

AGENDA

Meeting: Cabinet
Place: Council Chamber, Browfort, Bath Road, Devizes SN10 2AT
Date: Tuesday 25 January 2011
Time: 10.30 am

Membership:

Cllr John Brady	Cabinet Member for Economic Development, Planning and Housing
Cllr Lionel Grundy OBE	Cabinet Member for Children's Services
Cllr Keith Humphries	Cabinet Member for Health and Wellbeing
Cllr John Noeken	Cabinet Member for Resources
Cllr Fleur de Rhe-Philippe	Cabinet Member for Finance, Performance and Risk
Cllr Jane Scott OBE	Leader of the Council
Cllr Toby Sturgis	Cabinet Member for Waste, Property and Environment
Cllr John Thomson	Deputy Leader and Cabinet Member for Adult Care, Communities and Libraries
Cllr Dick Tonge	Cabinet Member for Highways and Transport
Cllr Stuart Wheeler	Cabinet Member for Leisure, Sport and Culture


Please direct any enquiries on this Agenda to Yamina Rhouati, of Democratic Services, County Hall, Trowbridge, direct line 01225 718024 or email yamina.rhouati@wiltshire.gov.uk

Press enquiries to Communications on direct lines (01225)713114/713115.

All public reports referred to on this agenda are available on the Council's website at www.wiltshire.gov.uk

Part I

Items to be considered while the meeting is open to the public

Key Decisions Matters defined as 'Key' Decisions and included in the Council's Forward Work Plan are shown as 

1 Apologies

2 Minutes of the previous meeting (Pages 1 - 18)

To confirm and sign the minutes of the Cabinet meeting held on 14 December 2010 as circulated.

3 Leader's announcements

4 Declarations of Interest

To receive any declarations of personal or prejudicial interests or dispensations granted by the Standards Committee.

5 Public participation

The Council welcomes contributions from members of the public. This meeting is open to the public, who may ask a question or make a statement. Written notice of questions or statements should be given to Yamina Rhouati of Democratic Services by 12.00 noon on Friday 21 January. Anyone wishing to ask a question or make a statement should contact the officer named above.

'Deliver high quality, low cost, customer focused services*'

6 Annual Audit Letter 2009/10 (Pages 19 - 38)

Report of the Chief Executive is circulated.

7 Ofsted Rating of Children's Services 2010 (Pages 39 - 46)

Report of the Corporate Director, Children and Education is circulated.

8 Library Review (Pages 47 - 74)

 Report of the Corporate Director, Community Services is circulated.

9 Delegation of Services to Town and Parish Councils -TUPE Transfer of Wiltshire Council Employees (Pages 75 - 80)

Report of the Corporate Director, Neighbourhood and Planning is circulated.

'Work together to support Wiltshire's Communities*'

10 **Older People Accommodation Development Strategy (Pages 81 - 114)**

🔑 Report of the Corporate Director, Community Services is circulated.

11 **Energy, Change and Opportunity (ECO) Strategy (Pages 115 - 178)**

Report of the Director, Department of Neighbourhood and Planning is circulated.

'Ensure local, open, honest decision making*'

12 **Interim Report on Treasury Management Strategy 2010-11 (Pages 179 - 192)**

Report of the Interim Chief Finance Officer is circulated.

13 **Treasury Management Strategy 2011/12 (Pages 193 - 214)**

Report of the Interim Chief Finance Officer is circulated.

14 **2011/12, and 2012/13 Indicative Council Tax, Rents, Fees & Charges and NNDR Setting Consultation (Pages 215 - 220)**

🔑 Report of the Interim Chief Finance Officer is circulated.

15 **Future Support for Tourism - Part I (Pages 221 - 226)**

Report of the Corporate Director, Neighbourhood and Planning is circulated

16 **Urgent Items**

Any other items of business, which the Leader agrees to consider as a matter of urgency

Part II

Item during consideration of which it is recommended that the public should be excluded because of the likelihood that exempt information would be disclosed

17 **Future Support for Tourism - Part II (Pages 227 - 238)**

Confidential report of the Corporate Director, Neighbourhood and Planning is circulated

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CABINET

MINUTES of a MEETING held at COMMITTEE ROOM III - COUNTY HALL,
TROWBRIDGE on Tuesday, 14 December 2010.

Cllr John Brady	Cabinet Member for Economic Development, Planning and Housing
Cllr Lionel Grundy OBE	Cabinet Member for Children's Services
Cllr John Noeken	Cabinet Member for Resources
Cllr Fleur de Rhe-Philipe	Cabinet Member for Finance, Performance and Risk
Cllr Jane Scott OBE	Leader of the Council
Cllr John Thomson	Deputy Leader and Cabinet Member for Adult Care, Communities and Libraries
Cllr Dick Tonge	Cabinet Member for Highways and Transport
Cllr Stuart Wheeler	Cabinet Member for Leisure, Sport and Culture

Also in Attendance:	Cllr Richard Beattie
	Cllr Allison Bucknell
	Cllr Trevor Carbin
	Cllr Nigel Carter
	Cllr Richard Clewer
	Cllr Peter Colmer
	Cllr Peter Doyle
	Cllr Richard Gamble
	Cllr Russell Hawker
	Cllr Jon Hubbard
	Cllr Tom James MBE
	Cllr George Jeans
	Cllr David Jenkins
	Cllr Julian Johnson
	Cllr Jerry Kunkler
	Cllr Alan Macrae
	Cllr Laura Mayes
	Cllr Jemima Milton
	Cllr Francis Morland
	Cllr Jeff Ody
	Cllr Jeff Osborn
	Cllr Sheila Parker
	Cllr Judy Rooke
	Cllr Anthony Trotman
	Cllr Bridget Wayman
	Cllr Roy While

164. **Apologies**

Apologies were received from Cllr Toby Sturgis, Cabinet member for Waste, Property and Environment and Cllr Keith Humphries, Cabinet member for Health and Wellbeing.

165. **Minutes of the previous meeting**

The minutes of the meeting held on 16 November 2010 were presented.

Resolved:

To approve as a correct record and sign the minutes of the meeting held on 16 November 2010.

166. **Chairman's announcements**

No announcements were made.

167. **Declarations of Interest**

There were no declarations of interest.

168. **Public participation**

The Leader explained that as usual, she would be happy to allow members of the public to speak at the start of each item if they wished to do so.

Public participation which included questions and statements took place during consideration of the report on the Wiltshire Local Transport Plan 2011-2026 – Car Parking Strategy as referred to in minute number 169 and during consideration of the report on the Review of Indoor Leisure Facilities as referred to in minute number 170. Details of questions and written statements received on these items can be accessed on the following link of the Council's website:

<http://cms.wiltshire.gov.uk/ieListDocuments.aspx?CId=141&MID=509#AI9521>

The Leader reported receipt of a question from Mr Michael Sprules, Chairperson of Residents Against Development Affecting Recreational Land (RADAR) in respect of the development of parks and outdoor recreational facilities in Chippenham. Mr Sprules was unable to attend the meeting and the Leader referred to the question and response as circulated which can be accessed on the following link of the Council's website:

<http://cms.wiltshire.gov.uk/mgConvert2PDF.aspx?ID=12722>

(a) **Public Participation - Development of Parks and Outdoor Recreational**

Facilities (not on agenda)

The following addressed Cabinet:

169. Wiltshire Local Transport Plan 2011-2026 - Car Parking Strategy

Public participation

Questions and written statements received all on the car parking charges element of the Car Parking Strategy were provided to Cabinet members, made available at the meeting and can be accessed on the following link of the Council's website:

<http://cms.wiltshire.gov.uk/ieListDocuments.aspx?CId=141&MId=509&Ver=4>

Questions

The Leader reported receipt of two questions as follows:

Question from Mr Michael Williams MBE, Chief Executive of the Wessex Association of Chambers of Commerce which included a letter addressed to Cllr Dick Tonge, Cabinet member for Highways and Transport dated 2 December 2010.

Question from Mr Jonathon Knee, General Manager of HJ Knee Ltd Department Store, Trowbridge.

Written Statements

The Leader referred to written submissions received from the following:

Porton Down Tripartite Estates Group
John Glen - Member of Parliament for Salisbury in respect of Salisbury and Amesbury
Amesbury Town Council
Col (Ret'd) CA Heggie, Amesbury
Mrs Susie Heggie, Amesbury
Mr Brian C Thompson, Amesbury
Mrs PH and Mr DJ Skinner, Amesbury
Dr Brian Batten, Amesbury
Lt Col NOH de Foubert, Amesbury
Major General and Mrs Patrick Brooking, Amesbury
Mr Michael Freedman, Amesbury
Mr and Mrs Rogers, re Amesbury
Mr and Mrs Rose, Amesbury
Mr FA Bush, Amesbury
Ms C Kisley, Amesbury

Ms Mary Wilson, Amesbury
Mr John Coleman for and on behalf of Amesbury Redevelopment Partnership
Mr John Todd for an on behalf of the Stonehenge Chamber of Trade, Amesbury
Mr Martin and Rosemary Gairdner, Berwick St James
Kate Freeman on behalf of Association of Kennet Passengers
Mr Terry Fell, Devizes
Ms Dee La Vardera, Devizes
Mr Colin Garrett, Devizes
Mrs Anne Richards, Devizes
Ms Judy Bridger, Devizes
Mr Brian Crook, Devizes
Mr and Mrs Larden, Devizes
Mr Nicholas Godden, Devizes
Mr Tony Morton, Devizes
Mr Richard Jaggs for an on behalf of the Devizes Chamber of Commerce
Mr Ian Storey, Corsham
Mr WGV Hall, Director, Martingate Centre Ltd, Corsham
Mr Brian Deeley on behalf of the Trustees, Staff and Volunteers of Age UK
Wiltshire
Mr Tony Niklin, Chairman of the Car Parking Strategy Working Group for and on
behalf of Warminster Town Council
Julie Owen, Lower Compton
Margaret Rawlings, Chippenham
Mr Marcus Kirschner, Chippenham
Sue Atkinson, Calne
Victoria Morris, Marlborough
Terry Parkinson, Salisbury
Mr Vince Delderfield, Salisbury
Terry Parkinson, Salisbury
Mr Pete Hawkins
Cllr Nigel Carter, Wiltshire Councillor for Devizes North
Cllr Russell Hawker, Wiltshire Councillor for Westbury West

Verbal Representations

The Leader provided an opportunity to the above mentioned where present at the meeting and any other members of the public present to address Cabinet to express their views should they wish to do so. She thanked those members of the public who had taken the time to submit their views and gave an assurance that all comments received had been considered and taken into account by Cabinet. Cllr Tonge undertook to respond to all those who had submitted written comments.

The following speakers addressed Cabinet:

Mr Jonathon Knee, General Manager, HJ Knee Ltd Department Store,
Trowbridge
Mr Tony Niklin, Warminster Town Council

Mr Christopher Marsh, Warminster Town Council
Mr John Todd for and on behalf of the Stonehenge Chamber of Trade
Mr Andrew Williams
Mr Rhind-Tutt, Deputy Mayor of Amesbury Town Council
Mr Giuseppe Ardani of Giuseppe's Barber and Café Mondo, Amesbury
Kate Freeman on behalf of Association of Kennet Passengers
Mr Mitchell, Chairman of Mere Parish Council
Mr Peter Coopman, Tisbury

Debate

Cllr Dick Tonge, Cabinet member for Highways and Transport presented the report on the Wiltshire Local Transport Plan 2011-2026 – Car Parking Strategy for Cabinet's consideration and approval. He tabled a further amendment to the proposal at (iv) in the report in respect of the charging for Salisbury.

He explained the background to the Strategy and the need for its review. He emphasised that car parking was a strategic issue which required a County wide approach and was not just about car parking charges. He did however, appreciate that the charging element was a difficult issue.

He explained that the Strategy covered the following areas:

- The way the Council should manage its parking stock both on street and off street
- How charges should be determined and revised in future
- What standards should be applied in new residential and non residential developments
- The policy for publicly available non-residential parking such as new supermarkets
- Residents parking zones
- Parking at railway stations
- Residents overspill parking and several other areas

Cllr Tonge explained the review process. It was noted that the Council's Overview and Scrutiny Environment Select Committee had in January 2010 considered a report which set out the proposed methodology and timescale for reviewing the Strategy. The Committee considered that Area Boards should be used for consultation purposes only as it was felt inappropriate for Area Boards to take full responsibility for parking charges in their areas and this approach was adopted. The Committee resolved to receive a further update prior to the Strategy being considered by Cabinet at this meeting.

Accordingly, Cllr Tonge also attended the Committee on 2 November 2010 to update it on the Strategy, provide an overview of the consultation process answer any questions the Committee had. He also explained the concept of having four bands for parking charges. The Committee resolved 'To

congratulate the Cabinet member on the work undertaken and note the update provided and request that the comments made are taken into consideration by the Cabinet member prior to the final reports submission to Cabinet'.

Consultation on the Strategy was undertaken from 12 July to 3 September 2010 using a variety of means. Representations were received from 570 people and organisations which provided 4,582 comments in addition to comments received from town and parish councils and Chambers of Commerce. Feedback on the consultation findings were presented to all Area Boards between 22 September and 23 November 2010. Cllr Tonge also acknowledged the resolution of the South West Wiltshire Area Board at its meeting on 25 August 2010 as tabled.

On the basis of the consultation the 'preferred option' for car parking charges had been applied as detailed in the report presented. Representations were made from Salisbury supported by Salisbury City Centre Management for an alternative option of a £2.00 flat charge for the first two hours parking. This had been accepted as Salisbury was in its own band and the revenue effect would be neutral.

Representations were also received in respect of the Market Place car park in Devizes. Both Marlborough and Devizes (which previously came under Kennet District Council) had charges higher than other band 3 towns although it was recognised that Marlborough did benefit from having some on-street parking free for half an hour. It was therefore proposed to treat Devizes and Marlborough equally by providing a free half an hour time period in the Market Place car park in Devizes.

In light of the representations received in respect of Amesbury, Cllr Tonge added a proposal to provide 25% of parking spaces in the Town Centre car park free for the first hour for the first year followed by a review.

It was noted that no Town Council had taken up the opportunity to buy back a proportion of parking spaces. However, a number of Town and Parish Councils had expressed an interest in the option to manage small band 4 car parks as an alternative to charges.

The Chambers of Commerce had made representations concerning the cost of parking for staff working in local shops. Cllr Tonge drew Cabinet's attention to the proposal to review season tickets and permits along with reviews on residents' parking zones, on-street waiting restrictions and parking enforcement.

Cllr Tonge emphasised that car parking and public transport were strategically linked and that bus services played a vital role particularly in the more rural parts of the County. Almost half of bus journeys were subsidised directly by the Council costing £5.4 million per annum and would in the main, be discontinued without such subsidy.

Cllr Tonge referred to the significant reduction in Government grant and the impact this would have on the transport budget. Far from looking to making a profit from any increase in parking charges, one of the proposals was for any surplus parking revenue over and above the forecast income to be hypothecated to support sustainable transport measures such as local bus services.

Cllr Tonge appreciated that any decision to increase car parking charges would not be well received with a perception of unfairly taxing the motorist. The charges as proposed were set a level, lower than those in surrounding local authority areas and would contribute to subsidising much needed local bus services without being so high that residents would be deterred from shopping in Wiltshire Towns. Cllr Tonge moved the proposal together with the amendment as tabled in respect of Salisbury and the additional proposal in respect of Amesbury. The amendment with regard to Salisbury was concerned with the 10% uplift. The amendment with regard to Amesbury was made due to the disruption that will be caused by Highway Agency works on the A303 and other local road works planned and the fact that Amesbury is the only Band 3 town where there is no charging currently.

Having heard contributions from members of the public, the Leader opened the debate to Cabinet members and then to other members of the Council. A number of comments were made during the debate with arguments both for and against the proposals and included calls for the proposals to be deferred for further consideration. An opinion was made that the Strategy had not been properly scrutinised by the Environment Select Committee and that this could lead to the decision being called in.

Concerns were also expressed over the impact increased parking charges could have on the economic viability and vitality of towns such as Amesbury which had already suffered from a significant number of shop closures. The Leader acknowledged the difficulties in Amesbury but pointed out that such difficulties were being experienced in a climate where parking was currently free and therefore not attributable to parking charges. She offered the services of the Council's Economic Development section to see how Amesbury or any other struggling towns could be supported.

The Leader thanked all those present for their participation in what was a very balanced and thorough debate and it was

Resolved:

That Cabinet approve the Wiltshire Local Transport Plan 2011 – 2026: Car Parking Strategy including the following:

- (i) Support the concept of spatial bands (as shown in Table 1) as a realistic way of balancing the different needs of towns with the**

achievement of a more consistent approach to parking throughout Wiltshire.

- (ii) Approve the parking charges (Monday – Saturday) as set-out in Table 2 for implementation in 2011/12.
- (iii) Agree to a free half an hour time period for the Market Place car park in Devizes.
- (iv) Agree that where there would be a reduction in a car park charge as a result of the introduction of the charges set-out in Table 2, then the current charge (subject to the proposal at (v)) would remain in place until equalisation is achieved (except for the first 2 hour period in Salisbury (excluding the Market Place) where the charge in Table 2 (subject to the proposal at (v)) would apply). Thereafter, the car park charge would increase in line with the relevant band increases.
- (v) Approve a ten per cent increase in all on and off-street parking charges (i.e. over and above the increases set-out in Table 2 as shown in Appendix 5 of the report presented and as shown below:

Band	Stay	<1hr	<2hr	<3hr	<4hr	<5hr	<8hr	All day
1	Short	-	£2.20	£4.20	-	-	-	-
1	Long	-	£2.20	£4.00	£4.60	£5.50	£7.40	£7.40
2	Short	£1.10	£1.50	£3.20	-	-	-	-
2	Long	£0.90	£1.30	£2.60	£3.10	£4.20	£5.40	£5.90
3	Short	£0.40	£1.20	£2.10	-	-	-	-
3	Long	£0.30	£1.10	£2.00	£2.40	£3.20	£5.20	£5.60
4	Short	£0.30	£1.10	£2.00	-	-	-	-
4	Long	£0.20	£1.00	£1.90	£2.30	£2.90	£4.80	£5.20

Note: Charges have been rounded to the nearest 10 pence increment.

- (vi) Agree that any surplus parking revenue (i.e. that which is over and above the forecast income of £5,040,000) is hypothecated to support sustainable transport measures (e.g. local bus services).
- (vii) To note that the parking charges in Chippenham, Salisbury and Trowbridge may need to be amended in light of the outcomes of area transport strategies to support planned growth.
- (viii) Approve the principle of the following opportunities:
 - Enable Band 3 towns to ‘buy back’ a small proportion of short-stay spaces from Wiltshire Council to offer as free parking spaces.

- **Enable Band 4 towns to take over the management of local public car parks and associated costs as an alternative to parking charges being set by Wiltshire Council.**
- (ix) **Delegate authority to the Corporate Director for Neighbourhood and Planning in consultation with the Cabinet Member for Highways and Transport, and with the advice of legal representation, to negotiate and agree the lease and legal agreement with relevant parish and town councils for implementation from 1 April 2011.**
- (x) **Agree that significant reviews of parking charges are undertaken every five years based on ‘Policy PS3 – Parking Charges’ with interim reviews carried out annually based on an assessment of parking charges in key neighbouring towns and the annual Consumer Price Index (as at September each year with reviewed charges rounded to the nearest ten pence). Consideration will also need to be taken of the outcomes of area transport strategies developed to support planned growth.**
- (xi) **Support the adoption of minimum residential parking standards.**
- (xii) **Agree the presumption that any planning application which includes provision for publicly available private non-residential parking will be required to provide an accompanying car park management plan and, subject to a case-by-case analysis, to implement parking restrictions and charges consistent with those of council run car parks in the local area.**
- (xiii) **Approve the retention of the current Sunday parking charge of £1.50 in Salisbury (subject to the proposal at (v)) and the removal of Sunday parking charges in Bradford on Avon. Support the following addition to ‘Policy PS3 – Parking Charges’:**
- ‘Sunday parking charges will be considered where there is an identified traffic congestion or air quality issue, or where there is a strong and established parking demand from shoppers or visitors’.**
- (xiv) **Cabinet also agreed that in respect of Amesbury, 25% of car parking spaces in the Town Centre remain free of charge for the first hour for a period of one year to be followed by a review.**
- (xv) **Delegate authority to the Corporate Director for Neighbourhood and Planning in consultation with the Cabinet Member for Highways and Transport to undertake and approve the reviews on residents’ parking zones, on-street waiting restriction reviews, season tickets and permits, and parking enforcement.**

- (xvi) **Delegate authority to the Corporate Director for Neighbourhood and Planning in consultation with the Cabinet Member for Highways and Transport to finalise the strategy document for publication as part of the third Wiltshire Local Transport Plan by 31 March 2011.**

Reason for Decision:

In order to commence implementation of the revised LTP Car Parking Strategy following public consultation.

- (b) **Public Participation - Wiltshire Local Transport Plan - Car Parking Strategy**

170. **Review of Indoor Leisure Facilities - overview of public consultation and the refined proposal**

Public Participation

Questions and a written statement received on this item were provided to Cabinet members, made available at the meeting and can be accessed on the following link of the Council's website:

<http://cms.wiltshire.gov.uk/ieListDocuments.aspx?CId=141&MId=509&Ver=4>

Questions

The Leader reported receipt of questions from Mr Stephen Walls to which a response was provided.

Written Statement

The Leader referred to the written submission from Ms Miriam Elloway.

Verbal representations

The Leader provided an opportunity to the above mentioned where present at the meeting and any other members of the public present to address Cabinet to express their views should they wish to do so.

The following speakers addressed Cabinet:

Stephen Walls
Neil Hawker, Westbury Leisure Alliance
Mike Parker, Westbury Leisure Alliance

Councillor Stuart Wheeler, Cabinet Member for Leisure, Sport and Culture explained the background to the leisure review and the comprehensive consultation exercise undertaken. It was accepted that many of the Council's leisure facilities were outdated and unsustainable in their present form. The review had been undertaken with a view to providing a replacement, refurbishment and development programme. The programme focused on a 25 year plan for future development, including proposals for new facilities within campuses, improvements to some existing facilities and the potential transfer of some facilities to local community management.

Cllr Wheeler presented a report which gave an overview of the views collected through the Leisure Review consultation process and identified a refined proposal that took those views into account.

The report also explained how the refined proposal would be delivered as part of the Workplace Transformation Programme. This includes the specification of leisure facilities within campuses, the planned improvements to facilities considered part of the Council's overall operational estate and the determination of the future management arrangements of all operational estate. Details of the refined proposal were presented as detailed in Appendix A of the report presented.

In response to a question from the Westbury Leisure Alliance, the Leader confirmed that should Cabinet agree the refined proposal at this meeting, it was hoped to provide as much information as possible to organisations and community groups who were interested in managing facilities.

Resolved:

That Cabinet:

- (i) approves the refined proposal as set out in Appendix A of the report presented as attached.**
- (ii) approves that the delivery and implementation of the building and future management elements of the refined proposal be included in and taken forward by the Workplace Transformation Programme.**

Reason for Decision

To improve the current indoor leisure facility stock that was inherited as a result of the local government reorganisation.

- (c) Public Participation - Review of Indoor Leisure Facilities - overview of public consultation and the refined proposal**

171. **Review of Special Educational Need (SEN) Provision - Confirmation of Decisions**

Cllr Grundy, Cabinet member for Children's Services referred to the review of Special Educational Needs previously undertaken. The outcome of the review was reported to Cabinet on 27 July 2010 where a decision was taken to proceed with all of the recommendations. Following that decision, the necessary statutory notices were published with responses sought by 22 October 2010.

Cllr Grundy presented a report which outlined the outcome of the consultation on the statutory notices and sought Cabinet's views on whether it still wished to continue with the proposals in light of the responses to the statutory notices.

Cllr Grundy stressed that one of the purposes of the review was to ensure the cost effectiveness of the service and that any savings made as a result would be ploughed back into the service.

Resolved:

The Cabinet agrees that:-

- 1. the proposals set out in paragraph 6 of the report presented concerning the changes to special schools be confirmed;**
- 2. the proposals set out in paragraph 9 of the report presented concerning the proposed closure of Specialist Learning Centres be confirmed and**
- 3. that officers be requested to implement these decisions.**

Reason for Decision

These proposals, along with the other proposals agreed by Cabinet on 27 July, would initiate the system change needed to improve educational provision and raise the achievement of pupils with SEN. In view of the limited response to the statutory notices there is no reason to refrain from confirming the proposals set out in those notices.

172. **The Care Quality Commission's Annual Commissioner Assessment of Adult Social Care, 2009-2010**

Cllr John Thomson, Cabinet Member for Adult Care, Communities and Libraries presented a report which summarised the Care Quality Commission's (CQC) assessment of the performance of adult social care in Wiltshire during 2009-2010. A copy of the results letter from the CQC was also presented.

The CQC concluded that overall, the Council performed 'Well' derived from seven separate domain grades on various areas of activity. It was noted that the

Council had been graded 'Excellent' for making a positive contribution and 'Adequate' for maintaining personal dignity and respect.

Additionally, the Assessment included a judgement for Leadership and for Commissioning and Use of Resources which were very positive. On Leadership, the Assessment concluded that *'the leadership of adult social care in Wiltshire is strong and focused... The Council's approach to person centred planning has radically changed the lives of many people with a learning disability in Wiltshire.'*

Cllr Thomson and other Cabinet members congratulated the Director of Community Services and her team for such a positive assessment.

Resolved:

That Cabinet note the report.

Reason for Decision

The Director responsible for Adult Social Services is expected to take the CQC Commissioner Assessment to an open meeting of the relevant Committee of the Council by 31 January 2011.

173. **Budget Monitoring**

(d) **Revenue Budget**

Cllr Fleur de Rhe-Philipe, Cabinet Member for Finance, Performance and Risk presented a report which advised Cabinet of the revenue budget monitoring position as at 31 October 2010 for the financial year 2010-11.

The figures projected a small under spend of £0.045 million. This was a reduction of £1.083 million in the forecast position since the last monitoring report of £1.038 million which reflected action taken by officers to reduce previously identified overspends. It was noted that future revenue monitoring reports would highlight ongoing progress to achieve a balanced budget.

Resolved:

That Cabinet note the report showing a balanced position, pending future monitoring reports that will highlight ongoing actions being taken to continue a balanced budget.

Reason for Decision

To enable the Cabinet to approve a continued corporate approach to managing the financial pressures and Government reductions.

(e) **Capital Budget**

Cllr Fleur de Rhe Philipe, Cabinet Member for Finance, Performance and Risk presented the report which reflected the position of the 2010-11 capital programme as at 31 October 2010. The revised capital budget for 2010-11 stood at £167 million.

Cabinet was also asked to decide on how the cut in education funding from central Government should be dealt with in the 2010-11 capital programme through the three options identified in the report presented.

Resolved:

That Cabinet:

1. **notes the current position of the 2010-11 capital programme;**
2. **notes the budget changes in section 1 of Appendix B to the report presented and**
3. **that the cut in education funding from central Government be dealt with as follows:**

to reduce the affected projects in the capital programme by the corresponding cut in funding from central Government. This would reduce the overall spending on education schemes in 2010-11.

Reason for Decision

To inform Cabinet of the current position of the 2010-11 capital programme and identify issues which need to be resolved as a result of cuts in funding from central Government.

174. **Council Tax Base 2011/2012**

Cllr Fleur de Rhe Philipe, Cabinet Member for Finance, Performance and Risk presented a report which sought approval of the proposed Council Tax Base for 2011-12.

It was noted there was a requirement for the Council to approve its tax base annually and notify any precepting authorities before 31 January 2011. Parish and Town Councils would also be notified of the tax base for their respective areas.

Details of how the tax base was calculated and the proposed tax base were presented.

Resolved:

That Cabinet approve the Council Tax Base for 2011-12 as set out in Appendix 1 to the report presented.

Reason for Decision

Before the Council Tax can be set by the Council in February 2011 a calculation has to be made and approved of the Council Tax Base, which is an annual requirement as laid out in the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) Regulations 1992.

175. **Street Naming and Numbering**

Cllr John Noeken, Cabinet Member for Resources presented the report which sought endorsement and adoption of the Council's new Street Naming and Numbering Policy approval of the revised process for Street Naming and Numbering service following consultation.

Resolved:

That Cabinet approves the Street Naming and Numbering Policy and process as set out in Appendix A to the report presented which had been developed following consultation with Town and Parish Councils.

Reason for Decision

By approving the above proposals, Wiltshire Council will have a sound legal and policy framework on which to deliver the Street Naming and Numbering service in an efficient and customer-focused fashion. The revised process allows Town and Parish Councils to have control over new street names in their area, without significantly changing the volume of administration, while still allowing Wiltshire Council to comply with its statutory obligations in respect of street naming and numbering.

176. **Salisbury Vision: The Maltings & Central Car Park**

Councillor John Brady, Cabinet Member for Economic Development, Planning and Housing presented a report which updated Cabinet on the progress to develop the Maltings and Central Car Park area of Salisbury. The report also sought approval on specific items which would mitigate risk to the Council whilst ensuring the opportunity is attractive to developers.

Resolved:

- (i) That the Council offers the Maltings and Central Car Park (MCCP) to the market via an OJEU procurement process.**
- (ii) That the MCCP be taken to the market in spring 2011 with a target date of March 2011.**
- (iii) To delegate authority to the Director, Economy and Enterprise, in consultation with the Cabinet Member for Economic Development, Planning and Housing and Director of Resources to approve the OJEU procurement process, the minimum project requirements (on the basis referred to in paragraph 16 of the report presented) and the evaluation criteria prior to marketing the MCCP.**
- (iv) That Cabinet notes that the existing library may be demolished and replaced as part of the MCCP redevelopment or may be demolished and replaced elsewhere in the city in an alternative suitable location.**
- (v) To delegate authority to the Director, Economy and Enterprise, in consultation with the Cabinet Member for Economic Development, Planning and Housing and Director of Resources, for the acquisition of opportunity land interests in and around the MCCP that would enhance the likelihood of delivering a retail-led mixed use development on the site.**
- (vi) That Cabinet notes that there may be a reduction in car parking income during or as a result of the carrying out of the redevelopment on the MCCP although this may be offset by a combination of capital receipt and rental income arising out of the redevelopment. The provision of Park and Ride space around Salisbury will ensure minimal impact to parking for the city.**
- (vii) That Cabinet approves the principle of proceeding with a compulsory purchase order at the successful developer's expense in the event that this is in the public interest and where the chosen scheme cannot proceed without acquiring third party interests.**
- (viii) That all interests in the ownership of the Council within the area of land shown edged red on Plan A attached to the report presented (not being public open space or already held for planning purposes) be appropriated for planning purposes at the date the Council allows the successful developer to enter onto such land for the purposes of carrying out development in accordance with a planning permission granted for the development of the MCCP.**

Reason for Decision

The delivery of this project would enhance the local economy of Salisbury and address significant retail 'leakage' to competing centres, notably Southampton, Bournemouth and Basingstoke. It would help to safeguard jobs and the economic vitality and viability of the City. It is desirable that this project proceeds now, to avert significant developer pressure for retailing in edge and out of centre locations, which if developed could damage the MCCP project and the future vitality of Salisbury as a retail destination.

177. **Urgent Items**

There were no urgent items.

178. **Exclusion of the Press and Public**

Resolved:

That in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in the following item because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

179. **Salisbury Vision: The Maltings & Central Car Park - Part II**

Cllr Brady, Cabinet member for Economic Development, Planning and Housing drew Cabinet's attention to a summary of the joint DTZ and Wragge & Co report in connection with this item.

Resolved:

That the report be noted.

Reason for Decision

To ensure Cabinet is fully informed with a view to making the decision referred to at minute number 176 above.

(Duration of meeting: 10.30 am - 2.45 pm)

These decisions were published on the 17 December 2010 and will come into force on 29 December 2010

The Officer who has produced these minutes is Yamina Rhouati, of Democratic Services, direct line 01225 718024 or e-mail yaminarhouati@wiltshire.gov.uk
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Wiltshire Council

Cabinet

25 January 2011

Audit Committee

15 December 2010

Standards Committee

12 January 2011

Subject: Annual Audit Letter 2009-10

Cabinet member: Councillor Jane Scott, Leader of the Council

Key Decision: No

Executive Summary

This report draws KPMGs Annual Audit Letter to the attention of Cabinet, Audit Committee and Standards Committee and invites councillors to consider their response. The comments of the chief executive on the key messages in the Annual Audit Letter are set out in the report.

Proposals

The Chief Executive recommends that:

- a) The Cabinet welcomes the Annual Audit Letter and asks me to review any outstanding recommendations covered by the Letter and include them in the council's business planning processes
- b) The Audit Committee and Standards Committee consider those matters relevant to their own work programmes and interests

Reason for Proposal

To ensure that a response to KPMGs Annual Audit Letter is provided by the council reflecting the governance roles of the Cabinet, Audit Committee and Standards Committee

Andrew Kerr
Chief Executive

Wiltshire Council

Cabinet

25 January 2011

Audit Committee

15 December 2010

Standards Committee

12 January 2011

Subject:	Annual Audit Letter 2009-10
Cabinet member:	Councillor Jane Scott, Leader of the Council
Key Decision:	No

Purpose of Report

1. To draw the Annual Audit Letter to the attention of Cabinet, Audit Committee, and Standards Committee and to invite members to consider their response.

Background

2. The Annual Audit Letter has been prepared by KPMG. It summaries the key issues arising from the 2009-10 audit at Wiltshire Council. KPMGs main responsibility is to carry out an audit that meets the requirements of the Audit Commission's Code of Audit Practice which requires KPMG to review and report on the use of resources and on the annual accounts.
3. The approach to the Annual Audit Letter may change in future as the government has removed the Comprehensive Area Assessment (CAA), is changing the performance reporting requirements, and has proposed the abolition of the Audit Commission.
4. The period covered by the Audit Letter is 2009-10 and is the first year of the new unitary council.
5. The finalised Annual Audit Letter is attached to this report at Appendix 1. The relevant minutes from the Audit Committee and Standards Committee are attached at Appendix 2 and 3 respectively.

Main Considerations for the Council

6. KPMGs key messages are summarised on pages 2-5 of the Audit Letter. These are that:

Use of resources (value for money)

- An unqualified value for money conclusion has been made for 2009-10, with KPMG being satisfied that proper arrangements were

in place for securing economy, efficiency, and effectiveness in the council's use of resources. This is an improvement on last year.

- The council has adequate procedures in place for managing its finances. It recognised that improvements have been made in a number of areas including the financial statements closedown process. Further improvements are needed in areas including cost and performance benchmarking, defining a corporate fees and charges strategy and the approach to debt monitoring.
- The governance arrangements in place are sound and the council has continued to review, improve, and consolidate its processes.
- The arrangements for managing other resources are adequate. Progress and developments were noted in many areas including the rationalisation of its property estate, and workforce planning.
- There were no significant issues arising from the specific risk based review work undertaken.

Financial statements (annual accounts)

- An unqualified opinion on the annual accounts has been made for 2009-10, with KPMG being satisfied that they give a true and fair picture of the council's financial position.
- The difficulties of introducing and embedding a new financial system (SAP) were recognised. A large number of control and operational issues needed to be addressed and whilst this process is continuing the arrangements now in place are much improved from earlier in the year.
- A large number of issues were identified in the interim audit when the financial and wider controls were tested and assessed. However, the council has made good progress in addressing most of the recommendations made.
- Significant improvements have been made to the council's financial reporting arrangements.

7. During the year KPMG issued a large number of recommendations through its various audit reports. In particular the interim audit contained many recommendations to improve the financial and IT controls in place. KPMG has acknowledged the significant progress being made to address many of these current and previous recommendations. It concluded the council is responding effectively to the external audit process.

8. The chief executive's response to the Letter is summarised below.

I am pleased to receive this positive report and feedback from KPMG. It is reassuring to get an impartial view that the council has made significant improvements and that we are heading in the right direction. The Letter recognises the considerable work undertaken during the year to deal with

the many complex financial and service matters that occurred following the creation of the new unitary council. It also accepts that the council is facing significant challenges from the government in terms of delivering financial savings and transforming its services and is well placed to respond to these new national requirements.

The council is continuing to build on the work and achievements made during 2009-10. The next steps and future direction are being set out in the new Wiltshire Council Business Plan which is currently in preparation.

The council will continue to work closely with external audit and will take account of any changes to future audit arrangements following the abolition of the Audit Commission.

Environmental and climate change considerations

9. No specific recommendations or implications.

Equalities impact of the proposal

10. No specific recommendations or implications.

Risk Assessment

11. The council needs to maintain its positive response to the external challenges posed from the external audit process, and especially in effectively addressing the high priority recommendations. This will help to ensure the council continues to secure improvements to services and builds on its reputation. There may be significant changes to the way in which external audit is conducted in the future. The council will need to ensure it keeps up to date with any revised external audit requirements.

Financial Implications

12. The Annual Audit Letter is relevant to the council's financial arrangements and future improvements.

Legal Implications

13. No specific implications.

Conclusions

14. KPMG has provided a positive Annual Audit Letter for 2009-10 with an unqualified value for money conclusion and an unqualified opinion on the council's accounts.

Andrew Kerr
Chief Executive

Report author: Paul Mountford, Policy Officer, tel 01225 718431

Updated 11 January 2011

Background Papers

The following unpublished documents have been relied on in the preparation of this report:

Corporate Leadership Team minutes 15 December 2010

Appendices

Appendix 1: Wiltshire Council Annual Audit Letter – November 2010, KPMG.

Appendix 2 – Minute from Audit Committee - 15 December 2010

Appendix 3 – Minute from Standards Committee - 12 January 2011

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PUBLIC SECTOR

Wiltshire Council

Annual Audit Letter

November 2010

AUDIT

Introduction

The contacts at KPMG in connection with this report are:

Chris Wilson

Partner
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KPMG LLP (UK)

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Background

This Annual Audit Letter summarises the key issues arising from our 2009/10 audit of Wiltshire Council (the Council). Although addressed to the Members of the Council, it is also intended to communicate these issues to key external stakeholders, including members of the public. The letter will also be published on the Audit Commission website at www.audit-commission.gov.uk. It is the responsibility of the Council to publish the letter on the Council's website at www.wiltshire.gov.uk. In the letter we highlight areas of good performance and also provide recommendations to help you improve performance. We have reported all the issues in this letter to the Council throughout the year and a list of all reports we have issued is provided in Appendix A.

Scope of our audit

The statutory responsibilities and powers of appointed auditors are set out in the Audit Commission Act 1998. Our main responsibility is to carry out an audit that meets the requirements of the Audit Commission's Code of Audit Practice (the Code) which requires us to report on:

Use of Resources (UoR)	We conclude on the arrangements in place for securing economy, efficiency and effectiveness ('value for money') in your use of resources.
Financial Statements	We provide an opinion on your accounts, covering both the Council's accounts and those for the local government pension fund which the Council administers.

Fees

Our fee for 2009/10 was £431,319 excluding VAT. This is £31,569 more than our original estimated fee for the year, with additional fees being required due to extra work for the financial statements audit (£27,950) and on the consideration of questions and objections from local electors (£3,619). We will report our fees for grants certification work separately when this work is complete.

Our fee for the audit of the Wiltshire local government pension fund was £46,950, down from our original estimate of £70,900.

We also received additional fees of for non-audit services to the Council of during the last year, namely a review of leisure service options (£16,000) and a post-implementation review of the Council's new SAP system (£35,000). We also received approximately £83,000 in relation to tax advice on VAT claims – these related to work for the now demised Salisbury District Council and West Wiltshire District Council which were paid this year following decisions by HM Revenues & Customs.

This report is addressed to Wiltshire Council and has been prepared for the sole use of the Council. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. The Audit Commission has issued a document entitled Statement of Responsibilities of Auditors and Audited Bodies. This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. We draw your attention to this document. External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Chris Wilson who is the engagement lead to the Council or Trevor Rees, the national contact partner for all of KPMG's work with the Audit Commission. After this, if you still dissatisfied with how your complaint has been handled you can access the Audit Commission's complaints procedure. You can contact the Complaints Unit by phone (0844 798 3131), by email (complaints@audit-commission.gov.uk), through the audit commission website (www.audit-commission.gov.uk/aboutus/contactus), by textphone/minicom (020 7630 0421), or via post to Complaints Unit, Audit Commission, Westward House, Lime Kiln Close, Stoke Gifford, Bristol, BS34 8SR.



