

Cabinet



Forest Heath
District Council

Title of Report:	Mildenhall Hub Project	
Report No:	CAB/FH/14/012	
Decisions plan reference:	Dec14/11	
Report to and date:	Cabinet	9 December 2014
Portfolio holder:	Cllr James Waters Leader of the Council Tel: 07771 621038 Email: james.waters@forest-heath.gov.uk	
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Purpose of report:	To update the Cabinet on progress with the Mildenhall Hall Project and outline next steps.	
Recommendation:	It is <u>RECOMMENDED</u> that Cabinet: (1) notes the completion of the business case for the Mildenhall Hub Project and its provisional findings; (2) notes the next steps for the Project outlined in section 1.6 of the report; and (3) appoints the Leader to represent the Council on the Partner Board to manage the Project, as outlined in section 1.6 of the report.	
Key Decision: (Check the appropriate box and delete all those that <u>do not</u> apply.)	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>	

<i>Any decision made as a result of this report will be published within 48 hours and cannot be actioned until seven working days have elapsed. This item is included on the Decisions Plan.</i>			
Consultation:		<ul style="list-style-type: none"> The business case for the Mildenhall Hub is based on extensive stakeholder engagement and public and stakeholder consultation will be part of future stages of the project (see section 1.8). 	
Alternative option(s):		<ul style="list-style-type: none"> The business case for the Mildenhall Hub has looked at currently available options including the maintaining the existing service locations. Doing nothing is not an option since some of the buildings are in need of replacement and improvement. 	
Implications arising from this report:			
<i>Are there any financial implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> There are very significant resource implications for the project but these relate to decisions yet to be taken (see section 1.5) 	
<i>Are there any staffing implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> At this stage the project continues to be progressed within existing staff budgets. 	
<i>Are there any ICT implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
<i>Are there any legal and/or policy implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
<i>Are there any equality implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
Safeguarding is not maintained for children and vulnerable adults	Low	Ensure that safeguarding remains the first design principle of any scheme and reflect feedback on concept designs	Low
Traffic issues are not mitigated	High	Reflect the findings of the traffic study being carried out in any decision-making and make suitable provision for any mitigation	Low
Planning requirements cannot be met	Medium	Carry out full pre-application assessments in accordance with defined planning processes and guidance. Include Hub in LDF consultation.	Low

The community does not feel engaged in the project/the final proposal does not reflect community input	Low	Continue to engage stakeholders in the project and plan for proper consultation in next stages	Low
The project is unaffordable or undeliverable	High	Carry out full and detailed due diligence (see section 1.7) to ensure affordable option is chosen. Seek advice and support from central government on funding issues under OPE programme, particularly in relation to educational funding issues.	Low
The partnership is not strong/the Project is not well managed	Medium	Put in place strong governance and project management	Low
The public estate in Mildenhall is not flexible enough to cope with the future needs of the area	High	Ensure through the Hub project and LDF consultation that suitable provision is made.	Low
The public estate is not managed efficiently for the taxpayer	High	Seek to deliver any investment in a coordinated manner, on as few sites as possible	Low
The operational and community benefits of an integrated public estate are lost	High	Ensure that any decisions are taken in partnership, under the Hub Project, and using the criteria of the OPE Programme (see section 1.9)	Low
The site(s) cannot be assembled	Medium	Hub to be provided on land in ownership of partners. Consult with DFE regarding educational land issues under OPE programme if required.	Low
Mildenhall swimming pool has to close as it is beyond economic repair	High	Ensure that a decision about the replacement of the pool is made in 2015 and can be delivered at an early stage of any Hub Project	Medium
Ward(s) affected:	All wards, but specifically Market and Great Heath in terms of any development proposals		
Background papers: <i>(all background papers are to be published on the website and a link included)</i>	<ul style="list-style-type: none"> • Mildenhall Hub Business Case, August 2014 (from 3 December) • Report No CAB13/067 - Cabinet - 5 February 2013 (https://democracy.westsuffolk.gov.uk/CeListDocuments.aspx?CommitteeId=129&MeetingId=1581&DF=05%2f02%2f2013&Ver=2) • Report No CAB13/092 - Cabinet - 25 June 2013 (https://democracy.westsuffolk.gov.uk/CeListDocuments.aspx?CommitteeId=129&MeetingId=1585&DF=25%2f06%2f2013&Ver=2) • Report No CAB14/127 - Cabinet - 7 January 2014 (https://democracy.westsuffolk.gov.uk/CeListDocuments.aspx?CommitteeId=129&MeetingI 		

