

CABINET

MINUTES OF THE CABINET MEETING HELD ON 23 JULY 2019 AT KENNET ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Cllr Philip Whitehead (Chairman), Cllr Richard Clewer (Vice-Chair), Cllr Ian Blair-Pilling, Cllr Pauline Church, Cllr Laura Mayes and Cllr Toby Sturgis

Also Present:

Cllr Richard Britton, Cllr Andrew Bryant, Cllr Clare Cape, Cllr Stewart Dobson, Cllr Richard Gamble, Cllr David Halik, Cllr Darren Henry, Cllr Alan Hill, Cllr Tony Jackson, Cllr Bob Jones MBE, Cllr Gordon King, Cllr Steve Oldrieve, Cllr Stewart Palmen, Cllr Jonathon Seed, Cllr Ian Thorn, Cllr Christopher Williams, Cllr Graham Wright and Cllr Robert Yuill

95 Apologies

Apologies were received from Cllr Allison Bucknell and Bridget Wayman.

96 Minutes of the previous meeting

The minutes of the meeting held on 2 July 2019 were presented.

Resolved:

To approve as a correct record and sign the minutes of the meeting held on 2 July 2019.

97 Declarations of Interest

Councillor Richard Clewer declared a disclosable pecuniary interest in the agenda item 14 and 20 – Establishing Local Authority Companies as he would be a Director of the Company referred to in the report. Cllr Clewer indicated he would withdraw from the meeting and take no part in any decisions made by the Cabinet.

98 Leader's announcements

Cllr Philip Whitehead thanked the Council for appointing him as Leader of the Council. He also welcomed Cllr Ian Blair-Pilling and Cllr Allison Bucknell to the Cabinet.

The Leader was also pleased to report that Wiltshire Council's Children's Services received a "Good" in all areas following an inspection by Ofsted in June 2019. The Leader thanked all staff involved for their hard work. Cllr Laura Mayes, former Cabinet member for Children, Education and Skills, thanked all staff for their commitment in achieving improvements to the Service which secured the improved rating.

99 **Public participation and Questions from Councillors**

A question was asked by Cllr Steve Oldrieve if the new Leader of the Council had made an appointment to the Portfolio for Environment, Housing and Electoral Review, following consideration of the Environment and Global Warming motion at the Full Council meeting held on 26 February 2019. The Leader of the Council confirmed that Cllr Ashley O'Neill had been appointed to the Portfolio.

100 **Council Tax Reduction Scheme Review**

Cllr Philip Whitehead, Leader of the Council, presented a report which detailed costed options for changes to the Council Tax Reduction Scheme.

The Leader explained that following the introduction of the Council Tax Reduction Scheme in 2013, it had been subject to a number of changes to bring it in line with other welfare benefits. Further changes were now necessary to improve administration and accommodate the effects of Universal Credit and these changes would require consultation. The report set out a number of options for consultation and the Leader proposed that Option 4, detailed in the Appendix to the report, be supported for consultation, the results of which would be considered by Cabinet at its meeting in November 2019.

In response to questions from Cllr Ian Thorn, Chair of the Financial Planning Task Group, about how the consultation would be conducted and how the income 'bands' would operate, the Leader and Director of Finance and Procurement explained that the income bandings would be suitably flexible so that they avoided additional financial burdens on those who were part of the Scheme.

Resolved: That Option 4, as detailed below, be approved as the preferred option for consultation, with the results being reported back to Cabinet in November 2019.

Option 4

Maintain the existing scheme but offers those on Universal Credit a scheme based on the household income which offers 80% maximum entitlement but limits the number of adjustments made to the claim each year. Entitlement will be based on a number of income 'bands'. Those with Capital/assets of over £6,000 will not be

entitled to CTR Non-Dependant deduction standardised at £4 per week.

The scheme will be designed to be cost neutral other than to include a factor for the overall increase in council tax. This proposal will mean the CTR scheme as a whole will cost approximately £24.65m in 2020-21.

Reason for Decision:

Since 2013 the Council has operated two schemes to determine entitlement to council tax reduction. There is a default scheme for those of pensionable age, Council Tax Benefit and a local scheme offering a Council Tax Reduction for those of working age. Both schemes are affected by the roll out of Universal Credit which is managed by the Department of Work and Pensions (DWP) but the most significant impact has been felt by those of working age.

The introduction of Universal Credit has had a number of effects. It has changed the relationship between the council and the claimant, who in the past relied upon the council for all their housing costs. Now Universal Credit includes housing costs for the majority of tenants, lessening both the information local authorities hold and the urgency with which customers once engaged with local authorities. It is a benefit that that can be used to top up a low income. It can be claimed by those temporarily out of work as well as those unable to work. Around one third of all households in receipt of council tax reduction are already in receipt of Universal Credit with the expectation that another two thirds will migrate over the next four or five years. The overall impact of migration upon council services will be significant as many of these customers are also supported by Adult Social Care, Mental Health and Learning Disabilities Teams and the Court of Protection Team.

