

AGENDA

Meeting: **Cabinet**
Place: **Online**
Date: **Tuesday 13 July 2021**
Time: **10.00 am**

Online

Please direct any enquiries on this Agenda to Stuart Figini, of Democratic Services, County Hall, Trowbridge, direct line 01225 718221 or email stuart.figini@wiltshire.gov.uk

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During the Covid - 19 emergency situation the Committee is operating under revised procedures including in relation to public participation, as attached to this agenda.

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Membership:

Cllr Richard Clewer	Leader of the Council and Cabinet Member for MCI, Economic Development, Heritage, Arts, Tourism and Health & Wellbeing
Cllr Laura Mayes	Deputy Leader and Cabinet Member for Children's Services, Education and Skills
Cllr Jane Davies	Cabinet Member for Adult Social Care, SEND, Transition and Inclusion
Cllr Phil Alford	Cabinet Member for Housing, Strategic Assets and Asset Transfer
Cllr Ian Blair-Pilling	Cabinet Member for Leisure, Libraries, Governance, Facilities Management and Operational Assets
Cllr Nick Botterill	Cabinet Member for Development Management, Strategic Planning and Climate Change

Cllr Pauline Church	Cabinet Member for Finance & Procurement, Commissioning, IT, Digital and Commercialisation
Cllr Simon Jacobs	Cabinet Member for Public Health, Public Protection, Licensing, Staffing, Communities and Area Boards
Cllr Dr Mark McClelland	Cabinet Member for Transport, Waste, Street Scene and Flooding

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Public Participation

Please see the agenda list on following pages for details of deadlines for submission of questions and statements for this meeting.


For extended details on meeting procedure, submission and scope of questions and other matters, please consult [Part 4 of the council's constitution](#).

The full constitution can be found at [this link](#).

For assistance on these and other matters please contact the officer named above for details

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 5 - 18*)

To confirm and sign the minutes of the Cabinet meeting held on 29 June 2021.

3 **Declarations of Interest**

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

4 **Leader's announcements**

5 **Public participation and Questions from Councillors**

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. Questions may also be asked by members of the Council. Written notice of questions or statements should be given to Stuart Figini of Democratic Services stuart.figini@wiltshire.gov.uk 01225 718221 by 12.00 noon on 7 July 2021.

Anyone wishing to ask a question or make a statement should contact the officer named above.

6 **Final Outturn 2020/21** (*Pages 19 - 40*)

Report of the Chief Executive.


7 **Treasury Management Outturn 2020/21** (*Pages 41 - 64*)

Report of the Chief Executive.


8 **Update on Council's response to the climate emergency** (*Pages 65 - 104*)

Report of the Chief Executive.


9 **Silverwood School Build Update** (*Pages 105 - 116*)

 Report of the Chief Executive.

10 **Proposal for the future provision of Streetscene Grounds Maintenance and Street Cleansing** (*Pages 117 - 150*)

 Report of the Chief Executive.

11 **Council House Build Programme** (*Pages 151 - 166*)

 Report of the Chief Executive.

12 **Urgent Items**

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

Part II

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

13 **Exclusion of the Press and Public**

This is to give further notice in accordance with paragraph 5 (4) and 5 (5) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 of the intention to take the following item in private.


To consider passing the following resolution:

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 Item Numbers 14 and 15 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.


Reason for taking item in private:

Paragraph 3 - information relating to the financial or business affairs of any particular person (including the authority holding that information).

14 **Proposal for the future provision of Streetscene Grounds Maintenance and Street Cleansing** (*Pages 167 - 180*)

 Report of the Chief Executive

15 **Council House Build Programme** (*Pages 181 - 184*)

 Report of the Chief Executive

Cabinet

MINUTES OF THE CABINET MEETING HELD ON 29 JUNE 2021 AT ONLINE.

Present:

Cllr Richard Clewer (Chairman), Cllr Laura Mayes (Vice-Chairman), Cllr Jane Davies, Cllr Phil Alford, Cllr Ian Blair-Pilling, Cllr Nick Botterill, Cllr Pauline Church, Cllr Simon Jacobs and Cllr Dr Mark McClelland

Also Present:

Cllr Trevor Carbin, Cllr Liz Alstrom, Cllr Helen Belcher, Cllr Chuck Berry, Cllr David Bowler, Cllr Clare Cape, Cllr Jo Trigg, Cllr Ernie Clark, Cllr Nick Errington, Cllr Adrian Foster, Cllr Sarah Gibson, Cllr Gavin Grant, Cllr Ross Henning, Cllr Sven Hocking, Cllr Jon Hubbard, Cllr Tony Jackson, Cllr Mel Jacob, Cllr Johnny Kidney, Cllr Carole King, Cllr Gordon King, Cllr Jerry Kunkler, Cllr Kathryn MacDermid, Cllr Dominic Muns, Cllr Bill Parks, Cllr Sam Pearce-Kearney, Cllr Tamara Reay, Cllr Pip Ridout, Cllr Paul Sample JP, Cllr James Sheppard, Cllr Martin Smith, Cllr Caroline Thomas, Cllr Ian Thorn, Cllr Elizabeth Threlfall, Cllr David Vigar, Cllr Bridget Wayman, Cllr Suzanne Wickham and Cllr Christopher Williams

10 Apologies

There were no apologies.

11 Minutes of the previous meeting

The minutes of the meeting held on 1 June 2021 were presented.

Resolved:

To approve as a correct record and sign the minutes of the meeting held on 1 June 2021 at a later date, subject to all references to Chair and Vice-Chair being replace with Leader and Deputy Leader respectively.

12 Declarations of Interest

There were no declarations of interest.

13 Leader's announcements

There were no Leaders announcements.

14 **Public participation and Questions from Councillors**

The Leader of the Council reported that a large number of questions had been received in relation to the Chippenham HIF and as this item was due to be considered by Cabinet at its meeting on 13 July 2021, he would take those questions at that time.

Questions were received from the following members of public:

- Cllr Campbell Ritchie – Malmesbury Town Council

The Leader explained that the questions had received written responses which were published on the Council's website. A supplementary question was asked by Cllr Grant on behalf of Cllr Ritchie about the specific plan and timescales for making funding available in Wiltshire. The supplementary question with response will be included in a re-published Supplement 2 to the agenda.

In addition to the above public questions, a number of questions and comments were received from:

- Cllr Carole King – Care Leavers
- Cllr Liz Alstrom - Chippenham Traffic Lights
- Cllr Ian Thorn – Westbury Incinerator and Home Farm Trust at Horsebrook, Calne
- Cllr Gordon King – Cleveland Bridge, Bath and Clean Air Zones impact on towns in West Wilts, Westbury relief road and Westbury Incinerator
- Cllr Sam Pearce-Kearney – New Councillors training programme and future training opportunities
- Cllr Paul Sample JP – De-trunking of the A36 from Southampton to Bristol
- Cllr Bridget Wayman – Ash die back
- Cllr Adrian Foster – Westbury Incinerator
- Cllr Cape – Chippenham HIF
- Cllr Jon Hubbard – LGA Training Courses
- Cllr Gavin Grant – Ash die back

The above questions and comments received verbal responses at the meeting and a number would also receive written responses following the meeting.

15 **Wiltshire Local Plan Review Update**

Cllr Nick Botterill, Cabinet Member for Development Management, Strategic Planning and Climate Change presented the report which provided an update on the Wiltshire Local Plan Review following the recent consultation. In introducing the report, he acknowledged that (given the questions and statements made) there appeared to be some misunderstanding about the

purpose of the report and explained that no decisions were being made at the meeting about policies for the draft plan but on further evidence that would be needed, which we shouldn't prejudge the outcome of. It is an update report that sets out an initial summary of the main issues from people responding to the consultation. He explained that the Council had a legal duty to prepare the plan and despite the pandemic it was important to continue with the consultation following Government guidance.

The Cabinet noted that following their approval on 1 December 2020, consultation was undertaken on the Wiltshire Local Plan Review between 13 January 2021 and 9 March 2021. The report provided an initial summary of the main issues that were raised through the consultation and the next steps. It was felt that the consultation was a success due to the numbers of responses and comments received, especially during the time of the pandemic.

The report highlighted that development needs must be planned for positively, and that difficult choices will need to be made. Concerns noted from local communities centred around environmental issues, ability for infrastructure to cope (particularly health, education and transportation) and the view that while significant housing has taken place this has not been matched with new jobs. An understanding of the issues and concerns are an important part of the work going forward, and these would need to be considered alongside the development of new evidence to inform policies within the draft Plan.

The Cabinet were informed that it is good practice to update the evidence base for a Local Plan throughout the plan's preparation, and there was a need for further technical evidence on a range of issues, and these were detailed in the report.

Following some concerns from the public about timescales and process, the Leader explained that, as indicated above, Cabinet considered a report on the progression of the Local Plan in December 2020, at which point it was agreed to go out to consultation on the key component to inform the Local Plan and a report would be brought back to Cabinet following the consultation which ended in March. Since that consultation has closed and responses digested, the Council had advertised that it would be bringing an update on the Local Plan Review to Cabinet on its Forward Work Plan which was published on 28th May.

The deadline for Cabinet questions has not changed. Whilst late questions will be accepted, the deadline is there to allow time for responses to be prepared; where questions are submitted later, this may mean a response cannot be provided ahead of the meeting. If Cabinet agreed the recommendations in the report, steps will be taken to develop the Local Plan Review and there will be further public consultation. Residents can keep informed with the progress of the Plan via its dedicated webpage [Local Plan Review - Wiltshire Council](#)

Public questions and statements were received from the following:

Adrian Temple-Brown
Anne Henshaw

Bill Jarvis
Charlie Caffyn
Charmian Spickernell
Chris Caswill
Dr Helen Stride
Gail Delahaye
Ian James
Isabel McCord
Jane Durrant
Janet Giles
Jeremy Wire
Kim Power
Kim Stuckey
Louise Weissel
Maureen Lawrence
Melissa Hillier
Cllr Myla Watts – Deputy Leader Chippenham Town Council
Richard Ecclestone
Ros Oswald
Rowena Quantrill – Climate Friendly Bradford on Avon
Steve Perry – CAUSE
Steve Perry
Sue Deedigan
Susan McGill
Sylvia Wyatt
Viv Talbot
Karen Crawford
Mel Boyle

The Leader acknowledged that the questions, apart from late questions, had received written responses which had been published on the Council's website prior to the meeting.

Supplementary questions were asked by Kim Power about neighbourhood planning, and Kim Stuckey and Steve Perry about a perception of greater weighting towards developer comments. Cllr Botterill confirmed that it was a priority of his that Towns and Parish Councils would be supported by the Council in the preparation of neighbourhood plans. He also explained that the report was a summary of the responses received and an attempt was made to capture these without giving weight to any one particular group.

Cllr Ian Thorn, Leader of the Liberal Democrats asked questions about (i) connections between neighbourhood plans and how they could feed into the development of the Local Plan; (ii) the merits and weighting of arguments and submissions to the Local plan consultation; and (iii) the importance of the consultation process and responses being taken into account, particularly of residents. In response, the Leader and Cllr Botterill confirmed that (i) national planning policy framed how neighbourhood plans are progressed, and expressed concern about their review every 2 years, and the Council will provide appropriate support where it can; (ii) comments received would be

considered fairly; and (iii) the Local Plan is an inclusive process and prepared taking into consideration the comments and views received during the process and this has to be balanced with requirements of Government policy and guidance. The Plan is prepared so that it would pass examination by the Government Inspector and needs to be based on evidence.

In response to a question from Cllr Tony Jackson and Cllr Gavin Grant about support from the Council for Town and Parish Councils in reviewing their neighbourhood plans, especially ones that had commenced prior to the pandemic and continued through it. Cllr Botterill and officers confirmed that this matter was currently being considered about how officers can support the process across Wiltshire.

In response to a question from Cllr Sarah Gibson about sustainable settlements. Cllr Botterill provided assurance that officers would take the public's views on board.

In response to questions from Cllr Helen Belcher about (i) the 5 year housing land supply and protecting neighbourhood plans; and (ii) the justification for the range of housing number of homes in Wiltshire, Cllr Botterill and officers confirmed that officers would be happy to provide guidance on 5 year land supply outside the meeting; and that the recommendation is to undertake further work to test the numbers in the light of comments received.

Resolved:

That Cabinet:

- (i) Notes this initial summary of main issues arising through the consultation and agrees the Cabinet Member for Development Management, Strategic Planning and Climate Change signs off the completed consultation report prior to publication on the Council's website;**
- (ii) Agrees that progress continues to be made to develop the Wiltshire Local Plan Review;**
- (iii) Agrees that further work is undertaken in response to the consultation on key parts of the evidence base, including:**
 - Testing the upper and lower levels and spatial distribution of the range of housing need for the plan period;**
 - A review of the employment evidence underpinning need for new employment land; and**
 - Wiltshire wide assessment of potential for renewable energy, zero carbon development and off grid energy networks at main settlements.**

Reason for Decision:

Cabinet at its meeting of 1 December 2020 resolved to receive a report after the consultation summarising the main issues raised.

16 **Housing Related Support**

Cllr Jane Davies, Cabinet Member for Adult Social Care, SEND, Transition and Inclusion presented the report which provided detail about the future of the housing relating support (HRS) service.

Cllr Davies explained that the HRS is a discretionary rather than statutory service, which is delivered by Somerset Care and Cera Care and was designed to promote independence and prevent the breakdown of tenancies. The service model is now considered outdated against more effective models of independent living.

The Cabinet noted the background to the HRS and how it had developed over the years to its current form. In recommending a preferred option for the HRS service, the council has identified duplication of tasks with other services, and also considered the social care needs profiles of residents living across the 130 sheltered sites. Each resident is able to opt-in to the service, and currently only 40% of eligible tenants opt-in at a cost of £957,987 per year.

The report detailed the outcome of a consultation that took place during November – December 2020 for residents to comment on how they use the service and the support they might need in the future.

In response to questions raised by Cabinet members, Cllr Davies and officers (i) provided reassurance that residents would be able to access the same type of provision from existing resources elsewhere via registered social landlords and other community services; (ii) highlighted concerns about social isolation and the need for residents to be connected to local community groups; (iii) registered providers had a duty to help tenants to prevent tenancy breakdown and evictions for tenants in particular vulnerable tenants.

In response to a question from Cllr Ian Thorn about his concerns that effective scrutiny of the proposals by the Health Select Committee was not being undertaken until after Cabinet had made their decision. Cllr Davies explained that the proposals provided for a further consultation with residents on the preferred position and the final decision to be delegated to the Director of Joint Commissioning in consultation with the Cabinet Member for Adult Social Care, SEND, Transition and Inclusion and the Corporate Director of People, therefore allowing sufficient time for effective scrutiny of the transitional arrangements by the Health Select Committee on 6 July 2021. It was also noted that the Chair and Vice-Chair of the Health Select Committee had received a briefing on the proposals on 16 June 2021.

In response to a question from Cllr Chuck Berry about the need to consider TUPE regulations. Cllr Davies confirmed that the TUPE Regulations would be considered as part of the proposal.

Cllr Gordon King, Vice-Chair of Health Select Committee confirmed that he and Cllr Jonny Kidney had received a briefing where there was a full debate about the proposals. Cllr King commented on the savings being generated by the proposals. Cllr Davies confirmed that the proposals were not about making savings and funding will be used to ensure the right services are in place for people who need them.

Resolved:

Cabinet is asked:

1. **To note the Council's preferred position of ending the contracted HRS service provided by Cera Care and Somerset Care on 31 March 2022 in line with the indicative timeline in paragraph 74 and liaise with landlords and providers to support residents through a transition phase to:**
 - i. **access alternate means of housing related support from other existing tenant support services**
 - ii. **ensure that residents receive appropriate information, advice and signposting as needed for any other identified support need to voluntary and community resources**
 - iii. **ensure that those with, or who may have, statutory eligible care needs, will have a care act assessment and appropriate support put in place.**
2. **That officers undertake a further consultation with residents on the Council's preferred position in line with the indicative timeline.**
3. **That the final decision on the future means of supporting HRS residents and any associated decisions is delegated to the Director Joint Commissioning in consultation with the Cabinet Member for Adult Social Care, SEND, Transition and Inclusion and the Corporate Director of People.**

Reason for decision:

1. *The current service requires review as outlined in paragraph 13.*
2. *HRS is a non-statutory service. The local authority does not have a duty to provide it. Residents can also access the same type of support from elsewhere within the community. There is duplication of*

elements of the HRS service with the tenant support service. The Registered Social Landlords (RSLs) are obligated to provide these elements.

- 3. Every resident will be supported to transition to alternate means of support, and those with, or who may have, eligible care needs will be identified and assessed by adult social care.*
- 4. HRS services are not in line with a strength-based approach to care and support, and in its current format does not promote independence.*

17 **Disposals Programme Update**

Cllr Phil Alford, Cabinet Member for Housing, Strategic Assets and Asset transfer presented the report which provided detail about (i) capital receipts targets for the last three years and the new targets for the next two financial years; and (ii) to confirm the freehold interest in the assets can be sold to either generate capital receipts in support of the Council's capital programme or reused to generate income for the Council.

