

Pre-Scrutiny questions and answers on reports being considered by Cabinet on 29 September 2022

(This forms part of the considerations at Group meetings before a decision is made on which Cabinet reports will be called-in for scrutiny by the Overview & Scrutiny Committee)

4. Quarter 1 Budget Report

(Report author(s): Andrew Rollins – Head of Financial Services - Interim)

Question from Councillor Milton:

Behind the budget assumptions what is the assumed impact on Council Tax on a year on year basis. Is it assumed it will stay flat?

Response:

The MTFS assumes that Council tax will increase by £5 per annum (for a band D property), and the Council Tax base will increase by 1% per annum.

Questions from Councillor Syson:

Is it possible to have Appendices 1, 2 and 3 as Excel spreadsheets please? the pdfs are a bit too small to read.

Response:

Attached in the email where this document is circulated.

Question:

Page 1 Summary: I totally agree with the statement referring to the MTFS up to 2026/27 "With the significant risks facing the Council's finances in future years, it is important that officers and members take all actions to ensure that the savings are generated."

Nevertheless we are faced with an uncertain future beyond that date, because of local government re-organisation, and I trust that thought is also being given even now as to what it is desirable for us to achieve for the residents of our district before then. It is not just about savings but about making the best use of the resources we then have at our disposal.

Response:

The use of the word 'savings' is quite broad in this statement, and covers everything from efficiency, income generation and reducing service expenditure costs

Question:

1.1.2.1 My understanding of the Salary Vacancy Factor, currently 3.6%, is that it provides a realistic estimate of savings to be made on staff budgets in the financial year, arising from vacancies and delays in recruitment.

It is not a budget figure that has to be met otherwise a happy department with all staff in post and no sickness would be unable to meet that requirement. So the phrase in 1.1.2.4 "Once the Vacancy Factor budgets are achieved" seems unfortunate to me. I understand what is meant but I am very conscious that we had have several service areas suffering from an overload of work because of too many staff vacancies and/or long term illness. Then of course we have the problems you refer to in the report with "some of the remaining underspent budget will be required to backfill where work has fallen behind due to staffing, establishment, and recruitment issues. This can take the form of additional fixed term staffing, agreed overtime and in some instances the use of agency staffing, which can carry a cost premium."

Response:

I agree that the use of the word 'achieve' could come across as a target, which through all previous information we have directly outlined that this is not a target, and more a budget set to reflect the reduced expenditure costs naturally incurred on salaries against the budgeted establishment due to recruitment and retention. It should be noted though that if the vacancy factor was not met, while it would reflect having full establishments across the organisation, this would result in a deficit as there is assumed level of vacancy gaps per annum due to the time it takes to go through the process of recruitment, which is typically longer than staff notice periods.

I note you are keeping the 3.6% figure under review with potentially more savings to be made – **will any of these be directed towards improving the situation as set out in 1.2.3.7** "The recruitment and retention issues currently being faced by the Council are subject to review, with work commencing on how this is tackled going forward"?

Response:

HR are currently starting work on reviewing the recruitment and retention issues faced by the Council currently, with funding approved to support initial consultancy work from the Services Transformation Reserve (this is highlighted in this section of

the report and the supporting appendix). If further support is required, a request will be made for funding, rather than any funding released through the vacancy factor process being directed automatically towards improving the situation. The figure is under review reflects the need for it to be set at a level which accurately reflects the current or expected levels of vacancy gaps. Therefore, while more money be able to be released in the short term, the expectation is that the work ongoing will result in service areas having more complete establishments in the medium-long term and at this point would likely need to be reduced back down.

Question:

1.1.7 Housing Services – General Fund and 1.4.6 Utility prices

Please could we have a brief explanation of how fuel costs for social housing residents in schemes where these are recharged will be calculated this year? Will the full cost be passed on to residents? My understanding is that we, WDC, will be paying more per unit than 'ordinary' domestic customers would expect to pay. Would any subsidy be from the HRA or the General Fund?

Response:

I will need to discuss this with the Assets and Housing Teams, and come back with a response in due course.

Question 4:

1.4.2 Inflation

I note that the forecast rate of inflation for 2023/24 has been increased to 4%. isn't this still a bit optimistic?

Response:

As noted in the report, the 4% reflects primarily the latest proposed pay offer. Major contracts and expenditure costs (including utilities), will be subject to their own cost profile and inflation levels, and these will be built into the base budget directly

Not a Question:

1.10 Recommendation 10 – Change to Central Establishment Charges / Recharges

Not a question – merely a comment that I very much welcome this recommendation

Questions from the Labour Group

1.4.7.1 The MTFS deficit predicted for 2023/4 has risen from £1.377m to £2.933m. Of this £1556k increase, £400k is attributed to energy costs and £574k to general inflation. What are the key contributors to the additional £592k costs?