The sums paid to those in receipt of Universal Credit, in terms of the basic living allowances have also been frozen for the last three years, when in real terms, council tax has increased by 13%.

According to a recent report by the Institute for Fiscal Studies “There are still substantial cuts planned for working-age benefits in the next years, especially because of the move from the ‘legacy’ benefits system to the overall less generous (in entitlements) universal credit system, which is now expected only to be fully rolled out by 2023–24,” it said. “In combination with cuts to tax credits, this means that benefit entitlements are likely to shrink in real terms, pushing down the incomes of poorer households.”

Methods of exchanging information between local authorities and the DWP have become more sophisticated. The point has been reached where much of the information sent populates the software system used by Revenue and Benefits. Typically, 5,000 notifications are imported from the DWP each month for those on Universal Credit, alone. The current council tax reduction scheme is too sensitive to accommodate those changes. Each notification requires the claim to be looked at. Consequently, claims for council tax reduction are subject to frequent amendments, often as a result of a relatively minor change in

income. The council tax reduction scheme needs updating to better accommodate these changes.

In conjunction with the introduction of the local scheme in 2013 changes were made to other council tax discounts and exemptions over which the council were given discretion to change to best suit the authority. These changes offset some of the costs of the current scheme. The council have already maximised methods of income generation from local taxation and so any proposal to amend the scheme will have a direct impact upon the council's budget.

The estimated cost of the scheme in 2020-21 will be £24.65 million before any change is made to the scheme (still less than the scheme cost in 2013-14 when it cost £27million). This report sets out proposals for consultation to change the scheme. It provides costed options for a local council tax scheme which may offer better support to those who most need help, particularly those in receipt of Universal Credit. In doing so the council could minimise the administrative costs of maintaining claims for council tax reduction and the collection of arrears. Any proposal to increase the generosity of the scheme will however impact upon the formula used to calculate the tax base and will reduce the tax base which will have an impact upon all precepting authorities and levels of precepts.

101 **Performance Management and Risk Outturn Report: Q4 2018/19**

Cllr Philip Whitehead, Leader of the Council, presented a report which provided an update on the progress against the stated aims in the Council's Business Plan, including measures from the corporate performance framework as well as the latest version of the Council's strategic risk register, covering the period from January to March 2019.

Cllr Ian Thorn, Chair of the Financial Planning Task Group, indicated that the Task Group at their meeting on 22 July 2019 welcomed the report, and he was happy to move onto the current and newly combined financial and performance report to be considered later on in the Cabinet agenda.

In response to a question from Cllr Clare Cape about the reducing percentage of pupil's attainment levels at schools in Wiltshire, (previously considered y Cabinet at its meeting on 26 March 2019), whether improvements had been realised and the reason why they were not included in the current Q4 report. The Leader explained that the performance indicators were included in the quarterly report on a rotational basis, although an update on this issue would be forwarded to Cllr Cape. Cllr Church confirmed that the issue was one of concern and she was continuing to hold discussions with headteachers to seek a reverse in the trend.

In response to additional questions from Cllr Gordon King about the drop off in attainment levels, the Leader confirmed that a report would be requested on the reasons for the reduced attainment levels to a future Cabinet meeting.

Resolved: To note the updates and outturns:

- 1. Against the measures and activities ascribed against the Council's priorities.**
- 2. To the strategic risk register.**

Reason for Decision:

The current corporate performance framework compiles measures used to monitor progress in service areas against planned objectives that relate to the goals laid out in Wiltshire Council's current Business Plan 2017-27.

The strategic risk register captures and monitors significant risks facing the Council: in relation to significant in-service risks facing individual areas and in managing its business across the authority generally.

102 **Provision of ICT Services to Wiltshire Police**

Cllr Ian Blair-Pilling presented a report seeking approval for the council's ICT Service to continue discussions with Wiltshire Police, with a view to ending the current service provision arrangements in a planned and phased manner, while ensuring that current operational benefits are preserved wherever possible.

Cllr Blair-Pilling explained that since 2014 the Council's ICT Service have been running the Wiltshire Police ICT Services. There were now pressing reasons, detailed in the report, why the sharing of ICT services should end, in particular new policing national standards and access to more sensitive systems that would not be compatible. He reported that there would be a reduction in income for the Council and staff moves would be required under the TUPE regulations.

