

Revenue Strategy 2020/21 -2022/23 Liberal Democrat Amendments

Committee considering report: Council

Date of Committee: 03 March 2020

Report Proposer: Councillor Jeff Brooks

Report Seconder: Councillor Lee Dillon

Purpose of the Report:

To detail the Liberal Democrats' proposed amendments to the Revenue strategy.

By area/Directorate:

The following Revenue amendments are proposed:

1) People Directorate

A) P13 Education - Home to School Transport

Cost £100,000

We believe that the consequences of reviewing available routes and thereby re-considering fee payers subsidies will either lead to more parents driving to school, thereby increasing air pollution and congestion, or families being left trying to find alternative ways for their children to reach school, given the criteria around both distance and low income. We would not make this efficiency saving.

B) Educational Welfare Officer

Cost £35,000

We would appoint an officer to work with children in Reception who become of statutory school age during that year to help start and maintain a habit of regular school attendance. It would be important to tackle those children with odd days' absences which schools authorise as illness and which can lead to an attendance figure of between 90% and 95% . This is an area which is not currently addressed as Education Welfare Officers would normally work with families where the children are of statutory school age. Using reports from CAPITA will enable the EWO to target those primary schools that need this extra support. The EWO would be able to work with children whose attendance is between 90 and 95% and prevent them falling to 90%. The Primary Schools in Newbury Academy Trust (Speenhamland and Fir Tree) do not buy back EWSS. This would be an opportunity to work with these schools. EWSS believe that in both Primary and Secondary schools, staff would benefit

from an Attendance Course to support them in identifying concerns and monitor and improve attendance. The EWO would like to offer a half day Attendance Course. In addition to running the course, the EWO would be expected to hold a caseload of between 30-40 children at any one time and over the academic year would be expected to have worked with approximately 100 children. The impact from the Attendance Course would reach many other children. This will benefit children; regular school attendance will impact positively on their life chances. This will benefit the Council; improving school attendance will result in a reduction in Education prosecutions and the financial costs related to this.

C) Piloting lunch clubs to tackle school holiday hunger

Cost £12,000

The May 2019 school census of West Berkshire showed that there were 2,088 receiving Free School Meals. During the summer holidays, this provision is not available, risking these children suffering from hunger. This fund would allow us to pilot a summer lunch club to ensure that no child in the district has to go hungry over the long summer break.

D) Funding Musical Instruments

Cost £20,000

This fund would provide grants to schools for instruments, working in conjunction with Berkshire Maestros' rolling programme. We want every primary school child in West Berkshire to have the opportunity of learning to play a musical instrument. A 2018 study by the University of Amsterdam showed that "children who received music lessons showed improved language-based reasoning, and the ability to plan, organize and complete tasks, as well as improved academic achievement" leading to overall improved academic performance due to a range of cognitive benefits. Moreover, it will allow young musicians the opportunity to discover and pursue a life-enhancing passion.

E) Handyman Service

Cost £45,000

This service would assist elderly people who are living in their own homes to remain independent for longer, offering help with basic property maintenance – broken windows or locks as examples. Service users would pay for materials and travel costs whilst this fund would pay for the post, van and necessary tools. We understand that this is provided by the voluntary sector but we believe that this should be available from the Council as it is the Council's revenue budget which is at risk if people move into residential accommodation because living in their own homes becomes too onerous for them.

2) Place Directorate

A) Linking EPC and the business community

Cost £100,000

The current business rates system penalises landlords when they make improvements to their buildings that make them more energy efficient, and the system can act as a deterrent to investing in such improvements. Removing this uplift in business rates linked to an improved EPC would not cost WBC money, whilst improvements to commercial buildings could reduce their environmental impact and attract new businesses into the area seeking energy efficient properties to rent.

The scheme would be applicable to Newbury, Thatcham and Hungerford.

The cost of this scheme is attached to setting the scheme up in terms of officer time, and then communicating the scheme to landlords throughout the district. An additional incentive to bring new businesses into West Berkshire - offering a parking discount of up to 25% on annual parking in council car parks within 500m of the postcode of the commercial property – could also be implemented and may result in some lost parking income although capacity does exist now so this cost could be negligible.