	<p>d=1589&DF=07%2f01%2f2014&Ver=2</p> <ul style="list-style-type: none">• Report No CAB14/156 – Cabinet - 15 July 2014 (https://democracy.westsuffolk.gov.uk/CeListDocuments.aspx?CommitteeId=129&MeetingId=1594&DF=15%2f07%2f2014&Ver=2)
Documents attached:	None

1. Key issues and reasons for recommendation(s)

1.1 The Mildenhall Hub Concept

- 1.1.1 Building upon previous commitments from the Council to seek to rationalise the public estate in Mildenhall (CAB13/092, 25 June 2013 refers), the 'Mildenhall Hub' is a partnership project in West Suffolk with the potential to deliver a unique and radical step change in the sharing of the public estate in a market town, bringing together council, police, fire, health, leisure, Department of Work and Pensions (DWP), Suffolk West Citizens' Advice Bureau (CAB), community, voluntary sector and education facilities on one or two sites in order to improve public access, service delivery and efficiency.
- 1.1.2 The Hub could contain the headquarters of Forest Heath District Council (FHDC) (and office space for its shared West Suffolk workforce) and a base for staff from Suffolk County Council (SCC), CAB, the NHS and the DWP, but it could also provide Suffolk Constabulary's and Suffolk Fire Service's facilities in the town. It could also combine all of the town's post-11 education (and some of its primary and pre-school provision) with modern and spacious leisure and sports facilities. In future phases, linked to the future growth of the town, it could offer the scope to expand and integrate health provision with other public services, directly addressing Suffolk's health and wellbeing priorities. As well as saving taxpayers' money, this co-location of different agencies at the Hub will also open up exciting new opportunities for joint working, particularly around training and skills.
- 1.1.3 Many of the public sector buildings in Mildenhall are either reaching the end of their design-lives, are either too large or too small for likely future needs and/or are in need of complete refurbishment or replacement. These diverse assets are currently spread around the town, occupying around 18 hectares. This wide distribution of assets is a common story across the country. Like the Government, the partners recognise that it is increasingly inconsistent with the changing landscape of public service delivery. They are looking now for a model of public estate management in Mildenhall which fosters collaboration and community identity, and capitalises on new technologies, both in building design and information technology. In particular the councils feel that any opportunity to reconfigure the public estate to deliver improved outcomes in skills, educational attainment and health should be taken, as this is consistent with the shared vision for public services in Suffolk. Creating a dynamic shared space, with a strong sense of community ownership, would also help deliver West Suffolk's Families and Communities Strategy.
- 1.1.4 The partners have commissioned a business case to offer a full options appraisal for public sector sites in Mildenhall. Due to aspirations to include Mildenhall College Academy (MCA) in the Hub there is a limitation as to which sites can be used in Mildenhall, as the Academy requires a substantial amount of space in its own right. However, the Hub would not only provide a property solution, it would also enable services to integrate and work together in an innovative way, with flexibility to adapt to the future needs of the town and surrounding villages. By involving MCA the Hub would allow for skills and employment to be addressed in the town, with the potential for apprenticeships and Further Education courses. As well as involving MCA, health and wellbeing could be improved in the town by providing the leisure

facilities on the Hub site.

- 1.1.5 While multiple-site options are being examined, and still remain possible, the project's ambition from the outset has been to provide Mildenhall public services from one site in the town if this is feasible. In this configuration, it is believed that this project could be used as a national exemplar of good practice and could be used as a model for other local authorities, particularly those based in market towns.