Response:

Multiple new pressure included in the MTFS including the impact on savings plans due to not merging with Stratford-on-Avon District Council. Reduction of the New Homes Bonus, although awaiting the Government settlement to see if it will be replaced again this year.

1.4.4.2 Change of profit split in favour of Everyone Active. What is the rationale for this change? To give perspective, what is cumulative cash benefit or cost to WDC since the start of the contract?

Response:

Change in profit profile relates to a delay in the increase of fees for residents to January 2023 in line with WDC fees and Charges policy.

The cumulative cash benefit for WDC since the start of the contract (as at 31st March 2023) is estimated to be £997k. This includes support during Covid to Everyone Active (offset by Government income replacement scheme and National Leisure Recovery Fund).

5. Final Accounts 2021/22

(Report author(s): Andrew Rollins – Head of Financial Services - Interim)

Question from Councillor Syson:

I note that 1.1.8.2 says " Increased payment processing charges as more people are paying online. "

Does it cost us more for people to pay online?

Response:

The fee will be per transaction. Cash transactions would in the past have incurred different processing / collection / banking costs, so in effect it is just a change in how costs are incurred.

Questions from the Labour Group

Recommendation 4 - why do the Earmarked Reserves, largely relating to slipped capital and PPM works, require specific approval? Is this usual or is it because of their scale ?

Response:

The Earmarked Reserves have already been approved by delegated authority by the Head of Finance and the Finance Portfolio Holder. This for information for readers and only.

1.1.3.1 & 1.2.3 The slippage in planned maintenance and repairs for both GF assets and HRA properties seems to be continuing into Q1, certainly on HRA. Are there any serious Health and Safety consequences for residents or staff? Is further deterioration leading to higher costs for remedial work? What action is now being taken to recover some of the slippage during this year or is it likely to get worse? What is the scale in £'s and numbers of properties of the total backlog in each side of the Council?

Response:

In Table 1.1.1 the slippage is shown against 'Delays to Capital works' and shows that this slippage will be recovered by year end, this is mainly a timing issue of works and payments to contractors. I have requested more information from the service regarding the other queries, first response has suggested there are no H&S consequences but awaiting further details.

1.1.8.1 Removal of subsidy from Benefit overpayments. Can this issue be clarified please?

Response:

Housing Benefit subsidy reduced in line with the reduction of Benefits paid out, the rent rebate and rent allowance payments have been reducing over the last few years, as most new claimants transfer over to universal credit.

6. Relocation of Kenilworth Wardens

(Report author(s): Andrew Jones – Deputy Chief Executive & Monitoring Officer)

Questions from Councillor Milton:

Thanks for bringing forward the paper on the Wardens move. Could I get a response on the following questions please:

In the figures in the appendix I can't see a line for the repayment of the loan to WDC. Is it included under something else?

Response:

It's included in the Works Cost Plan.

The latest ONS figures that I can find (for June 2022) indicate that building cost inflation was running at 11.1%. Would you be able to re-publish the figures based on that please (or a later estimate if you have one)?

Response:

As this is Wardens' cost plan it will be for the Club to update the figures when it does its next iteration of the cost plan but Members will take a view on how realistic they think they are.

Given the risk of the scheme and the fact that at best it appears marginal in terms of its feasibility, what have Kenilworth Wardens done to scale back their ambitions and therefore the £11m+ cost of the works?

Response:

This is something we have been pressing the Club on and it is the Leader's intention to propose an additional recommendation which requires the matter to be looked at by the PAB before funding is released. I'm sure the PAB will be pressing the Club on this point.

Could you outline the confidence levels in the 'Other Potential Income Sources' please and what has been done to firm these up?

Response:

Could you clarify what line you are looking at here please.

Can you outline what is preventing Kenilworth Wardens from selling to a developer?

Response:

Nothing is preventing the Club selling; it is more about negotiating the right deal that enables the forward funding to come forward. The forward funding has always been the crucial element to the enterprise.

In terms of development within Kenilworth what is the current number of additional homes that have been provided in approved planning applications over and above what was approved in the Local Plan?