In response to a question from Cllr Ian Thorn, Chair of the Financial Planning Task Group, about details in the original contract with Wiltshire Police in the event of a separation, Cllr Blair-Pilling explained that the ICT Service was shared through a mutual collaboration partnership rather than a formal contract. The Leader explained that both parties supported the proposals.

In response to an additional question from Cllr Jonathan Seed about the security of Council email services, Cllr Blair-Pilling confirmed that all aspects of the ICT services would be considered during the implementation of the proposals.

Resolved:

- 1. That the current arrangement where Wiltshire Council provides ICT services to Wiltshire Police should end and that steps are taken to introduce a new infrastructure for ICT services operating in two separate organisations.**
- 2. That the decision at 1 above be undertaken as a progressive, planned and controlled activity, and that a project team be established, of both Wiltshire Police and Wiltshire Council staff serving on it, to facilitate the various activities to be undertaken.**
- 3. The next steps to include further negotiations with Wiltshire Police around costs and staffing, the setting up of a project to move**

matters forward, and consultation with those staff who could be affected by the proposed changes.

Reason for Decision:

- 1. The council has provided an ICT service to WP since 2014, an arrangement initiated at their request, and which has operated well and to mutual benefit.*
- 2. Changes in the police world at a national level would mandate a move to an ICT delivery model that the council cannot accommodate.*
- 3. Specifically, the council would have to become a contracted, managed service provider to Wiltshire Police, with all that entails. That is something which the Wiltshire Council's ICT function is not set up to do, nor is it a direction the council would wish to travel in at this time, given other priorities in terms of its ICT & Digital Strategy.*

103 **Budget Monitoring, Performance & Risk Management 2019/20 Q1**

Cllr Philip Whitehead, Leader of the Council, presented the report which (i) advised on the Budget Monitoring, Performance & Risk Management position 2019/20 Quarter 1 (30 June 2019) for the financial year 2019/20 with suggested actions as appropriate; (ii) Provided information about the position of the 2019/20 revenue and capital budgets as at quarter 1 (30 June 2019), including highlighting any budget changes; ,and (iii) provided an update on the progress against the stated aims in the Council's Business Plan including measures from the corporate performance framework as well as the latest version of the Council's strategic risk register as at the end of June 2019.

The Leader explained that (i) the report brings together, for the first time, regular reports on Budget Monitoring and Performance & Risk Management, combining key information to give a complete picture of financial and non-financial performance; (ii) forecasts indicated a general fund variance of £0.500m, being 0.2% of the Council's net budget, equivalent to half a day's spend; (iii) the Dedicated Schools Grant coming under increased pressure in Wiltshire as it is across the country, with a current forecast for a £3m overspend.

In response to comments and a question from Cllr Ian Thorn, Chair of the Financial Planning Task Group, about the Dedicated Schools Grant and the Waste Management Contract, the Leader reported on the implications of the delays in implementing the Waste management Contract. He explained that work was being undertaken on the design of the new collection rounds to ensure that the contractor can deliver in accordance with the original tendered solution.

A question was received from Mr Gale about the lack of information contained in the report and absence of support from the Council in relation to trains and

buses in rural areas of the County, especially in the Pewsey Vale area, and support to undertake a survey of train passengers. The Leader commented on the £7m subsidies given to bus services in the county and confirmed that the Council did not have specific funding aimed towards buses and trains within the Highways budget. The Leader asked Mr Gale to forward details of the issues to him for further investigation. Cllr Church reported that the Swindon and Wiltshire LEP had commissioned a paper on rail services in Wiltshire which was being published on 24 July 2019, which may include some of the information Mr Gale was asking for. Cllr Clare Cape explained that a survey of rail passengers was undertaken in Chippenham earlier in 2019, with a number of the recommendations being implemented by Great Western Railways.

In response to an additional question from Cllr Richard Clewer about contract monitoring and management (composite risk), the Director of Finance and Procurement explained that a significant level of training continued to be undertaken, along with work to build on learning networks within the organisation. The work would be supported by the Procurement Team.

Resolved:

1. To note

- a. the General Fund quarter 1 projected year end outturn is an overspend of £0.500million, before management actions are made**
- b. an HRA quarter 1 projected year end outturn is online**
- c. the 2019/20 capital programme as at quarter 1 (30 June 2019) has a spend of £13.602 million**
- d. outturns against the selected performance measures in relation to the Council's Business Plan**
- e. the scoring and commentary on the Strategic Risk Register (appendix G).**

2. To approve:

- a. the budget virements in the revenue budget and capital programme, as detailed in appendices C & F.**
- b. the delegation of budget virement approval to the Interim Director of Finance and Procurement, in consultation with the Cabinet member for Finance, Procurement, ICT and Operational Assets.**
- c. giving delegated authority to the Director of Communities and Neighbourhood to vire budget from Future Developments to individual projects within the Health & Wellbeing Centres Live Schemes budget in the Capital Programme upon completion of a full business case, in consultation with the Cabinet member for Communications, Communities, Leisure and Libraries and the Director for Legal, Electoral and**

Registration Services and the Interim Director for Finance and Procurement.