1.2 **Preparation and publication of the Business Case**

- 1.2.1 The core partners (FHDC, SCC, ACL, MCA, Police/Police & Crime Commissioner and the West Suffolk Clinical Commissioning Group (CCG)) commissioned Concertus Design and Property Consultants to prepare a business case for the project. This work was carried out over the spring and summer of 2014, involving stakeholder consultation.
- 1.2.2 The top level findings from the business case are summarised in section 1.4 below. The business case itself is a large and detailed document and is not attached to this report. It will however be published in early December on the project website www.mildenhallhub.info. The business case has been written as a stand-alone document; its many appendices will not be published since these are fully summarised in the main document, and are simply background information to the main findings, which is where future work will now focus.
- 1.2.3 The Mildenhall Hub is a concept, and the purpose of this business case was to prove that this concept is feasible so that the partners can proceed confidently to implement it. The business case is also a snapshot in time, at August 2014, and in a rapidly evolving public sector landscape it will inevitably adapt and change as the project progresses. Nonetheless, it shows that there is likely to be a strong rationale for a Mildenhall Hub whenever and however it is pursued; for taxpayers, service users and service providers.

1.3 **Use and Interpretation of the Business Case**

- 1.3.1 As explained above, the business case is a snapshot in time and will inevitably evolve and change. In addition to this general 'health warning', it is vital that the following points are understood when attempting to draw conclusions from the study or apply its findings to any other context:
- (a) While it assesses the options, and identifies which would deliver the most potential benefits to the community, economy and taxpayer, the business case does not recommend an option, or commit any partner (including FHDC) to take part in the project. This is a matter for the partners to determine after their own due diligence and consultation with the community (see next steps).
 - (b) The business case does not represent the view of the Local Planning Authority, and any proposals that result from it will need to be tested by the full planning process, with proper public engagement and reference to adopted planning policy, some of which is still under formulation. Where a

planning view is reported in the business case, it reflects the initial, and without prejudice, informal opinion of planning officers.

- (c) Nonetheless, the business case is timely in a planning context because it will inform forthcoming consultation by FHDC on a new Local Development Framework (LDF), in terms of options for the public infrastructure and community facilities needed to support the long-term growth of Mildenhall and surrounding villages. It will also link to a transport study which has been commissioned separately by FHDC and SCC.
- (d) This transport study was not available to the consultants and therefore the views expressed and costs in the business case will need to be reviewed when its content is known. The partners recognise the concerns of the community that transport considerations will be paramount to the success of any Hub.
- (e) The timetable for the LDF has evolved since the original work of the consultants and therefore the indicative timetabling and sequencing of the next steps in the business case are subject to change. In relation to the planning process to be followed, this will be reviewed in the summer of 2015 when there is more certainty about the option to be chosen and the LDF process.
- (f) It is critical to note that the designs contained within the business case are purely conceptual and not necessarily an indication of what might be submitted in any planning applications. Whilst they have taken into account the operational requirements of the partners and stakeholders and their space requirements, accurate at July 2014, they are shown merely to demonstrate how the buildings could look and how they would fit on the site. The financial models are therefore based on these design concepts. When an option is selected detailed design work will be needed at which point the design, overall space and costs may change. This later detailed design will be able to reflect the results of consultation with the local community, as well as any pre-application advice.
- (g) As with any work of this nature a number of assumptions and exclusions have been applied to the costing methodology, which is based on recognised national calculators for certain types of buildings. As some of the spaces will be shared, a proxy figure has been chosen as a reasonable average for all users, so the division of costs between specific uses or partners may change later. What is important, however, is that the assumptions have been applied consistently to the options so that, while actual figures may change, the options can be assessed relative to each other.
- (h) The assessments of likely capital receipts and land valuations are based on the professional opinion of the consultants, as of August 2014, and conservative values have been used. They are not an indication of the view of the landowners, each of whom will need to reach their own decision on whether and how to: dispose of sites (and for how much); make sites available; or apply capital receipts to the project. Actual values achieved will also depend on market conditions at the time. Permissions from central government may also be required in relation to educational

sites.

- (i) In assessing costs, other savings are likely to be made in terms of sharing support services, costs associated with customer access (such as a reception team) and leisure management fees. Each individual partners' due diligence will need to consider these savings and they have not been accounted for in the business case.