In response to a question raised by Cllr Ian Thorn about the disposal of the former Ambulance and Fire Station and whether this could be offered to Calne Town Council. Cllr Alford confirmed that all assets surplus to the core requirements of the Council are available for alternate uses. One option being disposal where the capital realised can then be used to support further investment. However, all assets would have to follow the agreed processes for disposal.

In response to a question from Cllr Gavin Grant about the role of the Stone Circle Companies in the reallocation of surplus assets; Cllr Alford and officers confirmed that Appendix 1 contained detail about the process for surplus assets and the review process for commercial opportunity.

Resolved:

- **To note the position in respect of disposals for financial years 2021/22 and the projected receipts for 2022-4.**
- **To confirm that the freehold interest of the 3 assets can be sold by the Council.**
- **To authorise the Director for Housing and Commercial Development to dispose of the freehold interest in the assets or in his absence the Corporate Director – Resources, following consultation with the Cabinet Member for Leisure, Libraries, Governance, Facilities Management and Operational Assets; and Cabinet Member for Strategic Assets and Asset Transfer.**

Reason for decision:

To note the current position in respect of capital receipts and the new targets for the next two financial years and confirm the freehold interest in the assets can be sold to either generate capital receipts in support of the Council's capital programme or reuse to generate income for the Council.

18 **Re procurement of electricity and gas contract**

Cllr Pauline Church, Cabinet Member for Finance & Procurement, Commissioning, IT, Digital and Commercialisation presented the report which highlighted the need to replace the current energy purchasing arrangement, which expires on 31 March 2022 to enable the council to continue to deliver cost-effective electricity and gas supplies to the corporate, housing, streetlighting and school portfolios.

Questions were received from the following:

- Karen Crawford
- Andrew Nicolson – Wiltshire Climate Alliance

The Leader acknowledged that the questions had received written responses which had been published on the Council's website prior to the meeting.

Supplementary questions were asked by Andrew Nicolson about de-gassing and green gas and the shape of the emissions reduction over time. A written response would be provided after the meeting.

The Cabinet consider the exempt information contained in the appendix to the report and in Part II of the meeting before making a decision on the matter.

Resolved:

See minute 21 below

Reason for Decision:

The current energy purchasing arrangement expires on 31 March 2022 and needs to be replaced to enable the council to continue to deliver cost-effective electricity and gas supplies to the corporate, housing, streetlighting and school portfolios.

19 **Urgent Items**

There were no urgent items.

20 **Exclusion of the Press and Public**

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 Item Numbers 12 and 13 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.

21 **Re Procurement of Electricity and Gas Contract**

Cllr Pauline Church, Cabinet Member for Finance & Procurement, Commissioning, IT, Digital and Commercialisation presented the appendix to the report considered at item 9 of the agenda containing the names of the proposed framework provider.

Resolved:

- 1. To approve the winning framework provider as the method by which we purchase electricity and gas supply from 1 April 2022 for 5 years.**
- 2. To delegate authority to the Director of Housing & Commercial Development, in consultation with the Cabinet Member for Finance, Procurement, Commissioning, IT, Digital and Commercialisation to proceed with award through the framework from 1st April 2022 for 3-year term.**
- 3. To delegate authority to the Director of Housing & Commercial Development, in consultation with the with the Cabinet Member for Finance, Procurement, Commissioning, IT, Digital and Commercialisation, to utilise a 2-year extension option subject to adequate supplier performance and mutual agreement by both parties.**

Reason for Decision:

The current energy purchasing arrangement expires on 31 March 2022 and needs to be replaced to enable the council to continue to deliver cost-effective electricity and gas supplies to the corporate, housing, streetlighting and school portfolios.

22 **Porton Science Park - Further fit out**

Cllr Richard Clewer, Leader of the Council and Cabinet Member for MCI, Economic Development, Heritage, Arts, Tourism and Health & Wellbeing confirmed that his item was being considered outside of the 28 days notice of the Cabinet Forward Plan, so that an urgent decision could be taken by the Cabinet in relation to the proposals contained in the report and that

additional funding is released to complete the project. The Leader explained that this had been undertaken with the approval of both Cllr Stuart Wheeler, Chair of the Council and Cllr Graham Wright, Chair of the Overview and Scrutiny Management Committee in accordance with the procedures set out in the Council's Constitution.

a) Porton Science Park – Further Fit Out

Cllr Richard Clewer, Leader of the Council and Cabinet Member for MCI, Economic Development, Heritage, Arts, Tourism and Health & Wellbeing presented the report which (i) provided detail about discussions with an existing tenant requested use of a portion of the first floor Grow-On Space at the Council's new Phase 2 Collaborative Innovation Centre at Porton Science Park, and (ii) sought approval for the Council to carry out fitting out works to the Grow On Space to facilitate early uptake of this space.

Questions were received from Karen Crawford. The Leader acknowledged that the questions had received written responses which had been published on the Council's website prior to the meeting.

In response to a question raised by Cllr Laura Mayes, Deputy Leader and Cabinet Member for Children's Services, Education and Skills, Officers confirmed that works of this nature had been undertaken previously for another existing tenant

Cllr Jerry Kunkler requested that details of the project should also be considered by the Environment Select Committee as the project progressed. Cllr Pip Ridout confirmed that the Financial Planning Task Group had considered this issue at a previous Task Group meeting.

Resolved:

- 1. To agree that the Council undertakes the fit out of the Grow On Space at the Porton Collaborative Innovation Centre subject to the Council first entering into an Agreement for Lease with the existing tenant, or such other document or documents as are required to ensure repayment of the fit out works;**
- 2. To delegate authority to the Director of Housing and Commercial Development (in consultation with the Legal Services, Procurement and the section 151 Officer as appropriate and the Leader of the Council and Cabinet Member for Economic Development, MCI and Communications and Cabinet Member for Finance, Procurement and Commercial Investment) to enter into an agreement for lease, lease and such other legal document(s) (including any contracts for carrying out of the said fitting out works) as are required to give effect to the proposal set out in (1) above; and**

- 3. allocate £0.53 million from other capital schemes, to be confirmed, to cover the estimated costs of the fit out works in the 2021/22 capital programme.**

Reason for Decision:

To support an existing tenant looking to expand into the Grow-on space and thereby secure a tenant from the outset of opening the new Phase 2 building; generating income and helping to promote the remainder of the building and the wider science park.

b) Porton Science Park – Phase Two Affordability Gap

Cllr Richard Clewer, Leader of the Council and Cabinet Member for MCI, Economic Development, Heritage, Arts, Tourism and Health & Wellbeing presented the report (i) seeking authority to enter into a formal construction contract; update on the confirmed cost of delivery and affordability gap arising from cost trends in the current construction market; and (ii) to secure additional funding for the capital costs of building the centre; and provide an update revenue projection for the centre's initial years of operation.

In response to a question raised by Cllr Simon Jacobs about costs and costs inflation, the Leader confirmed that costs with the construction company would be fixed.

In response to a question from Cllr Clare Cape about the possibility of funds being diverted from existing capital schemes, officers confirmed that this would not be the case, as capital funding was being reallocated but not from any specific projects.

Resolved:

- 1. To delegate authority to the Director of Housing and Commercial Development (in consultation with the Legal Services and the section 151 Officer) to enter into a construction Contract – specifically NEC3 Engineering & Construction Contract 2013 (Option A); and**
- 2. To allocate £0.75 million from other capital schemes, to be confirmed, to cover the current affordability gap in the 2021/22 capital programme**

Reason for Decision:

- *To provide additional funding to cover the building costs, fees and meet environmental requirements*
- *To ensure we can make use of the contractors fixed price*
- *Following payment of stage one, proceed to the second stage of the Construction Contract and build the Collaborative Research and Innovation Centre*
- *To progress delivery of Porton Science Park, in partnership with SWLEP, MHCLG and campus partners Dstl and PHE.*

(Duration of meeting: 10.00 am - 2.05 pm)

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

Press enquiries to Communications, direct line (01225) 713114/713115

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Wiltshire Council

Cabinet

13 July 2021

Subject: **Financial Year 2020/21 – Final Financial Year End Position**

Cabinet Member: **Cllr Pauline Church – Cabinet member for Finance and Procurement, Commissioning, IT, Digital and Commercialisation**

Key Decision: **Non Key**

Executive Summary

This report sets out the final year end variance for the council as at 31 March 2021 for the financial year 2020/21 for both revenue and capital. This position includes the year end position on the Collection Fund for the year along with the final position for the Income Loss Compensation scheme following the provisional outturn report presented to Cabinet on 1 June 2021 and the final year end position for the Capital Programme, including scheme slippage and how the programme has been funded.

Final Revenue Year End position 2020/21

This report sets out the final revenue year end financial position for the council. It sets out the year end position on the Collection Fund and section 31 (s31) grant funding for Business Rates and an update on the Income Loss Compensation Scheme since the provisional position was reported to Cabinet last month.

This position allows for the setting aside of a net additional £2.711m to earmarked reserves and £34.124m of s31 grant provided to the council to ensure no significant cashflow issues arose during the year following the additional reliefs that were given to support businesses net of a small adverse variance on the Business Rates levy into a specific earmarked reserve to fund the accounting deficit on the Collection Fund.

Capital Year End position 2020/21

This report sets out the year end position of the Capital Programme, the movements from the original budget set at the beginning of 2020/21 and sets out how the programme has been financed. It provides an update on the significant programmes that have been delivered and those that have been reprofiled to future years.

Proposal

Cabinet is asked to note:

- a) the final year end revenue budget outturn and capital outturn position and the final position for the Collection Fund for the financial year 2020/21;

- b) the additional capital budgets of £3.092m that have been added to the 2020/21 programme under Chief Finance Officer delegated powers
- c) the Grant amendment of (£0.026m) that has been removed from the 2020/21 programme under Chief Finance Officer delegated powers
- d) The reprofile of £1.3m of budgets from future years to 2020/21 as approved by Cabinet in December 2020 under Land Acquisition report.
- e) the underspend and subsequent removal of £0.025m capital budget for the Wiltshire Online scheme as a result of staff savings.
- f) the overspend of £0.006m on the Local Growth Fund scheme Chippenham Station Hub.
- g) the overspend of £0.009m on the Local Growth Fund schemes at Salisbury.

Cabinet are asked to approve:

- h) the transfer of £2.104m and £34.076m to the Collection Fund Volatility reserve;
- i) the net transfer of £0.435m to the Budget Equalisation reserve;
- j) the transfer of £0.172m to the Council Tax Hardship reserve;
- k) Cabinet are asked to approve £20.340m of capital programme slippage to be rolled forward into 2021/22.

Reason for Proposal

To inform effective decision making and ensure sound financial management as part of the Councils overall control environment.

To inform Cabinet on the final year end revenue and capital outturn position for the Council for the financial year 2020/21.

To improve the Councils financial resilience by increasing the balance on the General Fund reserve now and setting aside funds in earmarked reserves to prudently assist in managing the Councils future pressures and budget gap.

Terence Herbert – Chief Executive

**Andy Brown – Corporate Director Resources & Deputy Chief Executive
(S.151 Officer)**

Wiltshire Council

Cabinet

13 July 2021

Subject: **Financial Year 2020/21 – Final Financial Year End Position**

Cabinet Member: **Cllr Pauline Church – Cabinet member for Finance and Procurement, Commissioning, IT, Digital and Commercialisation**

Key Decision: **Non Key**

Purpose of Report

1. To advise Members of the final year end position for financial year 2020/21 (31 March 2021) for revenue and capital. These figures now include the final position for the Collection Fund, the account that contains all the council tax and business rates transactions and the council impact associated with the costs of administering the fund along with the year end position for capital expenditure and funding.

FINAL YEAR END REVENUE OUTTURN POSITION 2020/21

1. The Council approved a net budget for 2020/21 of £344.023m at its meeting on 25 February 2020. The provisional year end outturn position for the revenue budget was reported to Cabinet at its meeting on 1 June 2021 where an underspend of £33.982m was reported and requests approved to transfer this underspend to earmarked reserves.
2. The provisional report included a couple of areas of forecast as work had not been completed for some aspects of the budget. The following paragraphs focus on the changes since that report including the final year end position of the Collection Fund for the council, the final grant claim for the Income Loss Compensation grant and also any other changes to the revenue position. There are no other changes to the previously reported service expenditure or income.
3. The breakdown of the changes from the provisional year end position previously reported and the final year end revenue outturn position for 2020/21 is set out in table 1 below.

Table 1 – Final Year End 2020/21 movements since provisional outturn

Service Area	Amount	Reserve for transfer
Finance	£0.270m	Budget Equalisation
Finance	(£0.172m)	Council Tax Hardship
General Government Grants	(£2.104m)	Collection Fund Volatility
Income Loss Compensation	(£0.705m)	Budget Equalisation
Total service movements	(£2.711m)	
Council Tax deficit increase	£0.383m	Collection Fund
Business Rates deficit	£36.519m	Collection Fund
S31 Grants net of Levy	(£34.076m)	Collection Fund Volatility
TOTAL MOVEMENTS	£0.115m	

FINAL SERVICE REVENUE YEAR END POSITION 2020/21

4. Since the provisional financial position was reported to Cabinet on 1 June there have been a couple of amendments to service year-end outturn positions set out in the table 1 above which are explained in the paragraphs below.
5. As part of the finalisation of the Collection Fund accounting there are a few changes to the figures that were reported as part of the provisional year-end outturn position in Finance due to the council's administration costs of the fund in Revenues and Benefits, with an overall adverse movement from the provisional outturn position previously reported of £0.098m. One element is an under-recovery of court fees due to the lockdown and decision to suspend the referral of debt to courts. It is requested that the resulting overspend of £0.270m is transferred to the Budget Equalisation reserve. This overspend is offset by an underspend due to the Council Tax Hardship Reliefs that were funded from the grant received in the year of £3.222m. The grant was not fully spent and is requested that the unspent grant of £0.172m is transferred to the Council Tax Hardship earmarked reserve to support households facing hardship in future years.
6. During the year additional s31 grants have been received from government and were originally thought to form part of the s31 grants that were awarded to compensate the council for Collection Fund pressures. These grants do not form part of the overall Collection Fund and amount to an additional £2.104m and it is requested to transfer this balance to the Collection Fund Volatility to help mitigate the uncertainties that are faced in future years for Business Rates.

INCOME COMPENSATION LOSS SCHEME

7. The provisional financial position included an estimate of the final grant claim that would be made for the government Sales, Fees and Charges Income Compensation Loss grant scheme. The final analysis has been carried out and the final claim submitted to government, which is £0.705m more than estimated and included within the provision yearend figures previously reported. This change is due to final assessment of actual losses and compensating savings that are included in the calculation of grant to be claimed as set out in the scheme. In total the grant income from this scheme for the year amounted to £7.119m.

8. It is requested that this additional £0.705m is transferred to the Budget Equalisation earmarked reserve to help support the budget pressures in future years to allow time for management action to address the forecast budget gap.

COLLECTION FUND AND SECTION 31 GRANTS

9. The Collection Fund is the ring-fenced account for all of the Council Tax and Business Rates transactions, that the council administers. At the beginning of the financial year there was great uncertainty about the impact of COVID-19 on the economy and the subsequent ability for people and businesses to pay council tax and business rates bills for the financial year. In the earlier months the budget monitoring reports included forecasts of a significant loss of income from council tax and business rates of approximately £15m net of government grants.
10. Included in the Q3 budget monitoring report it was noted that any losses in the collection fund would arise in future years, with government mandating the spread of these exceptional deficits across the 3 following financial years. To ensure these deficits could be funded the £8.613m forecast impact of losses at that stage was set aside in a specific earmarked reserve to manage the deficit on this fund. The Collection Fund year end position for 2020/21 has now be finalised and the final deficit calculated on the fund.
11. The council's share of the deficit for Council Tax deficit is in line with that previously estimated and is calculated as £3.730m (previously £3.347m), a small increase in deficit of £0.383m.
12. The deficit for Business Rates has been calculated as £36.564m (previously a net forecast of £0.045m). Although the Business Rates deficit is a significant value change of £36.519m this is due to the ring-fencing of the fund and the inability to off-set directly the grant payments made by government to compensate for the losses caused by the application of the additional business rates reliefs.
13. The s31 grant is not allowed to be transferred into the ring-fenced Collection Fund and there is a balance of £34.124m at the end of the financial year. The difference in the net impact of the business rates deficit and grant is £2.440m and is mainly due to the change in value of level of debt that is assessed as being at risk (debt impairment) and change in the assessment of financial risk in appeals. It is requested that the unspent s31 grant of £34.124m be transferred to the Collection Fund Volatility reserve to fund the repayment of the deficit that will be required over the next 3 years.
14. The final element of the Collection Fund where there is a small difference from values previously report is the Business Rates levy for the council. This has been reported previously rounded as £1.9m and the actual levy charge was £1.948m and it is requested to fund the additional £0.048m pressure from the Collection Fund Volatility reserve as an inherent element of the business rates funding mechanism. This combined with the s31 grant transfer requested in the paragraph above allows for an additional £34.076m to be set aside in the reserve.