Reason for Decision:

- 1. To inform effective decision making and ensure a sound control environment.*
- 2. To inform Cabinet of the position of the 2019/20 budget as at Quarter 1 (30 June 2019), including highlighting any budget changes.*
- 3. To inform Cabinet on Performance and Risk in the context of the financial position in relation to the Council's stated aims in its Business Plan.*

104 Proposed Loan to Wiltshire Museum

Cllr Richard Clewer presented a report proposing funding to Wiltshire Museum for the acquisition of a storage facility.

Cllr Clewer explained that the National Planning Policy Framework, where a potential development could impact on archaeology in an area, suggests that the Council acting as Planning Authority may have a duty to impose planning obligations on the developer in respect of archaeological heritage. The planning obligations may require the developer to commission a study of the site and to deposit the resultant objects and reports referred to as archives with an accredited museum. The acquisition of a storage facility enables such deposits not to infringe on space in the museum's interpretation and gallery space.

In response to a question from Cllr Ian Thorn, Chair of the Financial Planning Task Group, about the museums ability to repay the loan, Cllr Clewer explained that one of the ways the loan would be repaid included developers being charged a storage fee for any artefacts placed in the storage facility.

Resolved:

- 1. To approve the grant funding of £0.125m to Wiltshire Museum to part fund the acquisition of a storage facility.**
- 2. To approve the principle of a loan to Wiltshire Museum to fund the remainder of the acquisition up to the value of the Property.**
- 3. To delegate authority to the Interim Director of Finance and Procurement in consultation with the Director of Housing and Commercial to enter into appropriate formal arrangements for the award of a loan to Wiltshire Museum up to the value of the Property.**

Reason for Decision:

- 1. To ensure that the Developers are able to fulfil their obligations under the National Planning Framework, and thus enabling the Council to fulfil its duties in terms of imposition of planning obligations.*

- 2. To maximise the interpretation and gallery space within Wiltshire Museum*

105 **Enterprise Resource Planning**

Cllr Philip Whitehead, Leader of the Council, presented a report informing Cabinet of the options appraisal undertaken and outline business case associated with the future of delivery of the Council's HR, Finance & Procurement Enterprise Resource Planning (ERP) SAP system.

The Leader explained that the Digital and IT Strategy was being implemented to deliver key improvements to technical and digital platforms with a key focus on moving all key systems to the Cloud. It was noted that Socitm Advisory Ltd was commissioned by the Council to complete an outline business case which identified six options for the development of the replacement system.

Resolved:

- 1. Notes the status, progress and options considered for the future delivery of the Councils HR & Finance Enterprise Resource Planning (ERP) system.**
- 2. That the preferred option to be progressed is as detailed in minute 111 below.**

Reason for Decision:

To seek Cabinet approval for the recommended Option 3 from the Outline Business Case (OBC) and options appraisal and to procure a new Cloud based Enterprise Resource Planning (ERP) system for delivery HR & Finance (including Procurement and Payroll) Services.

106 **Provision of loan facility for Wiltshire College**

Cllr Philip Whitehead, Leader of the Council, presented a report seeking a loan facility to Wiltshire college to enable them to complete their campus redevelopment.

The report indicated that Wiltshire College is redeveloping the Salisbury and Lackham College sites to both improve facilities and extend the post 16 education offer.

Resolved:

- 1. To agree to provide a loan facility of £ 2.5 million to Wiltshire college subject to obtaining required security for the loan.**
- 2. To delegate the detail of the security required and the commensurate interest to be charged on the loan to the Director of Finance and Procurement in consultation with the Leader of the Council and Cabinet Member for Finance, Procurement and Economic Development.**

- 3. To delegate to the Director of housing and commercial development the authority to secure the charge on the security offered by Wiltshire college for the loan.**

Reason for Decision:

The proposals will enable Wiltshire college to secure the remaining funding that they require to complete the redevelopment of their campus. In turn this will enable Wiltshire to offer courses to the benefit of young people in Wiltshire as well as enable the Council to generate a return on the loan commensurate with the risk that is presented.

107 **Council house build programme phase 2 update**

Cllr Richard Clewer presented a report seeking approval to allow the delivery of the Council House Build Programme 2 in line with the approval to spend £9.48m to deliver 49 units, but with the opportunity to substitute sites where further investigation has deemed sites not viable. In addition, to utilise other opportunities such as purchasing s106 units and re-purchasing Right To Build properties to ensure best value and maximising opportunities for the Council.