The introduction of the scheme would result in more town centre based businesses, in more energy efficient accommodation and adding footfall to the Town's retail sectors.

This funding is to get the scheme set up for full launch in the following years when we would expect them to become cost neutral and then income generating. More detail is provided in Appendix A.

B) Hybrid Solar Farm

Cost £100,000

This money would fund officer time to establish the viability of setting up a solar farm within West Berkshire, as well as scoping out potential sites. This work needs to be adequately funded in order for the project to be a success. This would be a major capital investment to generate energy from solar power across the grid both locally and nationally. More detail is provided in Appendix B.

C) Thatcham Town Centre Master planning update

Cost £50,000

A one-off Town Centre Study into the options for development and regeneration of the Town Centre.

D) Free car Parking fund

Cost £50,000

This fund would allow Town/Parish Councils and Community/Business Groups to apply for funding to offset any costs associated with offering free car-parking in order to try and boost footfall in their local retail offer. The retail sector is struggling across the UK and we provide this fund that enable free periods of parking at certain times – Christmas as an example – to assist with footfall in the Town centres.

F) Economic Development Budget

Cost £20,000

We propose adding this money to the economic development budget to enable officer(s) to attend more business events, leading to greater networking opportunities and the chance for more consultation with the business sector. This might include taking stands at these events to showcase the Council and interact far better with our businesses across the District.

G) Green Bins

Cost £100,000

This funding would remove the green bin charge for those in receipt of Council Tax benefits. As of 11th February 2020, this was 5,318 households. We assume an uptake of around one third of these households at a cost of £50 each, meaning a total cost of £85,000 but we allow more than this within this cost allocation.

3) Resource Directorate

A) Community Conversations

Cost £40,000

This money would fund officer time and any additional costs to hold 8 public meetings a year across the district - 2 in Newbury, 2 in the east of the district, 2 in the west, and 2 in Thatcham. They would be a similar format to the previous Area Forums, offering a chance to engage with the public and be held accountable on agreed actions. Councils are often

seen as faceless organisations and remote from Communities. The driving principles in the local government re-organisation of Berkshire Councils in 1998 was to bring the senior tier Local Authority closer to communities. These meetings would enable local residents to meet with Councillors and Officers in local Parish Halls and discuss issues and challenges. By meeting with them in their locales we remove the Newbury/Market Street centralisation that can exclude people from engaging with the Council.

Summary

The total of additional funding required to support these amendments is £672K. We believe that this funding can be identified within earmarked reserves without needing to make a call on the General Reserve of £8M which is in excess of the CIPFA recommended 5% reserves recommendation by £1.5M. we note that over £400K of this additional funding would be ongoing calls on the revenue budget but believe that funding can be found for future years.

We would expect to fund these extra investments from the Transformation reserve, Council Strategy Support reserve and Outcomes Based Budgeting reserve.

Revenue Strategy 2020/21 -2022/23 Liberal Democrat Amendments APPENDICES

APPENDIX A – Linking EPC and the business community

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Overview

Finding ways to get business to invest in the environmental changes that will be needed to achieve the West Berkshire climate emergency while avoiding costly subsidies. The size of the problem is exacerbated by the volume of older properties that exist, especially with older office stock on high streets.

Towns like Newbury, with its historic high street, face a particular problem as the percentage of occupancy on the 1st floor and 2nd floor office space has declined. This has had the effect of decreasing the number of people working in the town centre regularly and so also has knock on effects with revenue from parking, retail sales, food sales and thereby contributing to the decline in the high street.

Although the council continues to receive business rates, whether or not the property is let, it has the additional side effect of many shops and restaurants being converted to flats and apartments. Worryingly the revenue from council tax is substantially lower than business rates and leads to the possibility of a significant decline in the business rates income and of income for the council overall.