Response:

The Local Plan does not give an exact number of homes that will be built on land allocated but provides in-principle authority for a planning application to be submitted for homes on that site. It will then be for the specific application to make the case for how many should be granted. The starting point will be the Local Plan allocation but this is often just the start of the conversation. If you are looking for the number of homes thus far granted as against the Local Plan numbers, I will have to get back to you although I don't believe it to be a material consideration for this report and as you know, only material matters have any weight.

What is the confidence level in these projections based on our experience with other large development projects that we're undertaking?

Response:

Could you clarify which projections you are referring to please.

If the project were to fail, would the council be able to recover its investment from the current reserves or future profits of Kenilworth Wardens?

Response:

No, the loan is secured on the land and can only be realised upon the disposal of the site.

Response from Councillor Milton

Thanks for the responses

Regarding the 'Other Potential Income Sources' this is the section in the appendix which includes items like CIL funding. It's a large amount and I'm interested to know how viable this is. Given some of the other answers I suspect that this may be for the Wardens to answer.

Response:

This is predicated on the Planning Authority agreeing to c10 extra homes, over and above 110. Initial site masterplanning suggests to the Wardens that this is achievable, however, it is a risk.

The projections are also those contained in the appendix.

Response:

I agree that given general experience of such projects, and not just local authority, the whole enterprise has many risks. That said, I think it is deliverable but it needs the Council to be allowed to take much closer order and challenge. This is obviously difficult when it comes to an independent Sports Club but I believe the Club needs to relinquish some autonomy if it wants this to progress. They have already received a clear message from Vistry about who will take the next stage of planning forward and it's not the firm they've been working with thus far.

Question from Councillor R Dickson:

1) are the extra land purchase costs at Castle Farm fixed? With land price inflation continuing unabated what risk is there that the rising cost of land at CF could undermine the project?

Response:

Yes, there is a negotiated price for the land. Of course, as no contract has yet been signed, the landowner could always change their mind but they have given no indication of that thus far.

2) whilst it's appreciated that the funding sought in the report is bridging funding (literally and financially), has - or if not when will - the projected operating business model be independently assessed as viable? Like many sports clubs of its type and size, KW hasn't made a surplus for many years. So it would be helpful to know what assessment has been done to provide assurance that the new much enlarged facility, if planning permission is granted, is capable of being self-funding and not forever dependent on local taxpayers' support?

Response:

I agree. It is the leader's intention to propose an additional recommendation that requires the PAB to scrutinise the business plan and as officers, we will provide analysis of the plan as to whether we think it is viable or not.

Questions from Councillor Labour Group:

1. Please clarify to what body the additional £300k will be paid - KW or the JV?

Response:

To KW.

2. How will the £712k plus £300k be repaid to the Council - from KW selling their existing land to a WDC JV or another developer?

Response:

That's correct. The loans are secured on the land.

3. What is the risk of further forward funding being required?

Response:

There is always that risk, however, it is the Leader's intention to propose a recommendation that requires Member oversight of the project through the PAB. Before any additional funding is released, the PAB will take a view on whether they consider the enterprise to be credible or not.

7. Consideration of an Article 4 Direction a Castle Pavilion, Castle Road, Kenilworth

(Report author(s): Will Holloway, Planning Enforcement Manager)

Question from Councillor R Dickson:

- 1) can you please quantify how many is 'many' in paragraph 1.1?
- 2) what is the 'Fishponds Complex'? Is this more accurately described as the Castle Farm Leisure Centre or does it include the possible but not yet agreed new Wardens Cricket Club site or some other site?
- 3) in paragraph 1.3 can you confirm whether or not these concerns have been discussed at a full meeting of Kenilworth Town Council? and
- 4) in the event of a consultation can you please explain by what means this will be promoted and for how long to ensure that as many residents of all ages as possible have the opportunity to take part?

Response:

8. Office Accommodation Strategy and the Provision of Public Facing Access to Council Services

(Report author(s): Steve Partner – Head of Assets)

Question from Councillor Kohler

Thank you for the timely report.

In para 1.1.7, you note that RSH serves as the location for the ICT team and infrastructure, but that the Head of ICT believes that a 2 stage relocation is possible, though detailed analysis is required to ensure that it is deliverable.

Can you confirm that all of the ICT equipment would be removed form RSH as part of Stage 1 of the proposal?
Will the detailed analysis be completed as part of the proposed report to the November Cabinet meeting?

It would also be helpful to members if you could give a short, high-level summary of the current ICT status at RSH. For example, are there any items of infrastructure that we know would have to be moved and are known to be out of warranty

and what are expected to be the biggest challenges of moving out? All caveated as being the starting point for the detailed analysis that is to follow.

