly before the business case was agreed, the national election resulted in a reduction in the Conservative majority in the Houses of Parliament. There have also been a number of tragic events including terrorist attacks and the Grenfell Tower fire, all of which, when combined with the legislative reform package required as a result of Brexit, have made it understandably more challenging for parliamentary time to be focussed on local government reform proposals in general.
- 2.4 The Secretary of State has given his firm intention to ensure that should the Councils wish to proceed in becoming a single Council, then necessary support and assistance should be provided to enable this to happen. However, it has meant that the risk has increased that there is insufficient time for the necessary parliamentary procedures to be followed, in order to implement the proposals for April 2019.
- 2.5 As a result, it is important that Councils resolve at this stage whether or not to support the business case as, if it is supported, that will give the best chance of securing a 2019 implementation.
- 2.6 Ultimately, if the business case is agreed but a 2019 implementation is deemed unachievable, then it may be necessary to work towards a 2020 implementation date. This would mean, for example, the term of election for Parish and District / Borough Councillors could be extended by a year. There may also be some additional costs should Parish elections not take place in 2019, and as a result, officers have provided contingency estimates within the business case in the event a 2020 implementation had to take place.

Future Governance Steering Group

- 2.7 Over the summer, the Future Governance Steering Group has met on 7 occasions to consider detailed, technical aspects related to the Single Council proposal which do not necessarily impact on the business case, but, if the business case is agreed, DCLG would need to include in an Order to create the new Council – for example, the name of the Council and the number of Councillors it has.
- 2.8 If the business case is agreed today, then the recommendations of the Future Governance Steering Group will be put to Council in October for consideration. Some aspects of their work included in the business case – for example, the original, draft business case included a proposal for 60 Councillors, however the work of the Future Governance Steering Group indicates that a figure of 64 would be more appropriate and will be recommended to Council in October.

Business Case Development

- 2.9 We have received feedback from DCLG, and members of the Future Governance Steering Group, on the draft business case, in addition to considering feedback received through the public engagement process. The key modifications to the business case are as follows:
- 2.10 As Members will notice, the presentation of the business case has been enhanced to aid review, in particular by those who may be less familiar with the current arrangements. We have also incorporated previous separate appendices into the business case directly.
- 2.11 We have amalgamated information relating to the journey the Councils have been on towards a single Council in Section C. The business case is still clear in establishing that this is not an end of a journey, but an opportunity to review how we work most effectively in future to support our communities, however it gives clarity to those who may have less understanding on how our arrangements have progressed.
- 2.12 We have provided further detail and clarity within the business case in Section F relating to the level of savings we believe are achievable, and the potential costs of transition. This follows significant work on the part of all services to identify potential impacts and costs, as well as benchmarking against other authorities.
- 2.13 We understand that DCLG will benchmark the Business Case against their criteria if agreed. To support this exercise, Section D specifically relates to the DCLG criteria and identifies how we believe we meet each criteria.
- 2.14 We have explained how the new Council will be technically implemented, using a Shadow Authority to run parallel to the two Councils, and made of all current Forest Heath and St Edmundsbury Councillors. The Shadow Authority will set policies, the constitution and budget for the new Council before it takes on the powers and functions in April 2019.
- 2.15 We have added a new section, Section H, to cover key aspects of the feedback received from the public, and added Appendix D which is a comprehensive report on the outcomes of the engagement.

3. Public Engagement Outcomes

- 3.1 Section D of the Business Case summarises the outcome of the public engagement exercise undertaken throughout the summer.
- 3.2 One of the most important sources of evidence is the survey commissioned by the Council from ComRes, an independent polling company. This shows, with a high degree of confidence, that when provided with a little information about the proposals, 70% of residents support a single Council – and only 1 in 5 are opposed to it. A summary report of the findings from the opinion poll is attached to this report at Appendix 4 and the data tables are attached at Appendix 5.
- 3.3 While, as the business case establishes, there is a strong degree of public support for the proposals, residents and stakeholders do have concerns and it will be important that if the business case is agreed, the new Council considers the ways in which it can address these concerns, in particular, ensuring that all residents feel engaged in the new Council and believe that it supports their area – a key issue that has been raised during the engagement.

4. Next Steps

- 4.1 DCLG have confirmed that in their view, the agreement of the business case is an executive decision and therefore must be subsequently ratified by Cabinet. As outlined above, as it is important that if agreed, the case is submitted promptly to DCLG, and so the Chair of Overview and Scrutiny has agreed the Cabinet decision may be considered as urgent and therefore not subject to call-in procedures.
- 4.2 If both Council and Cabinet agree, the business case will be submitted to the Secretary of State on 28 September, following which they he and his team will consider the proposal; if the Secretary of State supports the case, he will undertake a further consultation.
- 4.3 If this results in a positive outcome, work would begin on a draft Order to create the new Council. As a result, we will ask Council in October to consider those technical aspects that will need to be incorporated into the Order. Prior to the Order being submitted to both Houses for consideration, Councillors of Forest Heath and St Edmundsbury would have a further opportunity to comment on the details early in 2018.
- 4.4 Further detail will be included in the report to Council in October if the business case is agreed.