CAPITAL PROGRAMME – YEAR END POSITION 2020/21

15. The Council approved a net capital programme budget for 2020/21 of £261.535m at its meeting on 25 February 2020. At the beginning of the year due to the early forecast of the financial impact of COVID-19 on the council and the prioritisation of resources on the emergency response a recommendation to defer some capital schemes was presented to Cabinet on the 9th June 2020. The approval reallocated £101.684m of approval into future years. In addition, as part of the Q1 budget monitoring process further slippage, additions and re-profiling were actioned reducing the 2020/21 Q1 budget down to £176.747m.
16. Due to the ongoing impact of COVID-19 and the ability to deliver significant projects the programme was revised again at Q2 and projects phased to when they would realistically be delivered. This presented further slippage of £45.446m into future years, £8.970m of reduced budgets and £6.512m of additional budget. The Q2 capital programme budget was revised to £128.843m.
17. As part of the Q3 report a further £5.716m slippage was identified, this was largely on IT programmes and Wiltshire Online. In addition, £0.250m was added to the programme as new grants and contributions, resulting in a final 2020/21 Q3 capital programme budget of £123.377m
18. The final capital programme budget for year ending 2020/21 stood at £127.743m, Cabinet are asked to note the movements as shown in the table below from the capital programme budget presented to Cabinet at Q3.

Table 2 – Q4 Capital Programme Amendments

Summary of Movements in Capital Programme	£'m	Further information
Capital Programme Budget as at Q3	123.377	Appendix A
Amendments to Capital Programme 2020/21 Since Q3:		
Additional Budgets added to Programme	3.092	Appendix A & B
Grant Amendments	-0.026	
Budgets Reprogrammed from 2020/21 to 2021/22	1.300	
Capital Programme Final Budget 2020/21	127.743	Appendix A

19. £3.092m has been added to the 2020/21 programme under Chief Finance Officer delegated powers, this is detailed in Appendix A and B. These additions and amendments have no effect on the net funding position of the capital programme as they are funded by grant or contributions.
20. £0.026m has been removed from the Public Sector Decarbonisation Scheme. Two projects at Warminster Library and the Nadder Centre have been completed. These projects were fully funded by grants and were delivered £0.026m under budget. The budget is therefore not required, and grants will be claimed for the value of the schemes only.

21. As approved by Cabinet in December 2020 as part of the Land Acquisition report £1.3m has been reprofiled from future years into 2020/21 and allocated for land acquisition.
22. The total capital expenditure for the year was £107.237m compared to the budget of £127.743m, resulting in an underspend on the programme of £20.506m. This is due to a combination of programme slippage and reprofiling as detailed in the report below and has meant that the Council has had to finance less capital spend in 2020/21 than planned.
23. The biggest impact to the Council of the capital programme slippage is created from schemes funded by borrowing. This impacts on the Financing and Investment Income and Expenditure revenue budget for 2020/21 and 2021/22.
24. At Q3 it was forecast that the Financing and Investment Income and Expenditure revenue budget would be £2.054m underspent, as a result of this further capital programme underspend and due to the Councils overall cashflow position the actual year end position was £0.923m better than forecast at Q3. As reported and recommended in the draft revenue outturn report in June this underspend was transferred to General Fund reserves.
25. The final borrowing figure for the 2020/21 capital programme sets the Minimum Revenue Provision charge for year 2021/22. As a result of the underspend there will be a £1.825m saving in 2021/22 budget.
26. Grants and contributions that are ringfenced but not used to fund the capital programme are held on the balance sheet. During the year no grants or contributions with specific conditions were returned.
27. A detailed financial position by scheme is shown in Appendix A.
28. Cabinet are asked to note the underspend and subsequent removal of £0.025m budget for the Wiltshire Online scheme and overspend of £0.015m on the Local Growth Fund schemes Chippenham Station Hub and Salisbury schemes.
29. Cabinet are asked to approve £20.340m of slippage to be rolled forward into 2021/22, this will increase the 2021/22 capital programme budget to £235.710m

Table 3 – 2020/21 Slippage

	Final Budget 2020/2021	Total Spend 2020/2021	Budget Remaining 2020/2021	Underspend (Budget Removed)	Overspend	Costs Transferred to Revenue	Budget Transfer to 2021/2022
	£m	£m	£m	£m	£m	£m	£m
Corporate Director - People	20.792	17.608	3.184				3.184
Corporate Director - Place & Environment	53.206	53.080	0.126		-0.015		0.141
Corporate Director - Resources	38.081	26.435	11.646	0.025		0.156	11.465
General Fund Total 2020/21	112.079	97.123	14.956	0.025	-0.015	0.156	14.790
Housing Revenue Account	15.664	10.114	5.550	0.000	0.000	0.000	5.550
General Fund and HRA Programme 2020/21	127.743	107.237	20.506	0.025	-0.015	0.156	20.340

People

30. The table below shows the capital programme summary position for People Directorate. The total spend for 2020/21 was £17.608m against a budget of £20.792m resulting in slippage of £3.184m that is requested to roll forward into 2021/22.

Table 4 – 2020/21 Capital Programme, People Services

	Final Budget 2020/21	Total Spend 2020/21	Budget Remaining 2020/21	Budget Transfer to 2021/22
	£m	£m	£m	£m
Education & Skills	17.409	15.580	1.829	1.829
Joint Commissioning	3.267	1.932	1.335	1.335
Learning Disabilities & Mental Health	0.116	0.096	0.020	0.020
Corporate Director - People	20.792	17.608	3.184	3.184

Education & Skills

31. In March 2020, Cabinet approved a list of 35 large planned maintenance projects including roof replacements, full rewires and heating system replacements to be completed in 2020/21. All of these projects were successfully completed despite COVID-19 restrictions, bar a roofing project at Minety Primary School, which was deferred. In addition, £0.800m was set aside to fund reactive/emergency works including those identified through ongoing servicing. This resulted in 83 additional projects at schools, ranging from boiler replacements to drainage works. This has been well received by schools as issues raised are being dealt with immediately.

32. Whilst investment by schools and the Council in the last year has removed £3.7m of work from the school maintenance backlog, condition surveys updated in 2020/21 have identified £2.4m of new works required in the next five years. Therefore, the total backlog has reduced from £15.4m last year to £14.1m now. Condition surveys are updated on a rolling 5-year programme for all schools where the Council is responsible for the buildings. £3.5m has been allocated to school maintenance projects in 2021/22.

33. Significant works have been completed at Harnham Infants, Harnham Junior and Ashton Keynes Primary School to replace time expired mobiles with permanent classroom accommodation. Similar works will take place in 2021/22 at Holbrook Primary School and Preshute Primary School.

34. The new Wellington Eagles Primary School building was completed and the school relocated into their new building over October half term. A new block was also completed at Avon Valley College. Both projects were funded by the Section 106 agreement with the MOD. Expansion projects have also been completed at St Laurence School and The Corsham School.

35. Further detail on all of the above can be found in the School Capital Programme Cabinet paper from 16 March 2021.

Joint Commissioning

36. During 2020/21 the Council continued to move forward with its capital programme to create additional places for children with special educational needs. In the third year of a three-year programme delivering against our special provision fund allocation, the Authority supported the delivery of 53 new special school places, with a total of 155 additional high needs places created through the totality of this three year programme. This included projects with all of Wiltshire's special schools and the creation of new resource base places across Wiltshire.
37. The Special Schools Transformation agenda has moved forward to deliver new places at the Rowde site of Silverwood School. During the year 14 co-design workshops were undertaken with pupils, parents and carers, teachers and school leaders, to deliver a concept design for the new build.

Place and Environment

38. The table below shows the capital programme summary position for Place and Environment Directorate. The total spend for 2020/21 was £53.08m against a budget of £53.206m resulting in slippage of £0.141m that is requested to roll forward into 2021/22. There are programmes included within Place and Environment that spent ahead of plan and have overspent against the 2020/21 budget, requiring budget to be reprofiled from year 2021/22.

Table 5 – Capital Programme 2020/21, Place Services

	Final Budget 2020/2021	Total Spend 2020/2021	Budget Remaining 2020/2021	Overspend	Budget Transfer to 2021/2022
	£m	£m	£m	£m	£m
Economic Development & Planning	9.529	12.212	-2.683	-0.015	-2.668
Highways & Environment	37.721	35.701	2.020		2.020
Communities & Neighbourhood	5.956	5.167	0.789		0.789
Corporate Director - Place & Environment	53.206	53.080	0.126	-0.015	0.141

Economic Development & Planning

39. 2020/21 was the final year for spending Local Growth Fund grant and Wiltshire Council successfully completed the programme finishing works on Chippenham Station Hub, Transport accessibility and improvement design projects in Salisbury including redesign at Station Forecourt and Fisherton Gateway and Wiltshire Ultra Fast Broadband project.
40. Chippenham Station Hub was originally expected to be delivered in 2021/22 and the budget was profiled accordingly after agreement was sought with SWLEP and BEIS, however the programme was accelerated and completed ahead of schedule in 2020/21.

41. Overall the Local Growth Fund programme for Wiltshire delivered 11 schemes with a total Local Growth Fund grant of £39.5m.

42. Grant funding has been secured through Future High Street Fund for construction of the Station Forecourt and Fisherton Street designs in Salisbury. This will enhance the public realm and improve accessibility to make it easier, safer and more convenient to travel into the city centre.

Highways & Environment

43. Highways & Environment covers the major maintenance for Highways including flooding prevention and drainage. In 2020/21 work was brought forward to take advantage of the reduced traffic during lockdowns and as a result the accelerated spend requires the budget to be reprofiled from 2021/22.

44. Also included within this section is the LED project to convert 40,000 streetlights to LED and as at 31st March 2021, 24,978 LED units had been installed. The programme is on target to complete in December 2021, despite slippage against the original 2020/21 budget. The programme is delivering energy and maintenance savings to cover the cost of borrowing for the programme and deliver an additional £0.400m revenue savings.

Communities & Neighbourhood

45. In 2020/21 Area boards Capital grants were directed where possible to support COVID-19 recovery activities for communities. Examples include £0.005m awarded by Salisbury Area Board to Your Local Pantry a community shop for people on low incomes who have suffered a change of circumstances. £0.003m awarded by Devizes Area Board to Devizes and District Foodbank for a new delivery van to support operations and enable delivery of emergency food boxes. £0.020m to Community Digital Divide awarded by Trowbridge Area Board to purchase and refurbish digital devices to support disadvantaged primary aged children.

46. Calne and Cricklade Campus works completed in 2020/21. There was a period of pause on Melksham campus as part of the capital programme review in response to COVID-19 which delayed the original programme and has resulted in slippage. Once resumed tender and appointment of the main contractor completed and construction started on site in March 2021, the scheme is programmed to complete in June 2022.

Resources

47. The table below shows the capital programme summary position for Resources Directorate. The total spend for 2020/21 was £26.435m against a budget of £38.081m leading to slippage of £11.465m that is requested to roll forward into 2021/22.

48. Budget of £0.025m has been recommended to be removed from Wiltshire Online scheme as a result of staffing savings.

49. A total of £0.325m of capital spend categorised under Commercial Investment and linked to the Sadlers Mead office development for Good Energy as part of the Chippenham Station Improvement Masterplan has been transferred to revenue as the scheme did not proceed. £0.156m of this spend was in previous financial years and is shown in the table below. The scheme achieved planning consent and was being prepared for tender, however Good Energy withdrew from the project and the risk of proceeding to tender was unacceptable to continue to progress. Good Energy had provided indemnity for costs incurred as a capital project, which was paid by them in full on their withdrawal resulting in a nil net cost to the Council.

Table 6 – Capital Programme 2020/21, Resources

	Final Budget 2020/2021	Total Spend 2020/2021	Budget Remaining 2020/2021	Underspend (Budget Removed)	Costs Transferred to Revenue	Budget Transfer to 2021/2022
	£m	£m	£m	£m	£m	£m
Housing & Commercial Development	23.131	16.526	6.605		0.156	6.449
Capital Loans to Stone Circle	5.775	3.030	2.745			2.745
Digital & Information	6.292	4.844	1.448	0.025		1.423
Resources	2.883	2.035	0.848			0.848
Corporate Director - Resources	38.081	26.435	11.646	0.025	0.156	11.465

Housing & Commercial Development

50. A significant programme included in this area is the Housing Infrastructure Fund and Lackham College land purchase. The schemes have been delayed due to delays with the Local Plan, preferred road route consultation and agreeing terms which has resulted in budget slippage.

51. The other two programmes which have experienced delays this year resulting in slippage at year end are Depot & Office Strategy and Operational Property Energy Efficiency Schemes. Due to COVID-19 there was a risk of contractor workforce and supply issues with delivery of such a major construction project in 2020/21 and to mitigate the risk of overrun and failure to deliver the winter service the tender process was delayed, resulting in works commencing in 2021/22. Energy Efficiency Schemes was largely delayed due to prioritisation of work programmes funded by Salix funding which was time limited in availability. Salix is a government initiative to provide interest free funding to the public sector to improve energy efficiency, reduce carbon emissions and lower energy bills.

Capital Loans to Stone Circle

52. This represent the capital loan funding to Stone Circle companies in 2020/21. The total capital loan for 2020/21 was £2.934m for Stone Circle Housing and £0.096m for Stone Circle Development Company.

53. Stone Circle Housing Company purchased 14 properties in 2020/21 against a Business Plan target of 22, this resulted in £2.066m of slippage. The main reason

the delay of house purchase completions in the last quarter, due mainly to the backlog of searches that had arisen following the impact of COVID-19. In addition, the market was slow initially but picked up when the stamp duty rates were reduced in July 2020 and some of the Business Plan parameters with regards to location and the level of capital works making it difficult to find suitable properties. In response to this Stone Circle Housing Board took the decision to expand the area and allow capital works above £1,500 providing overall the purchase price and works combined were still within the purchase price parameters.

54. Stone Circle Development Company has completed feasibility studies for 3 sites: Priestly Grove, Ashton Street and Marlborough. Priestly Grove and Marlborough have both been approved by Stone Circle Housing Board to move into Detailed Planning.
55. In addition to the capital loans Wiltshire Council also made working capital loans of £0.069m to Stone Circle Housing Company and £0.060m to Stone Circle Development Company for operating costs.
56. Wiltshire Council charged interest to Stone Circle Housing Company of £0.020m and Stone Circle Development Company of £0.001m for 2020/21.

Digital and Information

57. Microsoft Navigator and business as usual schemes both had slippage in 2020/21 as resources were prioritised to COVID-19 response and recovery to ensure that staff have been able to work from home and to embed new ways of working and technologies to assist with this.
58. The Microsoft Navigator budget is fully committed and has been allocated to Automation as part of Organisational Recovery. This work is going to expand the use of Robotic Process Automation to automate simple tasks across the Council. This engagement will also deliver an automation team within Wiltshire Council so more tasks can be automated in the future internally without relying on 3rd parties to design and implement such automations.

Resources

59. The core project under Resources is the Evolve programme, which is the procurement and implementation of a new Enterprise Resource Planning (ERP) system for the Council. The slippage shown is due to the re-profiling of spend. Tender submissions have been received and are currently in the evaluation stage. Significant expenditure will be incurred when the contract is awarded, which is due September 2021. The new system is planned to go live towards the latter end of the 2022 calendar year with SAP expected to be decommissioned by March 2023.

Housing Revenue Account (HRA)

60. The table below shows the capital programme summary position for the Housing Revenue Account. The total spend for 2020/21 was £10.114m against a budget of £15.664m leading to slippage of £5.550m that is requested to roll forward into 2021/22.

Table 7 – Capital Programme 2020/21, HRA

	Final Budget 2020/2021	Total Spend 2020/2021	Budget Remaining 2020/2021	Budget Transfer to 2021/2022
	£m	£m	£m	£m
Housing Revenue Account	15.664	10.114	5.550	5.550

61. HRA Capital programme consists of two elements, the planned capital maintenance and the council house build programme. The planned capital maintenance of the existing housing stock covers bathrooms, kitchens, roofs, boilers etc. and the Council House Build programme, which has been split into different phases, is planned to deliver 1000 homes over the next ten years.

62. Planned maintenance had an underspend of £3.366m in 2020/21, which was due to the impact of COVID-19. No planned capital maintenance works took place in April and May due to lockdown and only emergency works were carried out. Activity has been lower due to people shielding and isolating, and a level of tenant nervousness has existed in allowing workers into their homes. In addition, the garage strategy project was delayed.

63. The Council House Build programme completed 26 units in 2020/21. The programme has seen delays due to Covid-19, specifically relating to the re-purchase of right to buy stock and on-site surveys. Six right to buy re-purchase properties were identified towards the end of the financial year which will complete in 2021/22. The programme will be reprofiled but is still planning to deliver 1000 new homes.