Response:

ICT currently has its main datacentre and wide area network links at Riverside House. This will need to be relocated as part of the Office accommodation project. The Council does however have a number of options available which will allow it to decouple the movement of ICT equipment from the main office relocation timetable and reduce any associated risks.

For example, ICT could make greater use of the CCTV data centre located at the Town Hall, which has more than sufficient space to accommodate our needs. Some improvements would be required (for example, backup power, better data connections, improved physical security) but using this site could allow the Council to relocate key ICT equipment in advance of a major move out of Riverside House. Equally, several components of core ICT infrastructure that were due for replacement last year and put off in light of the SDC merger still require replacement. This now affords us the opportunity to potentially procure new kit, and run parallel operations – significantly reducing the potential for downtime. Equally, the Council could look to push more services into the cloud, including if needed, most of its data centre operations.

Whilst the complication and expense of relocating ICT's core operations should not be underestimated, at this stage it is not anticipated that ICT's relocation will cause any significant delay to the Council's plans, nor is anything expected that would prevent the Council from moving out of Riverside House. Further investigation will of course be required to confirm exactly what is needed and establish the order of relocation, which both ICT and the Assets group are fully committed to completing.

Question from Councillor Syson:

Recommendation 4: Does the office have to be solely in Leamington – is there a case for locating face-to face services in Warwick, Kenilworth and Leamington?

Response:

When deciding where to locate face to face service, the Council has to strike a delicate balance between the needs of service users and the resources required to deliver such service.

The impact of the pandemic on face to face services was significant and demand has not bounced back to previous levels – even with the opening of Riverside House. It is entirely possible that face to face services could be provided from different locations, but ultimately any decision would require careful consideration of the business case for expansion.

Leamington does already have some facilities that could be made suitable for the provision of customer services in a relatively short time frame, supporting the Council's desire to move out of Riverside House. This would also be independent of back office service provision, allowing changes to be made sooner rather than later.

Question from Councillor Davison

1.4.2 states that "Cabinet is therefore asked to agree that public access to a face-to-face Council enquiry service should be based in or close to Leamington town centre...". Is this for the "temporary decant... potentially up to 3 years"? If so, during this temporary period can the use of new technologies and distributed provision be trialled to better serve all our residents? E.g. it might be that a weekly contact in Lapworth is a valuable service... or not used at all.

Response:

The simple answer is no. The face-to-face service is not necessarily part of the 3 year temporary decant, and could be a permanent solution for the future.

As we do not know where a new HQ might be, it would be wrong to assume that the face-to-face service would move to the new HQ in the second phase. The rational is that the 'front door' face-to-face service can be independent of, and does not have to be linked with, the backroom staff.

Questions from the Labour Group:

1. When will the short-term costs and disruptions to services of a two stage move, the scale of 'back office' space requirements and the opportunities in WCC accommodation (under discussion for 6-8 years) be established?

Response:

It is the intention to provide a more detailed project plan as part of the next Cabinet report and subsequently if the report and recommendations are approved.

2. What are the likely costs of RSH demolition both financial and environmental (embedded carbon released, buried and requiring to be replaced by new building)?

Response:

Any financial costs of demolition would be developer costs and therefore factored in to the disposal value. Council approved a Development Brief for the Riverside House site in 2021. The Cabinet report at that time set out that the Council is committed to promoting the principles of sustainability throughout the design and build process. The agreed brief seeks to deliver a development that is as close as possible to net zero carbon in operation and also that demolition materials be reused on the site as far as possible. Whilst it is likely that electrical energy systems involved will give rise to carbon emissions, this is expected to decrease, and it is anticipated that the design should avoid the need for future retrofitting of heating and energy efficiency. More widely, the layout and design requirements of the brief are consistent with the Council's climate change ambitions.

3. The likely cost of refurbishing RSH to current standards is put in the paper at £1.2m. What is the likely cost of upgrading RSH instead to Class A accommodation properly insulated to current standards?

Response:

As set out earlier, Council already has approved a Development Brief predicated on sale of the site and redevelopment for housing. Retention and upgrade of the Riverside House building has been considered and in order for it to be renovated to the standard of institutional quality space to attract the desired lessees, a spend of approximately £7 - 8 million would likely be required. This would involve extensive improvements to the building, including for example, full replacement of all windows, stripping back the building to its bare structure and installing latest standard mechanical, electrical and plumbing systems throughout the building as well as other high quality fixtures, fittings and equipment.

4. What % of the current RSH running cost of £575k is business rates? (It was 60% 5 years ago)

Response:

56% based on the outturn running costs for 2021/22.