Cllr Clewer explained a number of sites, previously agreed by Cabinet, are now considered not viable due to the nature of the sites and further ground investigation works. A number of reserve sites have been identified to enable the Council House Build Programme to deliver the programme offering the much-needed Affordable Housing for Wiltshire. Cllr Clewer indicated that Cabinet would consider a report on Phase 3 of the Build Programme later in 2019.

The Cabinet noted that the Environment Select Committee Chairman had received an informal briefing on this matter and had raised questions about the financial viability and the purchasing of Section 106 units. The Chairman of the Select Committee was satisfied with the responses provided.

Resolved:

- 1. To agree to remove 4 schemes from Council House Build Programme 2 as no longer viable as stated in Appendix 1 of the report**
- 2. To agree to include 2 reserve/substitute sites within the programme as stated in Appendix 2 of the report**
- 3. To agree to the purchase of 116 Carmelite Way (Re-Purchase RTB)**
- 4. To agree to delegate to the Director of Housing and Commercial Development in consultation with the Cabinet member for Corporate Services, Housing, Heritage, Arts, Tourism and Environment authority to purchase an additional property to be part funded by right to buy receipts outstanding at quarter 2 2019/20.**

5. To agree to make an offer for 5 units at Porton replacing 5 units from the existing Council House Build Programme as stated in Appendix 3 of the report
6. To agree to delegate to Director of Housing and Commercial Development, authority to enter into contract for the purchase of 5 units at Porton.
7. To agree to delegate to the Director of Housing and Commercial Development, authority to seek planning permission for sites within Council House Build Programme 2 and enter into contracts for Professional Services and Construction.
8. To agree that if individual schemes prove not to be viable the substitution of schemes within the overall programme budget is delegated to the Director of Housing and Commercial Development and Director of Finance and Procurement in consultation with the Cabinet member for Corporate Services, Housing, Heritage, Arts, Tourism and Environment.
9. To delegate authority to the Director of Housing and Commercial Development in liaison with the cabinet member for Corporate services, Housing, Heritage, Arts, Tourism and Environment and the Director Finance and Procurement to substitute and change funding streams to optimise financing of the programme. HRA borrowing will not exceed £7.5m but other funding streams may be increased or decreased as required providing that they stay within available allocation and do not affect the total budget position.

Reason for Decision:

The Council has c.£9.48m capital funding set aside within the Council's capital budget for investment in affordable housing. The existing approval to deliver 49 units within this budget does not allow for flexibility within the £9.48m, allowing for sites and finance to be substituted where sites are not viable, nor does it allow for Contracts to be entered for the construction and professional services required to deliver this programme. This paper seeks that the ability to make the necessary changes within the parameters of the agreed budget with delegated authority to the Director of Housing and Commercial Development, in consultation with the Cabinet Member for Housing.

108 **Establishing local authority companies**

Cllr Philip Whitehead, Leader of the Council, presented a report seeking consideration of the detailed arrangements to establish three companies owned by Wiltshire Council.

The Leader summarised the structure and governance arrangements associated with the three companies, which included the Council being the sole shareholder for each of the companies, the council retaining strategic control functions over the company's activities through its role as shareholder, business plans being monitored by Cabinet, the appointment of Directors and the

company's purchasing services from the Council under separate resourcing contracts.

The Leader indicated that the Cabinet at its meeting on 15 January 2019 had initially nominated him as one of the company Directors. However, since that time Cllr Whitehead had been elected as Leader of the Council and was therefore excluded from becoming a Director. He reported that Cllr Bridget Wayman, Cabinet member for Highways, Transport and Waste, was now nominated as his replacement to become a Director.

In response to a question from Cllr Pauline Church about how transparency is assured for the three new companies, the Director of Housing and Commercial Development referred to the shareholders agreement and the monitoring of the company's Business Plan by Cabinet.

In response to an additional question from Cllr Alan Hill about the involvement of Scrutiny in the overall process, the Leader of the Council welcomed this proposal.

The Cabinet noted that the Financial Planning Task Group considered the report at its meeting held on 22 July 2019. The Task Group raised a query about the proposed level of remuneration for Independent Directors was sufficient to attract those with the required skills and expertise. They also welcomed the overall direction of travel and congratulated those involved on the amount of work undertaken.