Capital Programme 2020/21 Funding

64. The Capital Programme for 2021/22 has been financed as shown in the table below.

Table 8 – Capital Programme 2020/21 Funding

Funding	£'m
Grants	43.634
Contributions	7.782
HRA	8.486
Revenue Contributions to Capital	1.164
Capital Receipts	0.019
RTB Housing Capital Receipts	1.684
Borrowing funded by Revenue Savings in Service	5.811
Borrowing	35.627
Stone Circle Capital Loan	3.030
TOTAL Capital Programme Spend 2020/21	107.237

65. The borrowing figure of £35.627m, together with historic Council borrowing, will generate a Minimum Revenue Provision (MRP) charge, which is the amount Councils have to statutorily set aside to repay the debt. For 2021/22 this is estimated at £15.233m. This is lower than the 2021/22 budget, that was set at £17.058m based on the capital programme as at Q2 and will result in a saving in 2021/22 of £1.825m.

66. In 2020/21 we brought forward £3.285m of capital receipts, in year we recognised £6.197m. In addition to funding £0.019m of the capital programme from capital receipts as shown in the table above, £1.881m was allocated to fund transformational activity under the Flexible use of capital receipts regulation. This spend and the schemes were reported within the provisional revenue outturn report in June. As at 31st March 2021 the balance on Capital Receipts was £7.582m. This has been fully committed to Flexible use of capital receipts programme and the slippage on the capital programme in 2021/22.

Overview & Scrutiny Engagement

67. Regular reports are taken to Overview & Scrutiny relating to the Council's financial position.

Safeguarding Implications

68. None have been identified as arising directly from this report.

Public Health Implications

69. None have been identified as arising directly from this report.

Procurement Implications

70. None have been identified as arising directly from this report.

Equalities and diversity impact of the proposals

71. None have been identified as arising directly from this report.

Environmental and Climate Change Considerations

72. None have been identified as arising directly from this report.

Risks Assessment

73. If the Council fails to take actions to address forecast shortfalls, overspends or increases in its costs it will need to draw on reserves. The level of reserves is limited and a one-off resource that cannot be used as a long term sustainable strategy for financial stability.

74. Ongoing budget monitoring and management forms part of the control environment and is a mitigating process to ensure early identification and action is taken. This control has been effective during the year and as a result the risk managed, with the effect of significant amounts being set aside in reserves to help support financial risks in future years.

Financial implications – Section 151 Officer Commentary

75. This report is the final report on the Councils revenue and capital budgets for the financial year 2020/21.

76. The final revenue outturn sees a small movement from that reported in the provisional outturn report to Cabinet in June and, overall, the Council is still over £33m underspent. These funds have been transferred to earmarked reserves with the significant majority being utilised to fund activity or support the budget in the current 2021/22 financial year.

77. The net transfer to the budget equalisation reserve is £0.435m, with a balance on the reserve now standing at £7.861m, of which £4.165m will be drawn down in 2021/22 to balance the budget.

78. The Council administers the collection fund, the account we hold to raise and collect council tax and business rates, and the report details the outcome of finalising the transactions and balances on that account. Most notably it sets out the significant deficit on the business rates account which will be offset by the compensation received from Government through section 31 grants and the technical nature of how this is treated in the accounts. This goes to demonstrate the level of complexity and funding mechanisms Government have used to support the Council in delivering key services and support Wiltshire residents, businesses and communities during the year.

79. The Capital Programme for 2020/21 is also reported and shows the impact of the Councils early decision during the start of the pandemic to assess what projects and resources should be focused for the remainder of the year. The Councils capital programme started out at £261m, in June 2020 over £100m of schemes were deferred into later years.

80. The Council still invested over £107m into projects across Wiltshire. The deferral has helped lead to a forecast £1.8m underspend for the current 2021/22 financial year owing to the estimated amount of money needed to be put aside to deal with future debt repayment being less as a result.

81. In 2021/22 the Council has an approved programme, subject to the approval of slippage, of £236m and this level of investment and the schemes within the programme will once again need to be reviewed by Cabinet, not only to ensure they're aligned with future policy direction but also if the profiling and phasing are accurate. This will be updated in the Q1 report to Cabinet in September.

Legal Implications

82. None have been identified as arising directly from this report.

Proposals

83. Cabinet is asked to note:

- a) the final year end revenue budget outturn and capital outturn position and the final position for the Collection Fund for the financial year 2020/21;
- b) the additional capital budgets of £3.092m that have been added to the 2020/21 programme under Chief Finance Officer delegated powers
- c) the Grant amendment of (£0.026)m that has been removed from the 2020/21 programme under Chief Finance Officer delegated powers
- d) The reprofile of £1.3m of budgets from future years to 2020/21 as approved by Cabinet in December 2020 under Land Acquisition report.
- e) the underspend and subsequent removal of £0.025m capital budget for the Wiltshire Online scheme as a result of staff savings
- f) the overspend of £0.006m on the Local Growth Fund scheme Chippenham Station Hub
- g) the overspend of £0.009m on the Local Growth Fund schemes at Salisbury

Cabinet are asked to approve:

- h) the transfer of £2.104m and £34.076m to the Collection Fund Volatility reserve;
- i) the net transfer of £0.435m to the Budget Equalisation reserve;
- j) the transfer of £0.172m to the Council Tax Hardship reserve;

- k) Cabinet are asked to approve £20.340m of capital programme slippage to be rolled forward into 2021/22

Reasons for Proposals

84.To inform effective decision making and ensure a sound financial control environment.

Background Papers and Consultation

Provisional Outturn 2020/21 report – Cabinet 1 June 2021 Agenda Item 7

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Appendices:

Appendix A: Capital Programme Budget Movements and Final Spend 2020/2021
Appendix B: Capital Programme 2020/21 Q4 Movements

APPENDIX A – CAPITAL PROGRAMME BUDGET MOVEMENTS AND FINAL SPEND 2020/21 (page 1)

Scheme Name	2020/21 Budget Breakdown											
	Q3 Budget 2020/21	Budget Movements between Schemes	Additional Budgets added to the Programme (Section 1 Appendix B)	Grant Amendments	Budgets reprogrammed from 2020/21 into 2021/22 (Section 2 Appendix B)	Final Budget 2020/21	Total Spend 2020/21	Budget Remaining 2020/21	Underspend (Budget Removed)	Overspend	Costs Transferred to Revenue	Budget Transfer to 2021/22
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Economic Development & Planning												
A350 West Ashton/Yarnbrook Junction Improvements	0.117		0.024			0.141	0.121	0.020				0.020
Chippenham Station HUB	6.662					6.662	9.525	(2.863)		(0.006)		(2.857)
Corsham Mansion House	0.072					0.072	0.024	0.048				0.048
Porton Science Park	0.400		0.057			0.457	0.415	0.042				0.042
Salisbury LGF Schemes	0.026		0.593			0.619	0.628	(0.009)		(0.009)		(0.000)
Wiltshire Ultrafast Broadband	1.578					1.578	1.499	0.079				0.079
Economic Development & Planning Total	8.855	0.000	0.674	0.000	0.000	9.529	12.212	(2.683)	0.000	(0.015)	0.000	(2.668)
Housing & Commercial Development												
Affordable Housing including Commuted Sums	0.960		0.005			0.965	0.965	0.000				0.000
Capital Receipt Enhancement	0.150					0.150	0.019	0.131				0.131
Commercial - Commercial Investment	0.000					0.000	(0.156)	0.156			0.156	0.000
Lackham College Land Purchase	0.000	1.300				1.300	0.000	1.300				1.300
Depot & Office Strategy	1.242					1.242	0.500	0.742				0.742
Disabled Facilities Grants	2.699					2.699	2.952	(0.253)				(0.253)
Facilities Management Works (including Leisure & Libraries and Refresh)	3.609					3.609	3.057	0.552				0.552
Housing Infrastructure Fund (HIF)	5.219					5.219	2.461	2.758				2.758
Non-Commercial Property Purchases	0.331		0.507			0.838	0.703	0.135				0.135
Operational Property Energy Efficiency and Generation	1.300					1.300	0.453	0.847				0.847
Park & Ride Solar Panel Canopys	0.200					0.200	0.000	0.200				0.200
Public Sector Decarbonisation Scheme Projects	0.212		0.040	(0.026)		0.226	0.200	0.026				0.026
Salisbury Central Car Park & Maltings	5.383					5.383	5.372	0.011				0.011
Housing & Commercial Development Total	21.305	1.300	0.552	(0.026)	0.000	23.131	16.526	6.605	0.000	0.000	0.156	6.449
Capital Loans												
Stone Circle Housing Company Loan	5.000					5.000	2.934	2.066				2.066
Stone Circle Development Company Loan	0.775					0.775	0.096	0.679				0.679
Capital Loans Total	5.775	0.000	0.000	0.000	0.000	5.775	3.030	2.745	0.000	0.000	0.000	2.745

APPENDIX A – CAPITAL PROGRAMME BUDGET MOVEMENTS AND FINAL SPEND 2020/21 (page 2)

Scheme Name	2020/2021 Budget Breakdown											
	Q3 Budget 2020/21	Budget Movements between Schemes	Additional Budgets added to the Programme (Section 1 Appendix B)	Grant Amendments	Budgets reprogrammed from 2020/21 into 2021/22 (Section 2 Appendix B)	Final Budget 2020/21	Total Spend 2020/21	Budget Remaining 2020/21	Underspend (Budget Removed)	Overspend	Costs Transferred to Revenue	Budget Transfer to 2021/22
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Highways & Environment												
Churchyards & Cemeteries	0.054					0.054	0.000	0.054				0.054
CIL Funded Schemes	0.053					0.053	0.000	0.053				0.053
Farmers Roundabout	0.119					0.119	0.119	0.000				0.000
Fleet Vehicles	0.750					0.750	0.039	0.711				0.711
Highway flooding prevention and Land Drainage schemes	0.540		0.109			0.649	1.022	(0.373)				
Integrated Transport	2.495		0.315			2.810	2.372	0.438				0.438
LED Street Lighting	6.968					6.968	5.771	1.197				1.197
Major Road Network (MRN)	2.350					2.350	1.876	0.474				0.474
Pothole Fund Grant	10.930					10.930	0.000	10.930				
Structural Maintenance & Bridges	12.270					12.270	24.052	(11.782)				(1.225)
Waste Services	0.768					0.768	0.392	0.376				0.376
Churchfields Depot Drainage and Traffic Management	0.000					0.000	0.058	(0.058)				(0.058)
Highways & Environment Total	37.297	0.000	0.424	0.000	0.000	37.721	35.701	2.020	0.000	0.000	0.000	2.020
Digital & Information												
ICT Applications	2.869	(1.799)				1.070	1.314	(0.244)				(0.244)
ICT Business as Usual	0.806					0.806	0.418	0.388				0.388
ICT Other Infrastructure	0.204					0.204	0.162	0.042				0.042
ICT Get Well	2.178					2.178	1.828	0.350				0.350
Microsoft Cloud Navigator	1.579					1.579	0.976	0.603				0.603
Wiltshire Online	0.455					0.455	0.146	0.309	0.025			0.284
Digital & Information Total	8.091	(1.799)	0.000	0.000	0.000	6.292	4.844	1.448	0.025	0.000	0.000	1.423
Communities & Neighbourhood												
Area Boards and LPSA PRG Reward Grants	0.881					0.881	0.710	0.171				0.171
Health and Wellbeing Centres - Live Schemes	5.056					5.056	4.457	0.599				0.599
Other Schemes including Cross Cutting Systems	0.019					0.019	0.000	0.019				0.019
Communities & Neighbourhood Total	5.956	0.000	0.000	0.000	0.000	5.956	5.167	0.789	0.000	0.000	0.000	0.789

APPENDIX A – CAPITAL PROGRAMME BUDGET MOVEMENTS AND FINAL SPEND 2020/21 (page 3)

Scheme Name	2020/2021 Budget Breakdown											
	Q3 Budget 2020/21	Budget Movements between Schemes	Additional Budgets added to the Programme (Section 1 Appendix B)	Grant Amendments	Budgets reprogrammed from 2020/21 into 2021/22 (Section 2 Appendix B)	Final Budget 2020/21	Total Spend 2020/21	Budget Remaining 2020/21	Underspend (Budget Removed)	Overspend	Costs Transferred to Revenue	Budget Transfer to 2021/22
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Education & Skills												
Access and Inclusion	0.090					0.090	0.052	0.038				0.038
Army Rebasing	3.343		0.249			3.592	3.560	0.032				0.032
Basic Need	7.497					7.497	6.279	1.218				1.210
Stonehenge School Replacement of Lower Block	0.000					0.000	0.000	0.000				0.009
Devolved Formula Capital	0.650		0.029			0.679	0.678	0.001				0.000
Schools Maintenance & Modernisation	5.551					5.551	5.011	0.540				0.540
Education & Skills Total	17.131	0.000	0.278	0.000	0.000	17.409	15.580	1.829	0.000	0.000	0.000	1.829
Joint Commissioning												
Early Years & Childcare	0.822					0.822	0.688	0.134				0.134
SEND Capital	0.763					0.763	0.763	0.000				0.000
Special Schools	1.682					1.682	0.481	1.201				1.201
Joint Commissioning Total	3.267	0.000	0.000	0.000	0.000	3.267	1.932	1.335	0.000	0.000	0.000	1.335
Resources												
Covid 19 Capital	0.000		1.084			1.084	1.084	0.000				0.000
Evolve Project	0.000	1.799				1.799	0.951	0.848				0.848
Other Capital Schemes to be confirmed	0.000	(1.300)			1.300	0.000	0.000	0.000				0.000
Resources Total	0.000	0.499	1.084	0.000	1.300	2.883	2.035	0.848	0.000	0.000	0.000	0.848
Learning Disabilities & Mental Health												
Sensory Stimulation & Development Play Equipment	0.116					0.116	0.096	0.020				0.020
Learning Disabilities & Mental Health Total	0.116	0.000	0.000	0.000	0.000	0.116	0.096	0.020	0.000	0.000	0.000	0.020
Total 2020/21 General Fund Programme	107.793	0.000	3.012	(0.026)	1.300	112.079	97.123	14.956	0.025	(0.015)	0.156	14.790
Housing Revenue Account												
HRA - Council House Build Programme	0.420					0.420	0.336	0.084				0.084
HRA - Council House Build Programme (Phase 2)	3.551					3.551	3.142	0.409				0.409
HRA - Council House Build Programme (Phase 3.1)	1.981					1.981	0.252	1.729				1.729
HRA - Council House Build Programme (Phase 3.2)	0.000					0.000	0.038	(0.038)				(0.038)
HRA - Refurbishment of Council Stock	9.632		0.080			9.712	6.346	3.366				3.366
Housing Revenue Account Total	15.584	0.000	0.080	0.000	0.000	15.664	10.114	5.550	0.000	0.000	0.000	5.550
Total 2020/21 General Fund and HRA Programme	123.377	0.000	3.092	(0.026)	1.300	127.743	107.237	20.506	0.025	(0.015)	0.156	20.340

APPENDIX B – CAPITAL PROGRAMME 2020/21 – Q4 MOVEMENTS (page 1)

CHIEF FINANCE OFFICER (CFO) - EXERCISE OF DELEGATED POWERS & REQUESTS FOR ADDITIONAL RESOURCES WITHIN THE CAPITAL PROGRAMME						
Cabinet Meeting	13th July 2021					
Financial Year:	2020/2021					
SECTION 1 - DELEGATED CFO POWERS						
"Adjustment/addition of scheme in the capital programme which has no effect on the net funding position of the programme i.e. Additional resources available in the form of Grant, Section 106 contributions etc which fund the addition, "						
Project Name:	A350 West Ashton/Yarnbrook Junction Improvements					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	24,122					
Funding Source:	LGF Grant					
Project Name:	Porton Science Park					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	56,740		964,379		678,881	
Funding Source:	GBF Grant					
Project Name:	Salisbury LGF Schemes					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	593,116					
Funding Source:	LGF Grant					
Project Name:	Affordable Housing including Commuted Sums					
Budget Change:	2020/2021	2021/2022+C29	2022/2023	2023/2024	2024/2025	2025/2026
	4,753					
Funding Source:	Housing Capital Receipts					
Project Name:	Disabled Facilities Grants					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	440,738					
Funding Source:	Additional DFG Grant					
Project Name:	Non-Commercial Property Purchases					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	507,000					
Funding Source:	Homes England Grant					
Project Name:	Public Sector Decarbonisation Scheme Projects					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	40,000		4,412,281			
Funding Source:	Salix Grant					
Project Name:	Highway flooding prevention and Land Drainage schemes					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	108,822					
Funding Source:	Homes England Contribution					
Project Name:	Integrated Transport					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	315,196		300,000			
Funding Source:	Developer & Parish/Town Council Contributions					
Project Name:	Wiltshire Online					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	51,212					
Funding Source:	DFE Rural Gigabit Connectivity Grant					
Project Name:	Health and Wellbeing Centres - Live Schemes					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	223,632					
Funding Source:	Section 106 Deposits					
Project Name:	Army Rebasing					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	249,052					
Funding Source:	MOD Contribution					
Project Name:	Devolved Formula Capital					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	28,500					
Funding Source:	DFE Online Platform Grants					
Project Name:	Covid 19 Capital					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	1,083,867					
Funding Source:	Revenue Contribution to Capital					
Project Name:	HRA - Refurbishment of Council Stock					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	79,958					
Funding Source:	Revenue Contribution to Capital					
	3,091,126	Total Delegated Changes Approved by Section 151 Officer				

APPENDIX B – CAPITAL PROGRAMME 2020/21 – Q4 MOVEMENTS (page 2)

SECTION 2 - DELEGATED CFO POWERS						
<i>"Schemes within the capital programme which require the reprogramming of expenditure between years due to scheme not progressing as originally anticipated or other circumstances"</i>						
Project Name:	Other Capital Schemes to be confirmed					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	1,300,000		(1,300,000)			
Funding Source:	Wiltshire Council Resources (Borrowing & Capital Receipts)					
1,300,000	Total Re-programming between years					
In the exercise of my delegated powers (Section 1 and 2), I hereby authorise the amendments to the Capital Programme summarised above.						
CHIEF FINANCE OFFICER:	Andy Brown					
DATE:	13 July 2021					

Wiltshire Council

Cabinet

13 July 2021

Subject: Treasury Management Outturn Report 2020/21

Cabinet member: Councillor Pauline Church – Cabinet Member for Finance, Procurement, Commissioning, IT, Digital and Commercialisation

Key Decision: Non Key

Executive Summary

The Council adopted a Treasury Management Strategy and an Annual Investment Strategy for 2020/21 at its meeting on 4 February 2020.