Headlines

Use of Resources (UoR)	Use of Resources assessment	<ul style="list-style-type: none"> ● In May 2010 the government announced that the Comprehensive Area Assessment (CAA) would be abolished. The Audit Commission subsequently confirmed that work related to CAA should cease with immediate effect. This included auditors' UoR scored assessments at local authorities. However, there is no change to the requirement for auditors to issue a VFM conclusion. At the time of the announcement, the vast majority of UoR work for 2010 had already been completed and this therefore informed our 2009/10 VFM conclusion. ● From our work this year we concluded that the Council has adequate procedures in place for managing its finances. Improvements were seen in a number of areas, notably the financial statements closedown process (see next page). We highlighted scope for further improvements in a number of areas including cost and performance benchmarking, defining a corporate fees and charges strategy and the approach to debt monitoring. ● The Council's governance arrangements remain robust and improvements were noted in data security, addressing issues highlighted through last year's UoR audit. The Council has continued to review, develop and consolidate the governance arrangements it inherited from the predecessor councils. ● The Council continues to actively manage its other resources, with developments noted in many areas. In particular, the Council is pursuing a significant programme to rationalise its estate. Workforce planning arrangements developed during 2009/10 with the Council needing to manage staffing matters following the move to One Council. Our audit did identify some opportunities for further improvement but overall we were satisfied that arrangements were adequate.
	Specific risk based reviews	<ul style="list-style-type: none"> ● There were no significant issues arising from any of the specific risk based reviews performed in year.
	Our conclusion	<ul style="list-style-type: none"> ● We issued an unqualified value for money conclusion for 2009/10. This means that we are satisfied that you have put into place proper arrangements for securing economy, efficiency and effectiveness in your use of resources. This represents an improvement on the previous year, when we qualified our VFM conclusion due to weaknesses in the Council's financial reporting arrangements.

Financial Statements	Annual accounts	<ul style="list-style-type: none"> At the start of the 2009/10 financial year the Council introduced a new financial system (SAP), replacing numerous systems operated by the predecessor councils. Any complex IT investment inevitably presents a number of difficulties, but in this case the circumstances around consolidating multiple systems alongside the integration and merger of the five previous councils proved to be very challenging. As a result, it has taken a long time for the Council to implement and embed the new SAP system, including needing to address a large number of control and operational issues. This process continues, although arrangements are now much improved from earlier in the year. We undertook a specific review of the process for migrating data from the old systems into SAP. This provided assurance in a number of areas but we also highlighted some useful lessons for the Council to consider when undertaking similar processes to rationalise legacy IT systems. We also identified a large number of issues through our Interim Audit (where we test and assess the financial and wider controls in place in the Council). However, we were pleased to report later in the year that the Council had made good progress in addressing a high proportion of our recommendations. Last year we highlighted significant weaknesses in the Council’s financial reporting arrangements. This year we were pleased to report that the Council has taken significant steps to address those issues. Our audit did identify a number of large amendments to the Council’s accounts, but these were of a technical accounting or disclosure nature and none had any ultimate impact on the Council’s reported financial performance for the year or its financial position. There remains scope for further improvement in the financial reporting process, but the Council can approach this from a sounder base following the improvements made this year.
	Annual Governance Statement (AGS)	<ul style="list-style-type: none"> No significant adjustments were required to the AGS.
	Our conclusion	<ul style="list-style-type: none"> We issued an unqualified opinion on your accounts on 30 September 2010. This means that we believe the accounts give a true and fair view of the financial affairs of the Council and of the income and expenditure recorded during the year. We also issued an unqualified opinion on the Pension Fund’s accounts.

Headlines

<p>Recommendations</p>	<p>High priority recommendations</p>	<ul style="list-style-type: none"> ● The Council operated in a highly complex financial and control environment during the last year following the merger of the five previous councils and the implementation of the new SAP system. This resulted in our audit identifying numerous issues for the Council to address and consequently we have issued a large number of recommendations during the year through various audit reports: <ul style="list-style-type: none"> – our Interim Audit Report in June 2010 contained a high number of recommendations concerning financial and IT controls, including 18 recommendations graded as high priority (although we were pleased to note excellent progress by the Council against these recommendations in September 2010, when only two of the high priority recommendations were still to be implemented, both of which had later target dates); and – our September report summarising our audit of the Council’s financial statements made considerably fewer recommendations than in the previous year – seven in total, of which three were graded as high priority. ● We have not summarised the recommendations in this report because of the high volume, but these can be seen in our detailed audit reports (summarised in Appendix A), all of which are available in the Audit Committee papers on the Council’s website. ● We also followed up progress against recommendations made in last year’s audit and were pleased to note that 17 of the 18 high priority recommendations had been implemented. We are therefore satisfied that the Council is taking appropriate steps to respond to the external challenge of our audit process.
<p>Exercise of auditors’ powers</p>		<ul style="list-style-type: none"> ● We did not issue a report in the public interest or exercise other audit powers in 2009/10. We did receive a formal objection to the Council’s accounts from a local elector which we considered carefully, but this did not result in any action.

High profile issues

Economic Downturn and pressure on the public sector

- Following the Comprehensive Spending Review announcement in October 2010, there is now greater clarity on the spending cuts that will affect local government. Local authorities will face 7.1% annual cuts representing 28% reductions over the next four years. The Council will be losing Area Based Grant and specific grant funding, as well as reductions in general revenue support grant.
- Although this is less than many commentators had predicted, this still represents one of the biggest cuts for any part of the public sector and there is a greater 'front-loading' element than had been expected. Detailed analysis will be required as further details of these funding cuts are clarified - the real impact will not be known until the government departments produce their business plans later this year and organisations have a chance to digest the Chancellor's messages.
- The Authority has been preparing for cuts of this magnitude for some time and already has some action in hand to deliver some of the savings and efficiencies which will be necessary, for example through consolidating the Council's management structure and fundamentally reviewing its estate to rationalise future accommodation requirements.
- However, it is clear that the Council, like all public sector bodies, will have to identify and deliver an unprecedented level of financial savings and in doing so will need to consider how best to protect the level and quality of services, especially those provided to the most vulnerable in society. Facing up to these challenges will require revolutionary transformation of public sector services, rather than tinkering. Strong leadership from Members and senior management will be essential. Our future audit work will focus more heavily on how the Council is responding to this challenge.

International Financial Reporting Standards (IFRS)

- Experience has shown that a significant investment of resource is required to deal with the technical accounting requirements for IFRS implementation at an organisation of the size and complexity of a unitary council. We have held meetings with the Finance team in recent months to discuss the requirements and are confident the Council is taking appropriate action to ensure the timescales for implementation are met. This work will continue and accelerate over the next few months.
- We will continue to work closely with Finance staff during the coming months.

Headlines

High profile issues

Treasury management

- The Council continues to have a significant amount of money placed with two banks that were affected by the October 2009 Icelandic bank crisis. The total amount invested originally was £12m. The Council has already received interim repayments of £3.1m from one of the banks concerned and it envisages receiving further instalments in line with that institution's published repayment plan. Overall, it is currently anticipated that all but £2.4m of the original £12m will be recovered.
- The Council continues to apply the accounting treatment as prescribed in the appropriate guidance issued by CIPFA, including recognising an impairment cost for the proportion of the original investments which is currently believed likely to be irrecoverable.

Future audit work

Changes to next year's value for money work programme

- Given the scale of the pressures facing public bodies in the current economic climate, the Audit Commission has reviewed its work programme for 2010/11 onwards. As part of this exercise, the Commission has been discussing possible options for a new approach to local value for money (VFM) audit work with key national stakeholders. From 2010/11 we will therefore apply a new, more targeted approach to our local VFM audit work. This will be based on a reduced number of reporting criteria specified by the Commission, concentrating on:
 - securing financial resilience; and
 - prioritising resources within tighter budgets.
- We will determine a local programme of VFM audit work based on our audit risk assessment, informed by these criteria and our statutory responsibilities. We will no longer make annual scored judgements relating to our local VFM audit work. Instead we will report the results of all the local VFM audit work and the key messages for the audited body in our annual report to those charged with governance and in a clear and accessible annual audit letter.

Future audit arrangements

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- In August 2010 the Secretary of State for Communities and Local Government announced proposals to abolish the Audit Commission. The proposed abolition will be from 2012 and the government will seek legislation in this session of Parliament.
- There is no immediate change to the current audit arrangements. We will keep you informed about the future audit programme and any changes to audit arrangements.

Acknowledgement

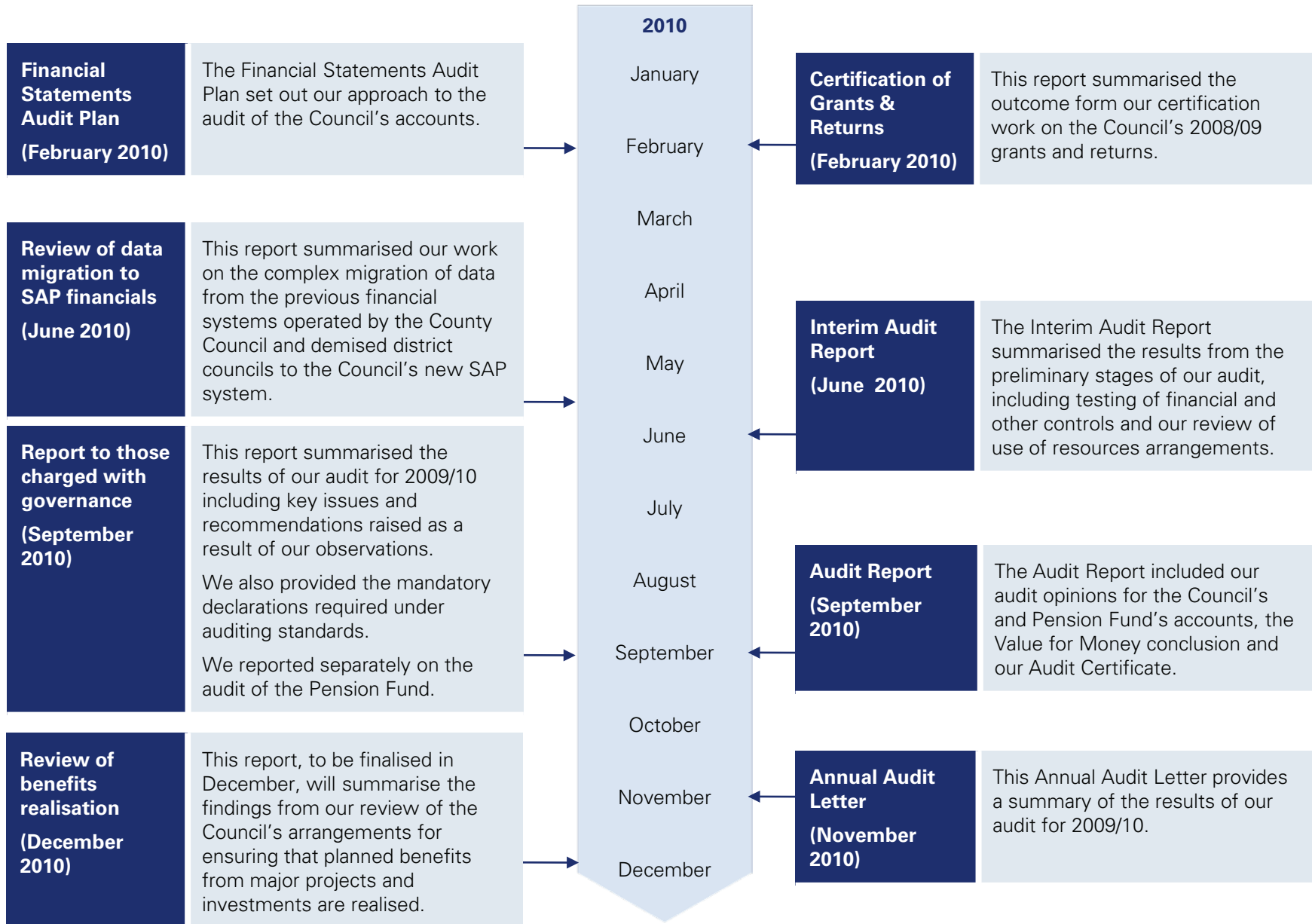
- This has been KPMG's third year as the Council's external auditor – but the first since local government reorganisation – following our appointment as the County Council's auditor by the Audit Commission in 2007. We would like to thank the Council's management and staff for the help, support and co-operation they have provided throughout our audit. We look forward to working closely with the Council in the coming year to deliver our next programme of work.

Appendix A: Summary of Reports issued

This appendix summarises the reports we issued since our last Annual Audit Letter.

All of these reports are available through the Audit Committee papers on the Council's website.

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Extract of draft minutes from Audit Committee 15 December 2010

Annual Audit Letter

Prior to receiving the Annual Audit Letter some members expressed concern that the covering report particularly paragraph 8 which detailed the Chief Executive's response to the Letter (page 11 in the agenda) was perhaps complacent and that there appeared to be no evidence to support the statements made within the paragraph.

Councillor de Rhe-Philippe assured members that nobody was complacent. She stressed that Wiltshire Council was better placed than most and was already making savings.

Chris Wilson, Partner, KPMG, explained to the Audit Committee that the Annual Audit Letter summarises the key issues that have arisen from the work that has been undertaken during 2009/10 audit of Wiltshire Council highlighting good performance and recommendations to improve performance.

- **Use of Resources (Value for Money)** - An unqualified value for money conclusion has been made for 2009-10.

KPMG were satisfied that appropriate arrangements were in place for securing economy, efficiency and effectiveness in the council's use of resources. Adequate procedures were in place for managing its finances. KPMG recognised that improvements had been made in a number of areas. Areas for improvement included cost and performance benchmarking, defining corporate fees and charges strategies and the approach to debt monitoring.

- **Financial Statements (Annual Accounts)** – An unqualified opinion on the annual accounts has been made for 2009-10.

KPMG were satisfied that the accounts gave a true and fair reflection of the council's financial position.

The difficulties of introducing a new financial system (SAP) were acknowledged. It was noted that a number of control and operational issues needed to be addressed and that this was ongoing. There was much improvement from earlier in the year and significant progress has been made.

Members expressed concern over the timescales of receiving funds back from the Icelandic Banks which collapsed in 2008. It is anticipated that funds from Heritable would adhere to prescribed timescales however it is likely that Landsbanki would take longer due to a High Court Case. It is expected that all money will be returned except for £2.4M.

Resolved:

That the Letter be noted.

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Extract of draft minutes from Standards Committee 12 January 2011

Annual Audit Letter

The committee considered the Annual Audit Letter and noted that the governance arrangements were sound and that the council had continued to review, improve and consolidate its processes.

Resolved:

That the Letter be noted.

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Wiltshire Council

Cabinet

25 January 2011

Subject: Ofsted Rating of Children's Services 2010

Cabinet member: Councillor Lionel Grundy, Children and Education

Key Decision: No

Purpose of Report

1. The purpose of this report is to inform members of the Ofsted assessment of the performance of the children's services within Wiltshire.

Background

2. The Ofsted Rating was part of the CAA arrangements and contributed to the overall CAA assessment. The CAA has now been abolished but the rating currently remains. It derives from an Ofsted performance profile of the quality of services and outcomes for children and young people in each local authority area. The information used takes account of the following data groups with an emphasis on A and B:

- A. inspected and regulated services and settings eg childminders, preschools, schools and colleges
- B. inspections of safeguarding and services for looked after children; annual unannounced inspections; relevant joint area review inspection findings in relation to safeguarding and looked after children; findings from any triggered inspection; and serious case review evaluation findings
- C. Every Child Matters indicators

3. A single rating is given and there are 4 possible outcomes:

Performs excellently	an organisation that significantly exceeds minimum requirements
Performs well	an organisation that exceeds minimum requirements
Performs adequately	an organisation that meets only minimum requirements
Performs poorly	an organisation that does not meet minimum requirements

4. Ratings are to be published by Ofsted on 9 December 2010 together with a brief commentary.

Main Considerations for the Council

5. The Wiltshire rating is "Performs well". The commentary is included as appendix 1 of this report.

6. The letter identifies key area for further development. Work is ongoing to:

- **Improve the overall quality of childminding**

There are presently over 650 childminders in Wiltshire registered with Ofsted. To improve the quality of their service the local authority is implementing the Family Childcare Environmental Rating Scale (FCCERS) to assess the quality of childminding practice. This will enable the team to target support, direct training programmes and support focused improvement plans to raise standards.

- **Improve primary schools so that more are good or better**

Following the introduction of the revised Ofsted inspection framework in September 2009, 55 primary schools have been inspected. Of these schools 60% were judged to be good or better overall. This profile reflects the continuous improvement in primary schools. The Leadership development programme for primary education has continued to expand with an increased focus on the development of middle and subject leadership.

- **Close the gap in attainment between the majority of 11-year-olds and those from low income families, as well as those with special educational needs.**

We still await validated school performance data for the summer 2010, however early indications show an overall performance improvement for all pupils at the end of Key Stage 2, against the key National Indicator of percentage of pupils achieving Level 4+ in English and maths. Provisional data also shows that the gap in attainment has narrowed for pupils from low income families who are eligible for Free School Meals. Schools are reporting that a number of strategies are making a difference to improving pupil progress including one to one tuition in English and maths. In 2009-10 over 1600 pupils in primary schools gained access to the additional tuition programmes. While the Every Child programmes target intensive support in numeracy, reading and writing in the primary phase and have led to rapid improvement for some of our lowest attaining pupils.

Environmental and climate change considerations

7. None.

Equalities Impact of the Proposal

8. The commentary acknowledges unacceptable gaps in the outcomes for some vulnerable groups, particularly in school attainment eg special educational needs and those children and young people in receipt of free school meals. This area remains a high priority both within the Departments' improvement plan and the multiagency Children and Young People's Plan.

Risk Assessment

9. In the current climate of change and limited resources it is difficult to assess risk. It is not yet known whether this rating will exist next year but central government has indicated that it expects Ofsted to take a more proportionate approach and has also abolished the national indicator set, part of which is a key part of this assessment.
10. Significant policy change, reduced budgets and lack of certainty in relation to particular grants could have an impact on performance and outcomes for children and young people. This will need to be mitigated through effective prioritisation and strengthened partnership working.

Financial Implications

11. No specific financial implications arising from this report.
12. The full impact of the Comprehensive Spending Review is not yet known as grant allocations and clarity around funding streams will not be finalised until mid December. In order to minimise the impact on front line services efficiencies are being focussed on reducing management and support costs.

Legal Implications

12. None.

Proposal

14. That Cabinet note the content of the report and the rating letter from Ofsted dated 9 December 2010.

Carolyn Godfrey
Director, Department for Children and Education

Report Author: Lynda Cox, Head of Performance and Information Management,
Department for Children and Education

Appendices

Rating Letter from Ofsted dated 9 December 2010

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9 December 2010

Ms Carolyn Godfrey
Director of the Department for Children and Education
Wiltshire County Council
County Hall, Bythesea Road
Trowbridge
Wiltshire BA14 8JB

Dear Ms Godfrey

Annual children's services assessment

Ofsted guidance published in July 2010 explains that the annual assessment of children's services is derived from the performance profile of the quality of services and outcomes for children and young people in each local area. This performance profile includes findings from across Ofsted's inspection and regulation of services and settings for which the local authority has strategic or operational responsibilities, either alone or in partnership with others, together with data from the relevant indicators in the National Indicator Set (NIS).

In reaching the assessment of children's services, Ofsted has taken account of all inspected and regulated services for children and young people, arrangements for making sure children are safe and stay safe and performance against national measures. More weight has been given to the outcomes of Ofsted's inspections and regulatory visits (Blocks A and B in the performance profile).

The annual assessment derives from a four point scale:

4	Performs excellently	An organisation that significantly exceeds minimum requirements
3	Performs well	An organisation that exceeds minimum requirements
2	Performs adequately	An organisation that meets only minimum requirements
1	Performs poorly	An organisation that does not meet minimum requirements

Within each level there will be differing standards of provision. For example, an assessment of 'performs excellently' does not mean all aspects of provision are perfect. Similarly, an assessment of 'performs poorly' does not mean there are no adequate or even good aspects. As in 2009, while the performance profile remains central to Ofsted's assessment, meeting or not meeting the minimum requirements alone, does not define the grade. The assessment has involved the application of inspector judgement.

Wiltshire County Council children's services assessment 2010

Children's services assessment	Performs well (3)
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Children's services in Wiltshire County Council perform well.

The large majority of all settings and services inspected by Ofsted are good or better. Fostering and adoption services are good. The local authority's children's home is outstanding and almost all of the homes run by private and voluntary organisations are good or better. The quality of childcare has improved over the last year. This has strengthened existing good provision, but too much childminding remains satisfactory. The large majority of secondary schools and post-16 education providers are good or better, but one secondary school was judged inadequate in the last year. Very little other provision is inadequate, but over a third of primary schools are only satisfactory. Four of the six special schools are good or better, but the one pupil referral unit is satisfactory.

The recent unannounced inspection of front-line child protection services found many areas for development which out-weighed the key strengths and satisfactory features. However, there were no very serious weaknesses requiring priority action.

National performance measures show that the very large majority of outcomes for children and young people are broadly average or better. Test and examination results at all stages of children's education are in line with the average for similar areas but none are above. For five- and 16-year-olds, results are improving at a faster rate than the average elsewhere. The local authority has been successful in improving the progress made by the lowest achieving children in the Reception year and in closing the gap between them and the majority at this age. Educational outcomes for young people from low-income families and those with special educational needs are also improving at the age of 16 and the gap at this age is closing. However, the trend of improvement for these groups at the age of 11 is not as secure and the attainment gap at the end of primary school is slower to close.

Key areas for further development

- Close the gap in attainment between the majority of 11-year-olds and those from low-income families, as well as those with special educational needs.
- Improve primary schools so that more are good or better.
- Improve the overall quality of childminding.

Outcomes for children and young people

The very large majority of services give good encouragement to children and young people in living healthy lives. Action has been taken to improve support for children and young people with emotional and mental health difficulties. The number of

seriously overweight children is comparatively low and falling faster than the average for five-year-olds. The number of young women under the age of 18 who become pregnant is below average, but has risen in recent years against the falling national trend. Screening for chlamydia, a sexually transmitted infection, is well below the national average. Participation in sport and regular exercise has improved in line with the national figures over the last five years.

Arrangements to help children and young people to stay safe are good in the very large majority of individual settings and services. Safeguarding overall was judged adequate in 2008. A recent inspection of front-line child protection services identified many more areas for development than key strengths or satisfactory features, but there were no very serious weaknesses requiring priority action. Partnership work between the different agencies involved contributes effectively to safeguarding children and young people. Child protection enquiries are prioritised appropriately and always carried out by qualified social workers. Two new county-wide teams have been established to improve further the responsiveness and consistency of child protection services. Areas for improvement include the quality of work to assess the needs of children and the way important information is recorded. The most recent data show deterioration in the number of assessments completed on time which has fallen below the national average. Services for children in care were judged adequate in 2008.

Provision to help children and young people achieve well educationally and enjoy their learning is good in most settings and services. However, one in three primary schools are only satisfactory and this is not as good as the national picture. At every stage of children's education, test and examinations results are in line with the average for similar areas. Results for five- and 16-year-olds have improved over the last three years faster than the average in similar areas. Every secondary school met the national minimum standards for attainment in 2009. Results for 11-year-olds have not shown the same consistent trend of improvement, but unvalidated data for 2010 suggest performance is now in line with the national average. The local authority is working closely with schools that need additional challenge and support. Together, they have been successful in improving outcomes for the lowest achieving children in the reception year and at the age of 16, but the attainment gap at the end of primary school is slower to close. The number of secondary school pupils with poor attendance is comparatively low and falling, as is the number of permanent exclusions.

Arrangements to encourage children and young people to get involved in decision-making and in their local communities are good in the very large majority of settings and services. This is a particular strength noted in inspections of special schools and post-16 provision. A higher than average number of children and young people are involved in organised leisure activities outside of school. By most measures, the youth offending service works well and has good prospects for further improvement. Re-offending by young people is well below average. Almost all young offenders have a place to live which meets their needs and the number in education, training or work has improved significantly to above the average.

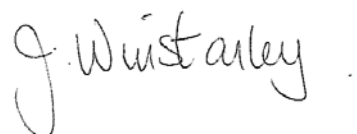
Children and young people get good support from the large majority of services to gain the skills and qualifications they need to get a job or study further. However, outcomes for care leavers deteriorated last year and are now worse than those seen nationally. The large majority of the county's sixth form schools are good, but the general further education college is only satisfactory. The number of 19-year-olds who gain qualifications equivalent to five good GCSEs, or two A levels, is in line with the average for similar areas and improving at about the same rate. Educational outcomes for young people from low-income families are also improving, and the gap between them and the majority at the age of 19 is reducing year-on-year, compared to a much less positive picture nationally. The number of young people who are not in education, training or work is now closer to the average for similar areas, having fallen from a high point a year ago.

Prospects for improvement

Wiltshire's children's services performed well in 2009 and continue to do so. The Children and Young People's Plan sets out clearly the shared vision and objectives of the local authority and its partners. Planning is rooted firmly in good consultation and effective involvement of children and young people; for example, through the Wiltshire Assembly of Youth, and with parents, carers and partner organisations. A multi-agency strategy to develop the children's workforce is well underway and the impact of excellent multi-agency work can be seen, for example, in the service for children with disabilities. In June 2010, following extensive analysis, children's services were reorganised and a new management structure put in place. The local authority is amalgamating some of the smaller primary schools to make the best use of its resources. There is a clear focus on closing the attainment gap between the majority of children and young people who do well and those whose circumstances make them more vulnerable.

This children's services assessment is provided in accordance with section 138 of the Education and Inspections Act 2006.

Yours sincerely

A handwritten signature in black ink that reads "Juliet Winstanley".

Juliet Winstanley
Divisional Manager, Children's Services Assessment

Wiltshire Council

Cabinet

25 January 2011

Subject: Library Review

Cabinet member: John Thomson – Adult Care, Communities and Libraries and Deputy Leader

Key Decision: Yes

Executive Summary

This report proposes a positive vision and strategy for the library service in Wiltshire, based on wide ranging consultation with residents. It would enable Wiltshire Council to provide a professional, comprehensive library service, using funding efficiently, keeping customer satisfaction levels high, and yet reduce operating costs.

Work on the Library Service Review began in December 2009 with the purpose of ensuring that the service was focused to meet customer needs and to help the library service deliver budget savings.

The review gathered views and key messages from respondents, through focus groups, the web, and at all Area Boards. It also takes into account feedback from library staff, statutory requirements, and what is happening regionally and nationally to inform the approach. This includes work being carried out on the Future Library Programme by the Museums, Libraries and Archives Council and the Local Government Association Group.

The consultation work carried out as part of the service review shows that, libraries in Wiltshire attain high levels of customer satisfaction and are valued as places that can be used by anyone. They help people learn new skills, read, access information, get on line and promote a love of books and reading in children

The paper sets a customer focussed vision that will enable libraries to offer the service customers want, whilst contributing to the broader goals of the council and Big Society objectives.

Rationalised opening hours based on a core offer for communities of similar size and ensuring that opening times are focused on periods of highest demand. Traditional services will be underpinned by a high quality online library service, accessible from home as well as libraries, and making use of Web 2.0 and social networking to draw in new users, widen access, and put the library service at the heart of working with customers.

There will be wide opportunities for volunteers and communities, to work in partnership with the service to operate smaller libraries, and to extend the core hours of other libraries. The library service already has considerable experience with volunteers and currently works with over 270 across the county, who support the service in a variety of ways, including assisting with the Summer Reading Challenge, and with the home delivery service for housebound residents.

The proposals depend on a new mechanism of delivery in libraries, for which a business case is provided. This would require investment of £546,500 but would then release year on year savings. An ongoing cost of £38,000 will be necessary for maintenance and support of the system and units.

Proposals

1. That Cabinet agree the proposed vision for the service, developed through consultation with users and non-users, including key groups.
2. That Cabinet approve the bid for capital investment in Radio Frequency Identification (R.F.I.D) technology, subject to the Council's capital programme setting process through the Capital Assets Committee. The council would then be in a position to provide:
 - 21 council operated libraries
 - 5 mobiles libraries including a special service mobile
 - 10 libraries operated in partnership with local communities – providing opportunities for volunteers
 - Opportunities for volunteers to extend the opening hours available at many local libraries, and for the library service to make best use of staff to keep libraries open for core/streamlined hours

Reasons for Proposal

- Maintain a professional, countywide, library service as defined in the Public Libraries Act 1964, and through the library review work with Wiltshire residents
- Involve communities in extending library service opportunities
- Improve efficiencies within the service, to achieve the required savings level of £505,000 within 2 years. This is part of the overall Comprehensive Spending Review savings requirement of 28.4%
- Reduction in staffing costs, without affecting service levels
- Place the library at the heart of the community and as the local face of the Council

Sue Redmond
Corporate Director of Community Services

Wiltshire Council

Cabinet

25 January 2011

Subject: Library Review

Cabinet member: John Thomson – Adult Care, Communities and Libraries and Deputy Leader

Key Decision: Yes

1. Purpose of Report

This report proposes a positive vision and strategy for the library service in Wiltshire, based on wide ranging consultation with residents. It would enable Wiltshire Council to provide a professional, comprehensive library service, using funding efficiently, keeping customer satisfaction levels high, and yet reduce operating costs by £505,000 (£337,000 in 2011_12, and £168,000 in 2012_13). This is part of the Comprehensive Spending Review savings requirement of 28.4%.

2. Background

Work on a whole systems review of the library service began in December 2009. The aim of the review was to ensure that the service was correctly focused to meet customer needs.

Consultation completed with the public -

Focus groups:

These included participants from a wide range of age, abilities, ethnicity, gender and localities.

The information gathered from the focus groups have provided current, accurate information collected directly from participants, based on the existing situation, and what their priorities might be. In some cases participants were not already library users.

The main findings are summarised in Appendix 1. They key themes were:

1. Professional staff are viewed as key to a libraries' success.
2. Refreshments and washroom facilities should be provided.
3. Core opening hours across the county were often suggested.
4. Libraries to be the 'face of the council', with access to other services provided.

Area Boards:

All 18 area boards were visited, by a combination of the Service Director and members of the Senior Library team, and informed that a Library Review was taking place. Each meeting was given the opportunity to contribute to the vision, by listing their top 5 priorities for a future service.

The responses from the Area Boards are attached [Appendix 2 and Appendix 3]
Examples of responses include:

1. Continued investment in the book stock is viewed as essential.
2. The library should provide a wide range of information, particularly local.
3. Investment in technology is required, including free access to the internet.
4. Events and activities to be organised around reading and literacy improvements, for children and adults.

Comments and views received online:

Information concerning the review, and the response card proforma, was also available on the Wiltshire Council web site. Responses are included within the information contained in Appendix 2.

Comments:

Discussions with individuals and customer groups indicate that people felt that:

“A library is a place which provides space both for reading and work. The environment should be attractive, welcoming, clean, modern, bright, safe, and comfortable. The library should reflect all that is currently being published, and the best of what was published in the past” – Points raised at a discussion following the Chippenham Area Board presentation.

“By providing a sense of its locality and its history, a library should play a central role in the local community. It should be open for as long as it is safe and cost effective to do so” – Comments received following the library review presentation at the Pewsey Area Board

“Library staff are knowledgeable, approachable, friendly and interested” – Library user focus group

“Customers of a library should be able to find what they seek, either by asking staff, or by researching catalogues and other databases on-line. Personal computers should be available - both for research and for people engaged in their own work. The library should embrace all aspects of technology” – Ethnic minority focus group

“The library should go out of its way to cater for the very young, both in the selection of material and in the help and encouragement to find books of which younger readers may not know” – Pre-school focus group

“All libraries should provide active help for anyone with a disability. They should find those who may in any way feel excluded from the service, and they should play an active role in their local community by responding to all the various needs of local people, including those with a disability”. – Learning Disabilities focus group

“Libraries would be improved if the funds they have are used efficiently. People should be able to gain access to national collections and book suppliers, and to other information databases such as property management, and to others such as those held in the national library.” – Older persons focus group

National Context

The Public Libraries & Museums Act 1964 sets out the statutory duty for all local authorities to provide a comprehensive and efficient library service set in the context of local needs: that is, specifically of those who live, work and study in the local area.

The Wirral enquiry in 2009 determined that the ‘comprehensive and efficient service’ that local authorities are required to provide is a balance between meeting local needs using available resources in a way that is appropriate to the needs of the community

The library service in Wiltshire

The county currently has 31 branch libraries covering every major Wiltshire town, and its fleet of 5 mobile libraries provides a service to over 280 other communities and 120 residential homes for both elderly and sheltered housing providers.

As well as books, the library service offers CDs, DVDs and talking books for hire, and all static libraries provide free public access to the internet and office software.

The service also provides access to online services, a range of items in alternative formats for the visually impaired and with learning disabilities, a home delivery service for housebound residents, and supports greater involvement with reading and literacy through an offer to local reading groups, and its programme of rhyme-times and events. [Appendix 4]

Wiltshire Council has continued to invest in the library service, recently opening a new library in Pewsey, the first with personal care facilities. In addition, development of the new library for Trowbridge, as part of the remodelled county hall, is currently underway.

Statistical analysis shows that Wiltshire Libraries enjoy high levels of customer satisfaction. According to the CIPFA Plus survey in 2009, 98% of the 8,205 survey respondents found the standard of customer care to be good or very good, this equates to 216,007 of the total library membership of 220,416. This

puts us in first place amongst our comparator authorities. Visitor numbers are also holding up, against a national trend. 48% of the population in Wiltshire are library members and this combined with its wide network of service points places it in a strong position to act as the 'face of the council'.

3. Main Considerations for the Council

The consultation work carried out as part of the service review indicates that in Wiltshire, libraries are valued as places that can be used by anyone without judgement. They help people learn new skills, read, access information, get on line and promote a love of books and reading in children.

The strategic vision for libraries:

- Promote the library service as the 'face of council'; an alternate, safe, environment where customers of the council can interact with its officers.
- Provide a wide-ranging and up to date stock of books and other materials to support reading and literacy, learning, and enjoyment.
- A strong online service offer comprising access to online information and reference services, interactive website features (Web 2.0) and social networking and downloadable E books.
- Offer space and opportunities for people to develop new skills, including getting online for the first time.
- Retain focus on excellent core library services, to deliver high customer satisfaction levels.
- The library to be part of a campus vision where appropriate - Providing a modern and welcoming building, promoting the library as key to the wider community's and council's activities. Two campuses' currently being discussed as suitable sites are at Melksham and Corsham.
- Help to deliver the 'Big Society' agenda, with greater community involvement, through the use of local community volunteers. The library service already has considerable experience with volunteers, and currently works with over 270 volunteers who support the service in a variety of ways, including assisting with the Summer Reading Challenge, and with the home delivery service for housebound residents.
- Increased automation through the use of Radio Frequency Identification (R.F.I.D.) self service units, thereby releasing staff time to improve customer interaction.
- The development of locality teams, supported by expert library professionals, delivering a first class library service.
- Rationalise core library opening hours, equalised by the size and customer use level and focused on periods of highest demand of each building [Appendix 5].

- Increase collaborative ways of working, and sharing services, across the council and its partners. And collaborative working with neighbouring authorities.
- Continue to review the mobile library service provision, to deliver the best possible service to rural areas, and to those who cannot access a library building.
- Investigate means of income generation with outside agencies.
- Work with local people to ensure that libraries are the community based centres of the future, accessible to all its customers, and which provides a wide range of services for all.

To achieve the vision, make the savings required and open up a wide range of opportunities for volunteers and communities to extend provision from a standard set of hours, requires the introduction of self service using RFID technology, the set up costs of which are outlined below. Ongoing maintenance and servicing costs totalling £38,000 will also be necessary.

As a consequence of the investment in R.F.I.D. technology, Wiltshire Council would be in a position to provide:

- 21 council operated libraries – accounting for 97% of current physical visits [Appendix 6]
- 5 mobiles libraries including a special service mobile
- 10 libraries operated in partnership with local communities with funding provided by Wiltshire Council for buildings, stock, ICT and support and training – providing opportunities for volunteers. Wiltshire council will maintain ownership of the buildings, services and management systems, and will work in partnership with community organisations such as Parish Councils to operate the service with community volunteers.
- Opportunities for volunteers to extend the opening hours available at many local libraries, and for the library service to make best use of staff to keep libraries open for core/streamlined hours
- 12% budget savings of £505K achievable in 2 years, as part of the Comprehensive Spending Review.
- Increased opportunities for financial transactions between the Council and its customers
- The library service intends to start work with communities and GROW in March 2011 by enhancing Community Support on volunteering projects. GROW is a Community Voluntary Service organisation who, as well as offering support services to local charities, provide a volunteer centre service for Wiltshire. The centre helps anyone who is looking for a volunteering opportunity as well as helping charities with advertising their volunteer roles

and offering good practice advice. Anyone interested in volunteering for the library service can contact:

Wiltshire Library Service:

Tel. no. 01225 713706 web: www.wiltshire.gov.uk

GROW:

Tel. no. 01249 654089 web: www.developecs.ning.com

- In the event of communities being unable to take up the opportunity of operating a library, the mobile service provision could be provided from within the existing service. The mobile service would ensure that all sections of the community would be catered for, including where appropriate, use of the Home Services mobile vehicle which delivers books to residential care homes. The mobile service would provide a 3 hour stop per week, at each site unable to sustain a community operated library.
- Data for the 10 smallest libraries in Wiltshire is listed in Appendix 7
- A location map for libraries which will be operated in partnership with local communities can be viewed in Appendix 8
- The proposals for Wiltshire libraries service compare well with the proposals of neighbouring library authorities of similar size, all of which are also facing significant budget reductions.
 - Somerset propose withdrawing funding from 20 of its 34 libraries, including 6 medium sized market town libraries and reducing their fleet of mobile libraries from 6 to 2 vehicles. The 14 remaining libraries account for 80% of Somerset's library visits.
 - Gloucestershire's proposals are to reduce the county network of 38 static libraries to 9 hub libraries open 6 days a week, with only Cheltenham and Gloucester central libraries offering some late opening till 7pm and Saturday afternoons, 11 express libraries open 3 days a week and Saturday mornings. In addition there will be 7 link libraries in shared premises operating largely on a self service basis with a short period of staffing. The remaining 11 will not be funded; communities will be offered the building on an asset transfer basis and will have the option to buy in library service support and stock. The mobile library service currently operated through 5 vehicles will end. The remaining service points account for 70% of the current library visit per annum.
 - Dorset's proposals are to continue to provide services from 14 main town libraries and to consult with up to 20 communities where there are currently library buildings on a standard offer of other ways of securing access to library services such as the provision of a mobile library service. This proposal may mean that county funding for up to 20 communities will cease and result in the closure of the building.

4. Environmental and climate change considerations

- Retaining the current network of library service points will avoid customers having to travel further than at present, to access library services.
- With the community operating 10 libraries, there would not be the requirement to increase the mobile fleet, with the associated increase in vehicular activities and pollution, in order to access these rural areas.
- Whilst the proposals outlined in this report should not result in a significant change to the carbon footprint of the Library Service, continued efforts should be made to become more energy efficient. This will help the service to reduce the amount of money that it spends on energy, an issue that is becoming increasingly important with the rising cost of energy sources. To achieve this, the Library Service will continue to work with the Council's Climate Change Team to identify "invest to save", energy efficiency projects.
- Libraries will continue to be locations where residents can access the internet. This, coupled with the fact that residents will be able to access virtual services from their homes, requires reliable broadband provision, at a suitable speed. To ensure that adequate broadband provision is available throughout the County, officers from Library Services should continue to assist in the development of a business case to improve broadband provision in the County.

5. Equalities Impact of the Proposal

a) Service specific implications:

- A successful bid will help to ensure that the library service continues to offer the same geographical coverage.
- Rural communities will continue to have access to a service.
- Increased participation in localism, and the empowerment of rural communities.
- An increasing role for the voluntary sector and local community inclusion.
- Possibility of an increase to existing opening hours within the service by involvement of the voluntary sector.

b) Customer access issues:

Mobility:

- R.F.I.D. units must be accessible for wheelchair users.