1.4 **Summary of the Business Case Findings**

1.4.1 This business case provides a full options appraisal to consider the feasibility of a single site/split site Hub in Mildenhall which would allow public, voluntary and private sector services within the town to work together, co-locate, improve public engagement and meet their aspirations for the community. It shows that a Hub would represent a new way of working collectively as partners and collaboratively with communities – not just cheaper but better. It would require partners and central government to think and act differently about how things are done, and adapt existing rules around funding, ownership and occupation. If they can do this, the Hub will allow a large range of 'customer journeys' to converge at one point in Mildenhall. The more journeys that converge at the Hub, the stronger the community ownership of the Hub will be, and the greater the potential for co-production with local people and organisations.

1.4.2 Guiding the project and the occupation of the Hub would need to be a set of core principles:

- Safeguarding will always be paramount, but wherever possible community assets will be used by different groups at different times of the day, week and school year
- By sharing staff facilities, public access, support services and infrastructure, overheads will be kept to a minimum
- There will always be a need for stand-alone operational spaces but they will be kept to an absolute minimum (with a presumption to share where possible)
- There will be a single point of access for visitors (but separate arrangements for the schools)
- The way Hub operates will be driven by outcomes for the community, and the possibilities the community sees for how it can be used
- Future-proofing and flexibility will be integral to the way the buildings are built and run.

In relation to any development at Sheldrick Way, it was also a principle of the business case appraisal that there would not be vehicular access to the site via Wamil Way.

1.4.3 The services assessed in the business case for possible inclusion in a Hub were as follows:

- Post-11 educational facility
- Primary school to meet likely future demand for school places
- Pre-school
- Leisure centre, to replace the existing Dome and swimming pool facilities

- Health Centre
- Library
- Police station
- Fire station
- Shared office and meeting space to house public sector partners (FHDC, SCC, DWP, CAB, etc)
- Enterprise space

1.4.4 In order to conduct a full option appraisal for locating these services, all available sites in Mildenhall have been considered for either a site to situate the Hub or as potential disposal for capital receipts. The following five sites have been identified as suitable for either the Hub or for disposal:

- Bury Road site (MCA) –due to site constraints this site is not big enough to accommodate a single site Hub and is not suitable for a split site.
- College Heath Road site (all public sector uses) – this site would be suitable for part of the Hub in a split site option.
- Sheldrick Way (MCA) – this site is large enough to accommodate a single site Hub should some of the adjoining County Farm Land be acquired.
- North Terrace (Fire Station)– this site is not large enough to accommodate a single or split site Hub.
- Recreation Way (Swimming Pool)– this site is not large enough to accommodate a single or split site Hub.

1.4.5 In addition to examining the cost of carrying out planned maintenance of the existing sites, the business case then examined 12 options for delivering the Hub. These options are indicative only, and other options could easily be created using the consultants' work, since the various 'building blocks' can be moved around in the cost model. For instance, a further option would be a split site Hub with health services at Sheldrick Way instead of College Heath Road.

1.4.6 The 12 options examined fall under four broad categories:

- Options to create a single site Hub for all services at Sheldrick Way
- Options to create a split site Hub, with education and leisure at Sheldrick Way and all other services at College Heath Road.
- Variations of (a) and (b) under which the pre-16 elements of the Academy remain at Bury Road.
- Variations of (a) and (b) under which one or more of the emergency services remain at their existing location(s) for operational reasons

Rather than creating a campus of separate units, the single site options are built around a principle of separate and specialist operational spaces joined by a 'central heart' building which will contain reception areas, meeting spaces,

catering and, if included, the public library. It will be this space which will bring the scheme to life, not only allowing the partners to share overheads, but creating a place where the whole community can interact with and around the various services. The split site options mostly have more of a 'campus' feel, with a collection of integrated buildings.

1.4.7 Within the options, the potential to retain and refurbish existing buildings was examined, as well as new-build options. Two of the 12 options were rejected as not being feasible, and not costed as designs. These were:

- (a) Option 3 – A single site Hub at Sheldrick Way which retained the existing building. While it would reduce the amount of building required, this option would compromise the design solution of a single Hub, restricting public accessibility, integration of services and safeguarding considerations. Retaining the buildings is, however, an option in the split-site options.
- (b) Option 8 – A split site Hub which would see only the Academy and sports hall at Sheldrick Way, and everything else, including the swimming pool and fitness suite, at College Heath Road. In terms of the constraints of the site, this option would be unlikely to fit well on the land available, either operationally or in planning terms.