Resolved:

- 1. To agree to the shareholder agreements as set out at appendix A of the report.**
- 2. To agree to the articles of association of the companies as set out at appendix B of the report.**
- 3. To agree to the business plan for the companies as set out at Appendix C of the report at minute 114**
- 4. To agree to appoint Hazlewoods LLP as auditors of the companies for the financial year 2019/20.**
- 5. To agree loan finance of £ 9.550m in 2019/20 to Stone Circle housing company on terms set out at appendix D of the report.**
- 6. To agree a virement of £7.3 million from Commercial Investment approved 2019/20 budget to Local Development Company to create a total budget of £12.3 million. To re-profile the revised budget to show £0.8 million in 2019/20, £11.1 million in 2020/21 and £0.4 million in 2021/22 so that it is in line with the Local Development Company Business Plan.**
- 7. To agree loan finance of £ 0.670m in 2019/20 to Stone Circle development company on terms set out in appendix D of the report.**
- 8. To agree to the transfer of New Zealand Avenue, Ashton Street resource centre and Marlborough resource centre sites subject to Stone Circle development company providing a project plan as required in the shareholder agreement.**

- 9. To agree to the equity investment required for each development to achieve at least 40% equity based on the value of the sites and cash equity investment in line with the agreed business plan assumptions.**
- 10. To agree that subject to provision of project plan the terms of transfer of sites and cash equity investment will be delegated to an Executive Director other than the Executive Director of Growth Investment and Place, the Director of Finance and Procurement in consultation with the Cabinet member for Finance, Procurement and Economic Development.**
- 11. To agree an annual £ 2,000 remuneration for Directors who are independent of the Council or where a Special responsibility allowance is paid to Councillors that does not cover their role on the companies.**
- 12. To agree that Director's expenses can be reimbursed in line with the Council's expenses policy.**
- 13. To agree to delegate the appointment of independent board Directors and Council Director nominees to an Executive Director other than the Executive Director of Growth, Investment and Place in consultation with the Leader of the Council**
- 14. To agree to enter into a nomination agreement with Stone circle housing company.**
- 15. To agree to provide the following services to the Stone Circle housing company; housing management, accountancy, company secretary, conveyancing, property procurement and valuation services and delegate authority to enter into the resources contracts to Director of Housing and commercial development.**
- 16. To agree to provide the following services to the Stone Circle development company; development management services, company secretary, accountancy and delegate authority to enter into the resources contracts to Director of Housing and Commercial Development**
- 17. To agree that authority to finalise detail of documentation and to enter into agreements is delegated to the Director of Housing and Commercial Development in consultation with Director of legal, electoral and registration services and Director of Finance and procurement.**
- 18. To note that Cllr Bridget Wayman, Cabinet member for Highways, Transport and Waste, be nominated as the replacement for Cllr Philip Whitehead, Leader of the Council and Cabinet member for Finance, Procurement and Economic Development, as a Director to the boards of both companies.**

Reason for Decision:

The proposals aim at implementing the decision taken by cabinet in January 2019 to establish a local housing company to meet housing needs in the County as well as a development company to develop council owned sites to maximise the value of Council assets.

(Note: Cllr Richard Clewer, Cllr Ian Thorn and Alistair Cunningham, Executive Director, took no part in the discussion on this matter and left the meeting room during its consideration).

109 **Urgent Items**

There were no urgent items.

110 **Exclusion of the Press and Public**

Resolved:

To agree 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 Minute Numbers 111, 112, 113 and 114 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.

111 **Enterprise Resource Planning**

Cllr Philip Whitehead, Leader of the Council, presented a report seeking (i) approval for Option 3 from the Outline Business Case (OBC) and options appraisal and to procure a new Cloud based Enterprise Resource Planning (ERP) system for delivery HR & Finance (including Procurement and Payroll) Services; (ii) authority for the Director of Finance and Procurement to take all necessary steps to implement a new ERP system, business process changes and ways of working.

Cllr Thorn, Chair of the Financial Planning Task Group, reported that the Task Group welcomed the move to a more efficient management system and supported option 3 being adopted, given the fundamental systemic weaknesses of the current system.

Resolved:

- 1. Approves the replacement of the current Enterprise Resource Planning (ERP) system with a new Cloud based ERP system to meet all the requirements of HR and Finance, (including Procurement and Payroll), in accordance with Option 3 from the Outline Business Case (OBC) as detailed in Appendix 2 of the report.**
- 2. Notes that a Full Business Case (FBC) will be completed during the procurement process and delegates authority to approve it to the Director of Finance and Procurement, in consultation with the Cabinet Member for Finance, Procurement and Economic Development before implementation starts. If the FBC has an**

increase of 5% or more in costs or 5% or more reduction in savings contained in the Outline Business Case (OBC), then the FBC is reported to Cabinet for approval.