Visually impaired:

- R.F.I.D. units may not be easily operated by this group. Staff will be available to assist in the manual 'loan and returns' procedure.

Older and disabled people:

- Assistance / training in the use of R.F.I.D. units may be required to include this group of users.
- c) Staff:
- Possible redundancies if there are insufficient redeployment positions.
 - Loss of positions within the service will predominantly have adverse affects on female staff, as the current workforce composition at that level is largely female.

6. Risk Assessment

- Adverse public reaction to volunteer operated services, if the service levels become unacceptable to local communities through the lack of volunteers

Action – Close the library building and incorporate into the mobile service

- Investment proposal is rejected by cabinet

Action – Efficiency savings can be achieved by the closure of further library buildings

- Union objects to the proposed changes in the workforce

Action – Unions have been engaged and continue to be consulted.

7. Financial Implications

To deliver the vision as outlined in the paper will require capital investment in R.F.I.D Technology of £546,500 in 2011/12. This will be subject to approval through the capital budget setting process through the Capital Assets Committee. The borrowing required to fund this capital investment will require funding from the revenue budget and will be considered as part of the overall capital budget setting process. An ongoing cost of £38,000 will be necessary for maintenance and support of the system and units.

The above capital investment is also required to deliver the efficiency savings identified for the libraries service of £0.505m during 2011/12 and 2012/13. Assuming this level of saving, the payback period for the above capital investment is circa 1.5 years, after which the savings will be annual recurring savings.

8. Legal Implications

- The strategy for the delivery of library services from 2011 is reliant on engagement by community organisations on a voluntary basis. The Council's legal department will be supporting the Library Service in achieving its vision by ensuring that engagement with community organisations complies with the Partnership Protocol and the Contract Regulations within the Council's constitution.

- The use of volunteers by community organisations is not without risk from an employment law perspective. However, provided that there is a clear boundary between the works that core paid staff are required to perform and the activities undertaken by volunteers the risk to the Council is minimal and the Council's legal department will be providing further support and guidance to minimise any risk to the Council.
- Possible governance issues with community managed libraries

9. Options Considered

- Closure of library buildings:
 - Not in line with Council objectives for local and easily accessible services
 - Would be against strong community support for the library service
- Replacement of some smaller library buildings with a mobile service:
 - This option could be considered as a replacement service for a building closure, where the local community does not wish to participate in the operation of a building.

10. Conclusions –

Cabinet is invited:

- to support the vision for the future library service in Wiltshire outlined in this paper.
- to support the bid for investment in RFID service units

Support for these will preserve a professionally operated and comprehensive library service, allowing the cost savings to be achieved, with minimal disruption to the existing customer service levels, and increases the inclusion of local communities.

Sue Redmond,
Corporate Director of Community Services

Report Author: Niki Lewis
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Date of report: 17 December 2010

Background Papers

The following unpublished documents have been relied on in the preparation of this report:

None

Appendices

1. Customer focus group summary
 2. Area Board responses summary
 3. Area Board response themes
 4. Current service offer
 5. Opening hours
 6. Proposed library network
 7. Community libraries status
 8. Level 2 libraries location map
-

Common themes from across Focus Groups:

- Staff are excellent resources
- Coffee shops with easy chairs and tables needed – requested by most groups
- Toilet facilities required, or nearby – requested by most groups
- Core opening hours – Mon – Sat with late night opening over a minimum of two evenings – this is sometimes dependant on the availability of late night transport.
- Some requests for Sunday opening
- Mail order facilities – as with ‘Love Film’
- Library staff to be trained as trainers of I.T. etc
- Clear display guides available to assist customer selection
- Different areas of the library used for different sectors of the community
- Increase variety of shelf stock (elderly / youth / learning disabilities) including large print books
- Different sound levels requested for different sectors of the public
- Rather than wait more than a week for a book, may as well order from Amazon
- Groups do not fully appreciate what services are available from a library
- Mobile libraries do not visit places regularly enough and do not have enough titles to display, to replace a library building.
- Mobiles were viewed by all groups as essential for people who could not visit a physical building.
- Space requested for community use – rooms and facilities
- Cost of fines for late returns and hiring of DVD’s is prohibitive
- Libraries to be the ‘face of the council’ – a one stop shop for all enquiries.

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Appendix 2 – Breakdown of response cards from 18 Area Boards and web based returns

	Total cards	Stock	Building	Staff	Activities	IT Services	Children	Opening Hours	Information	Procedures	Charges	Mobile Services	Other
Library not identified	<u>34</u>	<u>31</u>	<u>13</u>	<u>8</u>	<u>13</u>	<u>13</u>	<u>8</u>	<u>15</u>	<u>9</u>	<u>7</u>	<u>2</u>	<u>2</u>	<u>18</u>
Amesbury	<u>16</u>	<u>10</u>	<u>6</u>	<u>0</u>	<u>2</u>	<u>8</u>	<u>5</u>	<u>4</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>10</u>	<u>7</u>
Bradford on Avon	<u>12</u>	<u>13</u>	<u>8</u>	<u>2</u>	<u>2</u>	<u>8</u>	<u>5</u>	<u>3</u>	<u>3</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>5</u>
Calne	<u>11</u>	<u>3</u>	<u>10</u>	<u>0</u>	<u>8</u>	<u>3</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>0</u>	<u>1</u>	<u>3</u>	<u>4</u>
Chippenham	<u>20</u>	<u>5</u>	<u>10</u>	<u>1</u>	<u>13</u>	<u>9</u>	<u>3</u>	<u>2</u>	<u>5</u>	<u>2</u>	<u>1</u>	<u>9</u>	<u>14</u>
Chippenham Mobile	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>
Corsham	<u>24</u>	<u>18</u>	<u>31</u>	<u>4</u>	<u>15</u>	<u>7</u>	<u>2</u>	<u>7</u>	<u>5</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>2</u>
Devizes	<u>15</u>	<u>10</u>	<u>5</u>	<u>0</u>	<u>6</u>	<u>7</u>	<u>3</u>	<u>5</u>	<u>7</u>	<u>3</u>	<u>3</u>	<u>0</u>	<u>3</u>
Downton	<u>20</u>	<u>25</u>	<u>7</u>	<u>3</u>	<u>4</u>	<u>11</u>	<u>6</u>	<u>3</u>	<u>2</u>	<u>0</u>	<u>3</u>	<u>14</u>	<u>4</u>
Durrington	<u>2</u>	<u>3</u>	<u>1</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>
Ludgershall	<u>2</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>
Malmesbury	<u>11</u>	<u>7</u>	<u>10</u>	<u>0</u>	<u>5</u>	<u>6</u>	<u>4</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>4</u>	<u>1</u>	<u>2</u>
Marlborough	<u>26</u>	<u>12</u>	<u>13</u>	<u>11</u>	<u>8</u>	<u>14</u>	<u>4</u>	<u>7</u>	<u>5</u>	<u>2</u>	<u>3</u>	<u>3</u>	<u>17</u>

Figures indicate the number of entries broken down by subject description

Appendix 2 – Breakdown of response cards from 18 Area Boards and web based returns

Melksham	<u>18</u>	<u>13</u>	<u>14</u>	<u>1</u>	<u>14</u>	<u>11</u>	<u>2</u>	<u>8</u>	<u>3</u>	<u>2</u>	<u>1</u>	<u>3</u>	<u>6</u>
Pewsey	<u>14</u>	<u>6</u>	<u>5</u>	<u>0</u>	<u>8</u>	<u>10</u>	<u>2</u>	<u>3</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>6</u>
Purton	<u>3</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>3</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>2</u>
Salisbury	<u>22</u>	<u>24</u>	<u>21</u>	<u>2</u>	<u>6</u>	<u>15</u>	<u>5</u>	<u>6</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>5</u>	<u>6</u>
Tidworth	<u>1</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Tisbury	<u>3</u>	<u>3</u>	<u>4</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>3</u>	<u>0</u>
Trowbridge Lending	<u>7</u>	<u>8</u>	<u>6</u>	<u>3</u>	<u>2</u>	<u>3</u>	<u>2</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>2</u>
Warminster	<u>13</u>	<u>18</u>	<u>8</u>	<u>1</u>	<u>2</u>	<u>5</u>	<u>0</u>	<u>3</u>	<u>8</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>
Westbury	<u>25</u>	<u>13</u>	<u>17</u>	<u>3</u>	<u>8</u>	<u>8</u>	<u>4</u>	<u>6</u>	<u>13</u>	<u>4</u>	<u>2</u>	<u>3</u>	<u>6</u>
Wilton	<u>7</u>	<u>4</u>	<u>5</u>	<u>1</u>	<u>7</u>	<u>1</u>	<u>0</u>	<u>2</u>	<u>4</u>	<u>0</u>	<u>1</u>	<u>4</u>	<u>1</u>
Wootton Bassett	<u>16</u>	<u>6</u>	<u>9</u>	<u>0</u>	<u>8</u>	<u>9</u>	<u>2</u>	<u>4</u>	<u>8</u>	<u>0</u>	<u>1</u>	<u>6</u>	<u>5</u>
Totals	<u>323</u>	<u>235</u>	<u>207</u>	<u>44</u>	<u>135</u>	<u>149</u>	<u>60</u>	<u>87</u>	<u>91</u>	<u>23</u>	<u>29</u>	<u>71</u>	<u>110</u>

Figures indicate the number of entries broken down by subject description

Area Board response card summary

In total there were 323 cards returned, giving 1,451 comments.

The response cards asked what the top 5 priorities were, for a library service of the future.

This summary has gathered the responses into subject headings, and a short paragraph is given to summarise the majority comment.

The number adjacent to the subject heading indicates the total number of responses for that heading.

Stock (235):

The majority of comments related to maintaining, or increasing, current spending on books, covering all age groups and interests.

Building (207):

The general consensus was that buildings needed to be clean, friendly and inviting – a community facility, which required toilets and refreshment areas. A significant number expressed interest in a 'one stop shop' facility for other council services.

I.T. facilities (149):

Free and reliable Wi-Fi access was seen as a priority along with sufficient well-trained staff to assist as and when needed. Many responses also requested e-readers or download facilities.

Activities (135):

Across the community groups, it was felt that there should be a focus on reaching and supporting, people with low literacy levels, including adults, and organising events for all special interest groups (e.g. disability groups, knitting circles, book clubs, etc)

Information (91):

Respondents believed the information services, presently supplied by the libraries, to be a valuable local resource, which incorporates events, contact details, and tourist information. However, many would like this service to be extended to include aspects of all council services.

Opening hours (87):

Most required a 6 day service, with late night opening on several week days.

Appendix 3

Mobile services (71):

Requests were for maintaining a service to rural areas, to increase the cover to more villages, and to extend the duration of each visit.

Children (60):

Continue to promote the library service through pre-schools and schools. Adults with children of school age are happy to have a noisy library, which conflicts with others who requested a quiet library.

Staff (44):

There needs to be adequate staffing levels of qualified and experienced personnel who can offer a friendly and professional service. There was support for the abolition of library uniforms.

Charges (29):

The majority of comments indicated that the library should provide free services, but there was recognition that in times of austerity, small charges could be introduced for book loans and membership.

Procedures (23):

There was no overall comment in this category, but a variety of requests concerning –

- Keeping noise levels to a minimum
- Check the quality of CD and DVD stock
- Books should be sold from libraries
- Quicker sourcing of books from other libraries

Other (110):

There were many comments that Wiltshire Libraries are providing a good service, but that marketing of the library needs to be improved, in order that everyone is aware of the facilities provided.

Encouragement for the use of the voluntary sector was made, for extending current services.

What the library service does now – Appendix 4

48% of the county's population, 220,416 people, are members of the library service. In 2009/10 there were 2,136,153 visits to libraries and 2,977,449 items were loaned.

Books

- Fiction – bestsellers, contemporary titles, classics, a wide range
- Non fiction – information, leisure and learning, local studies
- Large Print and Talking books – CD, tape and 'Playaway'
- Language courses
- Bag Books (for people with learning disabilities)

Other materials

- DVD and Blu-Ray
- Music CDs
- Provides play sets and music scores for performance groups across the county

Information

- Reference materials and facilities
- Online reference and information sources – from library, office or home
- Wiltshire Clubs and Organisations Directory
- Online renewals and request items online
- Police information points (working in partnership with the Wiltshire Police Authority)
- Health Information service in 12 libraries (working in partnership with the NHS)

Computers

- PCs with internet and Office software
- Online courses
- Taster sessions in IT (often in partnership with local learning providers and schools)
- Ability to access a range of council and other information with help on hand

Promoting reading and literacy

- Six Book Challenge for adults building their literacy skills
- Hosting reading groups and events to promote reading and literacy
- Partners In Literacy – building a cross authority approach, with national recognition

Children and young people

- Bookstock for all ages – from board books for babies to novels and homework books for young adults
- Rhymetimes for babies to support communication and language skills
- Summer Reading Challenge – over 100,000 minutes of book reviews heard at a time when schools are closed

- Homework support

Special services

- Housebound library delivery service (using volunteers)
- Targeted services for groups - carers, visually impaired, older people
- Homes Mobile for residential homes (complements wider mobile library service)

Core opening hours by library level – Appendix 5

Type	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7a	Level 7b
No.	10	5	5	4	2	2	1
Core hours	Community decision [minimum 3]	14	33	40	43	49	53
Days with library open full or part day per week	As above	4	5	5	6	6	6
Evening opening	As above	1 evening until 7pm	2 evenings until 7pm	2 evenings until 7 pm	2 evenings until 7pm	3 evenings until 7pm	3 evenings until 7pm
Saturday opening	As above	n/a	9.30am – 1pm	9.30am – 4pm	9.30am – 4pm	9.00am – 5pm	9.00am – 5pm
Buildings	Wiltshire Council maintained	Wiltshire Council maintained	Wiltshire Council maintained	Wiltshire Council maintained	Wiltshire Council maintained	Wiltshire Council maintained	Wiltshire Council maintained
Where?	Aldbourn Box Durrington Ludgershall Lyneham Mkt. Lavington Netheravon Purton Ramsbury Tisbury	Cricklade Downton Mere Pewsey Wilton	Amesbury Corsham Malmesbury Marlborough Westbury	Bradford-on-Avon Calne Melksham Wootton Bassett	Devizes Warminster	Chippenham Trowbridge	Salisbury

Please note – this table excludes: a) Erlestoke library – funding supplied by H.M. Prison service.
b) Tidworth library – management agreement with H.M. Armed Forces.

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Libraries operated in partnership with the community – by library level / size

Appendix 6

Community operated with support (10 libraries)

Wiltshire Council operated

Wiltshire Council operated

Aldbourne	2	Cricklade	3	Bradford on Avon	5
Box	2	Downton	3	Calne	5
Durrington	2	Pewsey	3	Melksham	5
Ludgershall	2	Tidworth	3	Wootton Bassett	5
Lyneham	2	Wilton	3		
Market Lavington	2	Mere	3	Devizes	6
Netheravon	2	Erlestoke	n/a	Warminster	6
Purton	2	Amesbury	4		
Ramsbury	2	Corsham	4	Chippenham	7
Tisbury	2	Malmesbury	4	Salisbury	7
		Marlborough	4	Trowbridge	7
		Westbury	4		

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Community operated libraries – in partnership with Wiltshire Council – Appendix 7

Library	Building status	Physical visits	% of total visits	Current hours	Visits per week
Aldbourne	Leasehold	8,100	0.38	10	155
Box	Leasehold (£33,000)	4,125	0.19	12	79
Durrington	<i>Freehold</i> (£24,000)	10,158	0.48	19	195
Ludgershall	Leasehold	6,075	0.28	19	117
Lyneham	Leasehold	6,207	0.29	15	119
Market Lavington	Leasehold	4,125	0.19	10	79
Netheravon	Leasehold	3,450	0.16	10	66
Purton	Leasehold	7,638	0.36	16	147
Ramsbury	Leasehold	4,650	0.22	10	89
Tisbury	Leasehold	10,642	0.50	13	204
		65,170	3.07 (2,121,805)		1,360 (ave. libraries)

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Wiltshire Libraries

Appendix 8



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0Wiltshire Council

Cabinet

25 January 2011

**Subject: Delegation of Services to Town and Parish Councils
- TUPE Transfer of Wiltshire Council Employees**

Cabinet Member: Councillor Dick Tonge – Highways and Transport

Key Decision: No

Executive Summary

It is part of Wiltshire Council's Constitution for Cabinet to approve the transfer of Wiltshire Council Employees to other Councils or organisations.

As part of the Council's initiative to Delegate Services to Town and Parish Councils an agreement in principle has been reached with Salisbury City Council to delegate the cleaning of Wiltshire Council owned public conveniences and parts of the street cleansing function within the City of Salisbury to Salisbury City Council.

Subject to final agreement the delegation would mean the transfer of up to 9 full time and 5 part time employees of Wiltshire Council to Salisbury City Council under TUPE Regulations. The employees are currently based in the Council's Churchfields Depot, Salisbury.

There will be financial support to Salisbury City Council in accordance with the Council's Policy on the Funding of Delegated Services (Cabinet 19.10.10).

Proposals

That Cabinet:

- (a) approves the transfer of up to 9 full time and 5 part time employees of Wiltshire Council under TUPE Regulations to Salisbury City Council and
- (b) delegates authority to the Director of Neighbourhood Services to progress and conclude the transfer of the Council's Employees as required.

Reason for Proposals

To enable the Council to delegate services to Salisbury City Council as part of its initiative to Delegate Services to Town and Parish Councils.

Mark Boden
Corporate Director
Department of Neighbourhood & Planning

Wiltshire Council

Cabinet

25 January 2011

**Subject: Delegation of Services to Town and Parish Councils
- TUPE Transfer of Wiltshire Council Employees**

Cabinet Member: Councillor Dick Tonge – Highways and Transport

Key Decision: No

Purpose of Report

1. For Cabinet to approve the transfer of up to 9 full time and 5 part time employees of Wiltshire Council under TUPE Regulations to Salisbury City Council as a result of the delegation of services to Salisbury City Council.

Background

2. Following discussions with the Leader of Salisbury City Council an agreement in principle has been reached to delegate the cleaning of Wiltshire Council owned public conveniences and parts of the street cleansing function within the City of Salisbury to Salisbury City Council.
3. It was also agreed in principle that Salisbury City Council would commence the delivery of these services on 4 April 2011 or as soon as practicable afterwards.
4. Officers from Salisbury City Council and Wiltshire Council are working together to conclude the detail of the delegation and the necessary service level agreements that will include:
 - (i) The cleaning and routine maintenance of the public conveniences owned by Wiltshire Council in the Market Square, Central Car Park, Culver Street Car Park and the Coach Station.
 - (ii) Hand sweeping and litter picking of the City Centre.
 - (iii) Sweeping and litter picking of other pavements, footways and public open space within the City.
5. In accordance with the Constitution of the Council a working group has been established and will meet on 6 January 2011 to commence a due diligence exercise and a comprehensive consultation process that involves the staff concerned and the Unions.
6. Wiltshire Council will financially support the services delegated in accordance with the Council's Policy on the Funding of Delegated Services (Cabinet 19.10.10).

Main Considerations for the Council

7. To ensure the ongoing success of delegated services within the proposed timescale it is important to manage the transition process effectively and fully support those affected during this period, particularly by engaging and consulting with the staff that will transfer and continue to deliver the services.

Environmental and Climate Change Considerations

8. Officers from Salisbury City Council and Wiltshire Council should consider the following environmental issues when preparing the service level agreement:
 - (i) Carbon Reduction Commitment Energy Efficiency Scheme – As a large consumer of energy, Wiltshire Council is required to purchase allowances for every tonne of CO2 emitted as a result of running services. Whilst the public conveniences have a relatively low energy consumption, clarification needs to be sought from the Environmental Agency as to whether Wiltshire Council would still be liable for the cost of allowances. If so, the long-term financial implication of this needs to be considered whilst ensuring that there is an adequate mechanism in place for Wiltshire Council to undertake energy efficiency work that reduce CRC costs.
 - (ii) Street Cleaning Standards – Targets should be set regarding the street cleansing quality and response times that Salisbury City Council should achieve, in line with national guidance, to ensure continuity with similar services operated by Wiltshire Council.
 - (iii) Duty of care - Salisbury City Council should provide information periodically to Wiltshire Council on how wastes have been transported and disposed of to ensure an adequate audit trail is in place.
 - (iv) Systems to Standardise Performance – A requirement for organisations taking responsibility for delegated services to actively participate in systems installed by Wiltshire Council to improve environmental management, namely BS16001 & ISO 14001. This will ensure a standardised approach is taken to the management of facilities across the County and encourage improvement.

Equalities Impact of the Proposal

9. The aim of the project is to create, stronger and more resilient communities by enabling the delegation of appropriate, key local services to Town and Parish Councils according to local needs.

Risk Assessment

10. The political risk or risk to the reputation of the Council, should the transfer of the services fail to be completed, is assessed to be low/medium.
11. Whilst Salisbury City Council has the appropriate infrastructure and capability to manage risks to their employees and the public the operation of street cleaning will intensify the risk in particular areas. Wiltshire Council will also retain a degree of risk on those functions carried out on its behalf. To mitigate

or reduce this risk Wiltshire Council will include detailed “Operational Requirements” within the Service Level Agreement and support the City Council in its introduction and application.

Financial Implications

12. Funding arrangements to Salisbury City Council for delivering the delegated services will be in accordance with the Council’s Policy on Funding Delegated Services as agreed by Cabinet 19.10.10.
13. The Policy provides for the delegation of street cleansing services on a cost-neutral basis to Wiltshire Council for the period of the agreement.
14. For Public Convenience cleaning the Policy also provides for a cost-neutral delegation for the first 4 years, but for a reduction in funding of 50% by Wiltshire Council after 4 years.

Legal Implications

15. The transfer of staff from the Council to Salisbury City Council is a relevant transfer for the purposes of the Transfer of Undertakings (Protection of Employment) Regulations 2006. The TUPE Regulations place obligations on the Council as the transferor and the Council’s in-house legal team will provide on-going support to ensure compliance with those obligations.

Mark Boden
Corporate Director
Department of Neighbourhood & Planning

Report Author:
Bob Chequer
Project Manager
Delegation of Services to Town and Parish Councils
Neighbourhood Services
Tel No: 07818 454385

The following unpublished documents have been relied on in the preparation of this Report:

None

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Wiltshire Council

Cabinet

25 January 2011

Subject: Older People Accommodation Development Strategy

Cabinet member: John Thomson –Adult Care, Communities and Libraries and Deputy Leader

Key Decision: Yes

Executive Summary

This report requests approval of the Older People Accommodation Development Strategy which details indicative proposals that will enable the Council to deliver a single integrated older peoples accommodation system in Wiltshire working in partnership with the public, private and third (voluntary) sectors.

The proposals will enable the development of some 715 units of new, mixed tenure extra care housing to meet identified needs in 16 communities. It also proposes a review of the existing sheltered housing stock throughout the County to ensure it is meeting current and future needs and proposes measures to manage and influence the care home economy and market to ensure that private sector initiatives contribute to achieving the Council's desired outcomes for older people in the County.

The development of the new extra care housing and investment into preventative services will offset the demographic forecasts of the increase in demand and reduce the need for residential care placements. It will also ensure that there is an adequate supply of fit for purpose older people's housing for the foreseeable future.

Additionally, specialist dementia care facilities and nursing homes are proposed which will deliver appropriate accommodation environments providing excellent quality care for people with high level needs.

The strategy sets out, for practical reasons, two "development timelines" both of which deliver the same outcomes but with different phasing, this is due to the uncertainty surrounding the continuation of the Department of Health Private Finance Initiative. The strategy sets out developments which can be delivered in the initial 5 years of the period with some certainty and then indicates the further developments that will be delivered over the following years of the programme. The strategy also proposes a mechanism to generate investment through surplus land and sets out an approach to procuring preferred development partners with Devon County Council.

The report also proposes how the development programme should be managed in terms of stakeholder consultation, risk and financial implications.

Proposals

That Cabinet:

- a. Approve the Older People Accommodation Development Strategy attached at **Appendix One**.
- b. Authorise the procurement of a Preferred Development Partner Framework, the term of the framework to be 10 years, in conjunction with Devon County Council, including the principle of the assembly of parcel(s) of land for disposal. An additional report will be presented to Cabinet once the tender exercise has been conducted.
- c. Approve the principle of the closure of existing facilities and the associated re-housing of residents into alternative facilities. Displaced residents will be able to move back to redeveloped facilities on the original site where they lived if there is a new facility in place that can provide for their care needs at that time
- d. Approve the Communications Strategy attached at **Appendix Two** which sets out a methodology for a comprehensive stakeholder consultation and engagement process with all of the residents, families, carers, support workers, staff and partner organisations involved. The Strategy includes consultation with the Area Boards.
- e. Authorise the production of a Development Strategy Project Plan and a detailed level Risk Management plan, to be reported to the Capital Assets Committee on a bi-annual basis, and the undertaking of a detailed Human Rights and Equalities Impact assessments of the proposals.
- f. Acknowledge the financial implications associated with the older people accommodation development strategy and request that a further report is presented to Cabinet with further detail once the OSJCT contract renegotiations have progressed.
- g. Acknowledge that the implementation of this strategy would require a proportion of Wiltshire's Social Housing Grant allocation to support the development of extra care accommodation, but that the total indicative requirement of £44m may be reduced as a result of the joint development framework tendering exercise.
- h. Note the requirement for an ongoing revenue budget to fund the development and implementation of the strategy of £200,000 per annum, which will be considered as part of the departmental budget proposals for 2011/2012.

Reasons for Proposal

The case for a structured and decisive intervention in Wiltshire's older people's housing system is beyond doubt. As the demographic changes outlined begin to occur and the current, in some cases outdated and

expensive to operate facilities require more and more investment, innovative responses are needed which give the opportunity for people's needs to be met in ways that meet the standards that we expect in the 21st century. People have a right to live in modern, affordable, fit for purpose homes where changing needs can be met from within their own communities.

Continued investment into existing facilities which are not fit for purpose and cannot be made fit for purpose is an ineffective use of increasingly scarce resources both in terms of capital and revenue funding. The new facilities that are proposed through this strategy will be "state of the art", efficient and cost effective to run and manage over their whole lifecycle, but more importantly, will be responding to local needs in local communities. These facilities will be available to people who are able to fund their own care and those that are funded by the Council. Furthermore, these new "state of the art" facilities will be attractive to current home owners to provide a real alternative to existing family accommodation.

Based on the demographic projections referred to above, and on continuing the current patterns of providing care, the Council is forecast to spend approximately £3.3bn over the next 25 years which is an unsustainable and unmanageable resource demand. The development of new ways of delivering services through new facilities will result in reduced expenditure over the current forecast and further detailed financial forecasts of the revenue implications have been modelled. This depicts that by undertaking the proposed development plan and service remodelling, the Council would realise a cost avoidance of approximately £600m over the next 25 years. This cost avoidance will help to offset the challenges of the forecast demographic change around older people and is achieved through a diversion of people from residential care to community support or specialist nursing or dementia care, which achieves an on average saving per person of £44 per week.

Sue Redmond
Corporate Director, Community Services

Wiltshire Council

Cabinet

25 January 2011

Subject: Older People Accommodation Development Strategy

Cabinet member: John Thomson –Adult Care, Communities and Libraries and Deputy Leader

Key Decision: Yes

Purpose of Report

1. The purpose of the report is to seek in principle approval of the Older People Accommodation Development Strategy.
2. To seek authorisation to undertake the procurement of a preferred development partner framework in conjunction with Devon County Council, this includes the principle of the assembly of the parcel(s) of land for disposal as surplus land and to sell at below market valuation if necessary, in order to facilitate new developments at the appropriate time.
3. To seek in principle approval to close the identified existing facilities and the associated re-housing of residents into alternative facilities.
4. To seek agreement to undertake a comprehensive stakeholder consultation and engagement process with all of the residents, families, carers, support workers, staff and partner organisations involved, including Area Boards.
5. To acknowledge the financial implications associated with the older people accommodation development strategy and request that a further report is presented to Cabinet with further detail once the OSJCT contract renegotiations have progressed.

Background

6. Wiltshire County Council transferred the operational of its 18 residential care homes to the Orders of St John Care Trust (OSJCT) in 1999 and 2000. The Council retained ownership of the buildings but awarded OSJCT a 25 year lease on all of the properties until September 2025. A renegotiated service contract in 2005 recognised that in order to continue to deliver the same or improved level of service and standard of care in the longer term, that some homes would require significant refurbishment or redevelopment during the contract term.

7. In 2007-08, Wiltshire Council commissioned Peter Fletcher Associates, an external consultancy firm, to produce an Accommodation Strategy for Older People. This report included a demographic analysis over the next 20 years, an assessment of the current suitability and level of supply of older people's accommodation within Wiltshire, a forecast of future requirements for older people's accommodation and made recommendations on how these requirements could be met.
8. The Accommodation Strategy for Older People indicated that in 2007-08 there were 78,690 people that were aged 65 or over within Wiltshire. This equated to approximately 17.4% of the total population. By 2026, the number of people aged 65 or over was projected to rise to 122,610 based on 2007-08 data, which would be an increase of 55.7%. The 85+ age category was projected to see the highest increase during this time of 89.4%, which is significantly higher than the 65-74 age range (44.8%) or the 75-84 age group (58.6%). Furthermore, the Accommodation Strategy for Older People identified that Wiltshire can expect to see 59% more cases of dementia by 2025, which is higher than the growth in England as a whole. However, the most recent population projections indicate that the older population will increase at a higher rate than originally anticipated. These projections indicate that the over 65 population will increase by 26% higher than the anticipated growth rate within the Accommodation Strategy for Older People.
9. Although there is a significant growth within the 65+ population, the report concluded that provided that resources were allocated to preventative services and there was a significant increase in extra care housing (at least 900 additional units by 2016, which as a result of the higher than anticipated increase in population would increase to 1,136 units), the need for residential care placements would reduce. However, there would be an increased need for specialist and nursing care placements, particularly for dementia, and the quality of care home provision would need to be improved.
10. The report identified that the required developments could be resourced through a variety of sources including the Council, key partner organisations, PFI schemes and central government Social Housing Grant (SHG) bids. Furthermore, it was considered important that the Council continued to ensure that the care home economy and market was sufficiently managed.

Main Considerations for the Council

11. There is an unprecedented opportunity for Wiltshire Council to undertake a programme to modernise the way that older people's accommodation is provided, to develop and adopt an integrated accommodation system and to ensure best use of increasingly scarce resources.
12. The Older People's Accommodation Development Strategy sets out the route map to delivery. It is deliberately dynamic in nature and very likely to change due to the length of this proposed development strategy. It will

also need to be able to adapt to changing market conditions and revised government policies. A copy of the strategy is at **Appendix One**.

13. The strategy references two timelines which have been based on current perceived deliverability and prioritisation of issues to be addressed. Option 1 is based on the assumption that the Department of Health (DH) PFI project proceeds, which should be known at the end of January 2011 following a review of all live schemes by the Department of Health as a result of Comprehensive Spending Review. For pragmatic reasons, Option 2 is based on the scenario that the PFI project does not proceed.
14. Although the projects to be delivered in both Options are the same, the phasing is different. This is due to the facilities that in Option 2 would not be delivered through the PFI scheme and will need to be funded and delivered through alternative methods which affect deliverability. Although some facilities may therefore be delayed, there are other, not fit-for-purpose or outdated facilities which could be replaced earlier.
15. The table below indicates the facilities to be provided in each of the community areas as a result of this strategy.

Community Area	Description of Facilities
Amesbury	40 unit extra care scheme to meet nursing needs
Bradford on Avon	80 bed nursing home
	18 unit extra care scheme
Calne	60 unit extra care scheme
Chippenham	64 bed care home for people with dementia
	60 unit extra care scheme
Corsham	80 bed nursing home
	40 unit extra care scheme
Devizes	80 bed nursing home for people with dementia
	45 unit extra care scheme
Malmesbury	50 unit extra care scheme
Marlborough	16 bed nursing extension for people with dementia
	45 unit extra care scheme
Melksham	45 unit extra care scheme
	60 bed nursing home (Semington)
	12 unit extra care scheme (Semington)
Mere	45 unit extra care scheme to meet nursing needs

Community Area	Description of Facilities
Salisbury	80 bed nursing home
	64 bed care home for people with dementia
	50 unit extra care scheme
	80 bed nursing home
Tidworth	40 unit extra care scheme to meet nursing needs
Tisbury	Virtual / community extra care scheme
Trowbridge	66 bed care home for people with dementia
	40 unit extra care scheme
Warminster	80 bed nursing home
Westbury	40 unit extra care scheme
Wootton Bassett & Cricklade	64 bed care home for people with dementia
	63 bed nursing home
	45 unit extra care scheme
	40 unit extra care scheme (Cricklade)

16. The delivery of these new developments would enable the existing not fit-for-purpose or outdated facilities to be replaced, whereby the current residents would be relocated to the new schemes and the existing homes closed.

Developments with the Orders of St John Care Trust

17. In 2005, the council entered into a long-term contract with OSJCT for 20 years to enable the lease and the service contract to become co-terminus. This contract recognised the need for developments and / or significant refurbishments to occur during the contract term due to the ageing nature of the facilities.
18. The agreement stipulates that the Council has guaranteed the purchase of a set number of bed placements within the OSJCT facilities for the contract duration although there is a break clause provision in the contract which can be invoked in 2015.
19. The proposals within the strategy however fundamentally change the nature of service provision and accommodation to be provided by OSJCT and other providers. Therefore the contract will require renegotiation, the outcome of which should be beneficial to both parties. OSJCT are aware of the potential impacts of the strategy on their business and wide ranging discussions, including the potential impact of not reaching an agreement, are ongoing.

Department of Health Private Finance Initiative

20. Wiltshire Council has been provisionally allocated £49.687m through the Department of Health Social Care Private Finance Initiative following the unique bid to tackle social exclusion across boundaries by providing innovative community services for some of our most vulnerable and excluded people. The proposed facilities will ensure older people and mental health service users have new opportunities to actively participate in their families, workplaces and communities. The accommodation to be provided is integral elements of this strategy and includes facilities in Salisbury, Wootton Bassett and Devizes.
21. There is also the possibility of developing an extra care facility for people with dementia in South Wiltshire, where units may be jointly commissioned with either Somerset or Dorset County Councils. This would increase the Councils PFI credit requirement to £62.394m but it should be noted that this element is considered most at risk due to the current review following the comprehensive spending review.
22. Wiltshire Council is currently preparing its Outline Business Case for this initiative, which it hopes to submit to the Department of Health by 30th September 2011. This would enable work to commence on site in September 2014, following a competitive tender process, with all facilities being completed by September 2017. However, due to the current review being undertaken by the Department of Health, Councils are being urged to limit external expenditure until the outcome is known, which may delay the timescales indicated above by approximately 3 months.

Preferred Developer Partner Framework

23. A number of sites are identified in the strategy as being appropriate for the development of extra care accommodation to respond to the growing need. These sites are located in Corsham, Devizes, Malmesbury, Mere, Salisbury and Westbury. A number of other sites will become vacant as a result of the development strategy. Currently, these sites are in Amesbury, Calne, Devizes, Ludgershall, Melksham, Purton and Salisbury.
24. The Council is proposing to offer such sites through a Preferred Developer Partner Framework currently being procured in conjunction with Devon County Council. The successful Partner(s) will be offered the opportunity to bid against a package of all or some of the land packages, with the requirement that new extra care facilities are built on defined parcels of land with the remainder available for the Partner to develop as they wish (subject to planning and other consents). The extra care facilities will be developed on a mixed tenure basis without (or with minimal) grant funding / public subsidy. The development of the Extra Care facilities may require cross subsidisation from profit generated by the development of the other land for alternative uses as well as the private sale extra care units themselves. In order to generate a genuine competition in the tender

exercise and give sufficient time for the process for planning and consent on the various parcels of land to complete, it will be necessary for the term of the framework to be longer than is usually the case. It is proposed that the framework be of a term of ten years due to the nature of the development programme (see paragraph 71).

25. A covenant would be attached to the land ensuring that the Partner would have to put in place arrangements to ensure the operation of the facilities as extra care establishments for a minimum term of 60 years. It may be the case that proposals are forthcoming that include the development of the new extra care facilities and the provision of the care and support services for the term. This would mean that those services would not be procured through the Council's usual framework of providers but would still be subject to a similar evaluation process with respect to service quality and value. A suitable form of words has been inserted into the service specification for the forthcoming care and support procurement exercise to reflect this.
26. Appropriate building standards i.e. Code Level 4 of Sustainable Homes and Lifetimes Homes standards, and sustainability considerations would also have to be obtained and a further covenant would stipulate a development timeframe to establish certainty of delivery.
27. If required, in order to enable the cross subsidy model to work, the Council could, at the appropriate time, declare the land parcels surplus and, if necessary, dispose of the land for less than market value or a nominal sum in order to provide the "subsidy" to facilitate the development of the extra care units. These sites are currently utilised by DCS for the provision of care facilities and reports will be submitted to the Capital Assets Board on a bi-annual basis. It is acknowledged that dependent upon the value of the sites, approval from the Secretary of State may be required to be obtained.
28. The tender process will however require proposals to maximise value to the Council in return for the land deal and provides a genuine opportunity for forward thinking partners to come forward with innovative solutions that maximise value and outcomes for the Council with respect to this development strategy. Some of those options may include joint ventures, long term revenue returns to the Council or commitments to reinvest development profits into future schemes.
29. It should be noted however that proposals may also require some further Council led subsidy such as HCA SHG funding and whilst the availability of SHG within Wiltshire is limited, if it can be used in a way that enhances the overall development programme, perhaps enabling longer term investment partnerships, this should be a matter for further deliberation. Discussions are ongoing and actively being progressed around the opportunity to secure other sources of funding such as S106 planning contributions.

Sheltered Housing

30. The stock of sheltered housing in Wiltshire, (both Council and partners), is an important element of the older people's housing system. It is recognised however that some of the stock is not in the right location or does not provide the accommodation type that is in most demand, and is consequently difficult to let.
31. The contribution that sheltered housing has made in the past to the older peoples accommodation system is significant, however, people's needs and aspirations have changed over time, the way that services and support are provided have changed but in general, the accommodation has not changed, it may not be "fit for purpose" and is therefore not contributing to the system as it should. A key element of the development strategy is therefore ensuring that the stock is fit for purpose, meeting current and projected needs and expectations.
32. There is therefore a need for a further review of the existing Sheltered Housing Stock throughout the County to understand more fully its role in the new accommodation system. This will also include how to make best use of facilities to meet the needs of vulnerable people supported by Adult Social Care and the overall Council's desire to meet its financial efficiency programme. This review is underway and will be undertaken on a phased basis in conjunction with our partner Registered Social Landlords (RSLs) who own and operate the sheltered housing stock in the East, North and West of the county.
33. The review methodology developed by Housing and Adult Care explores the options that are available for the existing sheltered housing stock within the County. The review will be carried out in two stages. Stage 1 will be a Scheme Viability Assessment Model and Stage 2, an Options Appraisal of any schemes being considered as "not viable".
34. The options appraisal will include:

Retain the existing accommodation:

- Do nothing – continue as currently operated
- Refurbish to meet minimum standards
- Refurbish to improve internal layout and standards of accommodation with improvements to communal facilities, environment, bedsits to 1/2 bedroom units etc
- Refurbish to alternative use such as Virtual Extra Care/Extra Care

Redevelop sites (demolition and new build) for residential uses:

- Social housing
- Private Housing for sale
- Mixed tenure use of social and private

Non housing/residential uses

Mixed use development

The options appraisal will also include an analysis of deliverability taking into account capital and revenue funding options and lifetime costs as well planning and other issues.