5. Is the 60ksq ft floor area attributed to RSH correct? Data provided by WDC a few years ago was 78k gross internal area and 68k net internal area.

Response:

The 60,000 sq. ft excludes toilets, kitchens, plant rooms, stairs, lifts etc. It is likely that the 68,000 sq. ft previously given did not so they are compatible.

6. Do the two current tenants pay rent and if so at what rate per sq m?

Response:

Bowls England occupy on a Peppercorn.

Kids Run Free currently pay £15 per sq. ft including business rates and service charges.

7. What is the local market rate for renting out Class A Office accommodation?

Response:

As part of preparation for this report, a high level market wide search of possible private sector offices for rent was commissioned from Savills. Whilst they were not specifically tasked at looking at Class A office space, inclusive costs per sq. m ranged from £22.85 to £37.86 with the majority being around £35 sq. m, dependant on location and other market forces. Grade A is likely to be at least at the top end of this range, probably higher.

8. Have any of the potential occupants of the 'hub' at Covent Garden been asked their views if RSH, duly refurbished and reconfigured internally, would be equally or more acceptable?

Response:

No, as the Council unanimously agreed that the site should be redeveloped for housing including social housing so this wasn't an option. The view is that this location is too off centre for a community hub approach as services need to be more central to the local community and to help drive footfall.

9. Notices of Motion from July Council

(Report author(s): Philip Clarke – Head of Development & Lisa Barker – Head of Housing)

Questions from the Labour Group

Motion 1

a. If the changes to the viability processes are regarded as unnecessary, why were they not followed in the recent Court St Planning application?

Response: In this particular case, following the initial consideration of the application in question, the applicant made a further submission that the development could not be delivered viably with the previously agreed level of financial contributions. In accordance with the Council's usual approach, this submission was scrutinized by the independent viability consultants acting for the Council who concluded that the development could only support a reduced package of contributions. That revised package of contributions was considered by the Council's Planning Committee when they were approved.

In this case, there was a delay in publishing the associated documents on the Council's website, which was rectified prior to the Planning Committee meeting and in respect of which, the approach to be taken in publishing such documents in a timely manner has been reiterated to Officers.

b. If it is accepted that NPPF policy and Guidance will be followed, as the paper states, why is that not made explicit in our guidance to applicants and planners? Why are the examples given of other authorities who are more explicit in terms of required timing, as proposed, not considered in the paper?

Response: Local Planning Authorities must act in accordance with NPPF policy and guidance which sets out that it is for the applicant to demonstrate the need for a viability assessment which can be submitted at any point including following the making of a decision on an application. It therefore hasn't been considered necessary to explicitly make that point further. The approach taken by other Local Planning Authorities was considered in the preparation of the report however it wasn't considered necessary to explicitly refer to them.

c. Why does our LPA require more 'discretion' on considering exceptional circumstances than is laid down in national, other Authority - or as claimed in the paper - WDC policy?

Response: This Council doesn't employ increased discretion in the consideration of viability assessments and acts in accordance with NPPF policy and guidance.

d. What will be the impact on the successful application of our Climate change DPD if this loosely timed process and discretionary 'viability' exception stand unclarified?

Response: A viability assessment has been produced to support the Net Zero Carbon DPD and this demonstrates that, whilst, the requirements of the emerging DPD may add to development costs, in the majority of situations, the application of the DPD policies will not result in development that would currently be viable becoming unviable.

Motion 2

a. The detailed proposal, developed by residents and Councillors to save on officer resource, has been in the hands of Portfolio Holder and officers since November 2021 for their consideration. It is pleasing to note that the streets identified have now been accepted in principle. How much longer is required and for what work to implement the proposal?

Response: The planning policy team has experienced significant challenges with staff resources during the past year and a half and this has greatly impacted our ability to progress all of the workstreams that we would have liked, including items in the Local Development Scheme. The policy team is however proud to have made significant progress, despite these notable resource constraints, in progressing the South Warwickshire Local Plan with colleagues from Stratford and also in progressing the Net Zero Carbon Development Plan Document so that it can be submitted for Examination. With the recent loss of a key member of the team, the Development Monitoring Officer, this in the short-medium term will again impact upon the resources available to the team as other members of the policy team will need to pick up additional and important tasks including, but not limited to, the Housing Trajectory, Authority Monitoring Report and Infrastructure Funding Statement. Furthermore, ongoing resources are required to ensure the progress of the South Warwickshire Local Plan through the Issues & Options consultation and beyond and also to ensure the Net Zero Carbon DPD progresses.