Background

A local council works out business rates by multiplying the rateable value of the property by a multiplier (also known as 'poundage'). The property's rateable value is calculated by the government's Valuation Office Agency (VOA). See appendix A for detail for each commercial type.

3 items in all categories are of particular interest and are counter-intuitive to environmental objectives:

- Air conditioning / air handling (floor area served by system (sq m))
- Renewable energy items (presence of solar panels / wind turbine, and their generating capacity in kilo Watts (kW))
- Uninterruptible power supply / standby generator (size of generator in kilo Volt Amps (kVA))

Full detail on how non-domestic properties are valued:

<https://www.gov.uk/guidance/how-non-domestic-property-including-plant-and-machinery-is-valued>.

Concept

The Liberal Democrats are proposing that West Berkshire council disconnect a commercial buildings Energy Performance Certificate (EPC) rating from the associated business rates hike that exists today when improvements are made.

Improvements to the older stock should make that stock more desirable to rent as costs to run a business from these locations falls through lower heating & power needs.

By not penalising commercial landlords of older properties, when improving the EPC rating, a valuable incentive is created that increases naturally as the size of change is EPC change increases.

It will take some time for landlords to become aware of this scheme and so we believe a cross-party approach is needed that would embed the concept for several election cycles.

To ensure traction, the West Berkshire Lib Dems further suggest that discounts on parking are made for new businesses moving into these refurbished offices.

Pro/Cons

Pros

- No loss of revenue is experienced by West Berkshire
- No costs, other than costs associated with running the scheme, are incurred by West Berkshire Council
- Older low EPC rated commercial stock is replaced with more carbon-friendly stock

- Possible increase in workers having skilled jobs rising along with the distribution of the wealth generated within West Berkshire
- Reuse of existing brownfield facilities rather than building on greenfield

Cons

- Time for landlords to become aware of the scheme
- Administrative overhead of the scheme

Detail

The scheme's primary aims are:

- to ensure that environmental improvements are made to commercial buildings
- to attract new businesses to West Berkshire.

The scheme also goes some way to helping offset the loss of commercial space suffered as offices have been converted to residential usage.

Although attracting new businesses to the district is a primary aim, a secondary aim could also be to allow existing business to move to more sustainable stock. Whilst we suggest that new business has the car parking incentive as well, we would not suggest this for a simple office move. The scheme must always produce a net positive for West Berkshire.

The following steps will be needed to ensure traction and success of the scheme between now and 2030:

1. Guarantees that between now and 2030 to 2050 the scheme will exist (like the FIT guarantee of minimum of 25 years from implementation)
 - a. The rates discount would be equivalent to any business rate rise associated with having improved a property's EPC rating and associated grading.
 - b. The parking discount scheme would be (up to 25%) on annual parking in council car parks (within 500M of the business postcode) for new businesses for up to 3 years. Average car parking across the district is £1,117 p.a. so a 25% discount would equate to £279 per space. As the scheme would only use spare capacity at the council car parks the result is a net gain for the council. This could be ensured by placing a limit equal to spare capacity to avoid any possible loss of revenue direct from parking if needed.
 - c. The parking scheme would not apply to companies moving within West Berkshire
2. Estimation of savings that a landlord or tenant would make by implementing the environmental incentives (difference in rates)
3. Campaign to make commercial landlords aware that the scheme exists
4. Press activity associated with converted town centre locations showing how the green economy is being encouraged within West Berkshire

Conclusion

Given the potential gains to West Berkshire, we recommend that this concept be validated and put into policy as soon as possible with similar guarantees to when the UK's FIT tariff was in use.