35. The schemes will then be scored against each option, again weighted if appropriate, which will result in a combined rating against viability and options (redevelopment/future use etc) which in turn will result in a clear evidence base for prioritisation of intervention/investment.
36. One of the initiatives which existing sheltered housing may be suitable for is Community Extra Care (CEC), which is sometimes known as virtual extra care. CEC means that people in communities around an extra care scheme can benefit from some of the provision whilst living in the wider community through in-reach and out-reach services. These can include personal care, housing support, meals provision, social and leisure activities and clinical appointments and is often underpinned by the use of Telecare technologies.
37. The review and potential remodelling of the sheltered housing stock could make a significant contribution to meeting the needs of the older population more effectively, particularly where these schemes are located in the same town as a proposed extra care scheme. It will help to provide care services more effectively to the wider community and to provide facilities that the wider community could potentially access.
38. This model of providing a range of accommodation for older people including general needs, sheltered and extra care will provide a range of choice and enable flexibility within the care system for residents of a community as they move through old age without necessarily having to relocate in order to receive appropriate care and support to meet their needs.
39. The allocations process for sheltered housing and extra care accommodation is also being reviewed to ensure that the system is fully accessible for vulnerable people, is able to adequately assess the care requirements of individuals and ensures that the allocations process for these facilities is fair and transparent.

Private Sector Developments

40. Successful implementation of the strategy will include working with private sector organisations to ensure that existing and planned facilities and developments contribute to the older people's accommodation system in a structured and managed way. New private sector development proposals may, for example, meet local needs in communities making Council led redevelopment unnecessary. Such proposals may be welcome in that respect but may also expose a potential risk in terms of future costs.

41. It is therefore appropriate for the Council to take steps to “manage” and influence the market, ensuring that any private sector developments or initiatives which impact on this strategy are monitored and that we work with the private sector as partners in delivering the strategy.
42. Ongoing actions include constant monitoring of planning applications to influence the nature of older people’s accommodation that comes forward as well as working with colleagues in Planning and Housing to inform both planning decisions and development of housing policy to help deliver the principles of the strategy.

Environmental and Climate Change Considerations

43. The environmental implications of the programme will be significant and varied and will require further identification as the programme moves forward.
44. CO₂ emissions from council-run older peoples’ care accommodation are included in the council’s carbon footprint, while emissions from privately run older peoples’ accommodation contribute to Wiltshire’s carbon footprint as a whole. In order to ensure that energy consumption and carbon emissions from these buildings do not increase, as well as to ensure appropriate environmental management takes place, new stock will be built to Code Level 4 of Sustainable Homes and Lifetimes Homes standards increasing to Code Level 6 by 2016. Non-fossil fuel energy supplies will be considered for all new buildings.
45. In order to ensure the necessary transport-emissions for running the facilities do not increase, the location of sites will be carefully considered.
46. It is acknowledged that the very old, chronically ill and poor are amongst the groups most vulnerable to predicted climate change. The provision of accommodation for older people will take this into account by ensuring that buildings are not only built to the required Code Level 4/Code Level 6, but they will also be adapted to predicted climate change, notably for hotter mean temperatures.

Equalities Impact of the Proposal

47. The Development Strategy promotes independence, choice and control and the new facilities will offer opportunities for greater community engagement, involvement and inclusion in a purpose built facility.
48. Processes to ensure that full care assessments and risk management strategies will be put in place for individual affected residents and a detailed Human Rights and Equalities Impact assessments of the proposals is to be undertaken.
49. For each proposed service relocation, each resident will be consulted and have a full care assessment to identify the most appropriate location which would ensure that their individual needs were met. This may include the

preferred alternative accommodation but may also include a like-for-like provision within a private sector care home, where extra care was the preferred option. Furthermore, efforts will be made to maintain friendship groups wherever possible.

50. This strategy will also have a positive impact for people who will develop care needs in the future as it will enhance choice for people when choosing their care provision. This would include remaining in the community with care provided potentially via the extra care team at a local scheme or living in sheltered housing with care and support services provided by the extra care scheme, moving into extra care, or accessing a specialist nursing or dementia care placement within a care home.

Risk Assessment

51. A number of high level key risks have been identified in the Development Strategy which will require careful risk management as an ongoing activity throughout the life of the programme, particularly bearing in mind the projected length of the programme and the dynamic nature of the strategy.
52. The implementation of this strategy is a major undertaking for the Council and our partners due to it being a major development programme. It will require commitment and resources from across the Council at various times and therefore it is proposed that a programme steering group and an appropriate project sponsor are put in place to ensure that commitment is maintained.
53. The project interdependencies are a key risk in that new facilities and land will need to be available at the right time in the programme. Effective project management and joint working with colleagues throughout the Council, particularly within planning and housing, will be required to mitigate this risk.
54. Closing facilities and moving residents is always a risk. To mitigate that risk, a comprehensive communications, stakeholder engagement and management strategy will be put in place. Processes to ensure that full care assessments and risk management strategies will be put in place for individual affected residents and a detailed Human Rights and Equalities Impact assessments of the proposals will be carried out. A proposed Communication Strategy is attached at **Appendix Two**.
55. It is acknowledged that there is a limited availability of Homes and Communities Agency (HCA) funding and the strategy looks to minimise the requirements for Social Housing Grant. It may however be the case that some element of grant/subsidy is required to facilitate the strategy and work will continue with the Neighbourhood and Planning Directorate to facilitate this.
56. Renegotiation of the OSJCT contract is required as the numbers of facilities are reduced. OSJCT are aware of the general principles of these

proposals and the Council's intentions with regard to the older people development strategy and negotiations are ongoing.

57. Due to the proposed restructuring of the Primary Care Trusts and the creation of GP consortiums for commissioning functions, there is a risk to the usage and planned implementation of the rehabilitative, step down facilities in the new nursing homes. This will be carefully considered once further information is available regarding the health service restructuring.
58. There is a need to ensure effective communication and engagement with the affected provider market as a result of the implementation of this development strategy to ensure continued quality and continuity of care throughout this process. This has been recognised and captured within the proposed Communication Strategy contained at **Appendix Two**.
59. Political support is essential to the success of the strategy and is justified by the improvements that older people will have in the choice and standard of accommodation and support that is available to them as well as the projected containment of future costs.

Financial Implications

60. Based on the demographic projections referred to above, and on continuing the current patterns of providing care, the Council is forecast to spend approximately £3.3bn over the next 25 years which is an unsustainable and unmanageable resource demand. The development of new ways of delivering services through new facilities will result in reduced expenditure over the current forecast and further detailed financial forecasts of the revenue implications have been modelled. This depicts that by undertaking the proposed development plan and service remodelling, the Council would realise a cost avoidance of approximately £600m¹ over the next 25 years. A summary of the financial modelling is contained in the table below.

Year	Do Nothing	Redevelopment
2011	44,214,935	49,215,607
2012	47,322,706	47,742,647
2013	50,405,574	48,315,557
2014	54,752,076	44,226,140
2015	59,215,020	49,709,101
2016	64,286,739	54,002,263
2017	69,651,083	57,090,415
2018	75,504,860	51,945,694
2019	81,968,991	64,242,498
2020	88,509,050	68,608,819
2021	95,784,090	76,785,705

¹ The indicative cost avoidance figure is based on a detailed financial model that underpins the development strategy and incorporates economic and care assumptions. Changes to these assumptions may and will change this figure. The model will be updated through the life of the project, and the assumptions will be reviewed and revised. Therefore the achieved cost avoidance may be different from the figure identified above.

2022	103,753,197	83,303,763
2023	112,201,084	90,035,091
2024	121,554,165	97,361,267
Year	Do Nothing	Redevelopment
2025	131,472,223	105,232,775
2026	142,283,721	113,844,797
2027	154,136,672	123,632,922
2028	166,875,684	134,406,986
2029	180,648,822	145,944,253
2030	196,025,608	158,990,307
2031	212,188,141	172,970,082
2032	230,447,045	186,609,382
2033	250,926,276	206,286,298
2034	272,488,081	225,033,224
2035	296,576,383	246,030,244
Total	3,303,192,227	2,703,565,837
Cost Avoidance (£)	£599,626,390	
Cost Avoidance (%)	18.15%	

This cost avoidance will help to offset the challenges of the forecast demographic change around older people and is achieved through a diversion of people from residential care to community support or specialist nursing or dementia care, which achieves an on average saving per person of £44² per week.

	Cost Per User Per Week (Average)		
	2011	2034	Difference
Do Nothing	167	172	5
Redevelopment	186	142	-44

61. The capital cost of the proposed development programme is approximately £220m based on current prices. Under these proposals, the Council does not anticipate funding developments directly and will be working to maximise investment from the private and voluntary sectors.
62. One of the major funding streams for extra care housing in the recent past has been Homes and Communities Agency (HCA) Social Housing Grant (SHG). SHG is currently very limited and will continue to be so following the Comprehensive Spending Review. Indicative calculations for HCA grant requirements to support schemes within this strategy would amount to approximately £44m, which could exceed the Council's allocation once other proposals and priorities are taken into account. Therefore, the Council is aiming to reduce this reliance on public subsidy in the provision of extra care housing through working in partnership with the private sector.

² This figure is indicative as it is derived from a detailed financial model that underpins the development strategy. It may be likely to change over time due to changes to the assumptions within the model as a result of the delivery programme and external factors.

63. However, discussions are ongoing through the production of the Local Investment Plan to prioritise SHG funding for extra care housing schemes and other Council priorities. Currently it is recognised that there is a case for Adult Social Care to receive 20% of the overall SHG funding allocation, which would enable the delivery of one extra care scheme per year on sites that are outside of the preferred development framework. However, the prioritisation and allocation of future SHG allocations will be the subject of a separate report and will be determined by Members through the approval of the Local Investment Plan.
64. In the absence of additional SHG funding, in order to deliver the strategy, consideration must be given to alternative funding streams and how these may be used to supplement any available SHG or to directly fund development where none is available. Paragraphs 23 to 29 above outline proposals to generate investment through surplus land. Each individual proposal where land is being requested to be disposed of at less than market value will be the subject of a separate report to be presented to the Capital Assets Committee on a site by site basis.
65. There are revenue as well as capital implications in implementing the strategy. There will be short term increases in care costs due to transitional arrangements concerning the relocation of existing residents. This may include the cost of additional staff to enable people to be managed in an alternative environment, which are not as a direct result of an individual's care needs changing. These costs will be met from existing revenue resources.
66. Furthermore, if the Department of Health PFI project proceeds, there is a revenue cost to the Council of completing the process. £1m revenue funding over a 2 year period has previously been approved by the Cabinet to enable the Outline Business Case to be produced and the procurement process to be undertaken through to financial close. There will also be an ongoing revenue commitment from the Council for the purchasing of care placements within the new facilities.
67. Although there is a requirement for the Council to provide revenue funding to progress the Department of Health PFI project, the continuation of this proposal would grant Wiltshire £49.687M of funding, which would guarantee the delivery of the much needed new facilities within East, North and South Wiltshire. Whilst it is anticipated that the facilities may be able to be delivered with alternative funding mechanisms across different timescales, the certainty of delivery is significantly reduced due to the potentially limited access to capital borrowing on behalf of our partners, uncertainty around interest rates and conflicting priorities for developments with our partners.
68. There will also be costs associated with the finalisation of this development strategy. These costs include obtaining valuations for the Council owned sites, legal expenditure associated with the extra care procurement as well as costs associated with stakeholder engagement

and consultation. There will also be costs associated with the provision of furnishings where residents are re-housed in alternative facilities.

69. There will therefore be a need for an ongoing revenue budget to fund this strategy of £200,000 per annum and this will be considered as part of the budget setting process for inclusion within the department's business plan for financial year 2011/2012. If accepted, the budget will be reviewed on an annual basis.

Legal Implications

70. The land and building development aspect of the recommended strategy will engage the Public Contract Regulations (2006) ("PCR"). These regulations will need to be observed in order to avoid the risk of a legal challenge, associated costs, and possible disruption to the project plan.
71. The proposed extended term (10 years) of the framework is a potential risk to the scheme. The PCR restricts the term of framework contracts to 4 years "except in exceptional circumstances ... relating to the subject of the framework contract." The complex planning and consent procedure coupled with the time that will be required to assemble land into commercially attractive packages amounts to exceptional circumstances to do with the subject of the framework. If this is wrong and a successful challenge is made against the length of term of the contract then the likely outcome would be that the framework would be restricted to a four year term and re-tendering would be necessary at that stage.
72. The decision to move residents of homes must be informed by a full consultation exercise. Failure to properly consult will raise the risk of the decision being challenged by way of a Judicial Review. Such a review would at least disrupt the implementation of the plan and possibly lead to the overturning of the decision itself.
73. To minimise the risks identified in paragraphs 71 and 72 above, legal services will be engaged in the project and appropriate advice sought.

Options Considered

74. **Do Nothing**
The existing facilities are becoming increasingly out of date and not fit for purpose as they have limited en-suite facilities and are unable to cater for high dependency people due to the limited space standards in bedrooms and communal areas. There is a risk of home closures due to the accommodation standards and inability of the existing facilities to attract sufficient people that are able to fund their own care. Additionally, there would be a potential breach of contract obligations in the OSJCT contract due to a commitment to undertake a redevelopment programme contained within the 2005 contract. Furthermore, the Council would not deliver its identified extra care requirements, which would have an ongoing impact on care costs and an inability to meet future need due to the ageing population. This option has therefore been discounted.

75. Council Fund Development Programme through Prudential Borrowing
An option that was considered was the Council funding the proposed developments utilising Prudential Borrowing. However, this was one of three options evaluated in the financial model and it was not identified as the most cost effective solution for any viable development.

Conclusions

76. The case for a structured and decisive intervention in Wiltshire's older people's housing system is beyond doubt. As the demographic changes outlined begin to occur and the current, in some cases outdated and expensive to operate facilities require more and more investment, innovative responses are needed which give the opportunity for people's needs to be met in ways that meet the standards that we expect in the 21st century. People have a right to live in modern, affordable, fit for purpose homes where changing needs can be met from within their own communities.
77. Continued investment into existing facilities which are not fit for purpose and cannot be made fit for purpose is an ineffective use of increasingly scarce resources both in terms of capital and revenue funding. The new facilities that are proposed through this strategy will be "state of the art", efficient and cost effective to run and manage over their whole lifecycle, but more importantly, will be responding to local needs in local communities.

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Date of report: 11 January 2011

Background Papers

The following unpublished documents have been relied on in the preparation of this report:

Wiltshire's Older Peoples' Accommodation Strategy – Report by Peter Fletcher Associates, 2008

Redevelopment of The Paddocks Care Home – Cabinet Report, 14th September 2010

Appendices

Appendix One Older People Development Strategy

Appendix Two Communications Strategy

Appendix Three Glossary of Accommodation Terms

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COMMUNICATION STRATEGY

Project Name	Older People's Accommodation Development Strategy
Date	17th December 2010 <u>19th January 2011</u>
Author	Ian Walters
Project Sponsor	James Cawley
Version	0. 5 <u>6</u> – Final

Purpose

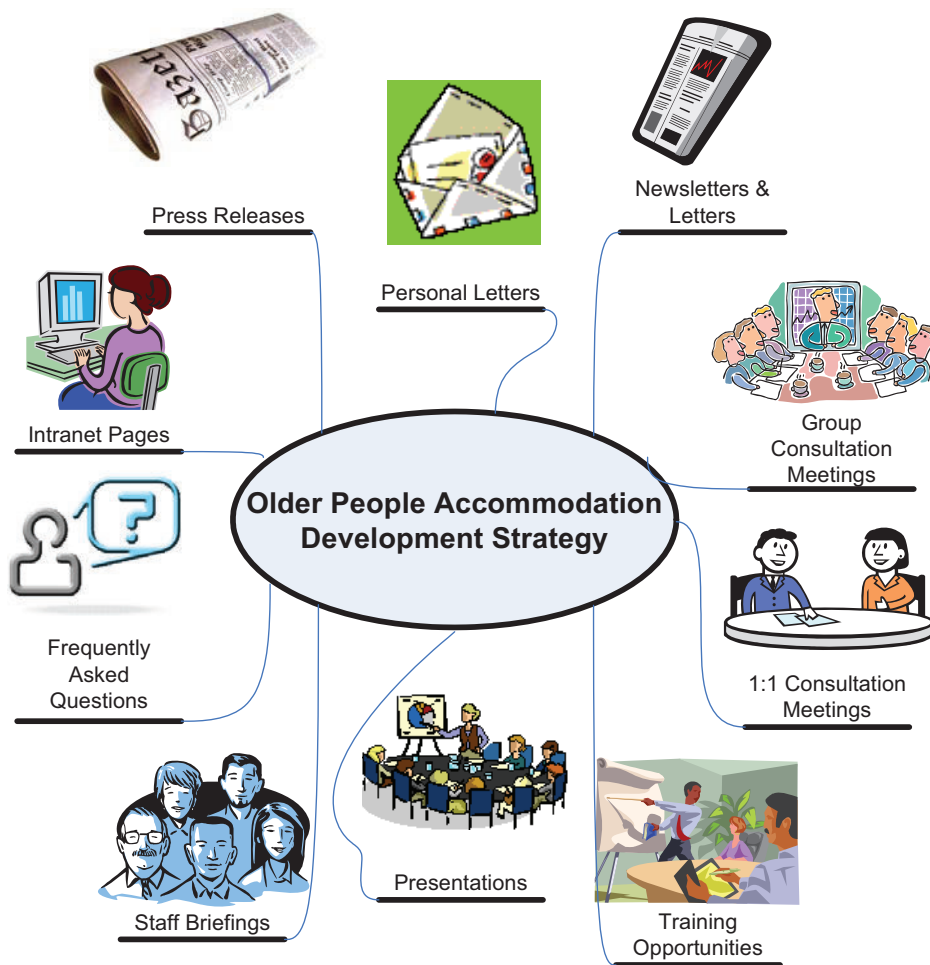
The purpose of this document is to outline the various means of communication that will be utilised to ensure that all interested parties are kept informed of the project's progress and key findings.

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1. Overview of Communication Strategy

This is a major Council led project and a key risk identified is in not taking the correct approach to stakeholder management and engagement, particularly residents. A variety of communication methods will be utilised to ensure that all interested parties are kept abreast of the project's progress and key findings as illustrated below:



2. Steering Group

Steering Group meetings will be held bi-monthly throughout the project duration. These meetings will be attended by the project sponsor, business lead, senior project & project managers, and representatives from Commissioning, Housing and Strategic Property Services from Wiltshire Council, along with representatives from the proposed/existing care provider

and any other partner such as RSL/private developer etc. Service User representatives will also attend these meetings.

Regular agenda items will include risk management plan, construction plan and arrangements and the care contract. All arising issues will be discussed at these forums.

Additionally, all forms of communication utilised within this project will be available to the Steering Group members.

3. Key Stakeholders

The key stakeholders for the project will include:

- Affected Residents and their Families and Carers
- Affected Provider Staff
- Elected Members
- Council Senior Management
- Operational Teams
- Strategy & Commissioning Teams
- Department of Health
- Developer Partners
- Existing/Proposed Care Providers
- General Public
- Community Third Sector agencies

A Cabinet Paper will be presented to Members in January 2011 to seek approval in principle the Older People's Accommodation Strategy. The report will identify the location of the planned new facilities and will identify those that will subsequently be closed.

4. Affected Residents

Following Cabinet approval and at the appropriate time in the programme, personal letters will be distributed to all potentially affected residents (including families and carers as appropriate) inviting them to attend a meeting to discuss the future proposals for the care home / sheltered housing scheme where they are living.

Group consultation and individual 1:1 meetings will then be held, which will outline the proposals for the scheme in detail, identify what the options for individuals are and to seek feedback on the proposals.

Contact names will be made known to residents at this early stage and information packs circulated, which will contain a range of information including Frequently Asked Questions sheets.

5. Affected Provider Staff

Affected provider staff will receive personal letters informing them how they may/will be affected by the decisions taken to deliver the Accommodation Strategy and the options available to them.

These staff will be invited to group consultation and individual 1:1 meetings at appropriate times in the programme. As above, information packs will be circulated to individuals, which will contain a range of information including Frequently Asked Questions sheets.

It is recognised that it is imperative to ensure communication and engagement with the affected provider market to ensure continued quality and continuity of care throughout this process.

6. General Public

Press releases will be issued to the Wiltshire newspapers to inform the general public of the benefits of extra care and key positive messages regarding the proposed development programme.

Regular articles in the Wiltshire Magazine will also be included to update members of the public on the development strategy and progress achieved.

Information on how to register interest in future schemes will be published in good time as the programme progresses.

Presentations will be made to each of the Area Boards to ensure the public are aware of the Accommodation Development Strategy and the planned developments in their community area. These sessions will also be useful to promote and raise the understanding of extra care accommodation.

7. Members

Members will be aware of the Accommodation Development Strategy through the Cabinet paper, including the key messages and the process. ~~Local Members will be informed of consultation meeting dates, and key Members engaged at significant stages of the programme, invited to photo opportunities etc. However, Member briefing reports will be produced and sessions held following Cabinet to ensure awareness of the strategy and the proposed implementation process.~~

Presentations will also be made to each of the Area Boards to ensure Members are aware of the Accommodation Development Strategy and the planned developments in their community area.

With regard to specific developments, local Members will be engaged prior to public consultation sessions and informed of consultation meeting dates.

Furthermore, key Members will be engaged at significant stages of the programme, by being invited to photo opportunities etc.

8. Wiltshire Council Operational & Commissioning Staff

A web page on the Council intranet site will be created providing an overview of the Development Strategy with an outline of each individual project at the appropriate time as they commence and progress.

To promote general understanding of extra care, and specifically raise awareness of the Development Strategy, briefing sessions will be provided to managers at the monthly manager meetings, and briefing sessions arranged for staff.

9. Community Third Sector Agencies

Engagement with the community third sector agencies will be through existing forums and consultation mechanisms. Presentations will be delivered to ensure that they are aware of the proposals and the intended developments and changes to the care delivery system within Wiltshire.

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10. Independent Advocacy

The availability of independent advocacy support for customers and their families will be essential to ensure that people are sufficiently supported during the consultation process and the associated implementation of this development strategy. The Council will work with Service User organisations to ensure that this support is provided when required.

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4-0-11. Outline Plan

Stakeholder Group	Information Required	Media Used	When	Who is responsible	Outcome required
Affected Residents	Consultation over proposals to close facility & personal options.	Personal letters Group consultation meetings 1:1 meetings Information packs Q&A sheets Visits	Ongoing once Cabinet approval received Specific key milestones		Residents & families fully aware of the development strategy and the implications
Affected Provider Staff	Consultation over possibility of changing roles/employer & redeployment	Personal letters Group consultation meetings 1:1 meetings Training opportunities Information packs Q&A sheets Visits	Specific consultation plan to be delivered once Cabinet approval received Specific key milestones		Staff fully aware of the development strategy and the implications Staff supported to move to extra care environment or be offered alternative opportunities
General Public	To raise awareness of Extra Care and the development strategy How to register interest (at appropriate time)	Press releases Wiltshire magazine Presentations to Area Boards	Once Cabinet approval received Key milestones		Awareness and support of development strategy and overall aims/benefits

Older Peoples Accommodation Development Strategy

Stakeholder Group	Information Required	Media Used	When	Who is responsible	Outcome required
Local Members	Details of proposals & plans for consultations Awareness of potential difficulties/barriers	Cabinet Paper Invitation to Consultation meetings Area Board meetings	Public announcement of Accommodation Development Strategy Consultation meetings		Fully aware of the strategy and its benefits for residents & the Council Have information to support constituents, able to respond to questions & deal with any opposition
Wiltshire Council Operational & Commissioning Staff	To raise awareness of Extra Care and the developments	Intranet page Briefing sessions – Managers Meetings & Team Meetings on request Training sessions	Public announcement of Accommodation Development Strategy and its implications Ongoing throughout development programme		Provide professional support in the development of the scheme Awareness of scheme as a resource

Development Strategy
Document History

Revision
History

Version Number	Revision Date	Previous Revision Date	Summary of Changes	Changes Marked
0.1	13.09.10		First draft	
0.2	07.11.10		Second draft	
0.3	18.11.10		Third draft	
0.4	19.11.10		Fourth draft	
0.75	17.12.10		Fifth draft	
<u>0.6</u>	<u>19.01.11</u>		<u>Sixth draft</u>	

Approvals

This document requires the following approvals.
Signed approval forms are filed in the project files.

Name	Signature	Title	Date of Issue	Version
James Cawley Sue Redmond		Service Corporate Director	17.12.10 <u>19.01.11</u>	0.56

Distribution This document has been distributed to:

Name	Title	Date of Issue	Version
Karen Jones	Senior Project Manager	07.11.10 <u>19.01.11</u>	0.26
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Jemima Milton	Portfolio Holder for Adult Care	07.11.10 <u>19.01.11</u>	0.26
Sue Redmond	Corporate Director	07.11.10 <u>19.01.11</u>	0.26
Carlton Brand	Corporate Director	07.11.10	0.2
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Older Peoples Accommodation

**Development Strategy
Name**

Title

**Date of
Issue**

Version

Brad Fleet	Service Director – Development Service	07.11.10	0.2
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Glossary of Accommodation Terms

Care Home for People with Dementia

These are registered care homes that are specifically designed for people with dementia. The facilities are normally broken down into a number of smaller units with communal areas, have secure garden space and walkways around the home to minimise the number of dead-ends. The care home is required to be registered and regulated by the Care Quality Commission and will employ specially trained staff to care for people with dementia. The ratio of staff in these specialist care homes to residents is normally greater than in other residential or nursing homes due to the dependency of the residents residing within them.

Community Extra Care / Virtual Extra Care Housing

There are various models of community or virtual extra care housing. It could enable people living in communities surrounding an extra care scheme to benefit from some of the provision whilst living in the wider community through in-reach and out-reach services. These could include personal care, housing support, meals provision, social and leisure activities and clinical appointments and is often underpinned by the use of telecare technologies.

It could also provide floating care and support into existing facilities, i.e. a sheltered housing scheme, to enable individuals to utilise the benefits of extra care housing whilst not necessarily residing within a purpose built scheme.

Extra Care Housing

Extra care housing is a growing part of the housing market for people. It can be owned, rented, part owned / rented (shared ownership) or leasehold. Extra care housing can broadly be described as housing into which a range of care and support services can be delivered on-site 24 hours a day.

Extra care is gaining a reputation for offering accommodation and care to people who would otherwise be frequent users of acute services (largely because they cannot look after themselves in unsuitable housing). Models of extra care are various, because it is a concept rather than a housing type.

Generally, an extra care scheme is a development of flats and / or bungalows with a manager and the availability of care and support to tenants of leaseholders 24 hours a day, usually supported by a lifeline and other technological assistance. There is normally a café or meal provision available and an additional range of services and activities which are open to tenants or leaseholders and other living in the surrounding area.

Housing Association

Generally (although not exclusively) a not-for-profit voluntary organisation that will develop or purchase property and manage it either for rent or for shared ownership.

Since the withdrawal of the facility for local authorities to build housing, Housing Associations have been the main providers of new social housing.

Residential Care Home

Residential care homes provide a safe environment, with prepared meals, companionship, activities and outings. Individual accommodation will usually comprise of a bedroom, with ensuite facilities if available, and access to the communal space which will include a lounge, dining room and activity room. Qualified care staff are on duty 24 hours a day to ensure that residents personal care requirements, i.e. bathing, dressing, feeding, and assistance with mobility, are addressed. All residential homes are required to be registered and regulated by the Care Quality Commission.

Mixed Tenure Extra Care

This term relates to extra care facilities that are available across a variety of tenures and can be available for rent, shared ownership or outright sale (leasehold).

Nursing Care Home

This is a care home that is registered to provide nursing care services and will have qualified nursing staff on duty at all times. The nursing care cost of the placement is paid by the NHS at agreed set levels. All nursing homes are required to be registered and regulated by the Care Quality Commission.

Shared Ownership

This is where an individual purchases a proportion of the property, normally up to 85%, and rents the remainder from the housing association for which a rental charge will be payable.

Sheltered Housing

Sheltered housing may be rented or owner occupied accommodation and the majority have a scheme manager or warden and a community alarm service. The scheme manager may be on site or shared between a number of schemes. They do not offer personal care but offer low-level support including emergency support often through a linked alarm system. They also help older people obtain the care and support they need and the support they offer includes things like help with form filling, general safety checks and enabling residents to organise or access other facilities and services. Some schemes have communal facilities such as a common room, laundry, guestroom and gardens and some will include a restaurant and the provision of hot meals.

Telecare

Telecare is sometimes called assistive technology, and aims to promote independence, improve safety at home and provide reassurance for individuals and their carers. It usually consists of a base unit, linked to a telephone and a personal

pendant which is worn around the neck, on the wrist or attached to a belt. There are also a number of sensors that automatically monitor the home environment. These are linked to the base unit without the need for wiring and can detect potential dangers such as gas, smoke or overflowing water. When the alarm is active, trained staff at a monitoring centre will respond and, if necessary, arrange for someone to visit at anytime of the day or night. They may also contact the emergency services if necessary.

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Wiltshire Council

Cabinet

25 January 2011

Subject: Energy, Change and Opportunity (ECO) Strategy

Cabinet Member: Councillor Toby Sturgis – Waste, Property and Environment

Key Decision: No

Executive Summary

This report sets out the Council's first strategy to tackle energy resilience and the effects of climate change. This follows the report to Cabinet in June 2010 which highlighted the Council's responsibilities relating to climate change.

Proposals

That Cabinet:

- (i) approves the framework Energy, Change and Opportunity (ECO) Strategy set out in **Appendix 1** of the report.
- (ii) agrees that the Climate Change Board should oversee the delivery of the Strategy and be renamed the Energy, Change and Opportunity (ECO) Board.
- (iii) agrees that the ECO Board should be responsible for approving and monitoring delivery against the following Action Plans to be developed during 2011 and 2012 under the framework Strategy.
 - (a) Carbon Management Plan for the Council's emissions
 - (b) Climate Change Adaptation Plan for Wiltshire
 - (c) Low Carbon Transition Plan for Wiltshire
 - (d) Renewable Energy Action Plan for Wiltshire

Reasons for Proposals

- (i) Given the wide range of responsibilities that local authorities have relating to climate change, it is necessary to have a robust framework for discharging these responsibilities in the form of a strategy.

- (ii) The Climate Change Board was established in July 2009 with the aim of overseeing the Council's Climate Change work programme. It is well placed to monitor progress as it is chaired by the Cabinet Member for the Environment and has representation from a corporate director and service directors across the Council.
- (iii) Action plans will be developed to address the areas of responsibility that are not currently covered through existing Council plans and strategies.

Mark Boden
Corporate Director, Neighbourhood & Planning

Wiltshire Council

Cabinet

25 January 2011

Subject: Energy, Change and Opportunity (ECO) Strategy

Cabinet Member: Councillor Toby Sturgis – Waste, Property and Environment

Key Decision: No

Purpose of Report

1. This report sets out the Council's first strategy to address energy resilience and the effects of climate change following the report to Cabinet in June 2010 which highlighted the Council's responsibilities relating to climate change and carbon reduction.

Background

2. In May 2009, the Council signed the Nottingham Declaration on climate change. Subsequent to a motion and debate at Full Council in September 2009, the Council reaffirmed its commitment to tackling the causes and effects of climate change and signed up to the 10:10 campaign.
3. Cabinet agreed funding for both a Climate Change team and a carbon reduction capital programme in the 2010/11 budget in recognition of this new and critical area of work for local government.
4. The Climate Change Board was established in July 2009 with the aim of overseeing the Council's Climate Change work programme.

Main Considerations for the Council

5. Local authorities have two main areas of responsibility relating to climate change and energy resilience:
 - (i) to reduce energy demand and carbon emissions for the local authority area as a whole, and to facilitate low carbon energy production. This is known as climate change mitigation.
 - (ii) to prepare the Council and the county as a whole for the effects of unavoidable climate change. This is known as climate change adaptation.
6. The scope of the draft strategy includes both council services and Wiltshire as a whole in relation to those aspects of Wiltshire life that the Council can

influence (e.g. planning, transport, flood management, community engagement).

7. The Strategy sets out:
 - Where we are now
 - Where we want to get to
 - Our general approach for how we are going to get there.
8. The Strategy, as set out at **Appendix 1**, is a framework document which will be linked to related council strategies to ensure climate change objectives are embedded across the entire organisation. It will be supplemented by detailed action plans to set out more specifically how we are going to deliver our climate change ambitions. As this is the first time that an ECO Strategy has been prepared, it is expected that the Strategy will be reviewed and refined as further work is carried out on the action plans.
9. As a minimum, we will produce the following four action plans by the end of 2012:
 - Carbon Management Plan for the Council's emissions
 - Climate Change Adaptation Plan for Wiltshire
 - Low Carbon Transition Plan for Wiltshire
 - Renewable Energy Action Plan for Wiltshire
10. The Council worked with the Carbon Trust during 2009/10 to develop a Carbon Management Plan. A draft plan was considered by the Climate Change Board in March 2010. The Board considered that accurate carbon emissions data for the first year of the Council's operations needed to be included before the plan could be adopted and accurate targets set. The plan is therefore being updated with the baseline data for 2009/10 and an updated Carbon Management Plan is due to be considered by the Board in January 2011.
11. Work on the Climate Change Adaptation Plan is currently on-going and the Council will have a final action plan in place by the end of March 2011.
12. The Council is working with the Energy Saving Trust (EST) through the 'one to one' programme on a Low Carbon Transition Plan for the county.
13. The Council has commissioned a climate change and renewable energy evidence base study. This is designed to principally fulfil the requirements of the Climate Change Supplement to PPS 1 or its successor. The study is collecting data on current and future energy use in the county; assessing the supply of low carbon and zero carbon sources of energy; and making policy and target recommendations for incorporating in the Local Development Framework. This study will inform the development of a Renewable Energy Action Plan for Wiltshire.
14. The ECO Strategy has been considered in draft form by the Environment Select Committee (7 September 2010), the Climate Change Board (20 September 2010) and the Wiltshire Environmental Alliance (30 September

2010). The version of the Strategy in **Appendix 1** takes into account comments received during this period of consultation.

Environmental and Climate Change Considerations

15. Implementation of the Strategy will have a positive impact on the environment as it aims to reduce carbon emissions, improve energy resilience and prepare for climate change.

Equalities Impact of the Proposal

16. There are no negative impacts from the Council's climate change programme.
17. Some of the positive impacts are as follows:
- The Council's work to assess service delivery risks from future climate change will benefit vulnerable residents who are often the first to be affected by extreme weather events (e.g. flooding and heatwaves).
 - The move to low carbon housing across the county will benefit all residents, but particularly those at risk of fuel poverty as energy efficient homes are cheaper to run.
 - Community climate change projects will be developed in an inclusive manner, to reach out to those groups that are not usually involved in local environmental work.

Risk Assessment

18. Meeting the Council's obligations in relation to climate change requires the delivery of a complex programme of work which has a range of risks attached to it:
19. Organisational buy-in:
- Resistance to behaviour and policy changes required for successful carbon reduction.
20. Financial:
- Insufficient investment available for energy efficiency measures to ensure achievement of the Council's carbon reduction target, meaning that efficiencies in energy and transport costs (total spend £14 million in 2009/10) are not realised.
 - The Carbon Reduction Commitment (CRC) has recently been amended. The costs to the Council for 2011/12 carbon emissions are projected to be £600,000 (payable retrospectively in June 2012). Future costs will depend on carbon emissions and the price of carbon, which is expected to rise year on year.

21. Legal:

- Failure to demonstrate compliance with environmental legislation if an environmental management system is not implemented in high risk areas.

22. Service delivery:

- Climate change impacts in Wiltshire (e.g. increasing temperatures and flooding) will have an impact on the Council's ability to deliver services and could adversely affect Wiltshire residents unless appropriate measures are put in place.

23. Reputation:

- Residents expect the Council to lead by example in reducing carbon emissions and preparing for unavoidable climate change. The November 2007 People's Voice Survey responses show that panellists want Wiltshire Council to take the lead in addressing climate change and support them individually to tackle climate change.
- The Wiltshire Assembly has identified climate change as being one of three top priorities to be addressed.
- The Council will be placed in a national league table alongside all CRC participants to show how well it is managing its carbon emissions year on year relative to others.

Financial Implications

25. In the 2010/11 revenue budget resource was put in to fund a new climate change team, which includes dedicated staff resources for implementing the council's Carbon Management Plan, developing the county's carbon reduction strategy, leading on climate change adaptation work, and a post for working with schools.

The council's business plan will detail the level of resource available to meet the strategy in 2011/12 and the future. This will be approved as part of the budget setting process and will also take into account any changes in the level of resource for the climate change team.

In addition assumptions have been made within the 2011/12 budget, and over the life of the business plan, to cover the anticipated levy on the council under the Carbon Reduction Commitment (CRC).

26. The current approved Capital Programme contains £0.5 m per annum to fund energy efficiency projects in 2010/11, 2011/12 and 2012/13. In addition, a 0% loan totalling £0.7m has been obtained from Salix finance for spending in 2010/11.
27. The scale of investment required to reach the target reduction of 11,823 tonnes CO₂ by 2013/14 is much greater than the resources currently

available. A significant proportion of the savings could be achieved by behaviour change, which is the lowest cost method of reducing the council's carbon footprint but will require significant cooperation from staff and schools in particular. A Green Champions network has been established to take this forward. The council's Workplace Transformation Programme is expected to save around 3,800 tonnes CO₂ by 2014 through the rationalisation and refurbishment of buildings.

28. Any further reductions in the council's carbon footprint can only be achieved through investment in energy efficiency measures. To give an order of magnitude, the Carbon Trust have estimated that in order to save 1,500 tonnes of carbon across 25 council sites an investment of £1.2m will be required. If this is factored up, we can assume that an investment of approximately £5m would be required over the next 4 years in order to achieve half our target of 11,823 tonnes of CO₂ through energy efficiency projects.

Legal Implications

33. Section 1.5 of the Strategy sets out the legal and policy framework for the Council's climate change obligations. The report to Cabinet dated 22 June 2010 set these out in more detail.

Options Considered

34. Doing nothing is not an option as the Council is obliged to comply with legal requirements relating to the environment and climate change.

Conclusions

35. Through the implementation of the ECO Strategy and its associated action plans, the Council will have a comprehensive programme to ensure it meets its climate change responsibilities and addresses the issue of energy resilience in Wiltshire.

Mark Boden
Corporate Director, Neighbourhood & Planning

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The following unpublished documents have been relied on in the preparation of this Report:

- Reports to Environmental Select Committee, November 2009, March 2010 and September 2010
- Wiltshire Council Climate Change Board minutes
- Draft Carbon Management Plan for Wiltshire Council (March 2010)
- Report on Level 1 for N1 188 Climate Change Adaptation Plan (May 2010)

Appendices:

Appendix 1 – Energy, Change and Opportunity (ECO) Strategy



Energy Change and Opportunity Strategy

2011-2020

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Foreword

We are entering a critical period for climate change and energy security at the national and local level. Our reliance on imported fossil fuels is increasing, but at the same time the dangers to our climate from burning fossil fuels become ever more apparent. The need to build a secure, low carbon economy here in Wiltshire becomes even more vital.

This strategy details our approach to meeting the challenge for Wiltshire. It sets out our ambitions for reducing our carbon emissions as a council, leading the county's low carbon transition and preparing for unavoidable climate change. This is a framework strategy which will be underpinned by both new and existing strategies and action plans. These will enable the council to deliver against the key themes of waste, transport, water, purchasing and procurement, biodiversity and natural environment, energy, planning and communicating environmental issues.

This strategy sets out an overview of existing plans and activities and the general approach that will be taken for the action plans. The development of new action plans on the low carbon transition, climate change adaptation, renewable energy and carbon management will allow detailed targets and actions to be developed and also outline a suitable monitoring framework.

It is clear that taking action on the causes and effects of climate change requires a partnership approach. While the council can provide leadership, it cannot deliver on this ambitious agenda without significant co-operation from partners in the private, public and third sectors, as well as from local residents. I hope that this strategy will help catalyse the necessary action in Wiltshire for this county to be at the forefront of low carbon transition.

Cllr Toby Sturgis
Cabinet Member for Waste, Property and Environment

Executive summary

The science is clear that climate change is a reality and it is imperative to act now. Tackling the causes and managing the effects of climate change are two of the greatest challenges that we face as a society. The UK Climate Change Act 2008¹ has taken on board the latest scientific evidence and set an ambitious target of reducing the 1990 level of CO₂ to 34% by 2020, and reducing it even further to 80% by 2050. The environmental, social and economic impacts of climate change are already being felt and they will continue to grow in severity. This strategy sets out how Wiltshire as a council and a community can take action on climate change. Climate change requires everyone to work together to make adjustments to their lives, businesses or communities in order to secure a better future for all.