The remaining 10 options were all deemed to be feasible (*subject to the transport study*) and were costed out in the business case (see 1.5 below). It can also obviously be inferred from the above that, in terms of available public sector sites, Sheldrick Way is the likely location of any new pool and leisure facilities under a Hub project. In this regard, the business case also identifies why replacing the pool at its current location is not viable – aside from the diseconomy of running split leisure sites, the Recreation Way site is constrained in size and there is a desire to avoid a lengthy loss of provision which rebuilding on the same site would entail.

1.4.8 The consultants examined the potential to share the maximum amount of internal space in all of the feasible options. In this context, the benefits of the project can be seen in two forms:

- (a) firstly, the total standalone space requirements of the partners are actually lower for the new buildings than at present, reflecting changes in their needs and new approaches to construction and layout;
- (b) there is then an additional 'Hub Dividend' from sharing facilities and infrastructure. The potential reduction in the size of the public estate deliverable by the Hub is around 4000m², or over 15%, even allowing for the proposal of a much larger swimming pool (a 6 lane pool with a learner pool).

In addition, a Hub could feature up to 3500m² of shared internal space. This calculation does not include external requirements such as parking, which add further to the Dividend. In terms of the total footprint of the public estate, a single site Hub, even allowing for an increase in the size of the Sheldrick Way site, would also result in a significant net reduction, with vacated sites

released for redevelopment.

- 1.4.9 An economic viability, economic impact assessment, community impact assessment, landscape capacity appraisal and options marking process has been carried out for all of the options. This indicates that a single site Hub (option 2 – ‘everything at Sheldrick Way’) would be most beneficial to the community and when marked against the partners’ criteria for the project. Whilst an option has not been recommended, a single site Hub clearly meets the objectives, aims and aspirations of the project better than split site options. This is simply because all services will be on one site, meaning not only improved public services and joined up working but also lower running costs and more land released for development or capital receipts. The other options should however not be discounted as they still offer a workable solution that meets a number of partner objectives. All options are, in any event, subject to the outcome of the planning process and the due diligence carried out by respective partners on funding and governance.
- 1.4.10 In conclusion, provided that the funding and sites can be assembled, the business case shows that the partners have an exciting range of deliverable options for the Hub, and can confidently move to the next stage of the project, which is to carry out due diligence individually and collectively. These issues are explored in the following sections.

1.5 **Property Costs and Savings**

- 1.5.1 In respect of savings, many of the buildings within Mildenhall are reaching the end of their shelf life, and they will need to be replaced within the next 25 years in any event. Other than for the swimming pool, the ‘status quo’ option (i.e. retain existing buildings and sites) costed by the consultants does not reflect the rebuild costs of these buildings. Even so, it shows that, in terms of revenue alone, including maintenance, the existing public buildings will cost around **£50m** to the taxpayer over the next 25 years. Since all of the Hub options involve rebuilding or refurbishing buildings with a smaller footprint, to higher modern standards, the savings in running costs are considerable compared to the status quo. Generally over **55% over 25 years** compared to the existing estate. This adds considerable weight to the argument for the Hub, provided that the public sector can deliver the project collectively, rather than attempting to compartmentalise the investment and savings to individual organisations. It is also worth noting that this assumes most of the existing buildings *can* be maintained for 25 years; in reality many will have to be replaced, so it is a question of when, not if, the large amounts of capital identified in the business case are spent by the taxpayer.
- 1.5.2 The health warnings in section 1.3 are very important when looking at the indicative development costs for the various options. Excluding the cost of site disposal, but including land acquisition, the options range from around **£31m to £59m** before taking into account any highways costs. These are for all the elements outlined above, excluding the primary school.
- 1.5.3 In respect of the non-educational elements, the cost of new-build options is pretty similar for a single or split site Hub (at around £28m). This is because there is a trade-off between the cost of the central heart space needed to make the single site Hub work and the diseconomies of scale from splitting

buildings across two sites in the other options. A saving of around £8m would, however, be achieved on this cost by choosing a split site model *and refurbishing existing buildings*, albeit this would reduce considerably the potential community and operational benefits of the Hub.