The Treasury Management Strategy requires an Annual Outturn Report reviewing the Treasury Management activities for the year. This report covers the period from 1 April 2020 to 31 March 2021.

The Council has continued to finance capital expenditure through maximising the use of capital receipts, capital grants and internal borrowing.

Overall, the Council is under borrowed by £176.530m. This has avoided the Council having to pay out external interest costs in the order of £3.884m. This under borrowed position is factored into the revenue budget. Against budget, there is an underspend in respect of the net position on interest receivable/payable of £0.036m. This has been accounted for in the overall year end revenue outturn position for 2020/21.

The Council did not breach any of its performance indicators during 2020/21.

During the year the Council breached the counterparty limit for the HSBC current account. The limit is £10m and was breached by £1.5m for one day. Details of this breach can be seen in paragraphs 58-60. Actions have been taken to mitigate the risk of reoccurrence of any such breach.

Proposals

Cabinet is requested to:

- a) Note that the contents of this report are in line with the Treasury Management Strategy 2020/21; and to
- b) Recommend to Full Council consideration of this report.

Reasons for Proposals

To give members an opportunity to consider the performance of the Council against the parameters set out in the approved Treasury Management Strategy for 2020/21.

Terence Herbert
Chief Executive

13 July 2021

Subject: Treasury Management Outturn Report 2020/21

Cabinet member: Councillor Pauline Church – Cabinet Member for Finance, Procurement, Commissioning, IT, Digital and Commercialisation

Key Decision: Non Key

PURPOSE OF REPORT

1. The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2020/21. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).
2. During 2020/21 the minimum reporting requirements were that the Council should receive the following reports,
 - an annual treasury strategy in advance of the year (reported to Cabinet on 4 February 2020)
 - a mid-year treasury update report (reported to Cabinet on 3 November 2020)
 - an annual review following the end of the year describing the activity compared to the strategy (this report)
3. The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.
4. This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports before they were reported to Full Council.

5. This report summarises the following,

- Capital activity during the year;
- Impact of this activity on the Council's underlying indebtedness, (the Capital Financing Requirement);
- The actual prudential and treasury indicators;
- Overall treasury position identifying how the Council has borrowed in relation to this indebtedness, and the impact on the investment balances;
- Summary of interest rate movements in the year;
- Detailed debt activity;
- Detailed investment activity.

Overall Treasury Position

6. During 2020/21, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

Prudential and Treasury Indicators	2019/2020 Actual £m	2020/21 Original Indicator £m	2020/21 Actual £m
Capital Expenditure			
General Fund	97.407	221.052	97.121
HRA	12.558	40.482	10.114
Total	109.965	261.534	107.235
Capital Financing Requirement			
General Fund	446.484	581.433	473.779
HRA	111.865	126.558	107.865
Total	558.349	707.991	581.644
Gross Borrowing	335.123	561.560	336.157
External Debt	335.143	561.580	336.177
PFI Liability	68.816	65.233	68.957
Over/(under) borrowing	(154.410)	(81.198)	(176.530)
Investments			
Longer than one year	0.000	0.000	0.000
Under one year	79.519	109.420	142.452
Total	79.519	109.420	142.452
Net Borrowing	255.604	452.140	193.705

7. Other prudential and treasury indicators are to be found in the main body of the report.

8. The financial year 2020/21 continued the challenging investment environment of previous years, namely low investment returns as a result of the economic downturn.

The Council's Capital Expenditure and Financing

9. The Council undertakes capital expenditure on long term assets. These activities may either be,
- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions) which has no resultant impact on the Council's borrowing need; or,
 - If insufficient funding is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.
10. The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

General Fund	2019/2020 Actual £m	2020/21 Budget £m	2020/21 Actual £m
Capital expenditure	97.407	221.052	97.121
Financed in year	63.539	58.464	62.767
Unfinanced Capital Expenditure	33.868	162.588	44.468

HRA	2019/2020 Actual £m	2020/21 Budget £m	2020/21 Actual £m
Capital expenditure	12.558	40.482	10.114
Financed in year	12.558	21.788	10.114
Unfinanced Capital Expenditure	0.000	18.694	0.000

The Council's Overall Borrowing Need

11. The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2020/21 unfinanced capital expenditure (see above table) and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.
12. Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital programme, the treasury team organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government through the Public Works

Loans Board, or the money markets), or utilising temporary cash resources within the Council.

The Capital Financing Requirement (CFR)

13. The Council's (non HRA) underlying borrowing need (CFR) is not allowed to rise indefinitely. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision (MRP), to reduce the CFR. This is effectively a repayment of the non-Housing Revenue Account (HRA) borrowing need. There is no statutory requirement to reduce the HRA CFR. This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.
14. The total CFR can also be reduced by,
 - The application of additional capital financing resources, such as unapplied capital receipts; or,
 - Charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP)
15. The Council's 2020/21 MRP Policy (as required by the MHCLG Guidance) was approved as part of the Treasury Management Strategy Statement on 4 February 2020.
16. The Council's CFR for the year is shown below and represents a key prudential indicator. It includes PFI and leasing schemes on the balance sheet, which increase the Council's borrowing need. No borrowing is actually required against these schemes as a borrowing facility is included within the contracts.

	2019/2020 Actual £m	2020/21 Indicator £m	2020/21 Actual £m
CFR – General Fund	446.484	581.433	473.779
CFR – HRA	111.865	126.558	107.865
Total CFR	558.349	707.991	581.644
Movement in CFR (from previous year)	11.498	149.642	23.295
Represented by			
Unfinanced Capital Expenditure (General Fund) as paragraph 10	33.868	162.588	44.468
Unfinanced Capital Expenditure (HRA) as paragraph 10	0.000	18.694	0.000
Total Unfinanced Capital Expenditure	33.868	181.282	44.468
Less MRP/VRP	(10.789)	(14.479)	(12.955)
Less Other Long Term Liabilities (PFI)	(3.581)	(3.581)	(4.218)
Less Other Financing Movements	(8.000)	(13.580)	(4.000)
Movement in CFR	11.498	149.642	23.295

17. Borrowing activity is constrained by prudential indicators for gross borrowing and the CFR, and by the authorised limit.

Gross Borrowing and the CFR

18. In order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the CFR in the preceding year (2020/21) plus the estimates of any additional capital financing requirement for the current (2021/22) and the next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure.

19. This indicator would allow the Council some flexibility to borrow in advance of its immediate capital needs in 2020/21.

20. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator. Following on from the under/over funding of the CFR, the table also details the Council's under borrowing position.

	2019/2020 Actual £m	2020/21 Budget £m	2020/21 Actual £m
Gross borrowing position	335.123	561.560	336.157
CFR	558.349	707.991	581.644
(Under)/over funding of CFR	(223.226)	(146.431)	(245.487)
PFI Liability	44.485	65.233	68.957
(Under)/Over Borrowing	(178.741)	(81.198)	(176.530)

21. To illustrate the benefit of having an under borrowed position: if the Council was to externally borrow £176.530m (over 25 years at current PWLB rate of 2.20%), this would result in external annual interest costs in the order of £3.884m. The interest foregone on the use of internal funds would be £0.406m (based on current average interest rate of 0.23% as at 31/03/2020. This produces a benefit of £3.478m.

Authorised Limit

22. The authorised limit is the affordable borrowing limit required by section 3 of the Local Government Act 2003. The limit is set based on the Operational Boundary allowing for unplanned and exceptional cash movements up to 2.5% above the Operational Boundary. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2020/21 the Council has maintained gross borrowing within its authorised limit.

Operational Boundary

23. The operational boundary is the expected borrowing position of the Council during the year. The Operational Boundary is set based on the Capital Financing Requirement with additional capacity for day to day cashflow borrowing needs to allow for managing movements in cash. Periods when the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.

	2020/21 £m
Authorised Limit	746.897
Maximum Gross Borrowing Position during the year	340.157
Operational Boundary	731.772
Average Gross Borrowing Position	338.645

Actual Financing Costs as a Proportion of Net Revenue Stream

24. This indicator identifies the trend in the cost of capital, (borrowing and other long-term obligations costs net of investment income), against the net revenue stream.

	2020/21 %
Financing Costs as a Proportion of Net Revenue Stream – GF	5.65
Financing Costs as a Proportion of Net Revenue Stream – HRA	13.72

Treasury Position as at 31 March 2021

25. The Council's treasury management debt and investment position is organised by the treasury management team (within the Accountancy Team), in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices.

26. The Council's treasury position was as follows,

Debt Portfolio	31 March 2020			31 March 2021		
	Principal £m	Rate/ Return %	Average Life Years	Principal £m	Rate/ Return %	Average Life Years
Fixed Rate Funding						
PWLB	274.123	3.60	19.39	270.123	3.65	18.62
Market	61.000	4.37	38.57	61.000	4.37	37.57
Salix Funding	0.000	0.00	0.00	5.034	0.00	4.47
Variable Rate Funding						
PWLB	0.000	0.00	0.00	0.00	0.00	0.00
Market	0.000	0.00	0.00	0.00	0.00	0.00
Total Debt	335.123	3.74	21.13	336.157	3.78	20.00
Total Investments	79.519	0.90	0.42	142.452	0.23	0.22
Net Debt	255.604			193.705		

27. The maturity structure of the debt portfolio (in terms of percentages and absolute values) was as follows,

	31 March 2020 Actual £m	31 March 2021 Actual £m
Under 12 months	40.000	44.000
12 months and within 2 years	14.000	8.000
2 years and within 5 years	28.000	41.157
5 years and within 10 years	49.123	49.000
10 years and within 20 years	78.500	68.500
10 years and within 30 years	41.500	47.500

30 years and within 40 years	48.000	42.000
40 years and within 50 years	36.000	36.000
	335.123	336.157

	2020/21 Authorised Limits %		31 March 2021 Actual %	
	Upper Limit	Lower Limit	Next Call Date	Contractual Maturity
Under 12 months	25.00	0.00	13.09	2.97
12 months and within 2 years	25.00	0.00	2.38	2.38
2 years and within 5 years	45.00	0.00	12.24	10.46
5 years and within 10 years	75.00	0.00	14.58	14.58
10 years and above	100.00	0.00	57.71	69.61

28. The structure of the investment portfolio was as follows,

Investment Portfolio	Actual 31 March 2020 £m	Actual 31 March 2020 %	Actual 31 March 2021 £m	Actual 31 March 2021 %
Treasury Investments				
Banks	40.000	55.33	60.000	42.12
Building Societies	0.000	0.00	0.000	0.00
Local Authorities	5.000	6.29	25.500	17.90
MMFs	30.497	38.35	41.977	10.51
Call Account	0.023	0.03	14.975	29.47
Total Treasury Investments	79.519	100.00	142.452	100.00
Non-Treasury Investments				
Third Party Loans	5.003	100.00	10.944	77.60
Stone Circle Loan	0.000	0.00	3.160	22.40
Total Non-Treasury Investments	5.003	100.00	14.104	100.00
Treasury Investments	79.519	94.08	142.452	90.99
Non-Treasury Investments	5.003	5.92	14.104	9.01
Total - All Investments	84.522	100.00	156.556	100.00

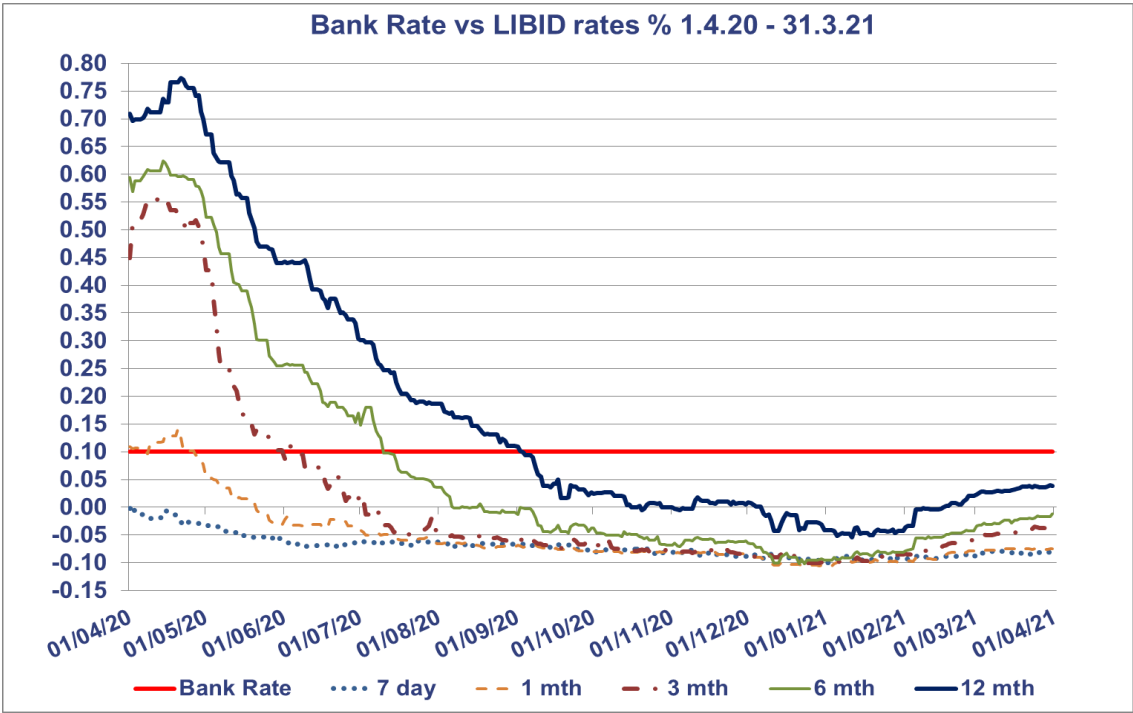
29. All treasury investments were placed with a maturity date of up to one year.

Treasury Management Strategy 2020/21

Investment Strategy and Control of Interest Rate Risk

30. The Bank of England Bank Rate and LIBID (London Interbank Bid Rate) rates for 2020/21 were as follows

	Bank Rate	7 Day	1 Month	3 Month	6 Month	12 Month
High	0.10%	0.00%	0.14%	0.56%	0.62%	0.77%
High Date	01/04/20	02/04/20	20/04/20	08/04/20	14/04/20	21/04/20
Low	0.10%	-0.10%	-0.11%	-0.10%	-0.10%	-0.05%
Low Date	01/04/20	31/12/20	29/12/20	23/12/20	21/12/20	11/01/21
Average	0.10%	-0.07%	-0.05%	0.01%	0.07%	0.17%
Spread	0.00%	0.10%	0.25%	0.66%	0.73%	0.83%



31. Investment returns which had been low during 2019/20, plunged during 2020/21 to near zero, or even into negative territory. Wiltshire Council managed to avoid negative interest rates, in part by taking advantage of the growth of inter local authority lending.

32. The expectation for interest rates within the treasury management strategy for 2020/21 was that Bank Rate be at 0.75% at the start of the year, before rising to end 2022/23 at 1.25%. This forecast was invalidated by the COVID-19 pandemic, which caused the Monetary Policy Committee (MPC) to cut Bank Rate in March, first to 0.25% and then to 0.10%, in order to counter the hugely negative impact of the national lockdown on large swathes of the economy. The Bank of England and the Government also introduced new programmes of supplying the banking system and the economy with massive amounts of cheap credit so that banks could help cash-starved businesses to survive the lockdown.
33. The Government supplied large amounts of finance to local authorities to pass on to businesses. This meant that for most of the year there was much more liquidity in financial markets than there was demand to borrow, with the consequent effect that investment earnings rates plummeted.
34. While the Council has taken a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.
35. Investment balances have been kept to a minimum through the agreed strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates. Such an approach has also provided benefits in terms of reducing the counterparty risk exposure, by having fewer investments placed in the financial markets.