The Wiltshire context: carbon emissions

In 2007 the county's total carbon footprint was 4.76 million tonnes, which is about 12% of the South West's carbon emissions and approximately 1% of the total UK emissions. Between 2005 and 2007, emissions reduced by 2% nationally (see Figure 2.2). In the South West, emissions went down by 2.1% and in Wiltshire they went up by 3.1% over the same period.² Wiltshire is, therefore, lagging behind the rest of the country in cutting its carbon emissions.

The Wiltshire context: climate change impacts

Long-term climate change predictions suggest the following changes to Wiltshire's climate:

Long-term/seasonal changes	Extreme events
Increase in annual average temperature	More hot days
Hotter, drier summers	Fewer frosty days
Milder, wetter winters	More dry spells
	Increase in temperature of warmest day
	Increase in precipitation on wettest day

Scope of this strategy

The strategy covers eight themes for action:

- Waste
- Transport
- Water
- Purchasing and procurement
- Biodiversity and natural environment
- Energy
- Planning
- Communicating environmental issues

For each theme, we outline where we are now, where we want to get to and our approach for getting there. We also clarify whether this is something that the council

is doing for its own services or for Wiltshire as a whole, and whether actions are entirely within the council's control, or whether it needs to play an influencing role. Where relevant, we reference related strategies or plans which contain more detailed information on each theme.

The table overleaf contains a summary of where we want to get to for each of the eight thematic areas. Details of how we will get there are set out in the relevant section of the strategy.

Action plans

This is a framework document which will be linked to council strategies to ensure our objectives are embedded across the entire organisation. It will be supplemented by detailed action plans to set out more specifically how we are going to deliver our climate change ambitions. As a minimum we will produce the following four action plans during 2011 and 2012:

- Carbon Management Plan for the council's emissions
- Climate Change Adaptation Plan for Wiltshire
- Low Carbon Transition Plan for Wiltshire
- Renewable Energy Action Plan for Wiltshire

This strategy is ambitious, comprehensive and complex in the range of services affected by and responsible for its delivery. Due to the cross-cutting nature of this strategy, much of the work will be resourced and taken forward by the relevant service directorate. The strategy recognises the need to ensure that accountability, responsibility and ownership are embedded throughout the council for the successful development and delivery of the climate change strategy.

Accountability and monitoring

The council's climate change board will have primary accountability for monitoring and reviewing the strategy. The board is chaired by the cabinet member for the environment. Other stakeholders will also be involved in monitoring and review through receiving an annual progress report on the action plans, namely:

- The environment select committee of the council (papers published online)
- The Wiltshire Environmental Alliance (WEA) the thematic partnership of the Wiltshire Assembly (WA), the council's local strategic partnership.

The council's climate change team will be responsible for co-ordinating delivery of the action plans, with assistance from the relevant parts of the council and other stakeholders.

Review

Sections of this strategy will be reviewed as appropriate, and the entire strategy will be reviewed by 2013 at the latest.

Summary of where we want to get to

	Within the council's control – the council will:	Within council influence
Waste Section 3.1	<ul style="list-style-type: none"> invest in alternatives to landfill improve its current waste management performance across the sites it operates 	<ul style="list-style-type: none"> Of the waste the council collects, we want to recycle or compost at least 45% and landfill less than 25% by 2014.^{3 4} The council will support private or public investments in generating energy from waste.
Transport Section 3.2	<ul style="list-style-type: none"> tackle its own transport emissions 	<ul style="list-style-type: none"> Minimise CO₂ emissions from transport. Work with schools to reduce emissions and congestion from the school run. Improve communication infrastructure in rural parts of Wiltshire.
Water Section 3.3	<ul style="list-style-type: none"> reduce the amount of water it uses by installing water meters on council properties once funding is identified establish a flood risk management group improve resilience to flooding in vulnerable areas 	<ul style="list-style-type: none"> Reduce the amount of water used in the county.
Purchasing and procurement Section 3.4	<ul style="list-style-type: none"> use DEFRA's Flexible Framework Matrix⁵ to develop improvement targets for procurement require sub-contractors and suppliers to adhere to key sustainable development principles understand the full life cycle costs of products and services 	<ul style="list-style-type: none"> Influence other Public Service Board members to commit to sustainable procurement. Promote the use of local products and materials.
Biodiversity and natural environment Section 3.5	<ul style="list-style-type: none"> increase its understanding of the likely impacts of predicted climate change on Wiltshire's natural environment increase its environmental intelligence help to mitigate and adapt to climate change. 	

	Within the council's control – the council will:	Within council influence
Energy Section 3.6	<ul style="list-style-type: none"> • embed carbon management into the delivery of all services to reduce carbon emissions and set an example to the rest of Wiltshire and use the experience gained to support others to reduce their carbon emissions 	<p>A Low Carbon Transition Plan for Wiltshire will be produced, to focus on:</p> <ul style="list-style-type: none"> • a greater understanding of carbon footprinting in Wiltshire • influencing policy • engagement with community groups and individuals wishing to take action • supporting a low carbon economy.
Planning Section 3.7	<ul style="list-style-type: none"> • maximise the positive impacts of new developments on local jobs, shops, biodiversity and the transport network 	<ul style="list-style-type: none"> • When meeting future housing and employment needs within the county, ensure that the carbon footprint is minimised. • Promote innovative solutions to generating green energy in Wiltshire. • Influencing the design of new developments so that they incorporate climate change adaptation principles making communities more sustainable. • Work with the health service to assess provision of healthcare facilities to deal with the effects of higher temperatures and the increased risk from the spread of disease.
Communication Section 3.8	<ul style="list-style-type: none"> • show leadership by getting its own house in order. 	<ul style="list-style-type: none"> • Improve public understanding of climate change and what they can do to help. • Engage more effectively with children and inform their choices as they grow up.

1. Introduction

1.1. Why do we need a strategy?

Science clearly demonstrates that climate change is a reality and it is imperative to act now. Tackling the causes and managing the effects of climate change are two of the greatest challenges that we face as a society. The environmental, social and economic impacts of climate change are already being felt and they will continue to grow in severity.

This is recognised within Wiltshire; the draft Community Plan 2011-26⁶ identifies tackling climate change as one of its top three priorities. The Community Plan⁶ is the overarching strategic plan of the Wiltshire Assembly, setting out the long-term vision and priorities for the county to be delivered in partnership.



Wiltshire Council's Corporate Plan 2010-14³ holds as its core vision 'stronger more resilient communities'. The plan makes the link between resilience, the economy and the environment by setting 'reducing our environmental impact' and 'supporting the local economy' within its priorities and outcomes. Amongst other things, the plan sets an ambitious target for reducing the council's carbon emissions and identifies the potential for growth in environmental technologies in Wiltshire.

In considering climate change, community resilience and economic issues together, we are able to understand how different groups in our community may be more vulnerable than others and therefore we are better able to target resources and action. For example, low-income households may be more vulnerable to fuel poverty; the elderly, the very young and remote rural communities may be more vulnerable to the extreme weather events that will become more frequent in the future; skills gaps in the workforce can be addressed by supporting growth in environmental technologies in Wiltshire.

In this way, the umbrella of climate change brings together issues that affect our community's resilience. These include flood management, energy security, fuel poverty, economic growth and resource efficiency, in particular energy efficiency.

Addressing energy efficiency also enables the council to make savings, helping it to be more financially resilient, which is increasingly important given current pressures on public sector budgets.

1.2. Our approach

This strategy sets out how Wiltshire as a council and a community can act on climate change. Climate change requires everyone to work together to make adjustments to their lives, businesses and communities to secure a better future for all.

The scope of the draft strategy includes services and those aspects of Wiltshire life that the council can influence, for example. planning, transport, flood management and community engagement.

This strategy sets out:

- where we are now
- where we want to get to
- our general approach for how we are going to get there.

This is a framework document that will be linked to related council strategies to ensure our objectives are embedded across the entire organisation. It will be supplemented by detailed action plans to set out more specifically how we are going to deliver our climate change ambitions. These will allow detailed targets to be developed, specific actions to allow the targets to be met and also outline a suitable monitoring framework. As this is the first time that a climate change strategy has been prepared, it is expected that the strategy will be reviewed and refined as further work is carried out on the action plans.

As a minimum we will produce the following four action plans during 2011 and 2012:

- Carbon Management Plan for the council's emissions
- Climate Change Adaptation Plan for Wiltshire
- Low Carbon Transition Plan for Wiltshire
- Renewable Energy Action Plan for Wiltshire.

The timescale for developing each of these action plans differs depending on the resource already allocated to these areas of work. As a general principle, the council is concentrating on getting its own house in order first, but is carrying out some work in parallel to meet the wider carbon reduction and climate change adaptation requirements for Wiltshire.

The council's climate change board will be responsible for monitoring the implementation of the strategy and its action plans. The board comprises service directors from across the organisation and is chaired by the portfolio holder member for the environment and is accountable to cabinet.

Climate change board terms of reference:

- Champion and provide leadership on climate change work
- Set and review strategic direction and targets
- Own the scope of the climate change programme and prioritise carbon reduction projects
- Monitor progress towards objectives and targets
- Remove obstacles to successful completion of climate change projects
- Review and champion plans for financial provision of climate change projects
- Ensure there is a framework to co-ordinate climate change projects.

The board will meet on a quarterly basis or more often if deemed necessary. Minutes and action points from the meeting will be recorded and distributed to councillors.

1.3. What is climate change?

The earth's climate is changing predominantly because of an increase in greenhouse gases, in particular methane and carbon dioxide (CO₂), caused by human activity.

The greenhouse effect is a natural occurrence trapping heat that originates from the sun, and then radiating it back to the earth. Human activity is upsetting this balance causing an 'enhanced' greenhouse effect.



It is predicted that we must stabilise concentrations of atmospheric CO₂ at 450 parts per million (ppm). This is predicted to limit the rise in global temperature to 2°C, above pre-industrial levels. Failure to do so will tip the planet over into catastrophic climate change events. Atmospheric concentrations in 2009 were at 387ppm compared with 315ppm 50 years earlier, rising at 2ppm each year.⁷

However, as greenhouse gas emissions remain in the atmosphere for many decades, current emissions and those over the past few decades have already committed us to future climate change, which cannot now be avoided. This is called unavoidable climate change. This means that the longer reductions in emissions are left unabated, the deeper the cut required in the future.

As a result of cumulative emissions, the climate is predicted to change, although the degree to which it will is uncertain. Consequently, we must make adaptations to counter some of the possible effects outlined below.

Adaptation/Mitigation

It is now widely accepted that a certain amount of climate change is inevitable even under the most optimistic carbon reduction scenarios. Wiltshire's climate change strategy must therefore incorporate two types of response:

Mitigation: those responses that seek to reduce the impact of our behaviour on the natural systems of our planet; that is, reducing greenhouse gas emissions.

Adaptation: those responses that seek to prepare us better for the challenges likely to arise from climate change.

1.4. What will be the effects of climate change?

The direct effects of climate change will vary depending on geographic location. Nonetheless, Wiltshire's emissions will contribute to the effects both locally, nationally and internationally. The impacts of climate change are already being felt in some areas and they are set to become more significant within 20 years, with very significant changes by the middle of the century.

Research undertaken as part of the UK Climate Impacts Programme⁸ suggests the following impacts nationally (key impacts for Wiltshire are set out in section 2.2):

- Higher temperatures all year: more heat waves in summer; possible disappearance of snow and freezing weather from all but the highest mountains.
- More extreme weather events including hurricanes, flash floods, droughts and heat waves.
- Less rain overall, especially in the south and east of the UK in summer (where water shortages are already the biggest potential problem), although there may be more in the west and in winter (where excess rain is already a problem).
- More coastal and river flooding. Flood plains and other low-lying areas are at an increased risk.
- More frequent disruption to transport and other infrastructure.
- Increased risk of infrastructure operating beyond the conditions it was designed for, potentially causing it to fail, for example roads melting, rails buckling in extreme high temperatures and drains overwhelmed by the rate of rainfall.
- Fewer winter deaths and illnesses as a result of cold, but more heat-related summer deaths and stresses.
- Invasion of pests and diseases currently prevented by cold weather.
- Loss of wildlife, especially species near the southern end of their ranges.
- Dense urban areas likely to suffer worse extremes of summer heat because unshaded buildings, roads and paved areas absorb and retain solar heat.
- Agriculture will change as we are unlikely to be able to sustain traditional English crops, habitats and landscapes. More irrigation will be required.



These points outline the wide-ranging effects of climate change. Almost every department within the council and every local community will have to respond in some way. Some of the likely effects and resultant direct and indirect impacts on Wiltshire as a result of climate change are discussed further in section 2.2 of the document.

1.5. Legal and policy context

1.5.1. National drivers

Every tier of government has made a commitment to take action on climate change and it is important that this strategy is set in the context of these over-arching policies.

The Climate Change Act 2008¹ has taken on board the latest scientific evidence and set an ambitious target of a 34% reduction in CO₂ on 1990 levels by 2020, and a further reduction to 80% by 2050. These targets are the UK's contribution to the global carbon reduction needed to limit climate change to 2⁰C. The act also requires a UK-wide climate risk assessment to be carried out every five years; a national adaptation programme to be established and reviewed every five years; and it gives government the power

to require public authorities and statutory undertakers (including water and energy companies) to report on how they have assessed and will respond to climate change risks.

The Carbon Reduction Commitment⁹ is effectively a tax on carbon which requires the council and other large public and private sector organisations to report on their emissions from stationary sources (ie buildings - including schools - and streetlights). From 2011/12, the council will have to pay £12 per tonne of CO2 emitted and will be assessed in a league table against other organisations in the scheme.

The UK Low Carbon Transition Plan 2009¹⁰ sets an approach to delivering the climate change act targets up to 2020. The document describes a wide range of initiatives which include carbon emission cuts, the increased use of renewable energy, making homes greener and helping vulnerable people. Of particular note are a range of incentives designed to stimulate the uptake of renewable energy.

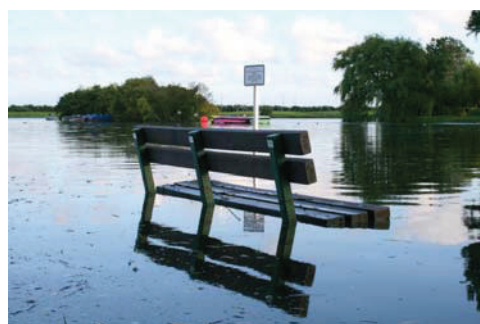
The government's 2010 Household Energy Management Strategy¹¹ sets out a plan for meeting the target of a reduction of 29% in carbon emissions from the existing household sector by 2020. The interim target is to install loft and cavity wall insulation in all households where it is practical to do so by 2015. This will not only result in carbon savings, but will assist in tackling fuel poverty and improving household finances.

The UK Renewable Energy Strategy 2009¹² sets out a scenario describing how the UK will meet the legally-binding target to ensure 15% of our energy comes from renewable sources by 2020. The strategy suggests that 30% of electricity should be generated from renewable sources by 2020, (up from approximately 5.5% in 2010), whilst 12% of heat and 10% of transport fuels should be generated from renewable sources.

Changes to the National Building Regulations 2000¹³ mean that from 2016 all new-build homes must be 'zero carbon'. This will be achieved in part through energy efficiency, but will also require renewable energy generation to be considered for all developments. Carbon reductions through the building regulations from commercial development will also follow in later years.

Wiltshire will need to meet these targets and determine the most effective approach for its low carbon transition which will be detailed in our low carbon transition action plan.

The Flood and Water Management Act (2010)¹⁴ introduces measures to address the threat of flooding and water scarcity, both of which are predicted to increase with climate change. In particular, it empowers the council to create local flood risk management strategies and carry out flood risk management works with the Environment Agency more easily.



It should be noted that the forthcoming Decentralisation and Localism Bill¹⁵ is expected to be published during the autumn of 2010 which may introduce changes to the UK planning system. Some activities undertaken by the council may need to be reviewed in the light of this development.

1.5.2. Council policy

The council has taken the following actions that are relevant to this strategy:

- signed the Nottingham Declaration¹⁶ on Climate Change (Appendix. 2)
- signed the 10:10 Commitment¹⁷
- made a commitment to the Wiltshire Council Fairly Traded Products Policy.¹⁸

1.6. Benefits of introducing a strategy

Climate change must be addressed now. A definite commitment and a clear approach will contribute to this global priority and help Wiltshire take forward the objective in the Community Plan⁶. The Stern Report 2006¹⁹ presented a persuasive case for the economics of tackling climate change, highlighting that action taken now will be more cost effective than action taken later.

The council is already doing a great deal of work to combat climate change and reduce CO₂ emissions. This document collates this activity to provide an overview and present a way forward.

The benefits of the climate change strategy include:

- supporting stronger and resilient communities:
 - Climate change action can, for example, address fuel poverty, and assist in the protection of vulnerable groups against the extreme weather events that are predicted to be more frequent as a result of climate change.
 - Through a low carbon transition plan, for example, the council as strategic planner and facilitator of grassroots action will encourage local communities to deliver their own renewable energy alternatives, so that energy security is improved for buildings, communities and settlements.
- Reducing our environmental impact:
 - Each of the eight themes in Section 3 (waste, transport, water, purchasing and procurement, biodiversity, planning, energy and communications campaigns) identify actions for the council to reduce its impact on the environment.
- Preparing the council for climate change adaptation:
 - Through the council's responsibilities for strategic planning and service delivery, this strategy will ensure the council is well placed to respond to the predicted climate changes in Wiltshire.



- Increased resource efficiency:
 - Through implementing a carbon management plan and the low carbon transition plan, the council has the opportunity to deliver greater resource efficiency and as a result savings, which in turn will make the council more financially resilient.

1.7. Who will be responsible?

Everyone has a responsibility for tackling climate change and it is important to recognise the need for the whole community to work together; everyone should understand the role they can play in addressing this challenge.

As a signatory to the Nottingham Declaration on Climate Change 2000,¹⁶ the council acknowledges it has a key role to play in tackling climate change at a local level as:

- a community leader
- a service provider
- an estate manager



The actions presented in the strategy are not mutually exclusive and will require joint working across council departments, across the local strategic partnership and also regionally and nationally. Section 4 highlights the lead departments and partner organisations in taking the strategy forward, with the council playing a leadership role across all themes. Support from the government and other public sector bodies will be required in order to implement all areas of the strategy fully.

1.8. Resources available to deliver the strategy

Due to the cross-cutting nature of this strategy, much of the work is already resourced and will be taken forward by the relevant lead service directorates, as identified in Section 4.

Co-ordination of the strategy and support for the climate change board is provided by the council's climate change team, supported by a small implementation budget.

A dedicated corporate carbon reduction fund of £0.5 million per year is available for the financial years 2010/11, 2011/12 and 2012/13 to invest in energy efficiency projects across council properties. An interest free loan of £0.7 million has also been received for 2010/11 from Salix finance. More detail on the budgets available for funding the council's carbon reduction programme, including additional revenue investment, and their ability to save the council money in the medium term will be set out in the council's carbon management plan.

1.9. How the strategy is structured

Section 2 sets out the Wiltshire context regarding carbon emissions and climate change impacts.

Section 3 explains the strategy through the eight themes of the council's environmental policy (see Appendix 1):

- Waste
- Transport
- Water
- Purchasing and procurement
- Biodiversity and natural environment
- Energy
- Planning
- Communicating environmental issues

For each theme, there is an outline of where we are now, where we want to get to and the approach for getting there. We also clarify whether this is something that the council is doing for its own services or for Wiltshire as a whole, and whether actions are entirely within the council's control or whether it needs to play an influencing role. Where relevant, we reference related strategies or plans which contain more detailed information on each theme.

Finally, Section 4 sets out how we will deliver, monitor and review the council's climate change strategy.

2. The Wiltshire context

2.1. Wiltshire's carbon footprint

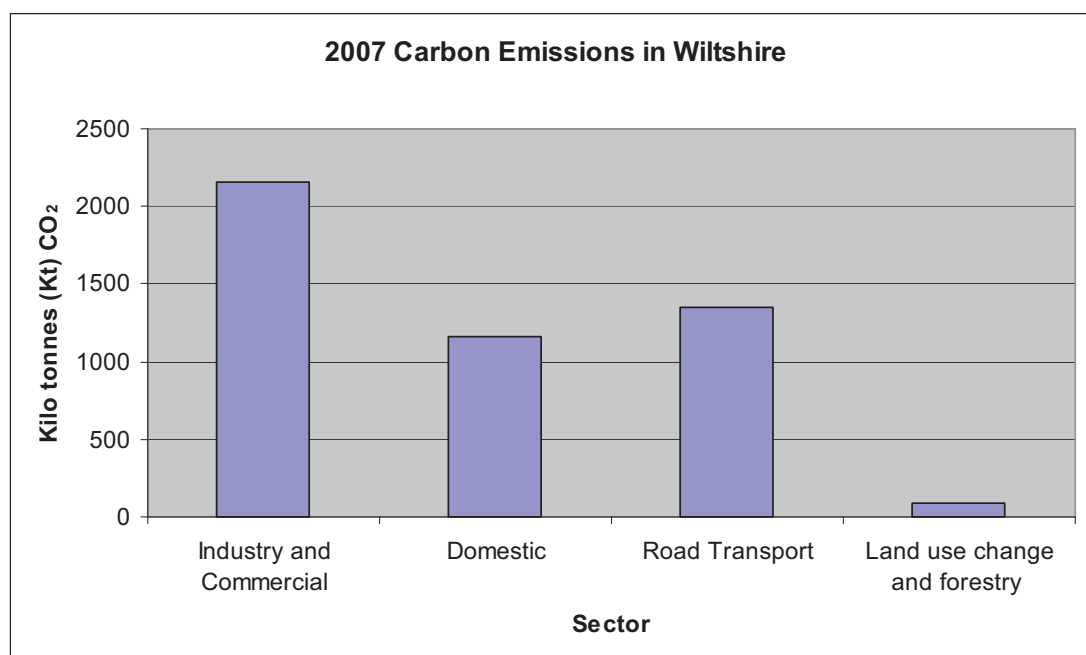
Wiltshire's CO₂ emissions are directly related to the amount of energy consumed by heating, lighting, transport and manufacture. Each fuel type, such as natural gas, coal or oil has a different carbon intensity meaning that it generates a different amount of CO₂ when burned. In 2007 the county's total carbon footprint was 4.76 million tonnes which is about 12% of the South West's carbon emissions and approximately 1% of the total UK emissions.²



Industrial and commercial CO₂ emissions accounted for 45% of the Wiltshire total, domestic housing 24%, transport 28% and 2% from land use, land use change and forestry, as illustrated in Figure 2.1.²

The term 'land use, land use change and forestry' includes estimates of the carbon impact of forestation, reforestation and deforestation, but does not include cropland management, grazing land management or re-vegetation. This sector differs from other sectors in the UK Greenhouse Gas Inventory National System²⁰ in that it contains both sources and sinks of greenhouse gases. The sources, or emissions to the atmosphere, are given as positive values; the sinks, or removals from the atmosphere, are given as negative values. Council emissions represent 1.2% of Wiltshire emissions (see section 3.6).²

Figure 2.1: Wiltshire carbon emissions by source²



Local authorities are required to report on per capita emissions for the local authority area (National Indicator 186²¹). This data is calculated annually by

DEFRA and is a subset of the full carbon emissions quoted above, adjusted to exclude elements that the local authority has no control over. Most notable of these is the exclusion of diesel railways, motorway emissions and any operations that fall within the European Emissions Trading Scheme (EU ETS)²². Under the EU ETS²², large CO₂ emitters must monitor and annually report their emissions. Allowances are issued to cover the emissions at the start of each three year trading period with any surplus or shortfall being traded on the open market. The result of these EU ETS²² exclusions is that Wiltshire's carbon footprint and per capita emissions appear lower than they actually are when only NI186 data²³ is used. The differences between the emissions captured under NI186²³ and the full data set² is illustrated in Figure 2.2. This shows that Wiltshire has a much higher proportion of carbon emissions that are outside the control of the local authority than the regional or national average.

For the purposes of this strategy, we have used the 'full data set'² including all CO₂ emissions rather than NI186 data²³ in order to give a complete picture of the current situation.

Emissions of CO₂ (under NI 186) between 2005 and 2007 reduced by 2% nationally (see Figure 2.2). In the South West, emissions went down by 2.1% and in Wiltshire they went up by 3.1% over the same period. Wiltshire is, therefore, lagging behind the rest of the country in cutting its carbon emissions. It is worth noting that a reduction in emission may not necessarily be the result of concerted action to reduce CO₂ emissions, but may come from other external factors. An obvious example is reduced economic output as a result of the recession.

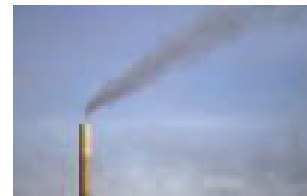


Figure 2.2: per capita emissions for Wiltshire compared with the regional and national averages 2005/07^{2 23}

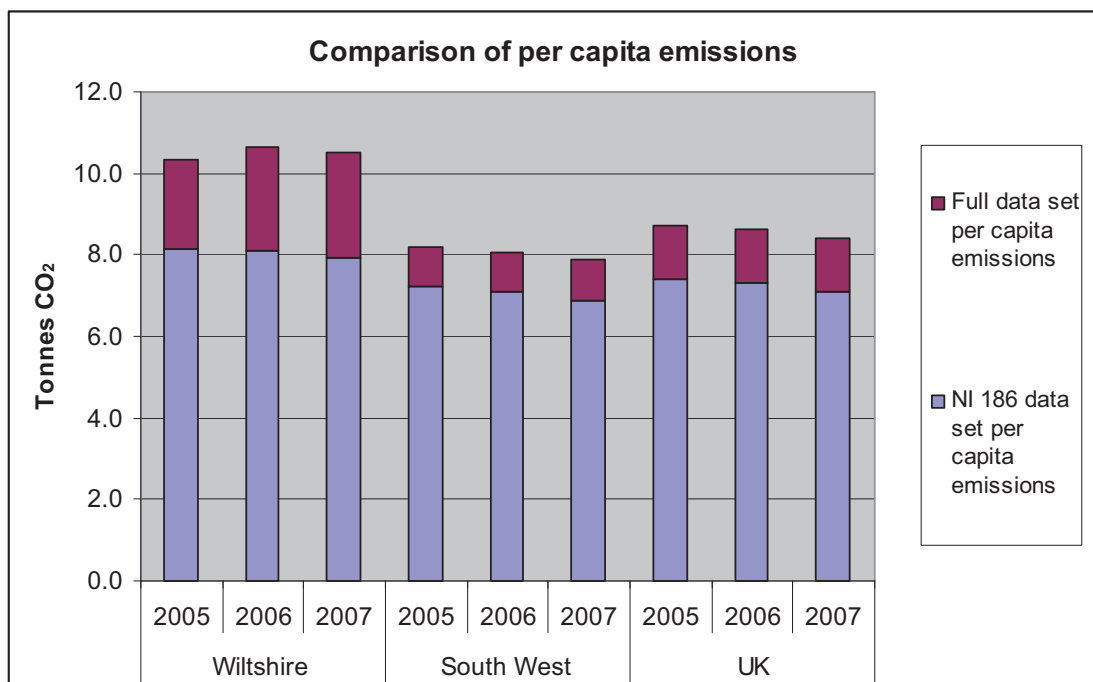


Table 1 shows the comparison between the NI186 and full data set split by former local authority districts. This shows that under the full data set, the per capita emissions of the former North Wiltshire and West Wiltshire District Council areas are much higher than the other districts. It is speculated that this discrepancy is principally due to the inclusion of the M4 in the north of the county and the cement works at Westbury in the west.

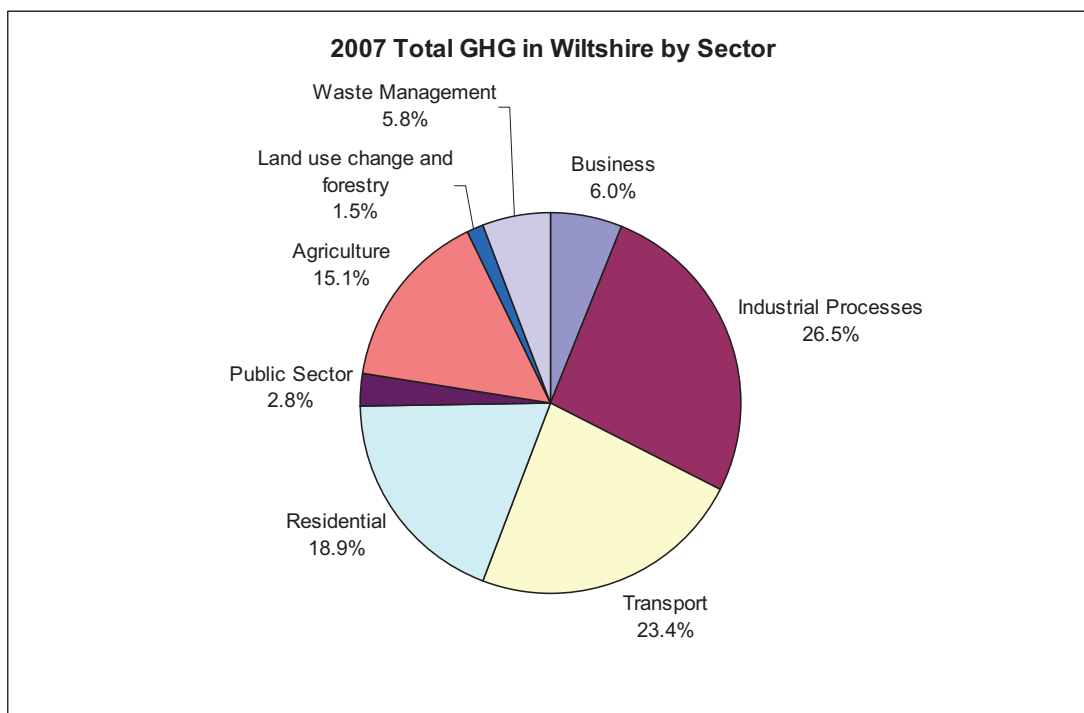
Local Authority Area	Year	Full data set per capita emissions (t)	NI 186 data set per capita emissions (t)
Former Kennet	2005	8.69	7.72
	2006	8.67	7.64
	2007	8.61	7.60
Former North Wiltshire	2005	10.47	7.49
	2006	10.26	7.53
	2007	10.01	7.30
Former Salisbury	2005	8.34	8.16
	2006	8.44	8.18
	2007	8.14	7.86
Former West Wiltshire	2005	13.00	9.14
	2006	14.28	8.92
	2007	14.43	8.83
Wiltshire total	2005	10.32	8.16
	2006	10.63	8.10
	2007	10.51	7.92

Table 1: Comparison of per capita emissions under different data sets and former districts ^{2 23}

CO₂ is just one of a number of greenhouse gases that contribute to the greenhouse effect. Other gases, such as methane (CH₄) and nitrous oxide (N₂O) are more powerful greenhouse gases. The principle sources of these gases are not the burning of fossil fuels, but landfill in the case of methane and agricultural fertilisers in the case of nitrous oxide. Experimental data, compiled by the Centre for Energy and Climate Change at the University of Exeter²⁴, has combined data for CO₂, CH₄ and N₂O at the local authority level. Combined data, expressed as CO₂ equivalents (CO₂eq) highlight a very different picture of Wiltshire's emissions compared with CO₂ alone. The data also include a breakdown of emissions by sector rather than the standard categories of commercial, transport and domestic. The experimental data set includes emissions from the public sector, agriculture, businesses, larger industrial processes (those under the ETS²²), waste, domestic, transport and land use change. These data are shown in Figure 2.3.

These experimental data are a useful starting point. However, a better understanding of Wiltshire's emissions and baseline is required in order to target efforts to tackle greenhouse gas emissions in Wiltshire, particularly those from agriculture. It is also worth noting that 1990 is the baseline year for meeting the UK Climate Change Act 2008¹ targets. However, government data on county carbon emissions are currently available only from 2005.

Figure 2.3: total Greenhouse gas (GHG) emissions in Wiltshire by sector (CO₂ equivalents)²⁴



2.2. Climate change impacts in Wiltshire

The UK Climate Impact Programme (UKCP)⁸ provides climate information designed to help those needing to plan how they will adapt to a changing climate. UKCP is a government programme providing information on past and projected climate. UKCP 09 is the fifth in a series of projections by UK Climate Impacts Programme. It can provide:



- national and regional data
- average temperature and precipitation (rain, snow, hail)
 - by season and month, over a variety of 30-year periods
 - for low, medium and high emissions scenarios.

Based on projections for a 30 year period between 2040 and 2069, under a medium emissions scenario the following changes are predicted for Wiltshire's climate:

Long-term/seasonal changes	Extreme events
Increase in annual average temperature Hotter, drier summers Milder, wetter winters	More hot days Fewer frost days More dry spells Increase in temperature of warmest day Increase in precipitation on wettest day

Table 2: UKCP09 Predicted changes in Wiltshire's climate

Our Local Climate Impacts Profile (LCIP) provides a snapshot of the impact on the council of some of the most significant climate/weather events in the past decade in Wiltshire. The profile identifies the most frequent weather events and those services most affected by recent weather events directly and indirectly. Frequent impacts of these events have been infrastructure disruption which had a direct impact on frontline service delivery, as well as indirectly impacting on all services through access to the workplace.

Specific examples from our LCIP include:

- During high temperatures and heat waves²⁵ in August 2003 and again in July 2006, heat placed vulnerable groups at significant risk. NHS statistics indicate an increase in seasonal deaths as a result of high temperatures during heat waves. Evidence also shows that heat wave events lead to an increase in noise and air pollution, as well as a possible increase in social disturbance, including opportunistic crime²⁶.
- Excess rainfall and flooding in July 2007 resulted in significant highway and infrastructure disruption in all areas across the county.



The direct impact of climate change locally has been mentioned, but every direct impact can potentially multiply into a series of indirect impacts. Examples of both direct and indirect impacts are detailed in Table 2.1. Any identified impacts will have wider implications for Wiltshire and need to be considered in any preparation and adaptation strategy.

	Direct impact	Indirect impact
Hotter, drier summers	Increase in tourism	Increased traffic congestion
Milder, wetter winters	Decrease in heating requirements	Decrease in fuel poverty
Excess rainfall and flooding	Low-lying areas flood	Decrease in the number of potential development sites
Heat waves	People more vulnerable to heat stress	Short term strain on the NHS
Droughts	Reduction in crop yields	Reduction in revenue and employment. Increase in food price
Snow and ice	Disruption to highways	Disruption to stock deliveries
High winds	Damage to buildings	School or public building closure

Table 2.1: Potential direct and indirect impacts of climate projections

There are also wider implications for Wiltshire:

- From a global perspective, the most vulnerable regions are in the developing world, which has the lowest capacity to adapt. Impacts in these regions are likely to have spill-over effects for Europe, for example through the inter-linkages of economic systems and migration.
- From a UK and regional perspective, effects on food supply chains, especially international, possible market/employment opportunities, northward migration of fish stocks, and changing seasons, impacting on species, habitats and biodiversity.

How will we adapt to the unavoidable effects of climate change?

The council is currently developing an action plan to respond to the unavoidable consequences of climate change. This action plan will set out detailed adaptation measures that the council will take. Adaptation issues have also been flagged up in the relevant section of this strategy. The advantages for the council in completing a comprehensive climate change adaptation plan include:

- allowing the council to prioritise decisions that have long-term benefits, for example investment in new transport, water, energy and communications infrastructure that will have a long life span
- identifying any benefits to the council from climate change, for example milder winters could reduce gritting costs
- taking action early where the benefits clearly outweigh the costs, for example, designing new buildings or refurbishing old ones to make them more resilient to climate change is likely to be more cost-effective than making changes later
- ensuring that service delivery has as little adverse impact on climate change as possible so that any negative effect on vulnerable people in particular is reduced.



The council expects to complete a comprehensive risk assessment of its vulnerabilities to climate change by November 2010 and to have drafted an adaptation action plan for council services by the end of March 2011.

The council is engaging with other public service organisations to ensure that adaptation approaches and responses are co-ordinated across the public sector.

3. Our strategy

3.1. Waste

To combat climate change it is essential that the amount of waste we produce decreases and that sustainable disposal and transport methods are used to minimise environmental impacts.

Land is currently being lost through landfill provision and so we need to mitigate this by reducing, reusing, recycling and recovering more waste. Also, as landfill sites are still a main source for the potent greenhouse gas, methane, alternative disposal methods need to be found. Currently methane is captured at large sites in Westbury, Calne and Swindon to generate renewable energy.



Where we are now

Most of the waste collected by the council is household waste (216,542 tonnes in 2009/10). Although the council does collect waste from a large number of commercial premises (15,000 tonnes in 2009/10), private contractors service the rest and so an accurate total picture of waste production in the county is not currently available. Estimates suggest that it could be as much as 600,000 tonnes. Table 3.1 below sets out what happens to the waste that the council collects.

A key objective for the authority is to reduce the amount of waste sent to landfill and maximise recycling rates. Alongside a 7.4% reduction in the amount of waste collected since its peak in 2004/05, there has been a drive to increase recycling services and establish alternatives to disposing of waste in landfills.

	2005/06	2009/10
Landfill	66%	47%
Energy from waste	0%	14%
Recycling and composting	34%	39%*

Table 3.1: Wiltshire Council's waste performance
(total municipal solid waste)

* = the proportion of all municipal solid waste recycled was 39%. The proportion of household waste recycled (NI 192²⁷) was 40.5%

National Indicator 191²⁷ measures the level of residual waste produced per household and can be used to compare local authorities throughout the country. The latest comparative figures refer to 2009/10 and Wiltshire's figure was 647.6kg per household, which is almost exactly the median level for comparable authorities. The Wiltshire figure has been decreasing in recent years; a figure of 663.6kg was recorded in 2008/09.

Wiltshire's Municipal Waste Strategy 2006²⁸ sets out our current performance and future projections. Wiltshire has a largely effective kerbside-recycling scheme in place which it plans to expand further.

The council funds an education programme which is delivered by the Wiltshire Wildlife Trust. This joint venture works to a business plan covering key priorities relating to waste prevention, the promotion of waste facilities, schools education, research and evidence-based action.

The council is taking the following specific steps to reduce waste to landfill:

- The Lakeside energy from waste incineration contract, which commenced in June 2009, diverts 50,000 tonnes per annum from landfill.
- The proposed Mechanical Biological Treatment (MBT) plant (contract under negotiation) is forecast to treat up to 60,000 tonnes of non recycled waste a year and produce a refuse-derived fuel (RDF).
- Changes to waste and recycling collections to date have increased recycling to 40% and proposed further changes are forecast to increase recycling to about 50%, thereby reducing waste to landfill.



The effects of these measures to date have been to reduce the proportion of municipal solid waste sent to landfill from about 80% in 2002/03 to 47% in 2009/10. The further changes outlined above are forecast to reduce landfill to less than 25% by 2014. This is the target in the current Corporate Plan³.

The adopted Wiltshire and Swindon Waste Core Strategy (2009)²⁹ has a flexible policy framework for the long-term management of all types of waste. The document sets out clear guidance in terms of where new facilities should be promoted and strategy to promote more sustainable methods for dealing with waste.

Wiltshire Council generates waste at the majority of the 600 sites it operates when delivering services. The council is a newly formed organisation and a number of different waste systems that were operated by the previous district councils and county council are still in place, including collections made by the local authority as well as external contractors. The resulting disparity in the services provided from site to site means that some have more recycling opportunities than others, and some have only a waste collection service with no recycling at all.

Where we want to get to and how

Within the council's control:

The council will invest in alternatives to landfill (see above).

The council will improve its current waste management performance across the sites it operates by:

- improving the understanding of waste management issues with officers in departments or at individual sites who hold commercial waste collection budgets
- developing a uniform waste collection service that enables increased levels of recycling, and investigating opportunities for external organisations to provide a consistent waste and recycling collection service for the commercial waste that the council produces
- using the green champions network to promote behavioural change amongst staff with the aim of reducing the quantity of waste produced
- working to reduce waste associated with products that the council buys through sustainable procurement.