3. Delegates authority to the Director of Finance and Procurement in consultation with the Executive Director Investment and Growth to implement the recommended option, including all changes to business processes and ways of working to maximise the benefits to the Council.
4. Approves the Procurement Strategy in Appendix 1 of the report and the commencement of tendering activity for the recommended option.
5. Delegates authority to approve the award of contracts to the successful provider(s) to the Director of Finance and Procurement in conjunction with the Executive Director Investment and Growth.
6. Authorises the Director of Finance and Procurement in consultation with the Executive Director Investment and Growth and the Director of Legal, Election and Registration Services to negotiate, execute, complete and seal all relevant documents necessary to give effect to the above recommended decisions.

Reason for Decision:

To seek Cabinet approval for the recommended Option 3 from the Outline Business Case (OBC) and options appraisal and to procure a new Cloud based Enterprise Resource Planning (ERP) system for delivery HR & Finance (including Procurement and Payroll) Services.

112 **Provision of Loan Facility for Wiltshire College**

Cllr Philip Whitehead, Leader of the Council, presented a report seeking a loan facility to Wiltshire college to enable them to complete their campus redevelopment.

Cllr Thorn, Chair of the Financial Planning Task Group, reported that the Task Group questioned whether the assets proposed as security for the Council's loan were recoverable given the impact on the provision of education to young people and whether this increased the risk level. The Leader confirmed that the Council were seeking to establish those assets equivalent to the loan amount.

Resolved:

1. To agree to provide a loan facility of £ 2.5 million to Wiltshire college subject to obtaining required security for the loan.
2. To delegate the detail of the security required and the commensurate interest to be charged on the loan to the Director of Finance and Procurement in consultation with the Leader of the Council and Cabinet Member for Finance, Procurement and Economic Development.

- 3. To delegate to the Director of housing and Commercial Development the authority to secure the charge on the security offered by Wiltshire College for the loan.**

Reason for Decision:

The proposals will enable Wiltshire college to secure the remaining funding that they require to complete the redevelopment of their campus. In turn this will enable Wiltshire to offer courses to the benefit of young people in Wiltshire as well as enable the Council to generate a return on the loan commensurate with the risk that is presented.

113 **Council House Build Programme Phase 2 Update**

Cllr Richard Clewer presented a report seeking approval to allow the delivery of the Council House Build Programme 2 in line with the approval to spend £9.48m to deliver 49 units, but with the opportunity to substitute sites where further investigation has deemed sites not viable. In addition, to utilise other opportunities such as purchasing s106 units and re-purchasing Right To Build properties to ensure best value and maximising opportunities for the Council.

The Cabinet considered Appendices 1, 2 and 3 which contained detailed financial information in relation to the four schemes to be removed from and the four schemes to be added to the Build Programme, and an offer for five units at Porton replacing five units from the existing Build Programme.

Resolved:

- 1. To agree to remove 4 schemes from Council House Build Programme 2 as no longer viable as stated in Appendix 1 of the report**
- 2. To agree to include 2 reserve/substitute sites within the programme as stated in Appendix 2 of the report**
- 3. To agree to the purchase of 116 Carmelite Way (Re-Purchase RTB)**
- 4. To agree to delegate to the Director of Housing and Commercial Development in consultation with the Cabinet member for Corporate Services, Housing, Heritage, Arts, Tourism and Environment authority to purchase an additional property to be part funded by right to buy receipts outstanding at quarter 2 2019/20.**
- 5. To agree to make an offer for 5 units at Porton replacing 5 units from the existing Council House Build Programme as stated in Appendix 3 of the report**
- 6. To agree to delegate to Director of Housing and Commercial Development, authority to enter into contract for the purchase of 5 units at Porton.**
- 7. To agree to delegate to the Director of Housing and Commercial Development, authority to seek planning permission for sites within**

Council House Build Programme 2 and enter into contracts for Professional Services and Construction.

- 8. To agree that if individual schemes prove not to be viable the substitution of schemes within the overall programme budget is delegated to the Director of Housing and Commercial Development and Director of Finance and Procurement in consultation with the Cabinet member for Corporate Services, Housing, Heritage, Arts, Tourism and Environment.**
- 9. To delegate authority to the Director of Housing and Commercial Development in liaison with the cabinet member for Corporate services, Housing, Heritage, Arts, Tourism and Environment and the Director Finance and Procurement to substitute and change funding streams to optimise financing of the programme. HRA borrowing will not exceed £7.5m but other funding streams may be increased or decreased as required providing that they stay within available allocation and do not affect the total budget position.**

Reason for Decision:

The Council has c.£9.48m capital funding set aside within the Council's capital budget for investment in affordable housing. The existing approval to deliver 49 units within this budget does not allow for flexibility within the £9.48m, allowing for sites and finance to be substituted where sites are not viable, nor does it allow for Contracts to be entered for the construction and professional services required to deliver this programme. This paper seeks that the ability to make the necessary changes within the parameters of the agreed budget with delegated authority to the Director of Housing and Commercial Development, in consultation with the Cabinet Member for Housing.