Borrowing Strategy and Control of Interest Rate Risk

36. During 2020/21, the Council maintained an under-borrowed position. This meant that the capital borrowing need (the CFR) was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. The strategy was prudent as investment returns were low and minimising counterparty risk on placing investments also needed to be considered.
37. The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this was and remains under constant review to avoid incurring higher borrowing costs in the future when the Council may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt. The Council's Section 151 Officer may then decide to enter into long term borrowing in the near future to secure lower rates of fixed debt to fund the Councils capital programme.
38. Against this background and the risks within the economic forecast, caution was adopted within the treasury operations. The treasury team monitored interest rates

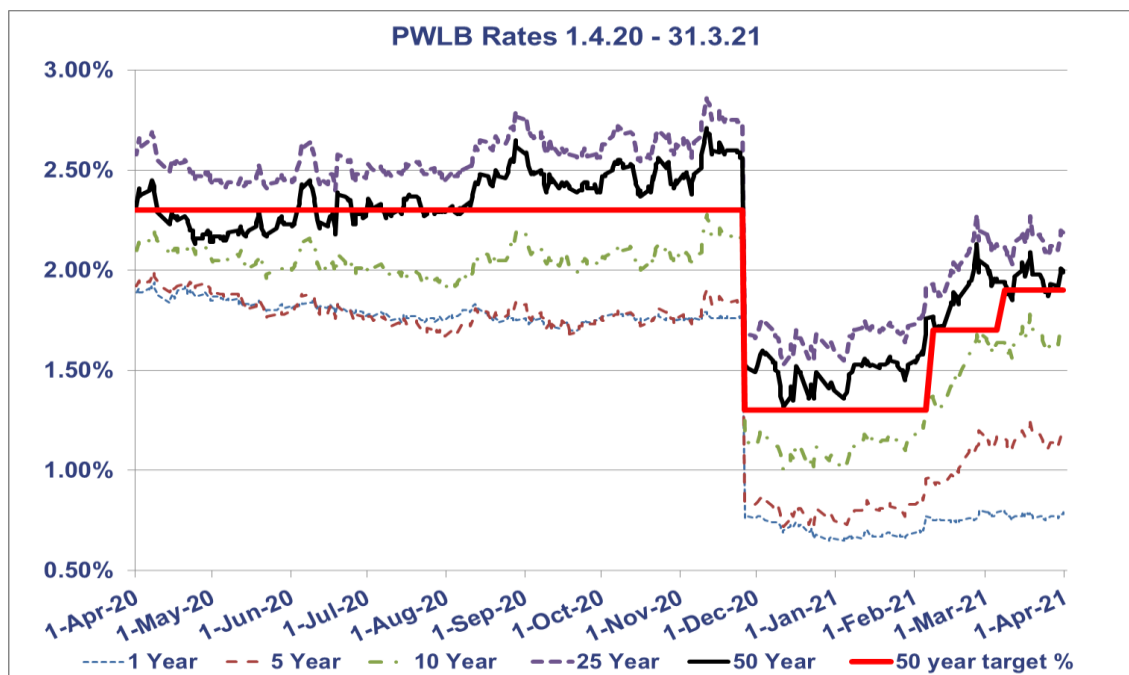
in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks.

- if it had been felt that there was a significant risk of a sharp fall in long and short term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings would have been postponed, and potential rescheduling from fixed rate funding into short term borrowing would have been considered.
- if it had been felt that there was a significant risk of a much sharper rise in long and short term rates than initially expected, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.

39. Interest rate forecasts expected only gradual rises in medium and longer term fixed borrowing rates during 2020/21 and the two subsequent financial years.

40. The following table and graph show a PWLB rates for range of maturity periods, the average borrowing rates, the high and low points in rates, spreads and individual rates at the start and the end of the financial year.

PWLB Rates	1 Year	5 Year	10 Year	25 Year	50 Year
Low	0.65%	0.72%	1.00%	1.53%	1.32%
Low Date	04/01/2021	11/12/2020	11/12/2020	11/12/2020	11/12/2020
High	1.94%	1.99%	2.28%	2.86%	2.71%
High Date	08/04/2020	08/04/2020	11/11/2020	11/11/2020	11/11/2020
Average	1.43%	1.50%	1.81%	2.33%	2.14%
Spread	1.29%	1.27%	1.28%	1.33%	1.39%



41. PWLB rates are based on gilt (UK Government Bond) yields, through HM Treasury determining a specified margin to add to them. The main influences on gilt yields are Bank Rate, inflation expectations and movements in US treasury yields.

42. Gilt yields fell sharply from the start of 2020 and then spiked up during a financial markets melt down in March caused by the pandemic hitting western countries; this was rapidly countered by central banks flooding the markets with liquidity. Expectations of economic recovery started once the UK vaccination programme started making rapid progress in the new year of 2021; gilt yields and PWLB rates started rising sharply as confidence in economic recovery rebounded. Financial markets also expected Bank Rate to rise quicker than in the forecast tables in this report.

43. Current margins over gilt yields are as follows,

- PWLB Standard Rate = gilt plus 100 basis points
- PWLB Certainty Rate = gilt plus 80 basis points
- PWLB HRA Standard Rate = gilt plus 100 basis points
- PWLB HRA Certainty Rate = gilt plus 80 basis points
- Local Infrastructure Rate = gilt plus 60 basis points

44. There is likely to be only a gentle rise in gilt yields and PWLB rates over the next three years as Bank Rate is not forecast to rise from 0.10% until March 2024, as the Bank of England has clearly stated that it will not raise rates until inflation is sustainably above its target of 2%; this sets a high bar for Bank Rate to start rising.

Borrowing Outturn

- 45. A summary of the Council’s borrowing position is detailed at Appendix 1.
- 46. Due to low investment returns and counterparty risk, no new borrowing was undertaken during the year.
- 47. One naturally maturing loan was repaid during 2020/21 as follows,

Pool	Lender	Principal £m	Type	Interest Rate %	Loan Term
HRA	PWLB	4.000	Fixed Rate Maturity	2.21	9 years

Borrowing in Advance of Need

- 48. The Council has not borrowed more than, or in advance of its needs, purely to profit from the investment of the extra sums borrowed.

Debt Rescheduling

- 49. No debt rescheduling was undertaken during the year, as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

Investment Outturn

- 50. The Council’s investment policy is governed by MHCLG investment guidance, which has been implemented in the annual investment strategy approved by the Council on 4 February 2020. This policy sets out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data.
- 51. The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.
- 52. The Council maintained an average balance of £149.222m of internally managed funds. The difference between the balances available for investment and the actual investments is due to the varying level of working capital (creditors, debtors and other long term liabilities) and internal borrowing.
- 53. The internally managed funds earned an average rate of 0.23%. The comparable performance indicator is the average 3 month LIBID rate, which was 0.015%.
- 54. The Council’s total interest received from investments for 2020/21 was £0.421m. The Council’s budgeted investment return for 2020/21 was £0.940m, therefore forecast investment income (interest) for the year to date is £0.519m under achieved against budget. The interest received was lower than budgeted due to

the effect of the pandemic on interest rate levels, which were much lower than forecast.

55. The position on interest income must be compared with external interest costs payable. The Council paid external interest costs of £12.744m against a budget of £13.299m. This is a £0.555m underspend against budget.
56. The net underspend in respect of interest receivable/payable is £0.036m. This has been accounted for in the overall revenue outturn position for 2020/21.
57. A summary of the Council's investment position as at 31 March 2021 is detailed at Appendix 2.

Breach of Counterparty Limit - HSBC

58. During the year, due to the exceptionally low interest rates, higher balances were occasionally left in the HSBC current account overnight than previous years. Due to the level of interest rates it was not financially beneficial to place funds with a Money Market Fund, when they would be required within the next few days, as the interest received would have been less than the cost of the CHAPS fee charged for transferring the funds.
59. In February 2021, a balance of £7.8m was left in the HSBC current account, and an unexpected large receipt of approximately £3.7m came in, resulting in a balance of £11.5m in the HSBC current account overnight. This breach of £1.5m (over the £10m counterparty limit) was rectified immediately the following morning.
60. To prevent the above situation recurring and being exposed to counterparty risk, a decision was made to leave lower balances in the account overnight, with the impact of additional CHAPS charges above the value of the interest earned. The risk will also be mitigated through improved communication between relevant departments to assess the impact of significant income receipts.

Economic Background and Interest Rate Forecast

61. Financial year 2020/21 will go down in history as being the year of the COVID_19 pandemic. The first national lockdown in late March 2020 did huge damage to an economy that was unprepared for such an eventuality. This caused an economic downturn that exceeded the one caused by the financial crisis of 2008/09.
62. A short second lockdown in November did relatively little damage but by the time of the third lockdown in January 2021, businesses and individuals had become more resilient in adapting to working in new ways during a three month lockdown so much less damage than was caused than in the first one.

63. The advent of vaccines starting in November 2020, were a game changer. The way in which the UK and US have led the world in implementing a fast programme of vaccination which promises to lead to a return to something approaching normal life during the second half of 2021, has been instrumental in speeding economic recovery and the reopening of the economy.
64. In addition, the household saving rate has been exceptionally high since the first lockdown in March 2020 and so there is plenty of pent-up demand and purchasing power stored up for services in the still-depressed sectors like restaurants, travel and hotels as soon as they reopen. It is therefore expected that the UK economy could recover its pre-pandemic level of economic activity during quarter 1 of 2022.
65. Both the Government and the Bank of England took rapid action in March 2020 at the height of the crisis to provide support to financial markets to ensure their proper functioning, and to support the economy and to protect jobs.
66. The MPC cut Bank Rate from 0.75% to 0.25% and then to 0.10% in March 2020 and embarked on a £200 billion programme of quantitative easing (purchase of gilts so as to reduce borrowing costs throughout the economy by lowering gilt yields). The MPC increased quantitative easing by £100bn in June and by £150bn in November to a total of £895bn.
67. While Bank Rate remained unchanged for the rest of the year, financial markets were concerned that the MPC could cut Bank Rate to a negative rate; this was firmly discounted at the February 2021 MPC meeting when it was established that commercial banks would be unable to implement negative rates for at least six months – by which time the economy was expected to be making a strong recovery and negative rates would no longer be needed.
68. The Chancellor has implemented repeated rounds of support to businesses by way of cheap loans and other measures and has protected jobs by paying for workers to be placed on furlough. This support has come at a huge cost in terms of the Government's budget deficit, so that in 2021/22, the Debt to GDP ratio reaches around 100%.
69. In March 2021 the budget increased fiscal support to the economy and employment during 2021 and 2022, followed by substantial tax rises in the following three years to help to pay the cost for the pandemic. This will help further to strengthen the economic recovery and return the government's finances to a balanced budget on a current expenditure and income basis in 2025/26. This will stop the Debt to GDP ratio rising further from 100%.
70. A current area of concern is that the government's debt is now twice as sensitive to interest rate rises as before the pandemic due to quantitative easing operations substituting fixed long-term debt for floating rate debt; there is, therefore, much incentive for the Government to promote Bank Rate staying low.

Overview & Scrutiny Engagement

71. Regular reports are taken to Overview & Scrutiny through the Financial Planning Task Group relating to the Council's financial position

Safeguarding Implications

72. None have been identified as arising directly from this report.

Public Health Implications

73. None have been identified as arising directly from this report.

Procurement Implications

74. None have been identified as arising directly from this report.

Equalities Impact of the Proposal

75. None have been identified as arising directly from this report.

Environmental and Climate Change Considerations

76. Wiltshire Council will not intentionally invest in any investment that is not ethical and would not be consistent with our environmental and social policy objectives.

77. Where appropriate, the Council will consider investments that deliver environmental and social benefits, whilst maintaining our Security, Liquidity and Yield criteria.

Risks Assessment

78. All investments have been at fixed rates during the period. The Council's current average interest rate on long term debt is 3.78%, which compares favourably with similar rates of other UK local authorities.

79. The primary management risks to which the Council is exposed are adverse movements in interest rates and the credit risk of counterparties.

80. Investment counterparty risk is controlled by assessing and monitoring the credit risk of borrowers as authorised by the Annual Investment Strategy.

Financial Implications

81. These have been examined and are implicit throughout the report.

Workforce Implications

82. None have been identified as arising directly from this report.

Legal Implications

83. None have been identified as arising directly from this report.

Proposals

84. Cabinet is requested to:

- a) Note that the contents of this report are in line with the Treasury Management Strategy 2020/21; and to
- b) Recommend to Full Council consideration of this report.

Andy Brown

Corporate Director of Resources & Deputy Chief Executive (S.151 Officer)

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Appendices

Appendix 1 Borrowing Portfolio
Appendix 2 Investment Portfolio

Borrowing Portfolio as at 31 March 2021

Lender	Start Date	Maturity Date	Amount £m	Interest Rate %	Annual Interest £m
Public Works Loan Board (PWLB)					
PWLB	15/02/2010	01/06/2021	2.000	4.33	0.087
PWLB	28/03/2012	28/03/2022	8.000	2.40	0.192
PWLB	28/03/2012	28/03/2023	8.000	2.56	0.205
PWLB	15/02/2010	01/06/2023	2.000	4.45	0.890
PWLB	28/03/2012	28/03/2024	8.000	2.70	0.216
PWLB	15/02/2010	01/06/2024	2.000	4.49	0.090
PWLB	28/03/2012	28/03/2025	8.000	2.82	0.226
PWLB	14/08/2001	01/12/2025	0.123	4.875	0.006
PWLB	28/03/2012	28/03/2026	10.000	2.92	0.292
PWLB	15/02/2010	01/06/2026	2.000	4.54	0.091
PWLB	28/03/2012	28/03/2027	8.000	3.01	0.241
PWLB	21/08/2002	01/06/2027	4.000	4.75	0.190
PWLB	28/03/2012	28/03/2028	6.000	3.08	0.185
PWLB	29/07/1999	01/06/2028	1.000	4.75	0.048
PWLB	15/02/2010	01/06/2028	2.000	4.56	0.091
PWLB	28/03/2012	28/03/2029	7.000	3.15	0.221
PWLB	29/07/1999	01/06/2029	1.000	4.75	0.048
PWLB	28/03/2012	28/03/2030	8.000	3.21	0.257
PWLB	29/07/1999	01/06/2030	1.000	4.75	0.046
PWLB	20/05/2005	01/06/2030	2.000	4.45	0.089
PWLB	05/12/2005	18/03/2031	5.000	4.25	0.213
PWLB	28/03/2012	28/03/2031	2.000	3.26	0.065
PWLB	29/07/1999	01/06/2031	1.000	4.75	0.048
PWLB	20/05/2005	01/06/2031	2.000	4.45	0.089
PWLB	21/11/2005	18/09/2031	2.000	4.25	0.085
PWLB	28/03/2012	28/03/2032	5.000	3.30	0.165
PWLB	20/05/2005	01/06/2032	2.000	4.45	0.089
PWLB	04/11/1999	01/12/2032	1.500	4.625	0.069
PWLB	28/03/2012	28/03/2033	6.000	3.34	0.200
PWLB	20/05/2005	01/06/2033	2.000	4.45	0.089
PWLB	15/11/1999	19/09/2033	1.000	4.25	0.042
PWLB	28/03/2012	28/03/2034	7.000	3.37	0.236
PWLB	20/05/2005	01/06/2034	2.000	4.45	0.089
PWLB	15/11/1999	18/09/2034	1.000	4.25	0.043
PWLB	21/11/2005	18/09/2034	5.000	4.25	0.213
PWLB	28/03/2012	28/03/2035	2.000	3.40	0.068
PWLB	14/06/2005	14/06/2035	5.000	4.35	0.218
PWLB	15/11/1999	18/09/2035	1.000	4.25	0.043