Shops

- Air conditioning / air handling (floor area served by system (sq m))
- CCTV security system (only if 4 or more cameras)
- Fire protection / detection / alarm / suppression (area covered by sprinkler system (sq m))
- Lifts (floors served and capacity, whether goods or passenger)
- Renewable energy items (presence of solar panels / wind turbine, and their generating capacity in kilo Watts (kW))
- Cold stores (whether built in or free standing as well as gross floor area)
- Uninterruptible power supply / standby generator (size of generator in kilo Volt Amps (kVA))

Offices

- Air conditioning / air handling (floor area served by system (sq m))
- CCTV security system (only if 4 or more cameras)
- Fire protection / detection / alarm / suppression (area covered by sprinkler system (sq m))
- Lifts (floors served and capacity, whether goods or personnel)
- Renewable energy items (presence of solar panels / wind turbine, and their generating capacity in kilo Watts (kW))
- Uninterruptible power supply / standby generator (size of generator in Kilo Volt Amps (kVA))

Industrial

- Air conditioning / air handling (floor area served by system (sq m))
- CCTV security system (only if 4 or more cameras)
- Fire protection / detection / alarm / suppression (area covered by sprinkler system (sq m))
- Lifts (floors served and capacity, whether goods or personnel)
- Air compressors (whether screw or piston). Free air flow capacity in cubic metres per hour, or cubic feet per minute. (CMH / CFM)
- Renewable energy items (presence of solar panels / wind turbine, and their generating capacity in kilo Watts (kW))
- Cold stores (whether built in or free standing and gross floor area)
- Uninterruptible power supply / standby generator (size of generator in Kilo Volt Amps (kVA))

Car Park Name:	Parking Bays for Use by the Public					Reserv ed or WBC Bays	Notes	Lift Of	Cost per space	Gain per space
	Regul ar	Blue Badge	Parent & Child	Electric Bays	Tota l					
								8%	£279	£838
NEWBURY										
Kennet Centre MSCP	382	21	5	1	409	6	3 x WBC electric bays & 3 x CEO van bays.	33	9129	27419
Market St C/P	70	0	0	0	70	0		6	1562	4693
Council Staff C/P	130	0	0	0	130	0		10	2902	8715
Eight Bells C/P	30	1	0	0	31	1	1 x car club bay	2	692	2078
Corn Exchange C/P	61	3	0	0	64	0		5	1428	4291
Central (KFC) C/P	57	4	0	0	61	0		5	1362	4089
Library C/P	91	2	0	0	93	0		7	2076	6235
Wharf C/P	21	9	0	0	30	0		2	670	2011
NCLWCP	110	0	0	0	110	0	No bay markings, spaces approx	9	2455	7374
Leisure Centre C/P	85	5	8	0	98	0	1 x Coach Bay	8	2187	6570
Goldwell C/P	63	2	0	0	65	0	Includes 10 x 2 hour limited wait bays	5	1451	4358
Northbrook MSCP	282	14	2	0	298	8	8 x private shopmobility bays	24	6651	19978
Northcroft Lane C/P	13	0	0	0	13	0	1 Bus Bay in car park	1	290	872
West St C/P	23	0	0	0	23	0		2	513	1542
Pelican Lane C/P	73	0	0	0	73	0		6	1629	4894
Football Club C/P	58	2	0	0	60	5	5 x private football club bays	5	1339	4022

Car Park Name:	Parking Bays for Use by the Public					Reserv ed or WBC Bays	Notes	Lift Of	Cost per space	Gain per space
	Regul ar	Blue Badge	Parent & Child	Electric Bays	Tota l					
					162 8			130.2 4	£36,33 7	£109,141
THATCHAM										
Gilbert Court C/P	59	0	0	0	59	0		5	£1,317	£3,955
Burdwood Centre C/P	57	5	0	0	62	17	6 x private doctor bays & 11 x private co-op bays	5	£223	£4,156
Station Rd C/P Thatcham	31	3	0	0	34	0		3	£759	£2,279
Kingsland Centre C/P	183	15	8	0	206	0		16	£4,598	£13,810
					361			28.88	£6,897	£24,201
THEALE										
Theale West C/P	10	0	0	0	10	0		1	£223	£670
Theale Main C/P	55	0	0	0	55	0		4	£1,228	£3,687
					65			5.2	£1,451	£4,358
PANGBOURNE										
Pangbourne Station Rd C/P	65	4	0	0	69	0		6	£1,540	£4,626
Pangbourne Rivermeadow C/P	24	2	0	0	26	0		2	£580	£1,743
					95			10	£2,120	£6,369
LAMBOURN										
Lambourn High St C/P	36	2	0	0	38	0		3	£848.1 6	£2,547.52