Therefore, it is not possible to confirm how much longer is required for officers to have fully considered this matter and to produce any updated guidance. It is anticipated that an updated Local Development Scheme will be brought to Cabinet in December where the priorities of the policy team and a programme of delivery over the next 3 years will be set out.

b. One reason given is extension of the same approach to Kenilworth, Warwick and perhaps Whitnash. But they are not subject to the Article 4 Direction on HMOs and so to any planning control on the conversion of houses to small HMOs. In practice therefore the H6 main thoroughfare exception has only ever been applied in the planning process to the Article 4

direction area ie to Leamington. If more time is required to identify similar streets in the three other towns, can this be done after the urgently required policy clarification is made in the only area currently affected - Leamington.

Response: It is correct that the main pressures faced by policy H6 in the Local Plan have been Leamington town centre, including in examples of small HMOs which are subject to the article 4 Direction. In practice, the benefit of clarifying "main thoroughfares" will be felt in Leamington and it is agreed that this one should be undertaken first. It is not the intention that any further clarification to the H6 Guidance to Leamington town centre is delayed until similar mapping exercises are undertaken in other town centres.

c. Why will the old Guidance be maintained (except perhaps during a transitional period and applying only to the other three towns)? If maintained for Leamington after the new definition is introduced will it not introduce unhelpful ambiguity and loopholes in the planning process?

Response: It would be officer's intention that the map of "main thoroughfares" for Leamington town centre is included (subject to it being reviewed as set out in the response to the Motion) as the Council's interpretation of our own advice as regards Leamington. The criteria in the H6 Guidance Note would remain as these would apply to other towns (until such time as any similar maps are produced for these towns). It is not intended to introduce ambiguity with regard to how the policy is applied in Leamington, quite the opposite.

10. Local Council Tax Reduction

(Report author(s): Andrea Wyatt – Benefits & Customer Services Manager, Stuart Brimsted – Principal Benefits Officer)

Question(s) from Councillor R Dickson:

1) can you please expand more on the form of the proposed consultation e.g. to ensure that as many residents as possible have the opportunity to take part and what weight will be given to the responses of residents versus the response of the major preceptors (will the latter be made public?)?

Response:

We shall be sending a letter to our working age recipients of CTRS, so those directly affected by this proposed change (circa 4700 households), explaining the reasons for the consultation, and what it potentially may mean for them, and seeking their

responses. Information concerning the consultation shall also be advertised on the WDC website and social media so that anyone may respond.

In respect of the weighting concerning residents vs major preceptors – this is principally dependent on the responses we get from either. Historically, where we have consulted previously concerning changes to the CTRS scheme the responses from both have been limited (for example in 2019 where we consulted concerning a change then, and having sent letters to a similar number of residents as stated above we received 63 responses). However a different proposal/question may of course produce a different response. Therefore this really is a question that may only be properly answered when we see what those responses are, which shall be placed before Members in a follow-up report. And, yes, the response from the major preceptors shall feature in the follow up report.

2) would the increase to 100% be permanent for the foreseeable future or time-limited?

Response:

We have not time limited the change. We would review it annually and take a view on the state of the economy and those matters resulting in the current cost of living crisis to see whether matters had altered, to see if any future reduction, again via consultation, was appropriate.

Question from the Labour Group

Do WCC and PCC have a veto on this decision given the much larger impact on their budgets or can WDC make the final decision after the consultation process?

Response:

Thank you for your question concerning the CTRS Consultation – Andrea is on annual leave so I have been forwarded your question.

The response to the consultation from the major preceptors shall be placed before Members in a consultation follow-up report for further consideration and a final decision.

WDC though can make the final decision concerning changing their CTRS scheme.

11. UK Shared Prosperity Fund

(Report author(s): Andrew Jones – Deputy Chief Executive & Monitoring Officer)

Questions from the Labour Group

1. There seems to be very limited allocation of cash to projects focussed on improving local energy efficiency especially in domestic housing: and to ensuring such work is carried out as far as possible by locally skilled and employed workmen in local businesses. One of the huge challenges identified in the Climate Change DPD and now vastly more critical, is the need to retrofit existing housing stock with far higher standards of insulation. But only project 15 addresses this directly (£27k) plus one other emission reduction project 34, the hydrogen hub (£75k). Some others - 32, 40 and especially 48 - may also contribute (another £105k). If our bid is successful can we strongly rebalance projects towards this priority, focused on those areas and residents in most need and developing incentives to them and to landlords to make it happen?