Lender	Start Date	Maturity Date	Amount £m	Interest Rate %	Annual Interest £m
Public Works Loan Board (PWLB) – Continued					
PWLB	21/11/2005	18/09/2035	5.000	4.25	0.213
PWLB	15/11/1999	18/09/2036	0.500	4.25	0.021
PWLB	15/11/1999	18/09/2036	0.500	4.25	0.021
PWLB	28/03/2012	28/03/2037	9.000	3.44	0.310
PWLB	11/01/2006	01/12/2037	4.000	4.00	0.160
PWLB	11/01/2006	01/12/2038	4.000	4.00	0.160
PWLB	15/02/2010	01/06/2041	2.000	4.57	0.091
PWLB	11/08/2006	01/12/2041	3.000	4.35	0.131
PWLB	15/02/2010	01/06/2042	2.000	4.57	0.091
PWLB	11/08/2006	01/12/2042	2.000	4.35	0.087
PWLB	11/08/2006	01/12/2043	2.000	4.35	0.087
PWLB	06/09/2006	01/12/2044	3.000	4.25	0.128
PWLB	06/09/2006	01/12/2045	3.000	4.25	0.128
PWLB	29/06/2006	18/09/2046	4.000	4.45	0.178
PWLB	30/08/2006	01/12/2046	2.000	4.25	0.085
PWLB	29/06/2006	18/09/2047	4.000	4.45	0.178
PWLB	30/08/2006	01/12/2047	2.000	4.25	0.085
PWLB	09/10/1998	18/09/2048	1.000	4.50	0.045
PWLB	29/06/2006	18/09/2048	3.500	4.45	0.156
PWLB	30/08/2006	01/12/2048	2.000	4.25	0.085
PWLB	09/10/1998	18/09/2049	1.000	4.50	0.045
PWLB	29/06/2006	18/09/2049	3.000	4.45	0.134
PWLB	30/08/2006	01/12/2049	2.000	4.25	0.085
PWLB	30/08/2006	01/06/2050	5.000	4.25	0.213
PWLB	17/09/1998	18/09/2050	1.000	5.125	0.051
PWLB	17/09/1998	18/09/2051	1.000	5.125	0.051
PWLB	07/03/2007	01/06/2052	2.000	4.25	0.085
PWLB	23/07/1998	03/06/2052	1.000	5.50	0.055
PWLB	07/03/2007	01/06/2053	2.000	4.25	0.085
PWLB	23/07/1998	02/06/2053	1.000	5.50	0.055
PWLB	19/06/1998	01/06/2054	1.000	5.375	0.054
PWLB	19/06/1998	01/06/2055	1.000	5.375	0.054
PWLB	21/06/2006	01/06/2055	2.000	4.30	0.086
PWLB	22/06/2006	18/09/2055	4.000	4.35	0.174
PWLB	19/06/1998	01/06/2056	1.500	5.375	0.081
PWLB	21/06/2006	01/06/2056	3.000	4.30	0.129
PWLB	22/06/2006	01/06/2056	6.000	4.35	0.261
PWLB	02/10/1997	25/09/2057	1.500	6.625	0.99
PWLB	12/03/2019	13/03/2063	10.000	2.36	0.236
PWLB	12/03/2019	13/03/2064	10.000	2.36	0.236
PWLB	12/03/2019	13/03/2065	10.000	2.36	0.236
TOTAL PWLB LOANS			270.123		9.913

Lender	Start Date	Maturity Date	Amount £m	Interest Rate %	Annual Interest £m
Market Loans					
Barclays Bank	03/12/2004	03/12/2054	10.000	4.45	0.445
FMS Wermanagement	07/12/2004	08/12/2053	10.000	4.45	0.445
Depfa Deutsche Pfandbriefbank	10/12/2004	10/12/2052	10.000	4.45	0.445
Dexia Credit Local	10/12/2004	11/12/2051	10.000	4.45	0.445
Barclays Bank	31/08/2005	31/08/2055	5.000	3.99	0.200
Dexia Credit Local	20/02/2006	18/02/2066	6.000	4.45	0.267
Beyern LB	05/03/2007	07/03/2067	4.000	4.2	0.168
Barclays Bank	31/07/2007	01/08/2067	6.000	4.21	0.253
TOTAL MARKET LOANS			61.000		2.667
Salix Loans					
SALIX1	22/11/2019	01/04/2025	0.930	0.00	0.000
SALIX2	02/03/2020	02/03/2026	4.104	0.00	0.000
TOTAL SALIX LOANS			5.034		0.000
TOTAL - ALL LOANS			336.157		12.580

* Annual interest = Total amount of annual interest payable per loan outstanding as at 31 March 2021.

This will not equal the amount of interest paid during 2020/21 – as the total loan portfolio has changed during the year.

Investment Portfolio as at 31 March 2021 (compared to the counterparty list)

Borrower	Amount £m	Interest Rate %	Start Date	Maturity Date	LAS Credit Rating **
DBS Bank Ltd	10.000	0.06	23/12/2020	23/06/2021	Orange – 12 Months
Qatar National Bank	10.000	0.28	20/01/2021	20/07/2021	Red – 6 Months
Landesbank Baden-Wuerttemberg	10.000	0.06	18/01/2021	18/05/2021	Red – 6 Months
Landesbank Hessen-Thuringen	10.000	0.04	20/01/2021	20/04/2021	Orange – 12 Months
Australia and New Zealand Banking Group	10.000	0.07	08/02/2021	08/06/2021	Orange – 12 Months
Goldman Sachs	10.000	0.145	03/02/2021	03/08/2021	Red – 6 Months
Northumberland PCC	6.500	0.10	24/03/2021	07/05/2021	Yellow – 5 Years
Surrey County Council	5.000	0.15	08/03/2021	08/06/2021	Yellow – 5 Years
Wirral Metropolitan Borough Council	5.000	0.11	09/03/2021	09/06/2021	Yellow – 5 Years
Warwickshire PCC	4.000	0.14	26/03/2021	26/07/2021	Yellow – 5 Years
Telford & Wrekin Council	5.000	0.14	18/03/2021	19/07/2021	Yellow – 5 Years
Handelsbanken plc (Call Account)	14.975	0.10	*	35 Days Notice	Orange – 12 Months
Black Rock Money Market Fund	0.000	0.01	*	*	AAA
JP Morgan Money Market Fund	0.000	0.01	*	*	AAA
Federated Money Market Fund	0.000	0.01	*	*	AAA
Goldman Sachs Money Market Fund	0.000	0.01	*	*	AAA
Aberdeen Investments Liquidity Fund	14.267	0.01	*	*	AAA
BNP Money Market Fund	27.710	0.02	*	*	AAA
Total	142.452				

* Money Market Funds/Call Account – cash can be invested and withdrawn on a daily basis (subject to maximum investment limits) so there is no start date or maturity date for the purposes of this report.

** For explanation please see following page.

Link Asset Services provide a creditworthiness service, which employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- a) credit watches and credit outlooks from credit rating agencies;
- b) CDS spreads to give early warning of likely changes in credit ratings;
- c) sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

- a) Yellow – 5 years (this category is for AAA rated Government debt or its equivalent, including an investment instrument – collateralised deposits, where the investment is secured only against local authority debt, namely LOBOs, making them effectively government exposure);
- b) Dark pink – 5 years for Enhanced money market funds (EMMFs) with a credit score of 1.25
- c) Light pink – 5 years for Enhanced money market funds (EMMFs) with a credit score of 1.5
- d) Purple – 2 years;
- e) Blue – 1 year (only applies to nationalised or semi nationalised UK Banks and their subsidiaries);
- f) Orange – 1 year;
- g) Red – 6 months;
- h) Green – 100 days; and
- i) No Colour – not to be used.

The advisor's creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

Wiltshire Council

Cabinet

13 July 2021

Subject: Update on Council's response to the climate emergency

Cabinet Member: Cllr Nick Botterill, Cabinet Member for Development Management, Strategic Planning and Climate Change

Key Decision: Non Key

Executive Summary

At its meeting held on 26 February 2019 Full Council resolved to acknowledge that 'there is a climate emergency and to seek to make the county of Wiltshire carbon neutral by 2030'.

A commitment was made to provide six-monthly progress updates on actions the council is taking to reduce carbon generation in Wiltshire. This is the fourth progress report to Cabinet following updates in October 2019, July 2020 and February 2021.

The update is again structured against the following business plan priorities. The plan was updated by Full Council in July 2020 to include a Climate Emergency Addendum.

- Growing the economy
- Strong communities
- Protecting the vulnerable
- Working with our partners as an innovative and effective council.

A wide range of work, against all the above priorities, is being undertaken by all departments at the council in relation to the climate emergency. To date a total of £88.095m Capital and £3.871m Revenue has been approved as set out in the Financial implications below.

A climate strategy will be developed over the coming months. A key focus has been on engagement work in relation to the climate discussion document, agreed at the February Cabinet meeting, to find out the key priorities from a range of stakeholders.

Proposal(s)

1. That Cabinet notes the actions taken in response to the climate emergency following the last update in February 2021.

Reason for Proposal(s)

To provide Cabinet with an update on actions taken in response to the climate emergency.

Terence Herbert
Chief Executive

Wiltshire Council

Cabinet

13 July 2021

Subject: Update on Council's Response to the Climate Emergency

Cabinet Member: Cllr Nick Botterill, Cabinet Member for Development Management, Strategic Planning and Climate Change

Key Decision: Non Key

Purpose of Report

1. To provide the fourth progress update on actions taken in response to the climate emergency

Relevance to the Council's Business Plan

2. The programme of work to seek to make the county of Wiltshire carbon neutral by 2030 will contribute to all four business plan priorities of:
 - i. Growing the economy
 - ii. Strong communities
 - iii. Protecting the vulnerable
 - iv. Working with our partners as an innovative and effective council

The update on the actions taken in response to the climate emergency is contained in paragraphs 6-50 and structured against these headings.

Background

3. At its meeting held on 26 February 2019 council debated the following notices of motion:

12b) Acknowledging a Climate Emergency and Proposing the Way Forward;
12c) Environment and Global Warming.

The council resolved to acknowledge that there is a climate emergency and to seek to make the county of Wiltshire carbon neutral by 2030.

The [minutes](#) of the meeting are available online (see pages 21 to 24). Cabinet has also pledged to make Wiltshire Council carbon neutral by 2030.

4. As part of this motion, the council resolved that Cabinet should report to Full Council on a six-monthly basis regarding the actions the council is taking and

will take to address the climate emergency. The third report was presented to Cabinet in February 2021.

5. A Global Warming and Climate Emergency Task Group was established by Environment Select Committee to develop recommendations to seek to achieve the target of making the county of Wiltshire carbon neutral by 2030. The task group developed two reports and recommendations covering energy, transport and air quality on [29 September 2020](#) and planning on [13 January 2021](#). Executive responses to the task group report were received by the select committee on 13th January 2021 and 3 March 2021.

The Overview & Scrutiny Management Committee agreed that the task group continue beyond May 2021. Subject to the new Environment Select Committee's approval, the task group will reconvene in summer 2021.

6. The council's [Organisational Recovery](#) programme provides oversight of activities related to council-wide internal transformation. It ensures that all improvement activity is reviewed against a set of principles to promote a joined up approach, aligned to Our Identity and the delivery of the council's business plan. The green agenda and carbon neutral promise have been included within this set of principles to ensure this is considered when making decisions related to internal transformation activity.

Main Considerations for the Council

7. The council has undertaken a significant round of engagement on the climate strategy discussion document brought to Cabinet on 2 February 2021:
 - A summary version of the discussion document has been developed and circulated to over 550 organisations and individuals for comment. The document is available as a [download](#).
 - Four thematic stakeholder events were held in May and attended by a total of 137 people
 - Discussions on the climate strategy were held at a range of external meetings
 - Key Wiltshire employers have been spoken to and informative discussion held on business aspirations and barriers in relation to the climate emergency.
 - A climate strategy session was held with all Wiltshire Council Heads of Service on 21 April 2021 and a follow up survey completed by over 40 Heads of Service.

Engagement results (see **Appendix 1**) will be reviewed to shape the draft Climate Strategy which will be published for consultation in September 2021

8. An induction session on the council's climate commitments was held for all Wiltshire councillors on 17 May with 44 attending and providing feedback on the climate strategy discussion document.

Growing the Economy: Highly Skilled Jobs (Employment)

9. The [Community Renewal Fund](#) aims to support people and communities that wish to bring forward new ideas to invest in skills, community and place, local business, and supporting people into employment. It is a competitive process with no pre-set eligibility. 100 priority places across the country have been identified, based on an index of economic resilience. Projects that target investment at communities in need, especially at the top 100 priority places, will be prioritised. Wiltshire is not a top 100 priority place

The role of the council (Lead Authority) is to invite bids from a range of Project Applicants, appraise and prioritise projects up to a maximum of £3m per place and submit a shortlist to UK Government, by 18th June 2021, who will select projects based on the published assessment criteria. Wiltshire Council has received 9 applications, from various sectors including Private and Business, Education, Community and from within the council itself. The table below shows how the applications align with the funds four investment priorities. Two thirds of projects will contribute to the Net Zero and environmental objectives.

	Investment in skills	Investment for local business	Investment in communities and place	Supporting people into employment
Application 1		✓		
Application 2	✓	✓		
Application 3			✓	
Application 4			✓	
Application 5	✓	✓	✓	✓
Application 6			✓	
Application 7	✓	✓	✓	✓
Application 8	✓	✓	✓	✓
Application 9	✓	✓	✓	✓

10. The Wiltshire Online programme has been working in partnership with BDUK (Department of Digital, Culture, Media and Sport) and Openreach since 2013 to bring superfast and ultrafast fibre broadband to areas of Wiltshire considered to be non-commercially viable; more recently we have also been working in partnership with Gigaclear to the north of our county to achieve the same aims. So far over 95% of Wiltshire premises have access to superfast broadband (>30Mbps) and 22% ultrafast (>100Mbps).

Growing the Economy: Housing and Environment

11. The council is significantly investing in zero carbon homes for its council house new build programme, as also being considered by Cabinet in this meeting. As the pilot programme is showing an increase in cost to develop homes to the higher standards, the agenda item sets out the cost increases and how this will be funded going forward. This investment will help the council respond to the climate emergency, as part of its ambition to seek to make Wiltshire carbon

neutral by 2030, and also ensure that council homes are cheaper to run, bringing these savings directly to residents. The new council house build programme will see around £195m invested into building new, energy efficient council homes up to 2032. The council is initially running a pilot scheme, and if successful, all new properties that are built by the council (not including those purchased from developers) will be constructed to 'zero carbon' standards, which features very high levels of insulation and generation of electricity, among other environmental benefits. These properties enjoy very low energy bills for residents, offset by the properties' energy generation.

12. The council was successful in a bid for £0.55m from Government's 'Green Homes Grant' Local Authority Delivery Scheme - Phase 1b, to target improvements to 100 homes with some of the lowest EPC ratings and families on low incomes by September 2021. This will focus on Fabric First, although there will be some properties that will require a Whole House Retrofit. A Whole House Retrofit takes each house in its own right. It considers the fabric, the heating and hot water requirements, ventilation and the people living in the property to establish the correct measures to implement for that individual property. To support this the council is training 3 staff members in the new role of Retrofit Coordinator, mandatory under PAS 2035.

Work will then follow on from the GHG delivery in October on the £50 million programme of work, taking place over the next 10 years, to raise council homes to energy performance B rating (as a minimum). The Housing Energy Efficiency Programme (HEEP) will benefit from the Industry certified process and regulation formed from the delivery of the GHG scheme to deliver thermally comfortable homes, realise utility savings to tenants and aims to reduce carbon emissions of around 20,000 tons a year.

13. The council joined the UK Green Building Council March 2021 giving access to best practice materials and events in low carbon building.
14. The council is now in year two of the Amenity Wildflower meadow trial. This has seen 102,000 square metres of general grass across 12 sites in Wiltshire converted from a monthly cut to a bi-annual cut and collect. Due to the reduced cutting frequency of these sites we have significantly reduced the carbon footprint associated with the maintenance of these areas. In addition to this, the arisings are being composted at strategic locations onsite, not only eradicating the need for further transportation and disposal but also creating a haven for wildlife such as slow worms who thrive in this environment. On the whole the trial has been well supported by local councils, councillors and residents. We have tried to incorporate footways within the meadows to enable residents to benefit and enjoy the natural wildflowers as they begin to establish. We will soon incorporate one more site into the trial which we will then monitor over the coming two years to get a greater understanding of the impact and benefits for the local flora and fauna. The trial has provided invaluable information which will enable to shape the way in which we specify our future grounds maintenance provision post November 2022 when the current contract expires.
15. The Wiltshire Green Blue Infrastructure (GBI) Strategy will support the council's emerging Climate Change Strategy in its focus on the natural

environment and how by creating a strong, well considered network of green and blue corridors and spaces we can support adaption and resilience to climate change, halt loss of and improve biodiversity and contribute to the health and wellbeing of our communities. The GBI Strategy and Climate Strategy are being produced during the same timeframe, and in May 2021 targeted engagement with key stakeholders has been undertaken to help develop the strategy. An outline of the GBI Strategy is available on our website [Green and blue infrastructure - Wiltshire Council](#) Further consultation on the draft GBI Strategy is planned for Autumn 2021.

16. A new Wiltshire [Community Environmental Toolkit](#) has been developed in partnership with Natural England to allow communities to take the lead in defining and restoring biodiversity and natural carbon sequestration in their community. Designed for use by community groups, local landowners, Parish and Town Councils, schools and youth groups it provides a structure for how local communities can better understand what they already have in terms of biodiverse habitats as well as how to plan for developing greater biodiversity and nature based carbon sequestration in the future. The Toolkit also signposts to many other organisations which can assist communities in delivering their aims and objectives. There are three basic steps we recommend in the toolkit:

- 1 – Survey the local area to see what communities already have and what would make suitable foundations for their environmental plan
- 2 – Plan what improvements are viable in their community (based on the six main habitat types described)
- 3 – Implement the environmental plan ensuring sustainability of action over the long term.