Within council influence:

Of the waste the council collects, we want to recycle or compost at least 45% and landfill less than 25% by 2014³ ⁴. This will be achieved by:

- new and improving recycling facilities throughout the county
- promoting the waste hierarchy of reduce, reuse and recycle in homes, schools and businesses
- working with the Chambers of Commerce to increase levels of commercial recycling

The council will support private or public investments in generating energy from waste, in particular through anaerobic digestion, by providing positive planning responses and working with neighbouring communities to highlight the opportunities it brings (see section 3.7).



3.2. Transport

It is estimated that 40% of an average UK citizen's contribution to CO₂ comes from transport. Almost three quarters of this can be attributed to car use, with almost a quarter coming from flying. Consequently, changes that will do most to reduce individuals' transport emissions include cycling, walking, using public transport, buying cars that emit less carbon, and driving more efficiently, for example by braking more gently: 'eco-driving'.

Although Wiltshire is predominantly a rural county, there are a number of large towns including Chippenham, Trowbridge and Salisbury. Western Wiltshire has become increasingly urbanised and has strong links with Bath and Frome.

As a rural county, one of the key ways to reduce reliance on the car is through ensuring that new development is located in the right place. This may mean a town centre location, or a site further away, but with good public transport provision and cycling and walking links. The integration of sustainable transport modes in these will help to reduce carbon emissions and at the same time makes places more accessible for those without cars.

The provision of good broadband connections is another aspect of low carbon communication. Reliable broadband enables more people to work from home and benefits smaller businesses in rural locations, reducing the overall need to travel.

Reducing emissions associated with transport offers many benefits to residents of Wiltshire, other than just reduced carbon emissions. These include better air quality, improved health arising from residents taking more physical exercise and improved road safety.

Where we are now

Transport is a key element in the fight against climate change and the council has already taken action as both a provider and facilitator. Through its role as the planning authority, the council is seeking to ensure that new developments are located in the right place to improve accessibility and reduce the need to travel (see section 3.7).

There are many deterrants to sustainable transport which can be actual, such as a lack of comprehensive services and facilities, as well as perceived, which could include views such as public transport being slow and unreliable or cycling being dangerous..The council is already undertaking a wide range of road safety initiatives and network enhancements to encourage people to walk or cycle. Additionally, the council spends £5.4 million subsidising bus routes in Wiltshire and also provides free bus passes for the over 60s.

To date 86% of schools have prepared and implemented travel plans, and all children are encouraged to travel to school using safe, sustainable methods³⁰.

The Local Transport Plan³¹ is a document which sets out how each local authority will deliver transport in its area. Constrained finances will be a key barrier to delivering our local transport plan in future as the coalition government is likely to reduce funding for transport. To mitigate the financial position, other sources of funding need to be sought, for example from developer contributions, or bidding for alternative sources of external funding.

Internally the council has made a good start and is changing travel behaviour by reviewing its own travel policies. It has already developed an ongoing travel awareness campaign to promote walking, cycling, through interest free loans to purchase a bicycle, public transport season ticket loans and car sharing.

Improving broadband connectivity is one way of reducing the need to travel. Following the Digital Britain report (July 2009)³², intelligence, consultation and discussion with government and industry on public and private investments in telecommunications infrastructure indicates that a strategic business case should be made to ensure that all communities and businesses have good access to goods, services and digital content on-line. To this end, a mapping project to identify the areas most in need of investment and a high-level Digital Inclusion Group (DIG) has started.



DIG has a remit to oversee all aspects of broadband infrastructure investment, digital inclusion through e-learning and getting on-line, and on-line services from the council and public sector.

A connectivity project undertaken by this group is required to ensure the county has next generation access into all but the very most isolated premises. To date, a route-map for investment has been set out in draft form.

Where we want to get to and how

Within the council's control:

The council will tackle its own transport emissions by:

- trialling the use of alternative fuels for council vehicles
- reducing business mileage through a number of measures, including providing more opportunities for home working
- improving cycle storage and installing changing facilities in all main council buildings to encourage running and cycling to work
- identifying and securing sources of funding to implement sustainable procurement projects.



Within council influence:

Minimise CO₂ emissions from transport by:

- looking at ways to promote car clubs and alternative fuelled vehicles such as electric cars and hybrids
- promoting 'smarter driving' in partnership with the Energy Saving Trust to save fuel
- promoting developments in highly accessible locations, some car-free, and opportunities to reduce car use such as car-pooling
- promoting the delivery of integrated public transport, for example through the development of public transport interchanges in town centres
- increasing the amount of secure cycle storage at major shopping areas and transport hubs.

Work with schools to reduce emissions and congestion from the school run by:

- introducing and promoting more "walking buses" for school children
- working with schools to ensure that every one has a SMART travel plan³⁰
- considering whether to review criteria for home to school transport.

Improve communication infrastructure in rural parts of Wiltshire by:

- working with the Digital Inclusion Group (DIG) to ensure maximum environmental and sustainable benefits are realised from communication infrastructure
- highlighting the environmental and sustainability benefits of extending the broadband network to all communities and businesses in the strategic business case for investment within the county to encourage the government and industry bodies to improve provision.

3.3. Water

Scientific evidence shows that global warming is likely to intensify the water cycle, reinforcing existing patterns of water scarcity and abundance. In the South West, we are set for wetter winters and drier summers, which will have significant implications for our water infrastructure.

Historically the water industry is energy intensive with an associated carbon footprint. To address this, water companies in Wiltshire such as Wessex Water need to decarbonise operations including construction impacts and increase investment in more sustainable and renewable energy sources.

Where we are now

The council understands that water is a precious resource that must be managed sustainably. As such, we have undertaken detailed work to identify opportunities to manage water sustainably across the county. We have effective emergency planning procedures in place to ensure services continue if there are floods and we have started to quantify the consumption of all council services to prioritise savings from the most water intensive services.

A requirement of the Flood and Water Management Act 2010¹⁴ is that Wiltshire Council prepares a Preliminary Flood Risk Assessment identifying areas at risk from surface and groundwater flooding. As an adjunct to this, the council will also be preparing flood hazard maps to highlight areas of risk from flooding and direct involvement in alleviation schemes. The council has already prepared a county-wide Strategic Flood Risk Assessment³³ and this is being used as a tool to inform strategic and local planning decisions when allocating land for development or determining applications. Further detailed work will need to be undertaken to support decision making and used to develop sustainable mitigation and water management schemes.

Most of Wiltshire is served by Wessex Water for water supply and sewerage. The north east of the county (Marlborough, Wootton Bassett and Cricklade areas) is served by Thames



Water for both water supply and sewerage while the far north western tip of the county is supplied by Bristol water. The south east of the county is served by either Southern Water (water and sewerage) or Bournemouth and West Hampshire water (water supply only). A small water company called Cholderton and District Water supplies water to the area east of Amesbury. All of these companies have Water Resources Management Plans in place which contain similar objectives relating to water efficiency, network improvements and a commitment to reduce carbon emissions.

As Wessex Water covers the vast majority of the county for both water supply and sewerage, this strategy refers to their Water Resources Management Plan³⁴ specifically. Using comparisons between supply and demand forecasts, Wessex Water has identified that there is the potential for deficits to

occur in Wiltshire as a result of decreases in abstractions (to protect sensitive watercourses such as the Hampshire Avon) and population growth. The management plan identifies several options that can overcome this problem, including leakage reduction, water efficiency and new infrastructure. Development of an integrated water supply grid is now in the initial stages of development (requiring work over the next 10 years) and will both affect and benefit Wiltshire and is expected to provide part of a long-term solution to the challenge of climate change, in combination with other measures such as metering and leakage reduction.

However, the impacts of climate change will extend beyond water supply and are likely to significantly affect waste water treatment infrastructure as well. Wessex Water expects to see more frequent damage to pipework as soils dry out and shrink. The sewerage network is also likely to come under greater pressure from more intense rainfall which could lead to sewer flooding and spills from combined sewer overflows. In addition, more prolonged periods of dry weather could mean that the treated effluent from sewage treatment works that is returned to rivers constitutes a higher proportion of the flow in these rivers and streams, whilst hotter weather could lead to an increase in complaints from residents concerning odour from our sewage works. To start meeting such challenges, Wessex Water has already changed the specifications of some new sewers to a larger size and invested in more storm tanks on sewage treatment works, providing capacity for more frequent storms.

Wessex Water developed a Carbon Management Strategy in 2010³⁵. It is based on the hierarchy of emissions avoidance, energy efficiency and the implementation of renewable technology. They have taken the following concerted action:

- focused increasingly on energy efficiency particularly where aeration and disinfection are part of the sewage treatment
- increased renewable energy generation from the biogas produced by sludge digesters and securing planning permission for four large wind turbines at an appropriate site
- generated 15% of total electricity use – of which 5GWh was exported.
- developed tools for calculating the carbon footprint of capital investment, including construction impacts as well as the operational use of assets
- made a commitment to become carbon neutral by 2020.

Where we want to get to and how

Within the council's control:

Reduce the amount of water the council uses by installing water meters on council properties once funding is identified.

Establish a flood risk management group that:

- agrees, communicates and monitors the Wiltshire flood and drainage strategy
- oversees readiness for a flood emergency response
- identifies flood risks, proposing how they can be mitigated.

The flood risk management group will work to improve resilience to flooding in vulnerable areas by:

- ensuring new developments address flood mitigation appropriately, by including sustainable urban drainage systems¹
- linking information received from parish and town councils and highways engineer records to map flood affected areas
- mapping water usage and drainage so as to understand better how to deal with flood and drought.

Within council influence:

Reduce the amount of water used in the county by:

- supporting water companies in their promotion of water saving equipment
- raising environmental standards, for instance by requiring water saving equipment in new building developments and renovation work
- encouraging the installation of water meters in homes.

Improve resilience to flooding in vulnerable areas by:

- working in partnership with the Environment Agency to enhance the capability of the flood warden network and flood working groups
- promoting self help within the community
- using porous hard surfaces to aid natural drainage and alleviate urban flash flooding.



Through positive planning responses, support the water companies in developing:

- an integrated water supply grid
- an improved sewage treatment infrastructure capable of meeting the demands of future development and population whilst safeguarding the environment
- carbon neutrality by 2020 where agreed.

3.4. Purchasing and procurement

Where we are now

The council has recently adopted a Fairly Traded Products Policy¹⁸ that aims to ensure suppliers receive a fair price for their goods and that the local environment is managed in a sustainable way.

To ensure sustainability issues are considered during the procurement of goods and services, a project team has been established to provide service managers with technical advice.

¹ Sustainable Drainage Systems (SUDS) are a sequence of control structures designed to drain surface water in a more sustainable fashion than conventional techniques. SUDS mimic natural drainage and reduce the amount and rate of water flow by infiltration into the ground with permeable paving; holding water in storage areas such as ponds and rainwater harvesting; and slowing the flow of water with green roofs and swales.

The council requires companies which successfully win tenders with the authority for goods or services that could impact on the environment to operate an environmental management system. We also require contractors to report annually on their CO₂ emissions from delivering services on our behalf.

Financial efficiencies obtained through procurement will be a key way for the authority to reduce expenditure in the coming years. Work to achieve these savings should include sustainable procurement measures, looking at the whole life cycle costs.

Where we want to get to and how

Within the council's control:

The council's sustainable procurement project team will use DEFRA's Flexible Framework Matrix⁵ to develop improvement targets.

The council wants its contractors and suppliers to take sustainability seriously and will do this by:

- requiring sub-contractors and suppliers to adhere to key sustainable development principles
- understanding the full life cycle costs of products and services
- integrating options within tender documents to conclude whether there is a business case for procuring services or products with higher environmental standards

Within council influence:

Influence other public service board councillors to commit to sustainable procurement.

Promote the use of local products and materials through:

- a range of activity to support Wiltshire's food and drink sector, as set out in the council's Economic Development Strategy (EDS)
- exploring with the Local Economic Partnerships (LEPs) ways in which the capabilities of local businesses can be promoted to encourage local purchasing
- working with parish and town councils to encourage the use of allotments for food production
- working with the Ministry of Defence (MOD) on developing sustainable food chains for the public sector
- promoting the Buy Wiltshire Scheme³⁶ that aims to increase the opportunity for local companies to tender for council contracts.



3.5. Biodiversity and natural environment

Wiltshire's natural environment is diverse and uniquely special with sites and species of European, national and regional importance that are found throughout the county, all of which are susceptible to the impacts of climate change

The Lawton Review³⁷ states: "Having carefully examined the evidence, we have concluded that England's collection of wildlife sites, diverse as it is, does not comprise a coherent and resilient ecological network even today, let alone one that is capable of coping with the challenge of climate change and other pressures." Furthermore, the review states:

"Climate change, particularly in the longer term, may have the biggest impact of all. We are already seeing a number of changes as a result of climate: shifts in species ranges; changes in the timing of seasonal events (with emerging mismatches in the timing of events for currently inter-dependent species); and habitat preferences altering. Not all changes will be harmful, for example, many of England's southern species may be able to increase their range by expanding northwards. In the longer term, however, species may struggle to survive, and other impacts such as sea-level rise, an increase in extreme weather events, and other changes to ecosystem processes (e.g. caused by summer droughts) are likely to have further profound and largely negative effects. Establishing a coherent and resilient ecological network will help wildlife to cope with these changes. It will also improve the ability of our natural environment to provide a range of high quality ecosystem services today and in the future. It can help us both mitigate and adapt to climate change by, for example, storing carbon or improving the security of water supplies."

An example of the threats posed by hotter drier summers in Wiltshire will be serious impacts on key watercourses and waterways such as the River Avon, and the canal network which currently provide significant economic and recreational benefits for Wiltshire communities.

There is a vital need to make Wiltshire's natural environment more resilient in order to combat the threats that climate change poses. Habitat loss in Wiltshire is impacting negatively on biodiversity and the natural environment's ability to survive. What is needed is action at a landscape scale, directing conservation and enhancement activity and achieving tangible benefits across large areas, which the Lawton Review³⁷ refers to as 'Ecological Restoration Zones'.



The UK's natural environment and its networks of accessible green spaces and corridors (green infrastructure) are also vital in the fight against climate change. Vegetation, particularly trees, will become increasingly important as climate change progresses, converting CO₂ to oxygen and having the potential to replace some of our fossil fuel consumption as a source of energy. Land management practices will also have their part to play. For instance, considerable carbon is stored / locked up in permanent pasture.

Encouraging farming systems that protect Wiltshire's ancient pasture is key to reducing CO₂ emissions.

Species-rich green infrastructure can provide a range of social, economic and environmental benefits forming an integral part of an effective climate change strategy. From building biodiversity-rich habitats to providing accessible outdoor areas for community use, these can help climate change adaptation and mitigation by providing designated areas for species as well as providing opportunities for people to learn about climate change and how changing behaviours can reduce impacts.

Well planned green infrastructure can also provide a number of specific climate change mitigation and adaptation benefits:

- Reducing carbon emissions by encouraging more people to travel by foot or bicycle more frequently by providing footpaths and cycle ways
- Reducing 'heat island effect' (when temperatures are higher in cities than surrounding rural areas) and heat stress during the summer months by providing direct shade and cooling, particularly from trees
- Alleviating flood surge events by providing sustainable drainage
- Providing additional habitats for key species
- Providing ecological connectivity, enabling greater species movement.

The provision of a network of high quality biodiversity-rich green spaces and corridors in and around urban areas, an increase in the number of street trees, the expansion of woodland, together with habitat and biodiversity enhancement on a landscape scale, will significantly contribute to efforts to mitigate and adapt to climate change in Wiltshire.

Where we are now

The Wiltshire Green Infrastructure Strategy³⁸, currently in preparation, and an important component of Wiltshire's emerging Development Plan³⁹ (DP) (see section 3.7), will provide a long-term vision and strategic framework for the delivery of a planned, multifunctional network of green infrastructure across Wiltshire.



The Wiltshire Biodiversity Action Plan 2008⁴⁰ (BAP) sets out a strategic framework for the maintenance and enhancement of Wiltshire's key habitats and species.

Our understanding of the ecology of Wiltshire is limited, due to a fragmented biological record and an incomplete coverage of habitat survey (inadequate environmental intelligence).

The Wiltshire Landscape Character Assessments⁴¹ provide a useful description of Wiltshire's landscape and an indication of its sensitivities and vulnerabilities to change, but lack a strategic vision for landscape enhancement.

We need to improve our understanding of the specific effects that changing climatic conditions and more extreme weather events will have on Wiltshire's

natural environment and the pressures that habitats, species and landscape character will face.

Where we want to get to and how

Within the council's control:

Increase our understanding of the likely impacts of predicted climate change on Wiltshire's natural environment by undertaking work on:

- biodiversity vulnerability
- landscape vulnerability.

Increase our environmental intelligence by:

- completing green infrastructure asset and opportunities auditing and mapping as part of the preparation of the Green Infrastructure Strategy³⁸;
- establishing baseline environmental data and regular reporting.

Help to mitigate and adapt to climate change through the preparation and implementation of a:

- Wiltshire Green Infrastructure Strategy³⁸
- biodiversity adaptation strategy (to cover parts not addressed through Green Infrastructure Strategy³⁸)
- Wiltshire-wide landscape strategy
- invasive species strategy.



Raise awareness of the links between climate change and the natural environment through provision of information in Wiltshire Council publications and on the council's web site.

Maximise the gains for biodiversity and landscape through the planning system by:

- assessing the impact of proposed development schemes on the natural environment, particularly in relation to climate change
- seeking biodiversity and landscape enhancement through sustainable development, mitigation and compensation
- formulating best practice natural environment and green infrastructure policies for the council's Development Plan³⁹
- developing the understanding of those making planning decisions.

Within council influence:

Raise awareness of the links between climate change and the natural environment through:

- input to primary and tertiary level education in Wiltshire
- working with Wiltshire community partnerships.

Review the Biodiversity Action Plan⁴⁰ for Wiltshire to reflect the new landscape scale approach of biodiversity delivery areas.

Increase our environmental intelligence by supporting:

- the Wiltshire and Swindon Biological Records Centre

- the Wiltshire Wildlife sites project to undertake a programme of habitat and species survey and monitoring.

3.6. Energy

In 2009 approximately three quarters of the UK's energy needs were met from fossil fuels (coal, oil, gas) which emit high levels of CO₂, a fifth from medium CO₂ emitting nuclear power, and only 3% from low and zero carbon sustainable sources⁴². This is unsustainable, not only due to high CO₂ emissions, but also because fossil fuels are being depleted and therefore increasing in price.

Since 2004, the UK's domestic energy production has been unable to keep up with demand and it continues to be a net importer of fuel. The security of the UK's energy supply is therefore vulnerable to geopolitical issues beyond its borders. Further, if we continue to use energy produced by fossil fuels at the present rate, we will reach a point at which our demand for oil will outstrip supply. Once this point is reached the price of oil will escalate and become increasingly volatile. As such we must find new ways at a local level to reduce our consumption and look for alternative sources to prevent a future energy crisis and to reduce carbon emissions.

Where we are now: Wiltshire

In 2007, Wiltshire used approximately 14,419 Gigawatt hours² (GWh) of energy. This represents approximately 11% of the South West's total energy consumption and 0.6% of the UK's energy consumption⁴³.



Around 37% of the energy in Wiltshire was consumed by the industrial and commercial sector, while the domestic sector consumed 28% and the transport sector 35% (see figure 3.6)⁴³.

The council's Private Sector House Condition Survey (2009)⁴⁴ showed that mains gas was present in just 68% of privately owned dwellings compared with 83% nationally. If we assume that these figures are representative of all housing, it means that Wiltshire has almost twice the number of dwellings without access to mains gas (32%) compared with the national average (17%). This is significant because emissions from oil are much higher than the equivalent emissions from gas.

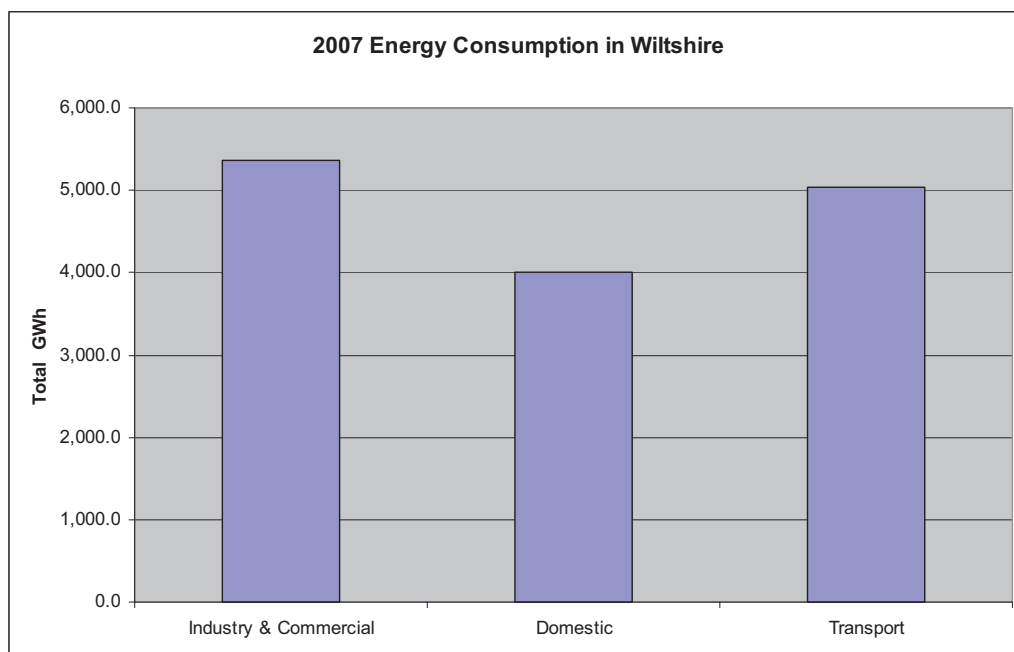
Various actions have been undertaken by the council to improve domestic energy efficiency across the county including:

- promoting loft and wall insulation schemes for private rented and owner occupied houses, flats and mobile homes
- piloting the retrofit of energy efficiency measures including renewable technologies to 'hard to treat' homes
- the provision of energy cost monitors in the county libraries.

² One Gigawatt hour is equivalent to one million Kilowatt hours (kWh).

The council subsidises public transport routes, as well as providing cycling and walking facilities to reduce individual car use (see section 3.2).

Figure 3.6: 2007 energy consumption by sector in Wiltshire⁴³.



Wiltshire has one of the lowest installed renewable energy capacities in the South West Region. In 2010, Wiltshire had just 10.4 MW of installed renewable electricity and 2.3 MW of installed renewable heat⁴⁵. Most of the renewable electricity potential comes from the utilisation of landfill gas while most of the heat comes from biomass. It is difficult to assess how much energy these renewable sources generate as a proportion of Wiltshire's total consumption as this depends on the individual performance of the technology at any given time. For example, in the case of solar or wind turbines, this variability depends on how sunny or windy it is. If it is assumed that the installed renewable systems in Wiltshire operate at 100% capacity for half of the year they would generate just 0.3% of Wiltshire's energy needs (using 2007 data)⁴⁵. This is compared to the national target of 15% of energy to come from renewable sources by 2020 as described in the Renewable Energy Strategy: see section 1.5.¹²



The council recently commissioned a study to identify the potential for a range of renewable energy technologies in Wiltshire. This assessment included scenarios for how projected energy demand in Wiltshire in 2020 could be delivered by renewable energy. A conservative scenario would deliver 29% of Wiltshire's projected energy demand utilising technologies such as wind, hydro, biomass and solar opportunities. This would be almost enough to meet

the UK Renewable Energy Strategy¹² targets set for 2020. However, the actual potential for renewable energy in Wiltshire is much greater.

Where we are now: The council

In delivering its services and through its day-to-day operations, Wiltshire Council consumes a large amount of energy, for example through heating and energy use in buildings, and through transport and street lighting. As a consequence, the council is responsible for a large quantity of carbon emissions. In 2009/10 the carbon emissions from Wiltshire Council's operations, were just over 66,000 tonnes of CO₂ associated with an annual expenditure on energy and transport of £14 million. Overall, Wiltshire Council contributes just over 1.2% of the carbon emissions in the county^{3 2}

The council has improved the energy efficiency of its own housing stock which it operates in the south of the county, the energy efficiency of these homes being assessed using the Standard Assessment Procedure (SAP)⁴⁶. The council is currently in the second quartile of local authorities nationally for SAP ratings, and aims to be in the top quartile by March 2012. Council housing has already been double glazed and fitted with loft insulation wherever appropriate. Future improvements will now concentrate on the scope for using renewable energy such as solar panels or heat pumps.



Where we want to get to and how

Action to tackle carbon emissions, whether Wiltshire Council's or the county's as a whole, will be centred on three common actions:

1. Behaviour change
2. Energy efficiency
3. Renewable energy.

Council carbon emissions

The council's carbon management plan constitutes the action plan setting out how the council is going to reduce its carbon emissions. It sets out the following vision:

"Wiltshire Council will embed carbon management into the delivery of all services to reduce our carbon emissions and set an example to the business sector and communities of Wiltshire. We will use the experience gained to influence and support others to reduce their carbon emissions, thereby mitigating the effects of climate change".

³ Based on estimates of council emissions in 2007 as the council was not in existence at this time.

Our corporate plan 2010-14³ contains the following target:
Wiltshire Council will cut CO₂ emissions by 20% off our 2008/09 baseline by the end of 2013/14. (This equates to 11,823 tonnes CO₂).

Delivery of these targets will follow a hierarchical approach:

- 1) Raising awareness and encouraging behavioural change to ensure that wasteful practices are stopped.
- 2) Implementing energy efficiency measures – this will range from installing energy efficiency technology in buildings and ICT, to implementing policies that will result in greater energy efficiency. For example, there are several building portfolio transformation work programmes underway currently that have the potential to deliver considerable energy savings:
 - Office and workplace transformation
 - Service operational campuses
 - Leisure review
 - Libraries review
 - Low carbon standards for new council buildings
 - Depot review.
- 3) Investing in alternatives to fossil fuel. As well as reducing the council's carbon emissions this offers the opportunity to generate revenue for the authority. Currently there is work underway to identify opportunities for some significant pilot projects in this area.

All other carbon emissions

Within the council's corporate plan³ there is a target to pilot energy efficiency and renewable energy projects by 2014 in each of our community areas.

To ensure that the target is met, a low carbon transition plan for Wiltshire will be produced as one of the action plans to deliver this strategy (see section 1.2). This will be accompanied by a renewable energy action plan which will highlight the opportunity for renewable energy in Wiltshire.

The low carbon transition plan will focus on the following:

- Carbon reduction scenarios: a greater understanding of the county's carbon footprint and the sources of emissions is needed. Once a baseline has been established, carbon reduction scenarios and a carbon budget for the county can be generated. The carbon budget and carbon reduction scenarios will be identified through the use of modelling software called Vantage Point.
- Influencing policy: many of the plans and policies, such as planning and transport, that are developed by the council and other public sector partners, for example the Ministry of Defence, have a direct influence on people's lives and carbon emissions. Ensuring that these policies are fit to deliver the low carbon transition in Wiltshire is essential.



The plan will provide an evidence-based approach to ensure policy adequately takes account of carbon reduction and energy and does not hinder this.

- Engagement with community groups and individuals wishing to take action: there are a number of community-based action groups in Wiltshire that have an interest in climate change. These groups range in size from a few individuals to larger groups that cover entire community areas and are best placed to take local action at the grass roots level (see section 10). The council establishes and publicises grant schemes, including future loan schemes in partnership with Wessex Reinvestment Trust. The government's proposed new Green Deal Scheme⁴⁷ to incentivise and assist householders to improve the energy efficiency of their homes will also be promoted.
- The low carbon economy: low carbon transition can benefit the economy in Wiltshire in two ways. The council will support businesses in Wiltshire to improve their energy efficiency and promote the uptake of renewable energy. The council will also promote 'green jobs' by establishing a network of installers and suppliers of energy efficiency and renewable energy technology within the county and look at opportunities for the green knowledge economy in Wiltshire. The council and its partners will work with businesses through the Wiltshire 100 programme to identify opportunities for businesses to improve their energy efficiency and act as ambassadors for the rest of the business community.

3.7. Planning

The planning system offers significant opportunities to help build sustainable communities that are resilient to the anticipated consequences of climate change and to reduce greenhouse gas emissions. The council's planning powers currently include setting policy through spatial planning (how, where and when buildings or land are used) and through the development management process (assessing planning applications).

It should be noted that the forthcoming Decentralisation and Localism Bill¹⁵ is expected to be published during the autumn of 2010 which may introduce changes to the UK planning system. Some activities undertaken by the council may need to be reviewed in the light of this development.

Where we are now

Work is under way to prepare a new development plan for Wiltshire, to be referred to as the Wiltshire Core Strategy⁴⁸. This document will set out a strategic policy framework to guide growth in Wiltshire up to 2026. Detailed evidence is being prepared to ensure new policies help to deliver sustainable and resilient communities and maximise opportunities to deliver low-carbon and decentralised energy.

In October 2009, a consultation document 'Wiltshire 2026 – Planning for Wiltshire's Future'⁴⁹ was published. This document identified climate change as a key priority for policy. The first ten strategic objectives drafted relate to climate change as summarised below:

“A sustainable pattern of development, including the self-containment of settlements and a reduction in the need to travel, will have contributed towards meeting the council’s climate change obligations.”

Key outcomes:

- The supply of energy and heat from renewable sources will have met national and regional targets.
- New development will have incorporated sustainable building practices and, where possible, will have contributed to improving the existing building stock
- High energy efficiency will have been incorporated into new buildings and developments.
- New developments will have incorporated appropriate adaptation and mitigation for climate change.
- New development will support sustainable waste management.
- The sourcing and use of local food will have helped to reduce Wiltshire’s ecological footprint.

Other planning policy documents are in preparation and these include a draft Waste Site Allocations Development Plan⁵⁰. This document identifies specific sites in the county and aims to reduce the distances that waste needs to be transported. Opportunities for waste to contribute towards renewable energy targets are also being explored.

Where we want to get to and how

Within the council’s control:

Establish mechanisms for achieving sustainable patterns of development as set out in the strategic objective above through planning policy.

Maximise the positive impacts of new developments by:

- agreeing planning policies that strongly promote a wide range of sustainability issues
- requiring new developments to be well located and highly accessible, with good transport infrastructure; this could, for example, include charging points for alternative fuelled vehicles
- providing a mixed range of uses on key sites, such as housing, places to work and shops
- defining and implementing a set of biodiversity criteria that must be met by all new developments.

Within council influence:

When meeting future housing and employment needs within the county, ensure that the carbon footprint is minimised by:

- maximising the opportunities for delivering decentralised and low carbon energy on large scale development
- developing positive policies that support large scale renewable energy installations where appropriate, that will be informed by the current exercise to map potential opportunities for renewable technologies within Wiltshire (see section 3.6)

- ensuring that new developments achieve carbon neutral standards by 2016 (for residential property) and by 2019 (for commercial buildings)
- using the Building for Life Checklist⁵¹ as a tool for designing sustainable settlements.

Promote innovative solutions to generating green energy in Wiltshire by:

- working with the Centre for Sustainable Energy to pilot a resource pack for community groups on community-based renewable energy
- using the Salisbury, Trowbridge and Chippenham vision programmes as opportunities to identify urban renewable and low carbon solutions
- ensuring that the planning process enables renewable technologies to be retrofitted to existing housing, including those in conservation areas, and listed properties where possible.

Influencing the design of new developments so that they incorporate climate change adaptation principles making communities more sustainable by:

- encouraging the use of passive design to reduce energy demand or soft landscaping to provide shading during the summer
- retaining existing green spaces and encouraging provision within new developments; vegetation and biodiversity can help address climate change by providing natural shading and cooling.

Work with the health service to assess provision of healthcare facilities to deal with the effects of higher temperatures and the increased risk from the spread of disease.

3.8. Communicating environmental issues

More than ever before people are concerned about the future of the planet and the well-being of people in all countries. The effects of climate change are motivating people to change their lifestyles and there is pressure on all tiers of government to respond and facilitate a shift in awareness. Wiltshire Council understands that it cannot fix things for people - we can only try to fix things with people. The council can facilitate and sometimes provide the means for action, but residents must help their local environment by supporting new initiatives, championing 'green-activity' within their communities, and ensuring they reduce their impact by adapting their lifestyles to use less energy. This involves effective partnership working across a wide range of organisations including government agencies, voluntary sector and businesses and the community. Only together can effective action be taken.



Where we are now

Communicating climate change issues is vital. The council has developed a strong relationship with the local press, which understands these issues and is committed to running regular 'green' stories and competitions. It is important for the private sector to play its part, and we work with partners such as the Chamber of Commerce to help companies 'green' their businesses.

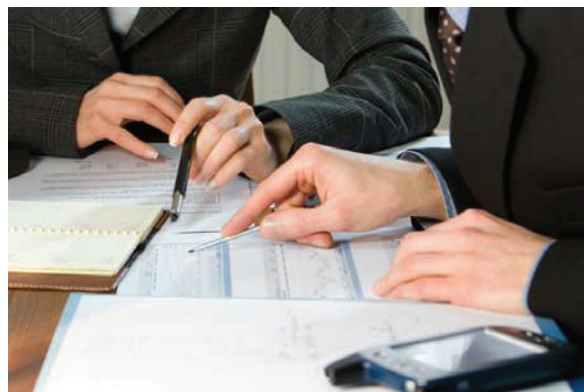
Internally, there is already a strong message promoting sustainability at work; recycling facilities are provided throughout council offices. The council signed the Nottingham Declaration¹⁶ in 2009, underlining the commitment to tackling climate change.

Getting our own house in order: green champions

Climate change champions are being identified within teams across the council and given a day-to-day responsibility to promote sustainability in the areas in which they work. Commitments include being a link to disseminate climate change initiatives, sharing best practice with other teams, attending a forum meeting every three months and, importantly, implementing practical climate change initiatives such as encouraging people to switch off lights and computer monitors and ensuring recycling takes place.

Using Wiltshire's area boards to engage the community on climate change issues:

Wiltshire Council has divided the county into community areas with a total of 18 area boards serving each area. The role of the area board is to act as a local arm of the council, a direct link so that local people know what happens in their community area and have influence over decisions and can hold decision makers accountable.



Within each area the area board consists of local unitary elected councillors, elected representatives from each town and parish council and a member of the council's cabinet.

By using the area boards we can inform and educate the local community on climate change issues, promote positive community action and provide the opportunity to influence change towards a more resilient and greener future.

Making Wiltshire businesses greener

The existing economic partnerships, chambers of commerce and the Wiltshire Strategic Economic Partnership are well connected to the Wiltshire business community. The Wiltshire Environmental Business Network (WEBN) is a key organisation which currently promotes environmental issues to the business community.

Engaging with community groups and individuals

Many Wiltshire community areas have well established and active environmental groups, such as Climate Friendly Bradford on Avon, Chippenham and Villages Environmentalists, and Transition Community Corsham. These groups can work with residents to undertake practical actions and promote environmental issues throughout the county and play an active role in helping us fight climate change. The principle mechanism for

directly supporting, assisting and facilitating community engagement on environmental issues is the Wiltshire World Changers' Network - a knowledge and information-sharing resource supported by the council. Membership is made up of community groups and interested individuals. The council also funds a home energy efficiency officer who attends community events to promote the energy efficiency message and provides dedicated home energy efficiency advice on the council website.

Engaging with schools

The council is corporately responsible for the carbon emissions from schools which represent around 45% of emissions from council buildings. Yet schools are also independent from the council in terms of their own governance and create around them a 'school community' of children, teachers, staff and parents.

Proactive engagement with schools provides an opportunity to:

- reduce carbon emissions in Wiltshire
- educate children as our future generation into the reasons behind and the solutions to climate change
- engage with the wider community, as schools are a key focal point in the community and act as an interface with residents.

Where we want to get to and how

Within the Wiltshire Council Corporate Plan³ there is a target to pilot energy efficiency and renewable energy projects by 2014 in each of our community areas. We will achieve this and communicate climate change issues by working with partners and communities.

Within the council's control:

The council needs to show leadership by getting its own house in order and communicating this through:

- area boards owning the issues outlined in this strategy for their local area and leading on taking positive action, including screening local funding applications against their ability to deliver against this agenda
- an annual update report on climate change strategy actions and progress against CO₂ reduction targets
- incorporating sustainability actions into departmental and planning processes
- ensuring that appropriate council staff have the ability to enforce sustainability measures across the organisation
- working on projects with partners in other counties and parts of the European Union and trying to create replicable ideas and projects.



The council needs to show leadership by improving public understanding of climate change and what people can do to help by:

- working closely with each area board to provide general and local information on climate change issues, consequences and practical action
- developing the Wiltshire World Changers' network website to include networking opportunities to bring together groups and interested individuals together to inspire and swap ideas
- developing the climate change section on the council's website (www.wiltshire.gov.uk/climatechange)
- supporting existing environmental groups within Wiltshire, continuing to engage with local groups to establish collaborative projects and encouraging new groups to form in all the community areas
- attending community and area board events with home energy saving information and advice on grants and loan schemes.

Within council influence:

Improving public understanding of climate change and what they can do to help by:

- increasing the membership and impact of the Wiltshire World Changers' Network to widen the reach of climate change information, resources and practical advice
- continuing to work with partner agencies through the Wiltshire World Changers' Network to develop and promote support, training and funding opportunities to increase the capacity of community groups
- working closely with the local and national newspapers to convey the climate change message.

The council needs to engage more effectively with children and inform their choices as they grow up by:

- expanding the eco-schools programme and other environmental education programmes and working with the Wiltshire Wildlife Trust which has been active in this area for many years
- supporting the Wiltshire Assembly of Youth with their waste reduction campaign called GreENGuAGE and their carbon reduction competition
- developing projects to engage with schools and beyond. not just with children, but with their parents and the wider community.

4. How we will deliver, monitor and review this strategy

This strategy is ambitious in the complex range of services affected by and responsible for its delivery. It is, therefore, important to set out how this strategy will be delivered, monitored and reviewed from the outset. Climate change is a cross-cutting issue: it is not the responsibility of a single team or section of the council to implement the council's strategy.

This section of the strategy recognises the need to ensure that accountability, responsibility and ownership are embedded throughout the council for the successful development and delivery of the climate change strategy.

The council's climate change board will have primary accountability for monitoring and reviewing this strategy. The board is chaired by the cabinet member for the environment. Other stakeholders will also be involved in monitoring and reviewing progress through receiving an annual progress report on the action plans, namely:

- the environment select committee of the council (papers published online).
- the Wiltshire Environmental Alliance, thematic partnership of the Wiltshire Assembly, our local strategic partnership.

The council's climate change team will be responsible for co-ordinating delivery of the action plans, with assistance from the relevant parts of the council and other stakeholders. The table below identifies the lead service areas of the council responsible for delivering relevant parts of the strategy as well as external partners where appropriate.

Strategy objective	Delivered through:	
	Council function	External partners
Waste	<ul style="list-style-type: none"> • Waste management services • Strategic property services 	<ul style="list-style-type: none"> • Chambers of Commerce • Wiltshire Wildlife Trust
Transport	<ul style="list-style-type: none"> • Transport planning • Passenger Transport • Transport Planning • Development services • Fleet management • Highways 	<ul style="list-style-type: none"> • Council contractors, as appropriate
Water	<ul style="list-style-type: none"> • Emergency planning • Flood risk management group • Strategic property services • Spatial planning 	<ul style="list-style-type: none"> • Environment Agency • Wessex Water
Purchasing and procurement	<ul style="list-style-type: none"> • Corporate procurement unit • All sections of the council, through following corporate procurement policy 	<ul style="list-style-type: none"> • Chambers of Commerce • Wiltshire 100 businesses • Local Economic Partnerships (LEPs)

Strategy objective	Delivered through:	
	Council function	External partners
	<ul style="list-style-type: none"> Economic development 	
Biodiversity and natural environment	<ul style="list-style-type: none"> Spatial planning Strategic property services (especially rural estates) Amenity and countryside group 	<ul style="list-style-type: none"> Countryside and land-based group Landowners Owners of Wiltshire's nature reserves (Wiltshire Wildlife Trust, Natural England, RSPB)
Energy	<ul style="list-style-type: none"> Strategic property services Workplace transformation programme ICT Climate change team Schools Waste management service Streetlighting Private sector housing 	<ul style="list-style-type: none"> Public Service Board
Planning	<ul style="list-style-type: none"> Spatial planning Development control 	<ul style="list-style-type: none"> Housing associations Developers
Communicating environmental issues	<ul style="list-style-type: none"> Relevant sections, together with corporate communications team Area boards 	<ul style="list-style-type: none"> Wiltshire World Changers' network Wiltshire Wildlife Trust Wiltshire Assembly of Youth Schools

The climate change board will have ownership for the following action plans that sit under this strategy:

- Carbon management plan for the council's emissions
- Climate change adaptation plan for Wiltshire
- Low carbon transition plan for Wiltshire
- Renewable energy action plan for Wiltshire.