114 Establishing local authority companies

Cllr Philip Whitehead, Leader of the Council, presented a report seeking consideration of the detailed arrangements to establish three companies owned by Wiltshire Council.

The Leader of the Council commented on appendices C and E of the report which contained the Business Plans for the Stone Circle company's and the audit proposal from Hazlewoods.

Questions were received from (i) Cllr Pauline Church about detail contained in Appendix C and (ii) Cllr Stewart Dobson about the level of affordable housing at sites in his local area. Responses were provided by the Director of Housing and Commercial Development.

In response to an additional question from Cllr Alan Hill about the involvement of Scrutiny in the overall process, the Leader of the Council welcomed this proposal.

The Leader of the Council paid tribute to the work undertaken by the Director of Housing and Commercial Development and his team.

Resolved:

- 1. To agree to the shareholder agreements as set out at appendix A of the report.**
- 2. To agree to the articles of association of the companies as set out at appendix B of the report.**
- 3. To agree to the business plan for the companies as set out at Appendix C of the report at minute 114**
- 4. To agree to appoint Hazlewoods LLP as auditors of the companies for the financial year 2019/20.**
- 5. To agree loan finance of £ 9.550m in 2019/20 to Stone Circle housing company on terms set out at appendix D of the report.**
- 6. To agree a virement of £7.3 million from Commercial Investment approved 2019/20 budget to Local Development Company to create a total budget of £12.3 million. To re-profile the revised budget to show £0.8 million in 2019/20, £11.1 million in 2020/21 and £0.4 million in 2021/22 so that it is in line with the Local Development Company Business Plan.**
- 7. To agree loan finance of £ 0.670m in 2019/20 to Stone Circle development company on terms set out in appendix D of the report.**
- 8. To agree to the transfer of New Zealand Avenue, Ashton Street resource centre and Marlborough resource centre sites subject to Stone Circle development company providing a project plan as required in the shareholder agreement.**
- 9. To agree to the equity investment required for each development to achieve at least 40% equity based on the value of the sites and cash equity investment in line with the agreed business plan assumptions.**
- 10. To agree that subject to provision of project plan the terms of transfer of sites and cash equity investment will be delegated to an Executive Director other than the Executive Director of Growth Investment and Place, the Director of Finance and Procurement in consultation with the Cabinet member for Finance, Procurement and Economic Development.**
- 11. To agree an annual £ 2,000 remuneration for Directors who are independent of the Council or where a Special responsibility allowance is paid to Councillors that does not cover their role on the companies.**
- 12. To agree that Director's expenses can be reimbursed in line with the Council's expenses policy.**
- 13. To agree to delegate the appointment of independent board Directors and Council Director nominees to an Executive Director other than the Executive Director of Growth, Investment and Place in consultation with the Leader of the Council**
- 14. To agree to enter into a nomination agreement with Stone circle housing company.**

- 15. To agree to provide the following services to the Stone Circle housing company; housing management, accountancy, company secretary, conveyancing, property procurement and valuation services and delegate authority to enter into the resources contracts to Director of Housing and commercial development.**
- 16. To agree to provide the following services to the Stone Circle development company; development management services, company secretary, accountancy and delegate authority to enter into the resources contracts to Director of Housing and Commercial Development**
- 17. To agree that authority to finalise detail of documentation and to enter into agreements is delegated to the Director of Housing and Commercial Development in consultation with Director of legal, electoral and registration services and Director of Finance and procurement.**
- 18. To note that Cllr Bridget Wayman, Cabinet member for Highways, Transport and Waste, be nominated as the replacement for Cllr Philip Whitehead, Leader of the Council and Cabinet member for Finance, Procurement and Economic Development, as a Director to the boards of both companies.**

Reason for Decision:

The proposals aim at implementing the decision taken by cabinet in January 2019 to establish a local housing company to meet housing needs in the County as well as a development company to develop council owned sites to maximise the value of Council assets.

(Note: Cllr Richard Clewer, Cllr Ian Thorn and Alistair Cunningham, Executive Director, took no part in the discussion on this matter and left the meeting room during its consideration).

(Duration of meeting: 9.30 - 11.00 am)

These decisions were published, earlier, on the 25 July 2019 and will come into force on 2 August 2019

The Officer who has produced these minutes is Stuart Figini of Democratic Services, direct line 01225 718221, e-mail stuart.figini@wiltshire.gov.uk

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