Response:

We have had to produce financial allocations across a large range of initiatives whilst meeting Government defined criteria. It is a subjective call as to whether we've got that right but looking at the Government's prospectus as a whole and taking on board the various ideas we got from a range of stakeholders we'd argue that a good balance has been achieved.

2. Why are the earmarked projects for areas in most need, so clearly identified in the investment report, both so small as a proportion of the overall budget and have such a disparities between Lillington (Project 1 -the new Health hub £271k) and Brunswick HLC (projects 26-8 £156k) on the one hand and West Packmores/Cape (projects 22, 23 £60k) and indeed the Sydni Centre (project 25-£73k), which has greater physical capacity than the other three, on the other?

Response:

We received these bids/ ideas from the organisations themselves. We included their full "ask" in the Investment Plan.

3. Why is the investment in CCTV overall (projects 8, 9 £336k) so large a part of the levelling up Agenda compared with digital skills improvements (projects 39, 43 £53k). We would hope support for individuals in our deprived areas would be prioritised?

Response:

See answer to question 1. Also note that a key theme from the context analysis of the District was fear of crime. We therefore felt that the CCTV initiative was very much in sympathy with this concern.

4. Can any CCTV investments be specifically linked to tackling priorities which wilol improve the lives of residents especially in or adjacent to deprived areas such as vandalism, drug-dealing and other ASB especially flytipping (despite recent advice that it cannot be used which may have been misunderstood)?

Response:

We can certainly look at this in greater depth when it comes to the positioning of the cameras.

5. Two other crucial and neglected services in deprived areas do not seem to be explicitly covered - Youth activities both indoor and outdoor and Early Years Advice social centres. Can projects be repurposed to encourage these, if the bid is successful?

Response:

We had no bids coming in for these activities. The current rules do not allow project repurposing, however, we'll have to see how that unfolds once Investment Plans up and down the country move to the implementation phase.

6. What is the relationship between Projects 39 and 43 which seem almost indistinguishable ?

Response:

We've done this to cover both the Supporting Local Business and People and Skills categories so we can take advantage of earlier funding for the project than would otherwise be the case.

12. Hydrogen Strategy

(Report author(s): Kate McAuley – Project Officer and Dave Barber – Director for Climate Change)

Question(s) from Councillor Kohler:

Many thanks for the report and strategy document.

The O&S Committee made the following comment on the 'Continuation of Hydrogen Hub Project' report that came to the July round of meetings:

"The Overview & Scrutiny Committee supported the work going forward and was keen to see the business case develop, particularly relating to the return on investment and the case for electric vehicles vs hydrogen vehicles and how these technologies evolve over time."

Please could you give members an update on the work done on the business case since that meeting?

Response:

Since the July round of meetings, WDC officers have continued to work with Kingscote Enterprises around the more detailed feasibility aspects of the hydrogen hub proposal, such as energy supply, direct wiring, grid capacity and funding opportunities, to name a few. Our consultants' work into the business case is ongoing, and we would hope to have a draft of a business case including the financials, as well as technical aspects, by early 2023. WDC officers will keep the Climate Emergency PAB updated with progress on this front in future meetings.

Para 2.21 of the report states:

"However, whilst EVs will certainly play a key role for cars and light vehicles, the weight of the battery and the current charge times make them less suited to heavy vehicles and long distance freight. Whilst hyper-rapid charge systems have the potential to reduce charge times, battery weight and resulting impacts on range and carriageway degradation will remain an issue and this suggests that hydrogen will have a crucial and long-term role to play in low carbon transport for heavy vehicles."

Whilst in May the government announced:

"Transport Minister Trudy Harrison revealed over £200 million of government funding will be injected into an extensive zero emission road freight demonstrator programme, at Logistics UK's Future Logistics Conference this morning (12 May 2022)."
"The 3-year comparative programme will begin later this year to help decarbonise the UK's freight industry **with initial competitions for battery electric and hydrogen fuel cell technology launching shortly.**"

"The demonstrations will help the UK's freight sector reduce its reliance on fossil fuels by finding which zero emission technologies are best suited to the heaviest road vehicles in the UK."

How can our strategy effectively rule out battery powered HGVs, whilst the UK government is just starting a programme comparing the effectiveness of battery & hydrogen powered HGVs? Have we had further information from DfT stating that Hydrogen is the correct investment for road freight transport?