The climate change board will also monitor the development and implementation of the following key strategies and plans as they contribute to the board's objectives:

- Municipal Waste Strategy²⁸ (waste management service lead)
- Wiltshire and Swindon Waste Core Strategy²⁹ (spatial planning lead)
- Local Transport Plan 3⁵² (sustainable transport lead)
- Strategic Flood Risk Assessment .³³ (spatial planning lead)



- Procurement Strategy⁵³ (procurement lead)
- Green Infrastructure Strategy³⁸ (spatial planning lead)
- Biodiversity Action Plan⁴⁰ (spatial planning lead)
- Economic Development Strategy (economic development lead)
- Wiltshire Core Strategy⁴⁸ and topic papers on climate change and related topics (spatial planning lead)
- Water Resources Management Plans³⁴ (various water companies)
- Infrastructure Delivery Plan (spatial planning lead)
- Local Investment Plan (regeneration lead)

Review

Rarely does a day go by without a new initiative or technology to combat climate change becoming available. Consequently, this document must be a living document in order to react and respond accordingly. Sections of this strategy will be reviewed as appropriate, and the entire strategy will be reviewed by 2013 at the latest.

The success of this strategy will be measured in the short term of two to three years by the degree to which it has influenced other policies, strategies and work programmes taken forward by the council and other partners. Success in the longer term will be measured by whether the council and Wiltshire as a whole is moving in the right direction in terms of reducing its carbon footprint and adapting to climate change.

5. References

Reference hyperlinks correct on 14 October 2010.

¹ The National Archives; UK Climate Change Act 2008.
<http://tiny.cc/o6nbi>

² Government Department for Energy and Climate Change (DECC);
2007 Local Authority Carbon Dioxide Emissions
<http://tiny.cc/9eohu1v9z0>

³ Wiltshire Council; Corporate Plan 2010 – 2014.
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⁴ Government Department for Environment Food and Rural Affairs (DEFRA);
Waste Strategy for England 2007.
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⁵ DEFRA; Flexible Framework Matrix.
<http://tiny.cc/o8fcs>

⁶ Wiltshire Council; Community Plan 2011 – 2026.
<http://www.wiltshire.gov.uk/communityplan.htm>

⁷ Intergovernmental Panel on Climate Change (IPCC);
Climate Change 2007 Synthesis Report.
<http://tiny.cc/rzb2e>

⁸ UK Climate Impacts Programme;
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<http://tiny.cc/2g4ft>

⁹ DECC; Carbon Reduction Commitment Energy Efficiency Scheme.
<http://tiny.cc/5qlm5>

¹⁰ DECC; The UK Low Carbon Transition Plan 2009.
<http://tiny.cc/avp6h>

¹¹ DECC; UK Household Energy Management Strategy.
<http://tiny.cc/rhbe9>

¹² DECC; UK Renewable Energy Strategy 2009.
<http://tiny.cc/p38qt>

¹³ National Archives; National Building Regulations 2000.
<http://tiny.cc/v9ai6>

¹⁴ Office of Public Sector Information; Flood and Water Management Act 2010.
<http://tiny.cc/1h2e5>

¹⁵ Communities and Local Government; Decentralisation and Localism Bill.
<http://tiny.cc/ktnav>

¹⁶ Energy Saving Trust; Nottingham Declaration on Climate Change 2000.
<http://tiny.cc/kvmex>

¹⁷ 10:10 Commitment.
<http://www.1010global.org/uk>

¹⁸ Wiltshire Council; Fairly Traded Products Policy.
[http://cms.wiltshire.gov.uk/Data/Council/20090915/Agenda/\\$item%20no.%2025%20-%20notices%20of%20motions.doc.pdf](http://cms.wiltshire.gov.uk/Data/Council/20090915/Agenda/$item%20no.%2025%20-%20notices%20of%20motions.doc.pdf)

- ¹⁹ HM Treasury; Stern Report 2006.
<http://tiny.cc/1b83p>
- ²⁰ UK Greenhouse Gas Inventory National System.
<http://www.ghgi.org.uk>
- ²¹ DECC; National Indicator 186 Per capita reduction in CO₂ emissions in the Local Authority area.
<http://tiny.cc/70l86>
- ²² European Commission; European Emissions Trading Scheme (ETS)
http://ec.europa.eu/environment/climat/emission/index_en.htm
- ²³ DECC; National Indicator 186 Data set (2005 – 2008) Per capita reduction in CO₂ emissions in the Local Authority area.
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- ²⁴ University of Exeter; Final Report on the impact of national policy measures on local carbon emissions 2010.
<http://tiny.cc/kqn2s>
- ²⁵ Department of Health; Report on the Health Effects of Climate Change in the UK 2008.
<http://tiny.cc/1nejg>
- ²⁶ Environment Agency; Report on the Social Impacts of Heat Waves.
<http://tiny.cc/g4gwb>
- ²⁷ DEFRA; National indicators 191, 192 and 193: Residual household waste per household.
<http://tiny.cc/68o38>
- ²⁸ Wiltshire Council; Municipal Waste Strategy 2006.
<http://www.recycleforwiltshire.com/documents/Strategy2006.pdf>
- ²⁹ Wiltshire Council; Wiltshire and Swindon Waste Core Strategy 2006 – 2026.
http://www.wiltshire.gov.uk/waste_core_strategy_july_2009.pdf
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<http://www.wiltshire.gov.uk/schooltravelplans.htm>
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- ³³ Wiltshire Council; Strategic Flood Risk Assessment 2009.
<http://www.wiltshire.gov.uk/strategicfloodriskassessment.htm>
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- ³⁶ Wiltshire Council; Buy Wiltshire Scheme.
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<http://tiny.cc/a554s>

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<http://www.wiltshire.gov.uk/wiltshireslandscape.htm>

⁴² DECC; UK Energy in Brief 2009.

<http://tiny.cc/8leej>

⁴³ Government Department for Energy and Climate Change (DECC); Total sub-national final energy consumption data at regional and local authority level: 2005, 2006 and 2007 (Revised June 2010).

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⁴⁴ Intelligence Network; Private Sector House Condition Survey.

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⁴⁵ REGEN SW; 2010 Annual Survey on Renewable electricity and heat projects in South West England.

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⁴⁷ DECC; Green Deal Scheme.

<http://tiny.cc/7wp85>

⁴⁸ Wiltshire Council; Core Strategy.

<http://www.wiltshire.gov.uk/wiltshirecorestrategy.htm>

⁴⁹ Wiltshire Council; 2026 Planning for Wiltshire's Future.

http://www.wiltshire.gov.uk/wiltshire_2026_-_planning_for_wiltshires_future_october_2009.pdf

⁵⁰ Wiltshire Council; Waste Site Allocations Development Plan.

<http://www.wiltshire.gov.uk/wastesiteallocations.htm>

⁵¹ CABI; Building for Life Checklist.

<http://tiny.cc/6fi7g>

⁵² Wiltshire Council; Local Transport Plan 3.

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Appendix 1: Environmental Policy

Wiltshire Council is a unitary authority located in the South West of England and is responsible for many activities which have an environmental impact on the land, water, air, wildlife and residents of the county. The authority is responsible for a wide range of activities including spatial planning, waste management, highways, social care and policies on mineral extraction. In addition, Wiltshire Council is a landowner and a major purchaser of local goods and services.

The council seeks to mitigate the environmental impacts associated with its services, ensuring that, as a minimum, it conforms to all applicable laws, regulations, codes of practice and corporate standards.

The authority is also committed to reducing its carbon footprint, preparing residents for the unavoidable consequences of climate change, pollution prevention and demonstrating continuous improvement. To achieve this, it will focus on the key environmental objectives outlined below.

1. Waste – Promote and implement sustainable management practices for waste generated by residents and by the council.
2. Transport – Reduce the impact of fleet and staff travel on the environment by developing and promoting a range of sustainable transport options and flexible working practices.
3. Water – Ensure that effective monitoring regimes and sustainable practices are put in place to manage water usage across all council sites whilst simultaneously striving to reduce consumption.
4. Purchasing and procurement - Ensure that the principles of sustainable development are integrated into the purchasing and procurement of goods and services.
5. Biodiversity and natural environment – Work with key stakeholders on countryside, ecological and environmental issues to support biodiversity and the natural environment.
6. Energy – Work to reduce the energy consumption and carbon emissions associated with council services and to expand renewable energy capacity in Wiltshire.
7. Spatial and transport planning – Ensure that the planning system helps deliver a reduction in average carbon emissions per resident, whilst establishing communities that are resilient to the future impacts of climate change.
8. Communicating environmental issues – Raise awareness of environmental issues amongst staff, elected councillors and the public through the provision of information and training.

Performance against these will be monitored through internal audit, corporate and service delivery plans, National Indicator (NI) datasets and the use of resources assessment.

In order to achieve these environmental objectives, the council will operate an externally audited environmental management system that will:

- set targets and objectives in order to minimise potentially negative environmental effects, whilst increasing the positive effects of the council's activities
- produce a statement of the council's environmental performance at regular intervals, at least annually.

Appendix 2: The Nottingham Declaration on Climate Change

We acknowledge that

- evidence shows that climate change is occurring
- climate change will continue to have far-reaching effects on the UK's people and places, economy, society and environment.

We welcome the

- social, economic and environmental benefits which come from combating climate change
- emissions targets agreed by central government and the programme for delivering change, as set out in the UK Climate Change Programme⁵⁴
- opportunity for local government to lead the response at a local level, encouraging and helping local residents, local businesses and other organisations - to reduce their energy costs, to reduce congestion, to adapt to the impacts of climate change, to improve the local environment and to deal with fuel poverty in our communities
- endorsement of this declaration by central government.

We commit our council from this date 5 May 2009 to

- work with central government to contribute, at a local level, to the delivery of the UK Climate Change Programme⁵⁴, the Kyoto Protocol⁵⁵ and the target for carbon dioxide reduction by 2010
- participate in local and regional networks for support
- within the next two years develop plans with our partners and local communities to address the causes and the impacts of climate change progressively, according to our local priorities, securing maximum benefit for our communities
- publicly declare, within appropriate plans and strategies, the commitment to achieve a significant reduction or greenhouse gas emissions from our own authority's operations, especially energy sourcing and use, travel and transport, waste production and disposal and the purchasing of goods and services
- assess the risk associated with climate change and the implications for our services and our communities of climate change impacts and adapt accordingly
- encourage all sectors in our local community to take the opportunity to adapt to the impacts of climate change, to reduce their own greenhouse gas emissions and to make public their commitment to action
- monitor the progress of our plans against the actions needed and publish the result.

Wiltshire Council acknowledges the increasing impact that climate change will have on our community during the 21st century and commits to tackling the causes and effects of a changing climate on our county.

⁵⁴ DECC; UK Climate Change Programme.
<http://tiny.cc/npym4>

⁵⁵ United Nations Framework Convention on Climate Change (UNFCCC); Kyoto Protocol.
<http://tiny.cc/lx6j>

This document was published by Wiltshire Council.

You are welcome to contact us at:

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Wiltshire Council

Cabinet

25 January 2011

Subject: Interim Report on Treasury Management Strategy 2010-11

**Cabinet Member: Councillor Fleur de Rhé-Philippe
Finance, Performance and Risk**

Key Decision: No

Executive Summary

The Council has adopted a Treasury Management Strategy and an Annual Investment Strategy (AIS) for 2010-11.

In addition to an Annual Report, the policy requires this interim report reviewing the Treasury Management Strategy (TMS), which covers the period 1 April to 30 September 2010.

Proposal

The Cabinet is asked to note the contents of this report in line with the Treasury Management Strategy.

Reason for Proposals

The report is a requirement of the Council's Treasury Management Strategy.

**Michael Hudson
Interim Chief Finance Officer**

Wiltshire Council

Cabinet

25 January 2011

Subject: Interim Report on Treasury Management Strategy 2010-11

**Cabinet Member: Councillor Fleur de Rhé-Philippe
Finance, Performance and Risk**

Key Decision: No

Background & Purpose of Report

1. The Council adopted a Treasury Management Strategy for 2010-11 at its meeting on 23 February 2010, incorporating Prudential Indicators (Prls), Treasury Management Indicators (Trls) and an Annual Investment Strategy, in accordance with the Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
2. The Council agreed that in addition to an Annual Treasury Report reviewing the year as a whole, an interim report would be submitted to Cabinet reviewing the Treasury Management Strategy. This is an interim report covering the period from 1 April to 30 September 2010.

Main Considerations for the Cabinet

3. This report reviews management actions in relation to:
 - a) the Prls and Trls originally set for the year and the position at 30 September 2010;
 - b) other treasury management actions during the period; and
 - c) the agreed Annual Investment Strategy.
4. As there have been no major variations from the expected strategy in the period under review, members are not required to make any decisions as a result of this report.

Review of Prudential and Treasury Management Indicators and Treasury Management Strategy for 2010-11

5. The following is a review of the position on the key prudential and treasury indicators for the six months to 30 September 2010.

6. A full listing of the indicators required by the CIPFA Prudential Code, Treasury Management Code and Treasury Management Guidance Notes are given in Appendix 1.

Key Prudential Indicators

Pr1 2 – Ratio of Financing Costs to Net Revenue Stream

	2009-10 Actual Outturn	2010-11 Original Estimate	2010-11 Revised Estimate
Financing Costs as a percentage of net revenue budget	5.2%	5.6%	5.4%

7. The revised estimate for 2010-11 is marginally lower than the original due to a reduction in minimum revenue provision (MRP) estimate. It is 0.2% higher than the 2009-10 actual, mainly due to a decrease in the level of expected income from investments as a result of the effect of a sustained fall in interest rates.

Pr1 4 – Net Borrowing compared to Capital Financing Requirement (CFR)

	2009-10 Actual Outturn £ million	2010-11 Original Estimate £ million	2010-11 Revised Estimate £ million
Capital Financing Requirement	299.5	299.0	345.0
Net Borrowing	142.6	157.3	140.2
Unused Capital Financing Requirement	156.9	141.7	204.8

8. Pr1 4 measures the so called “Golden Rule” which ensures that over the medium term net borrowing is only for capital purposes.
9. The main reason for the difference in the 2010-11 revised and original estimates is the movement in the capital financing requirement, additional borrowing taken out since the original estimate was formulated and revision of the anticipated short term investments likely to be held at the end of 2010-11.

Key Treasury Management Indicators within the Prudential Code

10. The Operational Boundary and Authorised Limit detailed below are control limits and do not compare with actual borrowing figures as capital funding requirements are not automatically taken as loans and may be funded from cash balances.

Trl 1 – Authorised Limit for External Debt

Authorised Limit	2010-11 £ million	2011-12 £ million	2012-13 £ million
Borrowing	375.0	419.9	414.2
Other Long Term Liabilities	0.2	0.2	£0.2
TOTAL	375.2	420.1	414.4

11. The External Debt limit includes a margin above the Operational Boundary to allow for any unusual or unpredicted cash movements. The limit has not been exceeded in the reporting period.

Trl 2 – Operational Boundary for External Debt

Operational Boundary	2010-11 £ million	2011-12 £ million	2012-13 £ million
Borrowing	326.1	365.1	360.2
Other Long Term Liabilities	0.2	0.2	0.2
TOTAL	326.3	365.3	360.4

12. The Operational Boundary is set at a limit that facilitates the funding of the Council's entire financing requirement through loans, if this was the most cost effective approach. The limit was set to anticipate expected expenditure and has not been exceeded during the reporting period (maximum borrowing during the period was £205.2 million).

Trl 3 – External Debt

	31/03/10 Actual £ million	30/09/10 Actual £ million	31/03/11 Expected £ million
Borrowing	205.2	205.2	225.2
Other Long Term Liabilities	0.2	0.2	0.2
TOTAL	205.4	205.4	225.4

13. Trl 3 shows the gross External Debt outstanding, both long-term loans and temporary borrowing. No long term loans were repaid in first half of 2010-11. The figure for actual borrowing at 31 March 2010 is stated at the amount that reflects actual outstanding external borrowing at the end of 2009-10 (i.e. excluding accounting adjustments, such as accrued interest and effective interest rates).
14. The increase of £20 million in borrowing between the end of September 2010 and the expected position at the end of the current financial year is the anticipated additional borrowing to improve the present debt profile and obtain attractive interest rates ahead of the physical need to borrow.

Key Treasury Management Indicators within the Treasury Management Code

Trl 6 – Principal Sums invested for periods of longer than 364 days

15. This Prl is now covered by the Annual Investment Strategy for 2010-11, which set a limit of £30 million. During the first six months of 2010-11 no cost effective investments have been identified. The Authority however holds a number of on-call deposit accounts and three money market funds, which offer both an attractive interest rate, some of which track the bank rate, and instant access for flexibility of cash management.

Trl 7 - Local Prudential Indicator

16. In addition to the main maturity indicators it was agreed no more than 15% of long term loans should fall due for repayment within any one financial year. The maximum in any one year is currently 6.3% (£13 million) in both 2052-53 and 2053-54. A summary maturity profile is shown in Appendix 2.

Other Debt Management Issues

Debt Rescheduling

17. No opportunities to reschedule PWLB debt have been identified during the period, mainly because of the premiums payable for early repayment of debt.

Cash Surpluses and Deficits

Short Term Surpluses and Deficits

18. Any short term cash surpluses or deficits have been managed through temporary deposits or loans, respectively. Temporary deposits outstanding at 30 September 2010 amounted to £86.6 million, including outstanding Icelandic bank deposits at the current estimated recoverable amount, as detailed in Appendix 3.
19. In terms of the position in respect of the £12 million investment caught up in the collapse of the Icelandic banks, Heritable (£9 million) and Landsbanki (£3 million), the Council has so far received in excess of £4 million from Heritable (about 45p in the £) and nothing yet from Landsbanki.
20. Repayments from the Council's investment in Landsbanki are currently subject to the outcome of legal proceedings in relation to priority status, for which a hearing date has yet to be fixed. Latest indications are that a hearing date will be set for sometime in January/February 2011. Any repayments are not then expected to commence until later in 2011, dependent on appeals and it is anticipated that the total repayment will be phased over several years, with the final repayment expected in 2018.

Longer Term Cash Balances

21. Interest rate movements in the period have not provided any opportunities for an increased return by longer term investment of the more permanent cash surpluses, such as the PFI Sinking Fund. Funds have been invested 'short' during the period, in the light of the continuing uncertainty of the current financial climate.

Investment Strategy

22. All investments have been conducted within the agreed Annual Investment Strategy and made only to authorised lenders within the Council's high credit rating policy.
23. Our treasury advisers provide a weekly credit rating document and updates on any changes in ratings between one weekly credit rating document and the next. Ratings are monitored and any changes reflected in a revised lending list and any action considered appropriate is taken. The advisers also provide details of credit default swap spreads, which indicate default risk, if any. These are also taken into account in preparing and updating the Council's lending list.

Environmental and Climate Change Considerations

24. a) to d) None have been identified as arising directly from this report.

Equalities Impact of the Proposal

25. None have been identified as arising directly from this report

Risk Assessment and Financial Implications

26. All investment has been at fixed rates during the period. The Council's current average interest rate on long term debt is 4.286%, which, according to the latest available information, remains one of the lowest rates amongst UK local authorities.

Legal Implications

27. None have been identified as arising directly from this report.

Options Considered

28. In order to provide further flexibility and liquidity a third Money Market Fund has been opened so that the Council can take advantage of an 'instant access account', whilst obtaining a higher return than that gained from placing the cash on fixed short term, or overnight (with HSBC), deposit.
29. Interest rates are expected to remain low for the short to medium term, with current indications that there will not be a rise in the Bank Rate until December

2011. Consequently, longer term investments have been considered as an enhancement to the Council's investment portfolio, resulting in the placing of funds, at an extremely competitive interest rate, with Lloyds Bank for 12 months.

30. During the period covered by this report PWLB rates, which are expected to rise steadily over the next three years, were monitored for opportunities to take out loans in advance of need. As there was no immediate necessity to borrow, rates were regularly scrutinised, however, no loans were taken out in this period.

Conclusion

31. The Cabinet is asked to note the contents of this report in line with the Treasury Management Strategy.

Michael Hudson
Interim Chief Finance Officer

Report Author:

Keith Stephens, Principal Accountant – Treasury and VAT, Tel: 01225 713603, email: keith.stephens@wiltshire.gov.uk

Background Papers

The following unpublished documents have been relied on in the preparation of this Report: NONE

Appendices

- Appendix 1 Prudential and Treasury Indicators for 2010-11, 2011-12 & 2012-13
Appendix 2 Summary of Long Term Borrowing 1 April 2010 – 30 September 2010
Appendix 3 Summary of Temporary Loans and Deposits 1 April – 30 September 2010

Prudential and Treasury Indicators for 2010-11, 2011-12 & 2012-13

Prudential Indicators

Prl 1 – Capital Expenditure

1. The table below shows the revised figures for capital expenditure based on the current capital approved budget.

	2009-10 Actual Outturn	2010-11 Original Estimate	2010-11 Revised Estimate	2010-11 Actual To date 30/09/10
	£ million	£ million	£ million	£ million
Capital Expenditure	107.2	137.0	124.2	45.8

2. The revised estimate for 2010-11 is lower than the original estimate due to the re-profiling and slippage of projects since the previous estimate was formulated.
3. The Capital Programme is monitored closely throughout the year and progress on the programme is reported to the Cabinet. The position at the end of October 2010 is reported elsewhere on the agenda.

Prl 2 – Ratio of Financing Costs to Net Revenue Stream

	2009-10 Actual Outturn	2010-11 Original Estimate	2010-11 Revised Estimate
Financing Costs as a percentage of net revenue budget	5.2%	5.6%	5.4%

The revised estimate for 2010-11 is marginally lower than the original due to a reduction in minimum revenue provision (MRP) estimate. It is 0.2% higher than the 2009-10 actual, mainly due to a decrease in the level of expected income from investments as a result of the effect of a sustained fall in interest rates.

Prl 3 – Estimate of Incremental Impact of Capital Investment Decisions on the Council Tax

4. This indicator is only relevant at budget setting time and for 2010-11 was calculated as being £3.23.

Prudential and Treasury Indicators for 2010-11, 2011-12 & 2012-13

Prl 4 – Net Borrowing compared to Capital Financing Requirement (CFR)

	2009-10 Actual Outturn £ million	2010-11 Original Estimate £ million	2010-11 Revised Estimate £ million
Capital Financing Requirement	299.5	299.0	345.0
Net Borrowing	142.6	157.3	140.2
Unused Capital Financing Requirement	156.9	141.7	204.8

5. Prl 4 measures the so called “Golden Rule” which ensures that over the medium term net borrowing is only for capital purposes.
6. The main reason for the difference in the 2010-11 revised and original estimates is the movement in the capital financing requirement, additional borrowing taken out since the original estimate was formulated and revision of the anticipated short term investments likely to be held at the end of 2010-11.

Prl 5 – Compliance with the CIPFA Code of Practice for Treasury Management in the Public Services

7. All actions have been compliant with the CIPFA Code of Practice.

Treasury Management Indicators within the Prudential Code

8. The Operational Boundary and Authorised Limit detailed below are control limits and do not compare with actual borrowing figures as capital funding requirements are not automatically taken as loans and may be funded from cash balances.

Trl 1 – Authorised Limit for External Debt

Authorised Limit	2010-11 £ million	2011-12 £ million	2012-13 £ million
Borrowing	375.0	419.9	414.2
Other Long Term Liabilities	0.2	0.2	£0.2
TOTAL	375.2	420.1	414.4

9. The External Debt limit includes a margin above the Operational Boundary to allow for any unusual or unpredicted cash movements. The limit has not been exceeded in the reporting period.

Prudential and Treasury Indicators for 2010-11, 2011-12 & 2012-13

Trl 2 – Operational Boundary for External Debt

Operational Boundary	2010-11 £ million	2011-12 £ million	2012-13 £ million
Borrowing	326.1	365.1	360.2
Other Long Term Liabilities	0.2	0.2	0.2
TOTAL	326.3	365.3	360.4

10. The Operational Boundary is set at a limit that facilitates the funding of the Council's entire financing requirement through loans, if this was the most cost effective approach. The limit was set to anticipate expected expenditure and has not been exceeded during the reporting period (maximum borrowing during the period was £205.2 million).

Trl 3 – External Debt

	31/03/10 Actual £ million	30/09/10 Actual £ million	31/03/11 Expected £ million
Borrowing	205.2	205.2	225.2
Other Long Term Liabilities	0.2	0.2	0.2
TOTAL	205.4	205.4	225.4

11. Trl 3 shows the gross External Debt outstanding, both long-term loans and temporary borrowing. No long term loans were repaid in first half of 2010-11. The figure for actual borrowing at 31 March 2010 is stated at the amount that reflects actual outstanding external borrowing at the end of 2009-10 (i.e. excluding accounting adjustments, such as accrued interest and effective interest rates).
12. The increase of £20 million in borrowing between the end of September 2010 and the expected position at the end of the current financial year is the anticipated additional borrowing to improve the present debt profile and obtain attractive interest rates ahead of the physical need to borrow.

Treasury Management Indicators within the Treasury Management Code

Trl 4a – Upper Limit on Fixed Interest Rate Exposures

The Council's upper limit for fixed interest rate exposure for the period 2010-11 to 2012-13 is 100% of net outstanding principal sums.
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Trl 4b – Upper Limit on Variable Interest Rate Exposures

The Council's upper limit for variable interest rate exposure is 20% for 2010-11, 20% for 2011-12 and 25% for 2012-13 of net outstanding principal sums.

Prudential and Treasury Indicators for 2010-11, 2011-12 & 2012-13

13. Options for borrowing during the period were considered, however, (mainly) due to the premium incurred on the early repayment of debt and the desire to maintain the Council's relatively low average borrowing rate, no new borrowing has been taken.

Trl 5 – Upper & Lower Limits on the Maturity Structure of Borrowing

Limits on the Maturity Structure of Borrowing	Upper Limit	Lower Limit	Position at 30/09/10
Maturing Period:			
- under 12 months	15%	0%	0%
- 12 months and within 24 months	15%	0%	0%
- 2 years and within 5 years	45%	0%	2%
- 5 years and within 10 years	75%	0%	1%
- 10 years and above	100%	0%	97%

14. The table above shows that the actual maturity structure is within the agreed limits.
15. No long term borrowing has been taken during the period. If interest rates are favourable and an opportunity exists to take further borrowing this year we will look to match borrowing with this maturity structure.

Trl 6 – Principal Sums invested for periods of longer than 364 days

16. This Prl is now covered by the Annual Investment Strategy for 2010-11, which set a limit of £30 million. During the first six months of 2010-11 no cost effective investments have been identified. The Authority however holds a number of on-call deposit accounts and three money market funds, which offer both an attractive interest rate, some of which track the bank rate, and instant access for flexibility of cash management.

Trl 7 - Local Prudential Indicator

17. In addition to the main maturity indicators it was agreed no more than 15% of long term loans should fall due for repayment within any one financial year. The maximum in any one year is currently 6.3% (£13 million) in both 2052-53 and 2053-54. A summary maturity profile is shown in Appendix 1.

SUMMARY OF LONG TERM BORROWING 1 APRIL 2010 – 30 SEPTEMBER 2010

Loans Raised During the Period

Date Raised	Lender	Amount (£m)	Type	Interest rate (%)	Maturity date	No. of years
No Loans were raised during the period						
Total		0.000				

Average period to maturity (years) 0.00

Average interest rate (%) 0.00

* Loans taken to restructure debt

** Loans taken for purchases instead of leasing

Maturity Profile at 30 September 2010

Year	Amount (£m)	%age	Average rate (%)
1 to 5 years	2.073	1.0	4.096
6 to 15 years	10.015	4.9	3.978
16 to 25 years	37.623	18.3	4.554
26 to 50 years	139.500	68.0	4.430
Over 50 years	16.000	7.8	4.120
Totals	205.211	100.0	4.325

Average period to maturity (years) 35.84

SUMMARY OF TEMPORARY LOANS AND DEPOSITS 1 APRIL – 30 SEPTEMBER 2010

Deposits Outstanding at 30 September 2010

Borrower	Amount £m	Terms	Interest Rate
HSBC Bank PLC - Treasury	2.600	No fixed maturity date	0.20
Overseas Chinese Banking Corporation	8.000	Fixed to 02-Nov-10	0.56
Nationwide Building Society	6.000	Fixed to 03-Nov-10	0.65
Barclays Bank	5.000	Fixed to 03-Nov-10	0.60
Lloyds TSB Bank	5.000	Fixed to 11-Aug-11	2.05
Santander UK	3.200	Fixed to 14-Dec-10	0.98
Bank Of Scotland	2.762	No fixed maturity date	0.75
Santander UK	10.996	No fixed maturity date	0.80
Clydesdale Bank	14.410	No fixed maturity date	0.80
Svenska Handelsbanken AB	7.982	No fixed maturity date	0.75
Black Rock Money Market Fund	0.719	No fixed maturity date	0.54
JP Morgan Money Market Funds	9.031	No fixed maturity date	0.45
Prime Rate Money Market Fund	5.000	No fixed maturity date	0.81
Heritable Bank	1.197	Est Recoverable Amount	6.00
Heritable Bank	0.799	Est Recoverable Amount	6.00
Heritable Bank	1.197	Est Recoverable Amount	6.00
Heritable Bank	0.400	Est Recoverable Amount	5.42
Landsbanki	2.290	Est Recoverable Amount	6.10
Total	86.582		

Outstanding deposits with Icelandic Banks are shown at the estimated recoverable amount, which takes account of estimated impairments and, in the case of Heritable, any repayments received to date. The interest rates are the original rates.

Transactions During the Period

Type	Balance 1 Apr 10 £m	Raised		Repaid		Balance 30 Sep 10 £m	Interest Variance * High/Low(%)
		Value £m	No.	Value £m	No.		
Temporary loans							
- General	0.000	0.000	0	0.000	0	0.000	
Total	0.000	0.000	0	0.000	0	0.000	
Temporary deposits							
- General	7.447	94.200	19	68.564	15	33.083	2.05/0.30
- HSBC Overnight	32.883	244.825	78	247.425	80	30.283	0.20/0.20
- Call Accounts	17.071	71.949	42	68.683	22	20.337	0.80/0.75
- Money Market Funds	5.200	148.329	34	150.650	29	2.879	0.81/0.36
Total	62.601	559.303	173	535.322	146	86.582	

* Interest variance is the highest/lowest interest rate for transactions during the period.

* In terms of general deposits, the high of 2.05% was obtained on a 12 month deposit.

General deposits include impaired Icelandic investments less any repayments that have been received, to date.

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Wiltshire Council

Cabinet

25 January 2011

Subject: Treasury Management Strategy 2011-12

**Cabinet Member: Councillor Fleur de Rhé-Philippe
Finance, Performance and Risk**

Key Decision: No

Executive Summary

This report presents the Treasury Management Strategy for 2011-12 including:

- a) The Prudential and Treasury Indicators for the next three years;
- b) Other debt management decisions required for 2011-12 that do not feature within the indicators; and
- c) The Annual Investment Strategy for 2011-12.

Proposals

The Cabinet is requested to recommend that the Council:

- a) adopt the Prudential and Treasury Indicators (Appendix A);
- b) adopt the Annual Investment Strategy (Appendix B);
- c) delegate to the Chief Finance Officer the authority to vary the amount of borrowing and other long term liabilities within both the Treasury Indicators for the Authorised Limit and the Operational Boundary;
- d) authorise the Chief Finance Officer to agree the restructuring of existing long-term loans where savings are achievable or to enhance the long term portfolio;
- e) agree that short term cash surpluses and deficits continue to be managed through temporary loans and deposits; and
- f) agree that any long term surplus cash balances not required to cover borrowing are placed in authorised money-market funds, particularly where this is more cost effective than short term deposits and delegate to the Chief Finance Officer the authority to select such funds.

Reasons for Proposals

The proposals are required to comply with statutory guidance and reflect best practice.

**Michael Hudson
Interim Chief Finance Officer**

25 January 2011

Subject: Treasury Management Strategy 2011-12

**Cabinet Member: Councillor Fleur de Rhé-Philippe
Finance, Performance and Risk**

Key Decision: No

Purpose of Report

1. This report asks the Cabinet to consider and recommend that the Council approve the Prudential and Treasury Indicators, together with the Treasury Management Strategy for 2011-12.

Background

2. The Council is required by legislation to approve a Treasury Management Strategy, which incorporates the setting of Prudential and Treasury Indicators and an Annual Investment Strategy, before the start of the financial year.
3. A review of the position in the current year is included elsewhere on the agenda as part of the Interim Report.

Main Considerations for the Cabinet

Prudential Indicators (Prls) and Treasury Indicators (Trls)

Basis of the Indicators

4. A summary of the Prls and Trls is shown in Appendix A. The key indicators are the Treasury Indicators relating to the Authorised Limit (Trl 1) and the Operational Boundary (Trl 2), which control the Council's exposure to debt.
5. The Prls and Trls have been set on the basis of all known commitments and the effect of all known revenue and capital proposals relating to the council, including those that will be outlined in the appropriate reports to Cabinet at its meeting on 8 February 2011.

Monitoring and Reporting of the Prudential Indicators

6. Progress will be monitored against the Prls and Trls throughout the year, particularly against the two borrowing limits. Cabinet will be kept informed of any issues that arise, including potential or actual breaches. Members will receive monthly capital monitoring reports and an Interim Report on Treasury Management Strategy for 2011-12 in December 2011.

7. The elements within the Authorised Limit and the Operational Boundary, for borrowing and other long term liabilities require the approval of the Council. In order to give operational flexibility, Members are asked to delegate to the Chief Finance Officer the ability to effect movements between the two elements where this is considered necessary. Any such changes will be reported to Members. The operational boundary is a key management tool for in-year monitoring. It will probably not be significant if the operational boundary is breached temporarily on occasions due to variations in cash flow. However, a sustained or regular trend above the operational boundary would be significant and should lead to further investigation and action as appropriate. Any breach of the operational boundary will be reported to members immediately. The authorised limit will in addition need to provide headroom over and above the operational boundary, sufficient for example for unusual cash movements and should not be breached.

Other Debt Management Issues

External v. Internal Borrowing

8. This Council currently has a difference between gross debt and net debt of £77 million which is represented by investments. This is better illustrated by stating the councils gross debt (borrowing) as £205 million, less investments, i.e. the difference, of £77 million giving the Councils net debt position of £128 million. This is not considered to be a significant difference in terms of the requirements of the Prudential Code.
9. The next financial year is expected to be one of historically abnormally low Bank Rate. This provides a continuation of the current window of opportunity for local authorities to fundamentally review their strategy of undertaking new external borrowing.
10. Over the next three years, investment rates are therefore expected to be below long term borrowing rates and so value for money considerations would indicate that value could best be obtained by avoiding new external borrowing and by using internal cash balances to finance new capital expenditure or to replace maturing external debt (this is referred to as internal borrowing). This would maximise short term savings.
11. However, short term savings by avoiding new long term external borrowing in 2011-12 will also be weighed against the potential for incurring additional long term extra costs by delaying unavoidable new external borrowing until later years when Public Works Loans Board (PWLB) long term rates are forecast to be significantly higher.
12. The Council has examined the potential for undertaking early repayment of some external debt to the PWLB in order to reduce the difference between its gross and net debt positions. However, the introduction by the PWLB of significantly lower repayment rates than new borrowing rates in November 2007, which has now been compounded since 20 October 2010 by a considerable further widening of the difference between new borrowing and repayment rates, has meant that large premiums would be incurred by such action and would also do so in the near term; such levels of premiums cannot

be justified on value for money grounds. This situation will be monitored in case these differentials are narrowed by the PWLB at some future date.

13. The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.
14. In determining whether borrowing will be undertaken in advance of need the Council will:
 - a) ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need;
 - b) ensure the ongoing revenue liabilities created and the implications have been considered and fed into the business plan;
 - c) evaluate the economic and market factors that might influence the manner and timing of any decision to borrow;
 - d) consider the merits and demerits of alternative forms of funding;
 - e) consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use; and
 - f) consider the impact of borrowing in advance on temporarily (until required to finance capital expenditure) increasing investment cash balances and the consequent increase in exposure to counterparty risk, and other risks, and the level of such risks given the controls in place to minimise them.

Debt Rescheduling

15. The introduction by the PWLB in 2007 of a spread between the rates applied to new borrowing and repayment of debt, which has now been compounded since 20 October 2010 by a considerable further widening of the difference between new borrowing and repayment rates, has meant that PWLB to PWLB debt restructuring is now much less attractive than it was before both of these events.
16. In particular, consideration would have to be given to the large premiums which would be incurred by prematurely repaying existing PWLB loans and it is very unlikely that these could be justified on value for money grounds if using replacement PWLB refinancing. However, some interest savings might still be achievable through using LOBO (Lenders Option Borrowers Option) loans, and other market loans, in rescheduling exercises rather than using PWLB borrowing as the source of replacement financing.
17. As short term borrowing rates will be considerably cheaper than longer term rates, there may be potential for some residual opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the size of premiums incurred, their short term nature, and the likely cost of refinancing those short

term loans, once they mature, compared to the current rates of longer term debt in the existing debt portfolio. Any such rescheduling and repayment of debt is likely to cause a flattening of the Council's maturity profile as in recent years there has been a skew towards longer dated PWLB.

18. The reasons for any rescheduling to take place will include:
 - a) the generation of cash savings and / or discounted cash flow savings;
 - b) helping to fulfil the borrowing strategy; and
 - c) enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).
19. Consideration will also be given to identify if there is any residual potential left for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.
20. All rescheduling will be reported to the Cabinet at the earliest meeting following its action.
21. The current average interest rate for the Council overall is 4.33%, which is one of the lowest rates of interest when compared with the latest available information available in respect of other English local authorities.
22. It is proposed that the Chief Finance Officer should continue to be authorised to act on advice from the Council's treasury adviser should rescheduling opportunities arise. Any rescheduling will be reported to Cabinet members.

Lender Option Borrower Option (LOBO) Market Loans

23. Wiltshire Council currently has borrowings of £61 million in LOBO loans.
24. There are basically two main types of LOBO loan (of which the Council has a both in it's portfolio):
 - a) a loan with an 'initial period' at a relatively low rate of interest, on the completion of which the rate will automatically increase to a 'secondary rate' under the terms of the loan agreement. The interest rate is then subject to 'call option dates' at certain predetermined stages (e.g. every six months, every five years) over the life of the loan, at which time the lender has the option to set a revised interest rate and the borrower has the option to repay the loan without penalty; or
 - b) a loan subject to 'call option dates' only (i.e. there is no 'secondar rate') at which time the lender has the option to raise the interest rate and the borrower has the option to repay the loan without penalty.
25. If the lender exercises his option to revise the interest rate at one of the 'call option dates', the Council will always exercise its option to repay the loan.

Consideration will then be given to rescheduling the debt where the overall level of debt prior to the repayment needs to be maintained.

Short Term Cash Deficits

26. Temporary loans, where both the borrower and lender have the option to redeem the loan within twelve months, are used to offset short term revenue cash deficits. They may also be used to cover short term capital requirements until longer term loans become more cost effective. The majority of these loans will be at fixed interest rates, maturing on specific dates. It is recommended that the Council continue to utilise temporary loans for any short term cash deficits that arise in respect of revenue and/or capital.