1.5.4 From an educational point of view, the total cost is very largely determined by the decision to pursue a single site or not. As explained previously, a successful single site Hub would be likely to require the replacement of the existing school buildings at Sheldrick Way. Therefore the ability to assemble educational funding for a complete set of new school buildings at Sheldrick Way will be the main determinant of whether a single site Hub can proceed or not, and will be the immediate focus of the due diligence process. The costs do not provide for the new primary school, even though this has been allowed for in the designs. This is because it is assumed the cost of this facility will be met in the conventional manner, including through developer contributions.

1.5.5 The capital costs are obviously significant, but should be viewed in the context of the following:

- (a) This is a total sum for the public estate as a whole, not one single partner.
- (b) It includes some elements that are currently not provided (for instance a larger swimming pool and 1000m² of space for enterprise uses which is an optional extra).
- (c) This is an investment of money that is mostly likely to be spent in any event over the next 25 years, but potentially far less efficiently. The cost of doing nothing is potentially far higher, not least as there is a unique opportunity to assemble a single site close to the town centre.
- (d) Aside from any provisions the partners have already made, and capital receipts or income streams the project might generate, external funding is also likely to be available for certain elements.
- (e) The Hub enables wider savings programmes through co-locating and integrating public services, and the improvement of services, service outcomes and community resilience.
- (f) The designs are ambitious on behalf of the community and show the maximum extent of the concept – it will be possible to reduce them in the final designs in accordance with what the partners need to spend, and can actually afford. It was always the intention to aim high at the outset.
- (g) It will be possible to phase some elements of the options, spreading the cost over a longer period of time.

1.6 **Next Steps and Governance**

1.6.1 The business case sets out a list of requirements for the next stages of the project, and an indicative timeline, albeit this may evolve as the project itself and factors beyond its control (such as the LDF) change. Immediate next

steps, not necessarily in this order, include:

- (a) Set up formal governance and develop detail project plan.
- (b) Partners to carry out their own due diligence.
- (c) Transport study to be assessed and its impact on the options to be considered.
- (d) Whitehall departments and external funders to be engaged.
- (e) Consult local community.
- (f) Partners to review and consider the business case and funding options, both as separate organisations as well as collectively.
- (g) Core partners to be identified and partnership agreement signed.
- (h) Potential changes to land use to be consulted upon as part of LDF process.
- (i) Preferred option to be selected
- (j) Appoint consultants and project manager to develop the design ahead of the formal planning process (which will involve further public consultation).

The choice of sites/options will be a major determinant of the actual timetable.

1.6.2 From Forest Heath's point of view, the immediate first steps are to appoint a representative to the partnership Project Board (see recommendations) and to carry out its own due diligence. Forest Heath's decision to proceed with the project, and to commit resources, will require full Council approval; at this stage the Council is simply committed to pursue further investigations into the project, although it will have to make major decisions about the replacement of the swimming pool and Dome in the near future, in any eventuality. It is intended that Forest Heath will assess its own due diligence for the project in spring/summer 2015.

1.6.3 The Project Board will comprise a representative of each partner organisation (plus observers from other stakeholders) and will be responsible for overseeing the development of the project (including spending of external grants made to the project rather than an individual organisation) and making recommendations to the various, who will each need to make their own separate decisions under their own procedures. Once a definite decision to proceed is taken, and a formal partnership is formed, the Project Board will need to take on certain executive powers to manage the project within the agreed budget, with delegated responsibilities from each of the partners. This will be included as part of the formal approval process for any partnership agreement.

1.7 **Due Diligence Considerations**

1.7.1 Before reporting back to councillors, officers, working with partners, will carry out detailed due diligence on the business case, including preparing those elements which only an individual organisation could complete. Briefly, the process will focus on the following elements (and potentially others):

- (a) The implications of the transport study when this is received.
- (b) The likelihood of attracting funding for a new school at Sheldrick Way.