Response:

Although the hydrogen strategy focuses on hydrogen fuelled HGVs, we would not rule out the possibility of exploring battery powered HGVs in the future, as the battery technology continues to develop. We do not see hydrogen and battery electric vehicles being mutually exclusive, but have been advised that it is often down to choosing the correct fuel for the vehicle, in each case. For now, the industry seems to support the notion that hydrogen fuelled HGVs tend to have an advantage, due to their ability to replicate current working conditions most closely, however, as battery technology improves, we would be open to exploring this option as well.

Question from the Labour Group

If one were to assume all commercial HGVs ran on hydrogen, what is the calculated reduction to the district's carbon emissions? To say it another way: Is the claim that the reduction in overall carbon emissions would be 55% by 2030 just by changing all HGVs in the district to hydrogen?

Response:

Thank you for this question from the Labour Group.

At this moment in time, we cannot meaningfully estimate the reduction in carbon emissions for all Heavy Goods Vehicles in the district, as we are targeting the Refuse Collection Vehicles in the District for now, so the below estimates are only based on the RCVs and not all HGVs. I hope this is still helpful.

Switching RCVs to hydrogen would result in the reduction of CO2 emissions across the IDVerde and Biffa fleets of 62.6% (see detailed explanation below).

It is not possible to say what the reduction in emissions across the District would be, as there is no reliable data on the use of internal combustion engine vehicles within the district.

The projected annual diesel consumption (in litres) of the Biffa fleet and the IDVerde fleet are as follows:

Biffa	758,507
IDVerde	234,000
Total	992,507.

Switching the RCVs to 100% hydrogen would result in the displacement of 621,076 litres of diesel or 62.6% of total consumption of the two fleets, therefore reducing the CO2 emissions from the two fleets by 62.6%.

Switching the RCV fleet to dual fuel would result in the conservatively estimated displacement of 259,000 litres of diesel, resulting in a reduction in CO2 emissions from the two fleets of 27.4%, taking into account the increased thermodynamic efficiency of the diesel engines when using a blend of hydrogen and diesel.

13. Covent Garden Car Park

(Report author(s): Chris Elliott – Chief Executive and Heather Johnson – Project Manager)

Question(s) from Councillor Quinney

1. Recommendations 1& 2 seem unchallengeable
2. Regarding Recommendation 3, can the principle be accepted before
 - a. the required capacity of a replacement carpark, to meet the long-term needs of town centre businesses and visitors is determined?. When will that be?

Response:

We will be considering these future challenges based on a vision and validate approach, rather than a predict and provide, so incorporating this and other considerations for the town centre as a whole into this decision making. The usage statistics show that parking requirements are changing, and as referenced at 3.14, alongside the feasibility study we will also need to start on a car park displacement strategy for the area, and the brief will help to determine

options for future car parking provision on the site.

- b. the space requirements for each of the potential 'hub activities', including parking, has been determined?

Response:

Potential, high level requirements from some interested parties have been included at Appendix 3. To take requirements further, the feasibility study needs to consider potential designs for the site, to see what and how these elements may fit together on the site

- c. it is clear that both objectives can in fact be accommodated on site and if not, what other options exist elsewhere for more town centre parking (eg Guy Street) or for 'hub activities' eg a repurposed Riverside House, Town Hall etc

Response:

The feasibility study will help to determine this point, however, it is thought that the space will accommodate some of these options together, alongside an element of parking.

3. Should the Feasibility brief make it clear that such an analysis of long-term capacities will be needed and, if required, the prioritisation and other options for the identified 'hub activities'?

Response:

The Feasibility Brief does not make reference to priorities for the hub, but instead gives a guide as to some of the potential services that may fit well together. At this point, there is no specific priority to these services, to enable multiple options to be considered.

4. At what point will a parking displacement plan be developed for the CG redevelopment period? Would it be appropriate to include that in the Feasibility brief?

Response:

This will be considered alongside the brief, but does not itself form part of the feasibility

5 Could housing, especially social housing, form part of the redevelopment, as in earlier plans, all the more so if other hub activities could be as well or better housed elsewhere from a space, parking, expansion perspective?

Response:

Whilst housing has not specifically been ruled out at this point, the focus of the recommendations being put to Cabinet are for a wellbeing centre in the town centre, which will bring a number of benefits and opportunities, and this proposal follows the guidance given by all Group Leaders.

6. Why is only Clarendon Lodge GP surgery being identified for a hub and not Sherbourne Medical Centre?

Response:

Sherbourne Medical Centre was involved in early discussions with us, but they have since confirmed that they are not envisaging such expansion/relocation. We would of course be happy if the Sherborne Medical Centre reconsidered its position, and we would take its requirements on board.