Car Park Name:	Parking Bays for Use by the Public					Reserv ed or WBC Bays	Notes	Lift Of	Cost per space	Gain per space
	Regul ar	Blue Badge	Parent & Child	Electric Bays	Tota l					
					38			4	£848	£2,548
HUNGERFORD										
Hungerford Church St C/P	47	2	0	0	49	0		4	£1,094	£3,285
Hungerford Station Rd C/P	102	2	0	0	104	11	11 x private bays for The Cuttings	8	£2,321	£6,972
					153			15	£3,415	£10,257

Total	193.3 2	£51,06 8	£156,87 4
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Admin Costs for Scheme 1 £20,00
0

Net Gain	£85,80 5
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APPENDIX B - Solar Farms

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Overview

Given the declaration of a climate emergency, fresh thinking is needed in the investment strategy currently being pursued by West Berkshire council. Investment in commercial property is becoming riskier, in part due to the availability of opportunities decreasing with time. However, here is one opportunity where we know as a Council that the demand will be there for the foreseeable future - this is in the area of energy consumption.

Background

The draft environmental strategy document calls for the creation of a total of 21.5MW of renewable generation capacity by 2030. Over a year assuming average 30 days a month and 4 hours of direct sunlight per day, this means the 21.5MW would produce approx. 86MWh of electricity if Solar was used. Given that there are approx. 64K households in West Berkshire and the average household currently uses 4000kWh of electricity per annum the domestic need is 256MWh of electricity. (See Appendix 1)

There will be decreases in the energy consumption per household in certain areas through efficiency, but there will also be increased requirements as electric vehicles and other fossil fuel heating requirements shift to electricity-based sources.

We must also consider that energy generation from renewable sources like wind and Solar is not 100% consistent. Therefore we will need to time-shift energy from when it is generated to when it is consumed.

There should also be consideration of how quickly we must move to stand any chance of reaching the Carbon zero target by 2030.

Concept

The Liberal Democrats are proposing that West Berkshire council use the remaining borrowing facility for commercial property investment (approx. £37m) to undertake

the construction of a hybrid solar farm. This would create 34.7MW solar generation and 30MWh of battery storage capacity. Estimated costs are approx. £34-40m based on existing known costs from Warrington Borough Council, who have just taken delivery of a 34.7MW solar farm with 30MWh of battery storage.

This would be an “invest to save” scheme with West Berkshire Council becoming an energy supplier and so able to anticipate similar returns to Warrington which should be around 4-5%.

Pro/Cons

Pros

- Allows anticipated carbon offsetting needs to be achieved within 5 years
- Ensures supply of renewable energy to match likely increased needs for more electricity before 2030
- Stabilises energy costs for the council and residents
- Provides income stream to offset additional costs of implementing climate emergency requirements
- Removes more exposure to higher risk commercial investment

Cons

- Finding location within West Berkshire (near relevant substation to make energy distribution effective)
- Acquiring land not required for other use such as building (the area around AWE may be a good option)

Detail

The scheme's primary aims are to solve the district's electricity generation needs and carbon offsetting laid out in the draft environmental strategy. This would be done by becoming an energy supplier to the residents of West Berkshire.

Once the land has been acquired (some areas for renewable energy are already proposed in the latest HELAA), rapid work could begin. Many of the pitfalls associated with such a project have already been dealt with by Warrington Borough Council, and we would anticipate working with them to ensure delivery of the scheme as a whole.

The investment is amongst the safest available as energy demands for electricity will only rise as we move away for reliance on fossil fuels.