- (c) Other sources of external funding.
- (d) The intentions of other partners.
- (e) Land assembly and acquisition costs.
- (f) Property savings and fit out costs.
- (g) The opportunity cost of not pursuing the Hub.
- (h) Likely income streams from the Hub, including commercial rents.
- (i) Green initiatives - funding is being sought for a feasibility study to look at the renewable energy potential for the Hub.
- (j) Impact on the Council's Medium Term Financial Strategy and existing capital programme.
- (k) Subsidy of leisure facilities through management fee to ACL.
- (l) Additional benefits (financial and non-financial) – it will be important to view the project in a wider context than just the property savings identified in the business case. Co-locating public services offers the chance to make efficiencies but also improve outcomes and reduce demand on the public sector.
- (m) The likely cost of planning conditions (over and above the transport assessment).
- (n) The partners' actual requirements for space and facilities, including the likely demand for lettable space in the Hub.
- (o) Delivery and occupation models.
- (p) Whether developing vacated sites for an income stream is a better option than selling them to generate capital receipts.

1.7.2 As can be seen, this will be a complex process, and ahead of its completion, no conclusions can be drawn on which option will emerge as the preferred solution, and with which partners it will be delivered.

1.8 **Consultation**

1.8.1 The Council's intention to pursue the Hub project in 2013 was publicised, and attracted media attention (as have subsequent developments). The Leader and a Director attended a public meeting of Mildenhall Parish Council to explain the project and answer questions, and a small amount of correspondence has been received. Briefings have also been provided to the Health Forum and to partner organisations. Mostly the response to the project from local people has been positive given the investment in the town it proposes, but there have been understandable concerns in the wider context of the future growth of the town, notably around transport implications. These will need to be addressed in the next stages of the project, and through the separate LDF process. The project also has the support of the local Member of Parliament, as well as from local partners.

1.8.2 Preparation of the business case itself involved stakeholder engagement through focus groups, one of which was with local community representatives (parish councils, district and county councillors, young people, voluntary organisations, etc). The views expressed at this session have been instrumental in shaping the concept of the Hub, and the facilities it will offer.

1.8.3 Going forward, briefings will be offered to local councillors and parish councils in respect of the publication of the business case and the next steps, as well as to the MP. Partner organisations may also carry out their own consultations with users.

1.8.4 Wider public consultation on the Hub will also be planned as part of a communications strategy within the project plan, although this is likely to be timed to coincide with the LDF consultation in 2015, so that residents will be able to understand the 'bigger picture' for the town when making responses in either regard. It is also worth noting that the planning processes associated with the Hub will include public consultation.

1.9 **Central Government Engagement**

1.9.1 The Hub project has attracted significant interest regionally and nationally. As previously reported, due to the innovation and efficiency it potentially offers, the project has already received £42,000 of grant funding from the Department for Communities & Local Government (DCLG) under its Transformation Challenge Award (TCA) scheme. This is funding which can be used by the partners for the next stages of the project, and is likely to be required for various pieces of specialist professional advice and support.

1.9.2 As Members will be aware, Suffolk has just been advised that it will collectively receive substantial TCA funding in the next round of the programme to take forward a dramatic transformation of public services. This will involve the co-location and integration of public services on a more local basis, and again work on the Mildenhall Hub project will be at the forefront of this programme, as this is exactly what it is designed to do.

1.9.3 In addition, Suffolk and Norfolk councils are also now part of the second phase of the pilot One Public Estate (OPE) programme run by the Cabinet Office and Local Government Association. The programme has four main objectives for the way in which public bodies manage the public estate:

- Create economic growth
- Generate capital receipts
- Reduce running costs
- Deliver more integrated and customer focused services.

1.9.3 As explained in this report, there are currently few projects nationally which could capture these objectives in a rural/market town setting as well as the Mildenhall Hub, and for this reason the project is specifically identified as a project in the Suffolk and Norfolk OPE programme. A main aim of the OPE Programme is to share best practice and offer advice and support from Whitehall for new ways of working, including contacts with central government departments if needed. The Mildenhall Hub Project will therefore be seeking immediate support in respect of the educational funding and land assembly aspects of the project, as well as seeking advice on how to deliver a scheme which, while it works overall for the taxpayer, may not necessarily result in an equal sharing of investment and returns between individual partner organisations.