Cash Investments

Annual Investment Strategy

27. The Annual Investment Strategy for 2011-12, which sets out the policy framework for the investment of cash balances, is shown in Appendix B.

Short Term Cash Surpluses

28. It is anticipated that temporary short term cash surpluses will arise regularly during the year. Investment of these surpluses should be in specific investments (e.g. short term Sterling investments of less than one year). Such investments will normally be short term deposits maturing on specific dates that reflect cash flow requirements at the date the deposit is made. However, under certain market conditions, money market funds will be used, particularly if they provide improved returns.

Longer Term Cash Surpluses

29. Some cash surpluses, for example core revenue balances, net creditors, accrued reserves and special funds such as those for insurance and PFI can be invested on a long term basis. These cash surpluses may be used for capital financing requirements, where longer term interest rates mean that it is less cost effective to take out longer term loans.
30. Improved returns may be obtained by placing these surpluses in money market funds. The Chief Finance Officer has delegated authority to select money market funds and appoint External Cash Managers within the current approved strategy and it is recommended that this authority is retained.
31. The proposed Investment Strategy for 2011-12 includes the use of unspecified investments (e.g. more than 12 months to maturity and for which external professional advice is required) that the Council's treasury adviser may recommend for investment of longer term cash surpluses such as a PFI Sinking Fund.
32. Although the Council has been well positioned in terms of the balance between both loans and investments, rates of interest paid on deposits have been fairly static over the last financial year. Following a further period of similarly low rates, interest rates are not expected to rise until quarter 4

(October to December) 2011. However, the Monetary Policy Committee is beginning to signal a rise in the Bank Rate may be on the way.

Icelandic Deposits

33. The position in respect of the £12 million investment 'caught up' in the collapse of the Icelandic banks, Heritable (£9 million) and Landsbanki (£3 million) is that the Council has received just over £4 million from Heritable (about 45p in the £), with a further payment expected in January 2011.
34. The Council has yet to receive any repayments from Landsbanki.
35. Distributions from Landsbanki are currently subject to the outcome of legal proceedings in relation to a challenge from other (non priority) creditors, mainly bond holders, in respect of the decision of the Landsbanki Winding up Board to grant priority status to local authorities. According to the latest available information, the trial of test cases (one of which is Wiltshire Council) has been provisionally listed for early/mid February 2011.
36. Following its conclusion, repayments from the administrators of Landsbanki are not then expected to commence until later in 2011, dependent on appeals and it is anticipated that the total repayment will be phased over several years, with the final repayment expected in 2018.
37. It is still anticipated that the Council will eventually recover 80% to 95% of its original investment.

Minimum Revenue Provision

38. The minimum revenue provision (MRP) is the amount set aside for the repayment of the debt as a result of borrowings made to finance capital expenditure.
39. In accordance with Local Authorities (Capital Finance and Accounting) Regulations 2008 the council adopted a MRP annual policy in May 2009.
40. For financial year 2010-11 the annual policy remained unchanged, in that a regulatory method of setting aside 4% of the borrowing requirement for supported borrowing and an asset life method calculation for any unsupported borrowing was applied.
41. It is proposed that this policy is retained in 2011-12.

Environmental and Climate Change Considerations

42. a) to d) None have been identified as arising directly from this report.

Equalities Impact of the Proposal

43. None have been identified as arising directly from this report.

Risk Assessment and Financial Implications

44. The primary treasury management risks to which the Council is exposed are adverse movements in interest rates and the credit risk of its investment counterparties (the organisations with which the Council deposits cash surpluses).
45. The strategies in Appendices A and B take account of the forecast movement in interest rates and allow sufficient flexibility to vary strategy if actual movements in interest rates are not in line with the forecast.
46. The Council's treasury adviser is currently predicting the following interest rate movements:
 - a) the Bank Rate has remained at 0.50% since March 2009. It is expected to rise to 0.75% by the end of the last quarter of 2011, rising further to 1.00% by the end of the first quarter of 2012. Then it is expected to rise to 3.25% by the end of the first quarter of 2014;
 - b) short term PWLB borrowing rates are expected to rise from 3.41% to 3.50% during 2011 and rise to 5.00% by the end of March 2014;
 - c) medium term PWLB borrowing rates are expected to rise from 5.29% to 5.30% during 2011, rising to 5.70% by the end of March 2014; and
 - d) long term PWLB rates are expected to rise to 5.30% (from 5.21%) during 2011 and then rise to 5.70% by the end of quarter one 2014.
47. Interest rates have remained relatively static during 2010, following on from the economic downturn during late 2008 and through 2009. Based on the latest forecast, interest rates are not expected to rise until the end of 2011.
48. The risk that counterparties are unable to repay investments could jeopardise the Council's ability to meet its payments. Investment counterparty risk is controlled by using suitable criteria for assessing and monitoring credit risk, including the use of an up to date lending list. The lending list is based on counterparty categories relating to country, type, sector, maximum investment, and maximum duration of investment (see Appendix B). The Council uses the credit worthiness service provided by its treasury advisers, which is a sophisticated modelling approach incorporating the credit ratings of all three major credit rating agencies, together with 'overlays' of Credit Default Swap (CDS) spreads (default risk), credit watches, credit outlooks and sovereign ratings from the agencies (a more detailed explanation is included within the Annual Investment Strategy in Appendix B).
49. The financial implications of the strategies discussed in this report are fully reflected within the revenue and capital budget figures which will be reported at the Cabinet meeting on 8 February 2011.

Legal Implications

50. None have been identified as arising directly from this report.

Options Considered

51. The options in relation to the revenue and capital budgets in these proposals are fully consistent with the figures included within the budget considerations which will be presented to Cabinet at its meeting on 8 February 2011.

Conclusion

52. The Cabinet is requested to recommend that the Council:
- a) adopt the Prudential and Treasury Indicators (Appendix A);
 - b) adopt the Annual Investment Strategy (Appendix B);
 - c) delegate to the Chief Finance Officer the authority to vary the amount of borrowing and other long term liabilities within both the Treasury Indicators for the Authorised Limit and the Operational Boundary;
 - d) authorise the Chief Finance Officer to agree the restructuring of existing long-term loans where savings are achievable or to enhance the long term portfolio;
 - e) agree that short term cash surpluses and deficits continue to be managed through temporary loans and deposits; and
 - f) agree that any long term surplus cash balances not required to cover borrowing are placed in authorised money-market funds, particularly where this is more cost effective than short term deposits and delegate to the Chief Finance Officer the authority to select such funds.

Michael Hudson
Interim Chief Finance Officer

Report Author:

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Background Papers

The following unpublished documents have been relied on in the preparation of this Report: NONE

Appendices

Appendix A Prudential and Treasury Indicators for 2011-12, 2012-13 & 2013-14
Appendix B Annual Investment Strategy for 2011-12

Prudential and Treasury Indicators for 2011-12, 2012-13 & 2013-14

1. The Prudential and Treasury Management Codes and Treasury Guidelines require the Council to set a number of Prudential and Treasury Indicators for the financial year ahead. This appendix sets out the indicators required by the latest codes analysed between Prudential Indicators and Treasury Indicators.

Prudential Indicators**Prl 1 – Capital Expenditure**

2. This Prl shows the actual and anticipated level of capital expenditure for the five years 2009-10 to 2013-14. The three years 2011-12 to 2013-14 are discussed in detail in the Capital Programme Proposals 2011-12 to 2013-14 report which will be submitted to Cabinet at its meeting on 8 February 2011.

Department	2009-10 Actual £ million	2010-11 Expected £ million	2011-12 Estimate £ million	2012-13 Estimate £ million	2013-14 Estimate £ million
Capital Expenditure	107.2	124.3	146.9	66.0	15.5

3. The capital expenditure figures shown in Prl 1 assume a certain level of financing from borrowing each year. New and existing borrowing needs to be affordable and sustainable. There is a detailed discussion on the policy on borrowing for capital purposes in the Capital Programme Proposals 2011-12 to 2013-14 report.

Prl 2 – Ratio of Financing Costs to Net Revenue Stream

4. Prl 2 expresses the net costs of financing as a percentage of the funding receivable from the Government and council tax payers. The net cost of financing includes interest and principal repayments for long and short term borrowing, as well as similar credit arrangements, reduced by interest receivable in respect of cash investments.

	2009-10 Actual £ million	2010-11 Expected £ million	2011-12 Estimate £ million	2012-13 Estimate £ million	2013-14 Estimate £ million
Financing Costs	15.8	19.0	21.7	24.6	28.9
Net Revenue Stream (est.)	344.6	346.2	328.9	318.3	326.1
Financing Costs as a percentage of Revenue Budget	4.6%	5.5%	6.6%	7.7%	8.9%

Prudential and Treasury Indicators for 2011-12, 2012-13 & 2013-14

5. The cost of financing will rise, partly due to the reduction in Government grant, as a consequence of the comprehensive spending review and proportionately over the reporting period because of the effect on financing costs where 'new debt' is expected to rise faster than 'old debt' is repaid. Previously the rise in financing costs was not an affordability issue as the new borrowing taken out was supported by Revenue Support Grant. Only by the use of continued Unsupported Borrowing was there any pressure on the Council Tax.
6. However, the changes to the Revenue Support Grant mechanism that were introduced for 2006-07 and later years (specifically the grant "floor") mean that the Council may not be able to afford the financing costs of all the supported capital expenditure indicated by the Government, because we do not receive the full grant. This has the effect of "levelling the playing field" so that support for capital borrowing has to be considered alongside all other revenue priorities in the budget process. Support for capital can no longer be "passported" automatically.

Prl 3 – Estimate of Incremental Impact of Capital Investment Decisions on the Council Tax

7. Prl 3 represents the potential increase in Council Tax required to fund the planned increase in the capital budget for the forthcoming year and future years as a proportion of the tax base at Band D.

	2011-12 £	2012-13 £	2013-14 £
Effect on Band D Council Tax	3.15	7.09	12.20

Prl 4 – Net Borrowing and the Capital Financing Requirement

8. Prl 4 measures the so-called "Golden Rule" and focuses on prudence. Its purpose, as described in the Prudential Code, is: *"In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that net borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two years"*.
9. The Capital Financing Requirement (CFR) increases whenever capital expenditure is incurred. If resourced immediately (from capital receipts, direct revenue contributions or capital grant/contributions) the CFR will reduce at the same time that the capital expenditure is incurred, resulting in no net increase in CFR.
10. Where capital expenditure is not resourced immediately, there is a net increase in CFR, represented by an underlying need to borrow for capital purposes, whether or not external borrowing actually occurs. The CFR may then reduce over time through future applications of capital receipts, capital grants/contributions or further charges to revenue.

Prudential and Treasury Indicators for 2011-12, 2012-13 & 2013-14

11. This PrI is necessary, because under an integrated treasury management strategy (in accordance with best practice under the CIPFA Code of Practice on Treasury Management in the Public Services), borrowing is not associated with particular items or types of expenditure, whether revenue or capital.

	2009-10 Actual £ million	2010-11 Expected £ million	2011-12 Estimate £ million	2012-13 Estimate £ million	2013-14 Estimate £ million
Capital Financing Requirement	299.5	320.5	373.0	413.0	416.4
Net Borrowing	142.6	175.2	215.2	255.2	275.2
CFR not funded by net borrowing	156.9	145.3	157.8	157.8	141.2

12. The increase in the net borrowing figure between 2009-10 and 2010-11 results from a fall in the level of investments held due to increased spending. In the following financial years, 2011-12 to 2013-14, net borrowing is expected to increase as planned additional long term borrowing is taken out.
13. No problems are foreseen in meeting the “Golden Rule” over the period under review. The table above shows a significant margin not funded by net borrowing.

PrI 5 – Compliance with the CIPFA Code of Practice for Treasury Management in the Public Services (“The Code”)

14. The Revised CIPFA Code of Practice for Treasury Management in the Public Services 2009 was adopted by Wiltshire Council at its meeting on 23 February 2010.
15. All recommendations within this report are consistent with the Revised CIPFA Code.

Treasury Management Indicators within the Prudential Code

TrI 1 – Authorised Limit for External Debt

16. The Authorised Limit is the Operational Boundary (see TrI 2 below), including an allowance for unplanned and irregular cash movements. This allowance is difficult to predict, 15% is proposed for 2011-12 to 2013-14 and this will be kept under review. This allows for the possibility of additional borrowing during the year as a result of Government support for further schemes and provides headroom where the projection proves too optimistic (payments made earlier or receipt of income delayed against that forecast).

Authorised Limit	2011-12 £ million	2012-13 £ million	2013-14 £ million
Borrowing	453.0	499.7	504.6
Other Long Term Liabilities	0.2	0.2	0.2
TOTAL	453.2	499.9	504.8

Prudential and Treasury Indicators for 2011-12, 2012-13 & 2013-14

17. The Authorised Limit set by the Authority is the statutory borrowing limit under Section 3(1) of the Local Government Act 2003, a breach would be serious and therefore there is the need to build in sufficient headroom.

Trl 2 – Operational Boundary for External Debt

18. The Operational Boundary and the Authorised Limit are central to the Prudential Code and reflect the limits that authorities place on the amount of their external borrowing.

19. The Operational Boundary is based on a prudent estimate of the most likely maximum level of external borrowing for both capital expenditure and cash flow purposes, which is consistent with other budget proposals. The basis of the calculation for 2011-12 (£393.8 million) is:

- Expected Capital Financing Requirement at 31 March 2011 of £320.5 million
- Plus the expected long-term borrowing to finance capital expenditure (supported borrowing £22.4 million and unsupported £42.1 million)
- Less the expected set-aside for debt repayment (£11.2 million)
- Plus the expected maximum level of short-term cash flow borrowing that is anticipated (£20.0 million).

Operational Boundary	2011-12 £ million	2012-13 £ million	2013-14 £ million
Borrowing	393.8	434.5	438.8
Other Long Term Liabilities	0.2	0.2	0.2
TOTAL	394.0	434.7	439.0

20. The Operational Boundary for each year also includes a small provision for other long term liabilities.

21. The Operational Boundary is a key management tool for monitoring the Authority's expected level of borrowing. It is essential to ensure that borrowing remains within the limits set and to take appropriate action where any likely breach is anticipated. Monitoring will take place through the year and will be reported to Cabinet.

Trl 3 – External Debt – Actuals at 31 March 2010 and Expected 2011

22. This Trl shows the amount of gross external debt outstanding in periods prior to the budget years under consideration. Other long term liabilities relate to finance leases on certain properties, plant, vehicles and equipment. It should be noted that as these figures are taken at a point in time, they are not comparable with the Authorised Limit and Operational Boundary, which are control limits.

	31/3/10 Actual £ million	31/3/11 Expected £ million
Borrowing	205.2	205.2
Other Long Term Liabilities	0.2	0.2
TOTAL	205.4	205.4

Prudential and Treasury Indicators for 2011-12, 2012-13 & 2013-14

Treasury Management Indicators within the Treasury Management Code**Trl 4a and 4b – Upper Limit on Fixed Interest Rate Exposures and Variable Interest Rate Exposures, respectively**

23. Future interest rates are difficult to predict. Anticipated rates are shown in the main report, under Risk Assessment. Indications are that best value will be achieved by taking long-term loans at fixed rates in 2011-12. However, consideration of short term variable rate loans may prove to be advantageous, in 2011-12 and in future financial years.
24. Interest rates will be monitored closely, in conjunction with the treasury adviser, to take advantage of any favourable changes in circumstances. The strategy should still be flexible, the upper limit for fixed interest rate and variable interest rate exposures are set out below.

The Council's upper limit for fixed interest rate exposure for the three year period 2011-12 to 2013-14 is 100% of net outstanding principal sums.

The Council's upper limit for variable interest rate exposure is 20% for 2011-12, 30% for 2012-13 and 35% for 2013-14 of net outstanding principal sums.

Trl 5 – Upper & Lower Limits on the Maturity Structure of Borrowing

25. The Council's policy needs to ensure that it is not forced to refinance too much of its long term debt in any year when interest rates are high. The present long-term debt of £205.2 million (as at 4 January 2011) falls due for repayment over the next 60 years. LOBO (Lender Option Borrower Option) market loans are included at rates based upon their appropriate 'contractual lives', as recommended by CIPFA. Most of the Council's debt is, therefore, reported as maturing within the period "10 years and above".
26. In addition to the main maturity indicators it is considered prudent that no more than 15% of long term loans should fall due for repayment within any one financial year. The actual maximum percentage falling due for repayment in any one year is currently 6.3% (£13 million in both 2052-53 and 2053-54). The average interest rate on present long-term debt is 4.325%, which, according to the latest available information, is one of the lowest local authority rates.
27. In order to protect the Council from this risk and to safeguard the continuity in treasury management financing costs, the following limits have been adopted.

Limits on the Maturity Structure of Borrowing	Upper Limit	Lower Limit
Maturing Period:		
- under 12 months	15%	0%
- 12 months and within 24 months	15%	0%
- 2 years and within 5 years	45%	0%
- 5 years and within 10 years	75%	0%
- 10 years and above	100%	0%

Prudential and Treasury Indicators for 2011-12, 2012-13 & 2013-14

Trl 6 – Principal Sums invested for periods of longer than 364 days

28. This Trl is covered by the Annual Investment Strategy, which is detailed in the following appendix.

WILTSHIRE COUNCIL- ANNUAL INVESTMENT STRATEGY FOR 2011-12

The Main Strategy

1. The Council will have regard to the Department for Communities and Local Government's (DCLG's) Guidance on Local Government Investments ("the Guidance") issued in March 2004, any revisions to that guidance, the Audit Commission's report on Icelandic investments and the 2009 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The general investment policy of the Council is the prudent investment of any surplus cash balances, the priorities of which are:
 - a) the security of capital and
 - b) the liquidity of investments.
2. The Council will also aim to achieve the optimum return on investments commensurate with high levels of security and liquidity. The risk appetite of this Council is low in order to give priority to the security of its investments.
3. The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.
4. All Council investments will be in sterling. This will avoid foreign exchange rate risk.
5. Investment of the Council's normal cash flow requirements will be in specified investments, as prescribed in "The Guidance". The categories of organisations with whom investments will be placed and the minimum high credit ratings required for each category are those set out in the minimum requirements for high credit rating below.
6. Investments in money market funds may be made if the fund has a high credit rating (AAA), as prescribed in the minimum requirements for high credit rating below.
7. In addition, using the professional judgement of the Council's treasury advisers, non specified investments may be made in UK Government Bonds (Gilts) and in multilateral development banks (as defined in Statutory Instrument 2004 No. 534) with a high credit rating, as prescribed in the minimum requirements for high credit rating below.
8. Such investments are the only non-specified investments authorised for use and will only be:
 - a) in sterling
 - b) in the case of UK Gilts, for a maximum of 50 years; and
 - c) for investments maturing in excess of 12 months, limited to £30 million.
9. For specified investments made under the recommendations of the Council's treasury adviser, the approved policy must be followed and is bound by the minimum requirements for high credit rating below.

WILTSHIRE COUNCIL- ANNUAL INVESTMENT STRATEGY FOR 2011-12

10. The Council will comply with the requirements of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009, which were implemented on 1 January 2010, and will not pool pension fund cash with its own cash balances for investment purposes. Any investments made by the pension fund directly with this local authority will comply with the requirements of SI 2009 No 393.
11. The Council uses the creditworthiness service provided by its treasury adviser. This service has been progressively enhanced over the last year and now uses a sophisticated modelling approach, with credit ratings from all three rating agencies – Fitch, Moodys and Standard and Pooors, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as ‘overlays’:
 - a) credit watches (typically resolved over a relatively short period) and credit outlooks (indicates the direction a rating is likely to move over a one to two-year period) from credit rating agencies;
 - b) CDS spreads to give early warning of likely changes in credit ratings; and
 - c) sovereign ratings to select counterparties from only the most creditworthy countries
12. This modelling approach combines credit ratings, credit watches, credit outlooks and CDS spreads in a weighted scoring system for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are also used by the Council to determine the duration for investments and are therefore referred to as durational bands. The Council is satisfied that this service now gives a much improved level of security for its investments. It is also a service which the Council would not be able to replicate using in house resources.
13. The selection of counterparties with a high level of creditworthiness will be achieved by selection of institutions down to a minimum durational band within the weekly credit list of worldwide potential counterparties provided by the Council’s treasury advisers. The Council, where it is considered appropriate and in line with its whole investment strategy, will therefore use counterparties within the following durational bands:
 - a) Yellow – 5 years (a new category introduced by the treasury advisers late in 2010 to cover AAA rated Government debt or its equivalent, including a new investment instrument – collateralised deposits, where the investment is secured only against local authority debt, namely LOBOs, making them effectively government exposure);
 - b) Purple – 2 years;
 - c) Blue – 1 year (only applies to nationalised or semi nationalised UK Banks and their subsidiaries);
 - d) Orange – 1 year;
 - e) Red – 6 months;

WILTSHIRE COUNCIL- ANNUAL INVESTMENT STRATEGY FOR 2011-12

- f) Green – 3 months; and
 - g) No Colour – not to be used.
14. This Council will not use the approach suggested by CIPFA of using the lowest rating from all three rating agencies to determine creditworthy counterparties as Moodys tend to be more aggressive in giving low ratings than the other two agencies. This would therefore be unworkable and leave the Council with few banks on its approved lending list. The creditworthiness service does though, use ratings from all three agencies, but by using a scoring system, does not give undue prevalence to just one agency's ratings.
15. All credit ratings will be monitored weekly. The Council is alerted to changes to ratings of all three agencies through its use of the treasury advisers creditworthiness service. Following receipt of this information:
- a) any financial institutions meeting the criteria are updated on the list of authorised lenders and investments may then be placed with “qualifying” institutions immediately;
 - b) if a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately;
 - c) if funds are held by an institution that subsequently falls outside the current credit rating criteria and CDS overlay, all funds will be withdrawn from that institution at the earliest opportunity. This will normally be on the maturity of that deposit. If the fall is significant and there are more than three months before the maturity date and in any other extreme circumstances, negotiations for premature repayment will be pursued;
 - d) whenever there is a change in the list of authorised lenders, a revised list will be provided to those authorised to deal in investments on behalf of the Council, including its authorised brokers.
 - e) in addition to the use of Credit Ratings the Council will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.
16. Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and information, information on government support for banks and the credit ratings of that government support.
17. The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch Ratings.

WILTSHIRE COUNCIL- ANNUAL INVESTMENT STRATEGY FOR 2011-12

The Minimum requirements for “high credit rating”

18. In accordance with the DCLG Guidance on Local Government Investments in respect of selection of counterparties with whom investments are placed, Wiltshire Council will comply with the minimum requirements below.
19. Credit ratings will be those issued by Fitch Ratings Ltd in respect of individual financial institutions (as shown below, where F1+ is the highest short term rating and AAA the highest long term rating). An exception is made in respect of money market funds, as shown below, where a different overall AAA rating is the highest.
20. The minimum requirements for high credit rating, by type of institution, are as follows:
 - **Banks incorporated inside the United Kingdom with a short term credit rating of at least F1 or Government backed and their subsidiaries;**
 - **Banks incorporated outside the United Kingdom with a short term credit rating of at least F1+ and a long term rating of A+;**
 - **United Kingdom building societies with a short term credit rating of at least F1 or Government backed;**
 - **All local authorities and public bodies (as defined in S23 of the Local Authorities Act 2003) (ratings are not issued for these bodies);**
 - **Multilateral development banks (as defined in Statutory Instrument 2004 No. 534) with a short term credit rating of at least F1 and long term credit rating of AAA;**
 - **All banks & building societies must have an individual rating of at least C;**
 - **In addition, all banks and building societies to which the Authority may lend funds must have a support rating of no more than 3 (1 being the highest support rating);**
 - **Money market funds, which have been awarded the highest possible rating (AAA) from at least one of the following credit rating agencies, Standard and Poor’s, Moody’s Investor Services Ltd or Fitch Ratings Ltd.; and**
 - **Deposits must only be placed in money market funds subject to individual signed management agreements.**

WILTSHIRE COUNCIL- ANNUAL INVESTMENT STRATEGY FOR 2011-12

21. In addition to the above criteria, the following limits will be applied to the total cumulative investments placed with an individual institution (or group of institutions where there is common ownership):
- a) **Up to £15 million:**
- **UK incorporated banks with a long term credit rating of at least AA;**
 - **Overseas banks that have a long term credit rating of at least AA;**
 - **Multilateral development banks;**
 - **Local authorities and other public bodies; and**
 - **Money market funds.**
- b) **Up to £8 million:**
- **Other UK incorporated banks (that have a long term credit rating of less than AA but which also satisfy the credit rating conditions within this Strategy);**
 - **Other overseas banks (that have a long term credit rating of less than AA but which also satisfy the credit rating conditions within this Strategy);**
 - **UK Building societies with long term credit rating of at least A; and**
 - **Government backed UK and overseas banks and UK building societies and their subsidiaries.**
22. The following investment duration matrix shows the maximum duration for which an investment can be placed, depending on the combination of the individual institution's long term, short term, individual and support ratings (e.g. up to five years where an institution is classified as F1+ (short term rating), AAA (long term rating), A (individual rating) and 1 (support rating) or up to one year where an institution is classified as F1, A+, A, 2).

WILTSHIRE COUNCIL- ANNUAL INVESTMENT STRATEGY FOR 2011-12

Investment Duration Matrix

		Ratings			
Short Term	Long Term	Individual	Support		
			1	2	3
F1+	AAA	A	1-5yrs	1-5yrs	1 yr
		A/B	1-5yrs	1-5yrs	3 mths
		B	1-5yrs	1-5yrs	3 mths
		B/C	1-5yrs	1-5yrs	3 mths
		C	1 yr	1 yr	3 mths
	AA+	A	1-5yrs	1-5yrs	1 yr
		A/B	1-5yrs	1-5yrs	3 mths
		B	1-5yrs	1-5yrs	3 mths
		B/C	1-5yrs	1-5yrs	3 mths
		C	1 yr	1 yr	3 mths
	AA	A	1-5yrs	1-5yrs	1 yr
		A/B	1-5yrs	1-5yrs	3 mths
		B	1-5yrs	1-5yrs	3 mths
		B/C	1-5yrs	1-5yrs	3 mths
		C	1 yr	1 yr	3 mths
	AA-	A	1-2yrs	1-2yrs	1 yr
		A/B	1-2yrs	1-2yrs	3 mths
		B	1-2yrs	1-2yrs	3 mths
		B/C	1-2yrs	1-2yrs	3 mths
		C	1 yr	1 yr	3 mths
F1	A+	A	1 yr	1 yr	3 mths
		A/B	1 yr	1 yr	3 mths
		B	1 yr	1 yr	3 mths
		B/C	3 mths	3 mths	n/a
		C	3 mths	3 mths	n/a
	A	A	1 yr	1 yr	3 mths
		A/B	1 yr	1 yr	3 mths
		B	1 yr	1 yr	3 mths
		B/C	3 mths	3 mths	n/a
		C	3 mths	3 mths	n/a

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Wiltshire Council

Cabinet

25 January 2011

Subject: 2011/12, and 2012/13 Indicative Council Tax, Rents, Fees & Charges and NNDR Setting Consultation

**Cabinet Members: Councillor Fleur de Rhe-Philippe - Finance, Performance and Risk
John Brady – Economic Development and Housing**

Key Decision: Yes

Executive Summary

The aim of this report is for Cabinet to approve a timetable for setting the 2011/12 Council Tax, Rents, Fees and Charges and National Non-Domestic Rates (NNDR). This includes proposals for scrutiny and then Council on 22nd February, as well as accounting for consultation.

Proposal

Cabinet approve the timetable and level of consultation set out at paragraph 6 of this report.

Reasons For Proposals

To enable the Council Tax to be set in the statutory timetable.

**Michael Hudson
Interim Chief Finance Officer**

Wiltshire Council

Cabinet

25 January 2011

Subject: 2011/12, and 2012/13 Indicative Council Tax, Rents, Fees & Charges and NNDR Setting Consultation

**Cabinet Members: Councillor Fleur de Rhe-Philippe - Finance, Performance and Risk
John Brady – Economic Development and Housing**

Key Decision: Yes

Purpose of Report

1. The aim of this report is for Cabinet to approve a timetable for setting the 2011/12 Council Tax, Rents, Fees and Charges and National Non-Domestic Rates (NNDR). This includes proposals for scrutiny and then Council on 22nd February, as well as accounting for consultation.

Background

2. The Council has a statutory duty to set annually its Council Tax. In addition, full Council is required to approve other sources of income such as housing rents, other fees and charges, as well as NNDR. In practice these later sources of income are determined to a large degree by Central Government and the Council currently has limited discretion over the level of, for example, NNDR.
3. In addition, certain partners (Parish Councils, Police and Fire) of the Authority precept the Council to provide their funding. Elements of this are built into the Council's formulae grant. At this stage Officers are still liaising with these bodies to assess their proposals and the impact on the Council Tax bills/band D. As such it is assumed these bodies will take decisions on whether they will carry out their own consultation, and as such this report and proposals excludes these bodies from any comments noted on consultation, and timings are tentative at this stage for receiving precept notifications.
4. The setting of Council Tax and fees and charges has been hampered this year by delay in the notification by Government of the Council's funding settlement. As a result, the first available Cabinet to bring this timetable with any certainty was 25th January. As a result the proposed savings and investments will be available publically on 31st January for discussion at Cabinet on 8th February. The

announcement of a two year settlement is to be welcomed and will allow greater time for consideration of year two proposals moving forward.

Main Considerations for the Council

5. The main considerations for the Council are to review the timetable for publication and consideration of proposals to set the 2011/12 Council Tax, Rents, Fees and Charges and NNDR, as well as indicative levels for 2012/13.
6. The following timetable for publishing all proposals and consultation is recommended to enable Council to set and issue Council Tax bills before 1 April 2011:

Meeting	Date – 2011	Last date papers publically available	Comment
Cabinet	8th February	31st January	
Joint Overview & Scrutiny	10 th February	29 th January	Would include any amendments arising from Cabinet 8/2/2011
Area Public consultation	Various w/c 10 th January	31st January	
Schools Forum	2 nd February	31st January	
Local Chambers of Commerce	31st January	31st January	
Trade Unions	31st January	31st January	
Tenants	11 th January	31st January	
Cabinet	15 th February	3 rd February	Comments from O & S and other consultations will be presented to Cabinet for consideration

Meeting	Date – 2011	Last date papers publically available	Comment
Council	22 nd February	14 th February	Any amendment from Cabinet or precept details not known at time of publication of papers will be issued post available dates
Police	TBC	N/A	
Fire	TBC	N/A	
Parish Councils	TBC	N/A	

Environmental and climate change considerations

7. None have been identified as arising directly from this report.

Equalities Impact of the Proposal

8. None have been identified as arising directly from this report.

Risk Assessment

9. The following risks and mitigating factors have been considered and assessed:

Risk	Mitigation
1. Council Tax is not set in the statutory timetable and bills are not issued by 1 st April.	This report sets out a timetable to enable the budget proposals to be agreed at Council on 22 nd February.
2. No time is available to scrutinise and review proposals.	This timetable allows for both scrutiny and consultation feedback to be included in the decision making process.

Financial Implications

10. Resource to carry out consultation and support this process is already provided for. If the Council Tax is not set by ?? March there will be a delay in issuing bills by 31st March 2011 and this will mean direct debits are delayed and put at risk the Council's income for 2011/12.

Legal Implications

11. The Council has a statutory duty to consult around NNDR proposals and to issue Council Tax bills before 1st April each year. This report meets those requirements.

Options Considered

12. The delay in the funding announcement from Government has limited the scope for an alternative timetable. In practice discussions with key stakeholders, including staff and trade unions has been ongoing during the year. In addition, a number of proposals have already been subject to scrutiny and consultation, for example Waste Investment and Car Parking charges.

Conclusions

13. This report sets out proposals to ensure the Council's Tax, rents, fees & charges, and NNDR are set to enable a budget for 2011/12 to be issued.

Proposal

14. Cabinet approve the timetable and level of consultation set out at paragraph 6 of this report.

Reason for Proposal

15. To enable the Council Tax to be set in the statutory timetable.

Michael Hudson
Interim Chief Finance Officer

Report Author: Michael Hudson
Email: michael.hudson@wiltshire.gov.uk

Unpublished documents relied upon in the preparation of this report: NONE.

Environmental impact of the recommendations contained in this report:
NONE.

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Wiltshire Council

Cabinet

25 January 2011

Subject: Future Support for Tourism

**Cabinet member: Councillor John Brady
Economic Development, Planning and Housing**

Key Decision: Yes

Executive summary

The purpose of this report is to:

- Seek Cabinet's agreement to the main terms of a deed of grant agreement with the new VisitWiltshire company.
- Seek approval to undertake further consultation with staff and trade union representatives leading to the TUPE transfer of staff from Wiltshire Council to the new VisitWiltshire company.

Since the October Cabinet, the new VisitWiltshire company has been registered and work has begun to establish the new company. Whilst further due diligence and consultation with staff and trade union representatives is required before the service can be transferred, progress has been made in identifying the level of funding and other support that can be made available to the new company. Care has been taken to ensure that such funding helps VisitWiltshire to meet the objectives in its business plan.

Proposals

That Cabinet:

- (i) agrees further consultation with staff and trade union representatives and due diligence leading to the TUPE transfer of staff from Wiltshire Council to the new VisitWiltshire company from 1 April 2011 and
- (ii) agrees to the completion of a 3 year rolling deed of grant agreement with the new VisitWiltshire company to include the following support:
 - Grant funding as follows:
 - (a) 2011/12: £500,000
 - (b) 2012/13: £500,000
 - (c) 2013/14: £500,000

This is subject to the condition that at the end of each financial year, the Council has the discretion to vary the funding for subsequent years should the company's membership income in that year be greater than that stated in the business plan. However, this is subject to the retention of a financial incentive to generate membership income. This is also subject to the Council being able to provide one year's notice of termination starting at the end of Year 2. This is in addition to the normal clauses relating to termination within Council service level agreements.

- The transfer of furniture and equipment currently used by VisitWiltshire staff to the new VisitWiltshire company for the consideration of £1.
- The provision of accommodation on a rent free basis for the period of the agreement to the new VisitWiltshire company subject to the availability of Council owned property that is suitable for the needs of the company. There would be no cash equivalent to this offer.

Reasons for Proposals

- (i) To implement the second stage of the process agreed at the October Cabinet.
- (ii) The support for the new VisitWiltshire company will enable the delivery of the objectives identified in its 3 year business plan. In particular, it will enable the profile of Wiltshire as a tourism destination to be raised in the face of stiff competition from other destinations in the UK.
- (iii) Further due diligence and consultation with staff and trade unions in respect of the TUPE transfer of staff to the new VisitWiltshire company will help to reassure Wiltshire Council that any risks to either the Council or its staff have been minimised and to help identify those staff that are willing to be transferred.

Mark Boden
Corporate Director, Neighbourhood & Planning

Wiltshire Council

Cabinet

25 January 2011

Subject: Future Support for Tourism

Cabinet member: Councillor John Brady
Economic Development, Planning and Housing

Key Decision: Yes

Purpose of report

1. The purpose of this report is to:
 - (i) Seek Cabinet's agreement to the main terms of a deed of grant agreement with the new VisitWiltshire company.
 - (ii) Seek approval to undertake further consultation with staff and trade union representatives leading to the TUPE transfer of staff from Wiltshire Council to the new VisitWiltshire company.

Background

2. This report follows the report to Cabinet on 19 October 2010 when Members agreed to:
 - (i) VisitWiltshire Tourism Partnership establishing itself as an independent company limited by guarantee. The focus of this company will be on destination marketing and building and supporting membership.
 - (ii) Bring in-house the management of TICs that VisitWiltshire currently manages on the Council's behalf.
 - (iii) Delegate authority to the Service Director for Economy & Enterprise in consultation with the Cabinet Member for Economic Development, Planning and Housing, to review the cost base of the TICs and explore with local stakeholders the feasibility of securing greater control with a view to presenting options to Cabinet by December 2010.
 - (iv) Subject to the outcome of the above investigations, confirm the level of funding that the Council is prepared to make available to the new VisitWiltshire company.
 - (v) Approve consultation with trade unions, existing VisitWiltshire staff and other stakeholders regarding these proposals and complete a due diligence exercise to assess the feasibility of the TUPE transfer of staff to the new VisitWiltshire company.

- (vi) Keep local division members informed of proposals affecting TIC arrangements in their respective areas and that local members and the National Trust be kept informed of proposals to site a TIC at the Stonehenge Visitor Centre. That the National Trust be also kept informed of the TIC arrangements at Avebury.
3. Since the October Cabinet meeting, the new VisitWiltshire company has been registered and work has begun to assess the viability of transferring tourism marketing services to the new company. Investigations regarding the feasibility of transferring control of the TICs to the local community are ongoing and are not for publication for reasons of commercial confidentiality.

Main Considerations for the Council

4. The proposals to support VisitWiltshire fit with the Council's Corporate Plan objective of increasing the output per worker generated by a number of employment sectors including tourism with a view to developing a higher value economy. If VisitWiltshire can attract higher spending visitors through increasing brand awareness and working with providers to improve quality, the value of tourism to the economy can be enhanced. By concentrating on marketing and building and supporting membership of VisitWiltshire, the organisation has the best chance of meeting this objective and providing a sustainable service offering value for money for Wiltshire Council in the future.

Environmental Impact of the Proposal

5. The VisitWiltshire Business Plan makes it clear that environmental sustainability will be part of the corporate culture of the new company and a focus for future tourism marketing.

Equalities Impact of the Proposal

6. Subject to a due diligence process to be undertaken by Wiltshire Council and staff/trade union consultation, the aim will be to fill the positions within the new VisitWiltshire company through a TUPE transfer of staff from the current central team. A Project Team, bringing together HR, legal and financial expertise, has been established to ensure that the equalities impact of the proposals are minimised.

Risk assessment

7. The key risks associated with these proposals include:
 - (a) Financial

The proposals set out maximum sums to be made available to the new VisitWiltshire company. There is a risk that VisitWiltshire will not be able to raise the level of membership income identified in the business plan which will have implications for the level of expenditure on marketing. However, this will be managed through VisitWiltshire devoting staff resources to generating such income.

(b) Reputational

There is a risk to the reputation of Wiltshire Council in approving proposals that may have implications for the level of funding available to support TICs in future years. However, in the current financial climate it is important that the Council is seen to achieve the best return in terms of the Council's expenditure on tourism services. Enabling VisitWiltshire to concentrate on delivering services that generate the greatest impact in terms of the brand awareness of Wiltshire and develop a commercial edge to its activities is one way in which that best return can be achieved.

Financial Implications

8. The proposals have the following implications:
- A reduction in annual financial contributions to VisitWiltshire from approximately £790,000 in 2010/11 to £500,000 in 2011/12, £500,000 in 2012/13 and £500,000 in 2013/14.

Legal Implications

9. As noted in the previous report on this subject it is likely that the expected method and extent of funding will have State Aid implications. If there are such implications then an application to the Commission to get the scheme approved will be necessary. An external firm of solicitors (Veale Wasbrough Vizards) who have expertise in this area of state aid have been engaged to provide a short report on the best way to deal with the state aid issues or make the required applications to the Commission and the likely costs involved.
10. As staff will be transferred to VisitWiltshire and VisitWiltshire will be seeking admission to the Wiltshire Pension Fund, the new company will have to be reviewed for its financial strength and its ability to make the necessary commitments to that fund.
11. The employment law implications, and in particular compliance with the TUPE regulations, will require an extensive consultation between the employees to be transferred and the respective parties engaged in the transfer to Visit Wiltshire. This process can be completed before the proposed transfer date with sufficient time to deal with the anticipated employment law issues.

Options Considered

12. The options revolve simply around the level of financial support for VisitWiltshire. The principles of establishing a company limited by guarantee and the de-coupling of VisitWiltshire from the management of TICs were agreed at the October Cabinet meeting. It is considered that the level of financial support proposed is essential to enable VisitWiltshire to meet its objectives.

Conclusions

13. The proposals for funding the new VisitWiltshire company set out in this report provide an opportunity to put VisitWiltshire on a more competitive footing. However, it is important that further due diligence and consultation with staff and union representatives proceed prior to the transfer of undertakings and staff.

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The following unpublished documents have been relied on in the preparation of this Report:

None

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