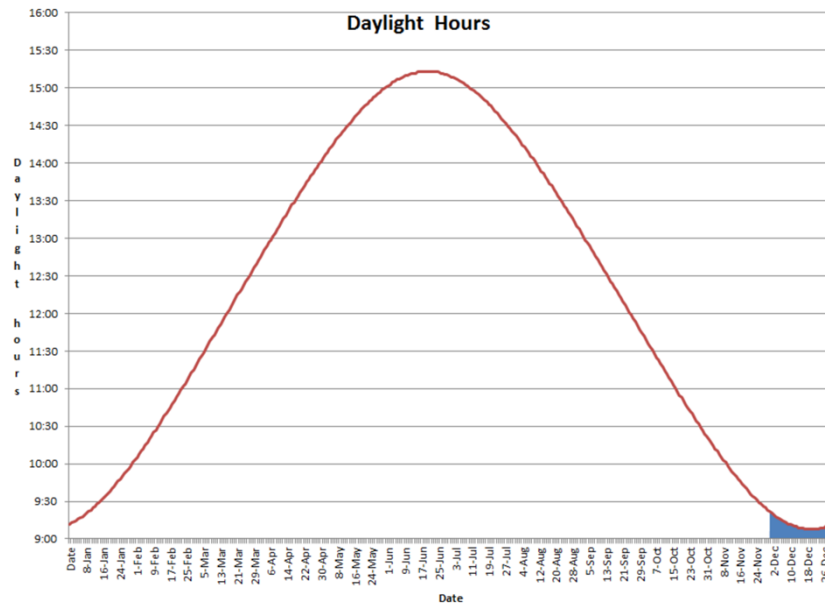
Conclusion

Borrowing to invest and save is a sound strategy for controlling increasing demands on West Berkshire council for services and their associated costs. By participating with low risk and relatively high return investments, West Berkshire Council can be at the forefront of the emerging Green economy. This amendment fits well within the West Berkshire 2036 vision and meets many of the key criteria.

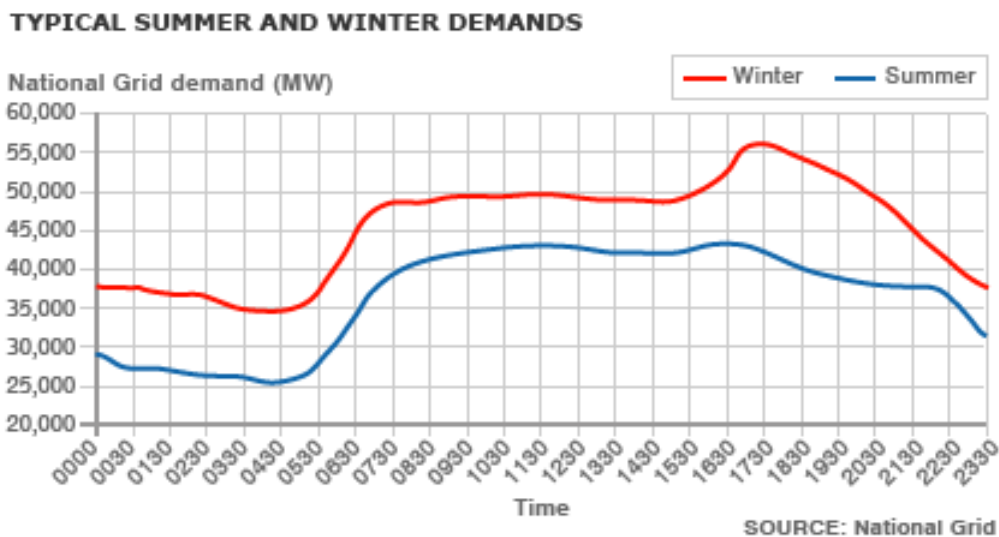
Appendix 1

According to the Department of Energy & Climate Change (DECC), in 2014 the **average domestic electricity consumption per UK household** was 4,000kWh. According to the 2011 census, there were approx. **64K households** in West Berkshire. Therefore energy use is 4KWh x 64K households or **256MWh** of electrical energy needed.

Graph showing the number of daylight hours throughout the year:



Graph showing the current typical usage during a day in both summer and winter:



SOURCE: National Grid