The toolkit provides local case studies that are designed to provide local communities with inspiration to set up their own groups and develop community based / community delivered solutions to climate change and habitat / species decline.

Our confirmed recycling rate for 20/21 was 42.46%. This rate is calculated from the tonnage of all the household waste managed by the council (213,262 tonnes in 20/21), and the amount that was collected for recycling (54,703 tonnes) or composting (33,817 tonnes). It includes waste collected at the kerbside, waste managed through the household recycling centres, as well as waste collected as litter, etc.

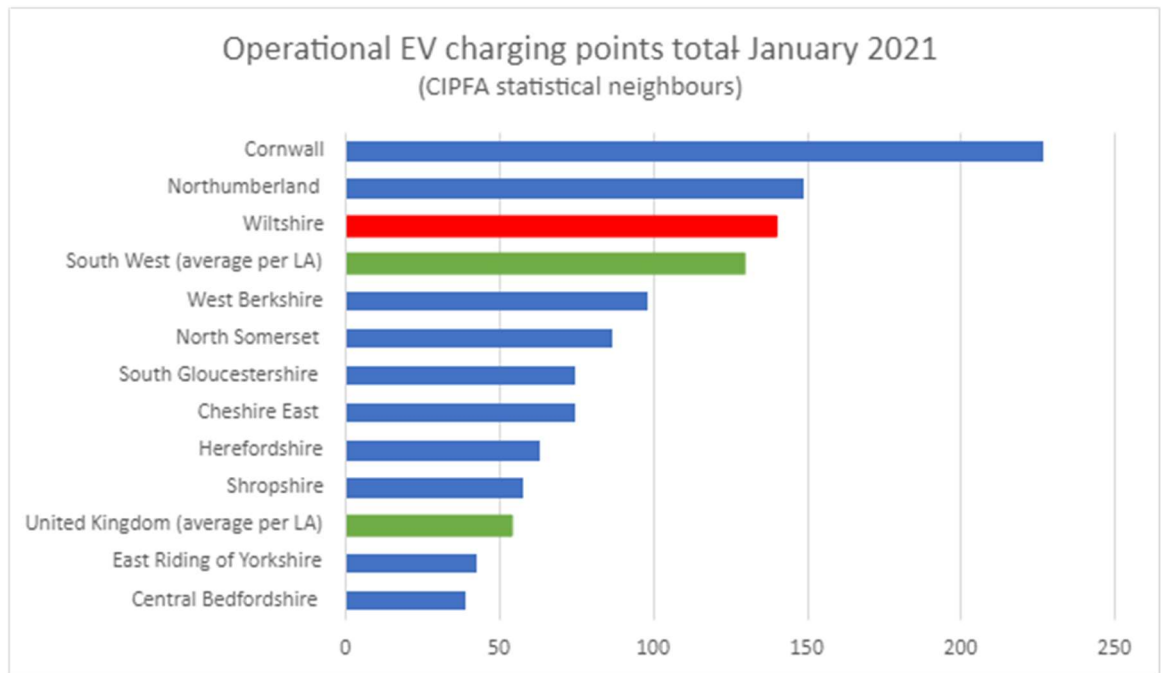
The council also implemented a new kerbside recycling service in March of last year, designed to make it easier for residents to recycle much of their household waste from home; plastic bottles, pots, tubs and trays, paper and cardboard, food and drinks cartons, tins, cans and textiles. Glass is collected from a separate container, normally by the same vehicle. The new service has allowed the council to reduce the waste collection fleet from 149 vehicles to 121, thereby reducing the carbon impact of the service, and 24% more material was collected for recycling at the kerbside compared with the previous year. However, the council also collected more non-recyclable household waste at the kerbside during this period. The national lockdowns in response to the Covid-19 pandemic has heavily influenced these increases in collected

tonnages. The council also had to close its network of household recycling centres between 24 March and 8 May as a consequence of Covid-19. These factors have both contributed to reducing our expected recycling rate. Notwithstanding this, the council still managed to divert 82.9% of the municipal waste it manages from landfill, through the use of waste treatment and energy from waste facilities, and very little of the non-recyclable waste collected at the kerbside goes to landfill.

17. The forthcoming Environment Bill seeks to ensure that future rates of recycling are significantly increased by obligating producers of packaging to fund the full costs of collection and recycling. Government will introduce a Plastic Packaging Tax from April 2022. Manufacturers will be incentivised to use more easily recyclable materials under an Extended Producer Responsibility scheme from 2023, which will also see funding released to local authorities to support additional recycling of packaging, and also fund litter collection activities. A national Deposit Return Scheme is proposed that could significantly reduce the impact of littering of bottles and cans etc from late 2024. The Environment Bill also proposes to mandate consistency in local authority recycling collections, to include weekly collections of food waste, and free of charge garden waste collections, with additional service costs being met by government through the “new burdens” scheme. These proposals are currently subject to a second round of stakeholder consultation..
18. As part of the Local Plan Review there was a consultation on the climate topic and initial results were summarised in a report to Cabinet on 29 June 2021.

Growing the Economy: Transport and Infrastructure

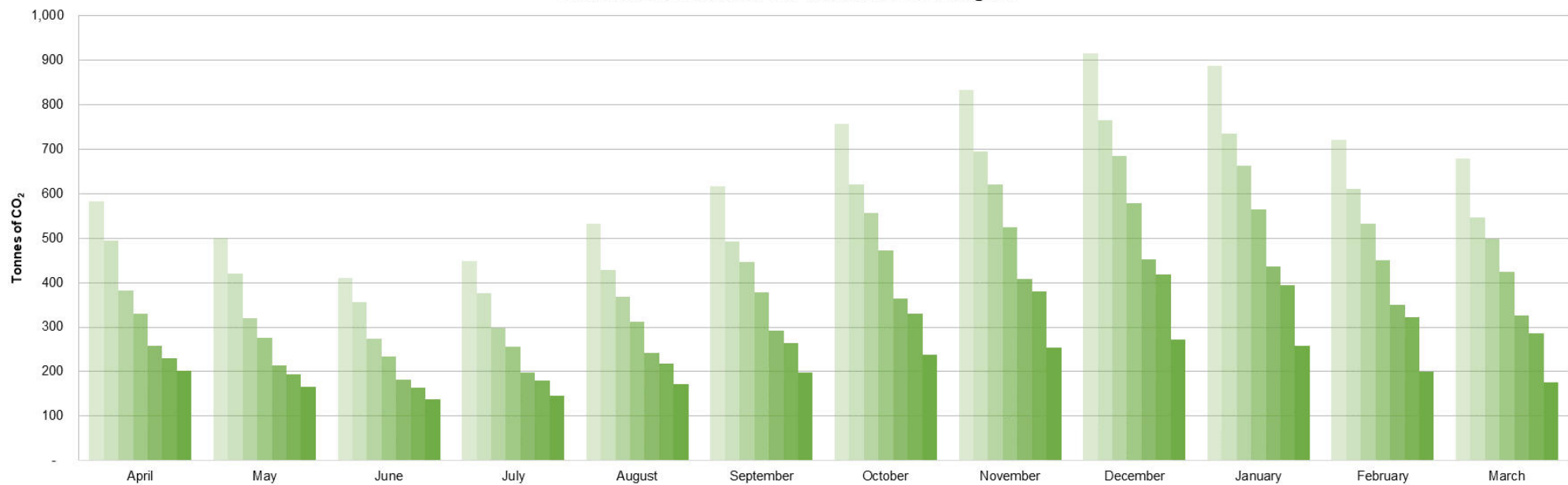
19. The council is preparing an outline Local Cycling and Walking Infrastructure Plan (LCWIP) for Wiltshire, and an LCWIP for Salisbury. These have been developed with input from stakeholders including Sustrans, the Salisbury Cycle Liaison Panel, the Salisbury Walking & Disabled Access Forum and the Salisbury Neighbourhood Planning Group. These draft documents will shortly be put out to public consultation. The LCWIP sets out design standards for developers and identifies key active travel schemes to be delivered by the council in the short, medium and long term. The council has applied to the Capability Fund for £60,000 to develop LCWIPs for Chippenham and Trowbridge by March 2022.
20. The table below shows that Wiltshire is ahead of the South West average and the national average for the number of electric vehicle charging points in the area. It also compares favourably with local authority statistical neighbours.



21. The council has been working with Calne Town Council, Bradford on Avon Town Council, Pewsey Parish Council and Pitton village hall to facilitate the installation of electric vehicles charging points. A charging point in Tisbury has been installed. Furthermore, ten of the thirteen largest Wiltshire communities have a car park with a public electric vehicle charging point infrastructure in place.
22. Through its e-bulletin to local businesses, the council has also promoted government [grants](#) for workplace charging of electric vehicles.
23. The council is currently rolling out a £12m programme to convert streetlights across Wiltshire to LEDs and the graph overleaf shows the significant reduction in carbon emissions already being achieved by this programme for every month of the year.

Carbon Emissions from Wiltshire Streetlights

2014/15 2015/16 2016/17 2017/18 2018/19 2019/20 2020/21



24. Bus Back Better - The National Bus Strategy (NBS) is a huge opportunity for Wiltshire. The council has already accepted an initial £100,000 funding to be used to grow the staff resource to both meet the demands of, and maximise the benefit of, the NBS. Subject to Cabinet member approval, the Enhanced Partnership route is to be followed and much preparatory work is going on. Whilst zero emissions has to be the ultimate aim, much can be done with the existing fleet and encouraging modal shift. This will be the initial objective, making the bus more attractive, whilst the alternative fuel technologies mature to be able to meet the demands of long-distance cross-country and rural operations.
25. Furthermore, the council has been awarded £671k via Bus Back Better to enhance bus services in Wiltshire. After an initial round of consultation with Wiltshire councillors and town and parish councils in the summer of 2020, potential solutions are being worked on. However, COVID has had a big effect on travel patterns and whilst we are now close to returning to normal not everything will return to where it was, in terms of demand. Therefore, we are about to re-circulate to our councillors (many newly elected) and the local councils to confirm that their previous ideas and suggestions are still valid. We will then proceed, via the normal procurement channels, to establish these new journeys and service.
26. The council has been successful in its bid for £1.2 million from the Demand Responsive scheme run by the Department for Transport to modernise and enhance the existing scheme in the Pewsey Vale. A project manager is to be recruited and community engagement will be key going forward. In the meantime existing staff are considering the opportunities for timetables and options for integration with fixed bus services at the edges of the area, especially in light of the publication of the National Bus Strategy.
27. The council is working in partnership with the Environment Agency to deliver the first phase of the Salisbury River Park scheme. The scheme forms part of the Central Area Framework initiatives and will enable the delivery of the council's wider regeneration goals for the Maltings and Central Car Park site and future phases of the River Park. The approximately £20 million package of investment is predominantly funded through Grant in Aid from Defra and Local Growth Fund from the Swindon and Wiltshire Local Enterprise Partnership and the council is contributing £6.5m. Phase 1 will improve resilience to climate change and reduce the risk of flooding for existing residents and businesses in Salisbury city centre. It also includes significant improvements for leisure, recreation, ecology, biodiversity and walking and cycling facilities. The latter will encourage active travel and facilitate a modal shift away from cars which will bring further health, air quality and carbon reduction benefits.

The planning application for phase 1 of the River Park has been submitted (PL/2021/03601) and a decision is expected in July. If approved, construction is planned to commence in summer 2022 and be completed by the end of 2023.

Viewpoint across Central Car Park showing 'before' and 'after'

Before



After



28. In the last 6 months, 14 out of 29 road resurfacing schemes have used warm asphalt. The use of warm asphalt leads to a 40% reduction in carbon emissions. This is one of a range of schemes that have led to a reduction in carbon emissions. Other examples include replacement of the gritter fleet by disposing of the old inefficient vehicles and replacing them with leased low emissions fleet in 2019; and the use of battery powered temporary signal sets, to replace diesel, since 2016 by contractor Ringway.

Strong Communities: Community Wellbeing

29. The construction of Melksham Community Campus is now underway. Since the last report, the design team for the project have developed a proposal for the installation of photovoltaics on the roof of the campus. The proposal locates panels on as much of the roof as is feasible. Initial models anticipate approximately 14% of the building's power could be provided by this scheme, with all the power generated being used to make the site more efficient. Costs are being developed so a decision on funding can be considered, as capital for this element is not currently budgeted for.
30. Since the last report, work has been undertaken to assess the electric vehicle charging points for the Melksham campus. The scheme will include three double charging points. In addition, ducting is being installed to a further fifty-seven bays (over a quarter of the available bays), to allow for the expansion of provision in the future. A scheme is also being developed for the neighbouring Melksham House. The design team are currently preparing a sustainability options report.

Protecting the Vulnerable: Early Intervention

31. [Warm and Safe Wiltshire](#) is an energy advice service provided by Wiltshire Council and Swindon Borough Council in partnership with Dorset & Wiltshire Fire and Rescue Service and managed by the Centre for Sustainable Energy. The service, which has seen a 20% increase in demand as a direct result of the pandemic, has bid for and received a significant Covid support grant. The grant is to address fuel poverty, exacerbated by Covid-19, which has a direct impact on health. As well as providing for additional casework advice, the £500,000 programme will deliver a range of direct measures including the provision of fuel vouchers; heating control replacement; emergency oil filled radiators; radiator panels; and the provisions of new or replacement boilers/night storage heaters (40% of which are to be electric and for households off the mains gas network).

The project will also train two advice trainees who will receive formal energy qualifications and workplace experience. After qualification and an initial period they will be able to undertake casework, including the provision of behavioural energy advice and advice around the installation of renewable technology. This will allow them to support clients to reduce their carbon impact.

Working with Partners as an Innovative and Effective Council: Community Involvement

32. The council is developing an awareness raising campaign of how the community can play its part in tackling the climate emergency and enabling Wiltshire to become net zero carbon. The campaign will use a range of with images, phrases and branding to enable people to understand how they can 'play their part' and tackle the climate emergency.
33. The council has run four thematic events in May 2021 as part of their climate discussion document engagement work. Sessions were run with a range of stakeholders, including a joint workshop to discuss the Green and Blue Infrastructure Strategy. A meeting was held earlier in the year with young people to discuss their priorities. The events allowed discussion on the stakeholders' priorities and the ways in which their organisations could support the climate strategy. Attendees also discussed how they could work with and learn from each other.
34. The council is working in partnership with Bradford-on-Avon Town Council to submit a £100k bid to the [Local Authority Treescape fund](#). The aim is to increase tree coverage across the town to create wildlife corridors, increase biodiversity, reduce air pollution, store carbon and improve the health and wellbeing of residents. If successful it is hoped that this application will act as a template for our other market towns to apply for funding to improve tree coverage across the county.
35. The council has supported more than 100 community litter picking groups by supplying them with all the necessary equipment to undertake successful litter picking events. The appetite for volunteers has significantly increased throughout the pandemic.

Working with Partners as an Innovative and Effective Council: Performance

36. The council was successful in its bid for more than £4.4m from the Government's Public Sector Decarbonisation Scheme to reduce carbon emissions by upgrading the heating systems in many of its buildings. The majority of the funding will be used to install air to water heat pump systems at Five Rivers Health and Wellbeing Centre in Salisbury, Warminster Leisure Centre, the Olympiad in Chippenham, and, subject to planning permission, Lime Kiln Leisure Centre in Royal Wootton Bassett. Solar panels will also be installed at a further 19 council buildings, including leisure centres, libraries and depots; while further heating and air handling upgrades will be made at 10 council properties. Once all the upgrades are completed in the autumn, they will save approximately 1,200 tonnes of carbon each year, and also bring the council financial savings (see **Appendix 2** for further details).
37. Funding provided by Nadder Community Energy from their Community Fund has been used to install PV solar panels on the roof of Tisbury swimming pool, providing energy for both the pool and the nearby cricket pavilion (owned by Tisbury Parish Council). The system is expected to generate around 6100 kWh of electricity per year leading to savings for both Wiltshire Council and Tisbury Parish Council.
38. The council has upgraded its green electricity tariff to 'Your Green', a product provided by our supplier Total Gas and Power (TGP) that ensures that all Renewable Energy Guarantees of Origin (REGOs) are sourced from a generator or technology directly contracted with TGP. This product ensures that 100% of the REGOs are purchased along with the associated generation. The sources of the renewable electricity remain as solely wind, solar, and hydro. This product provides increased traceability, transparency and reduces the perception of 'greenwashing' sometimes associated with REGO backed electricity.
39. As reported in the February update the Wiltshire Pension Fund Committee has been devoting significant time over the last year to climate change, to determine how we can best protect the Fund's investments, and position ourselves to take advantage of investment opportunities. As a result of the recent work, which includes climate change scenario modelling, the Committee has now set a target for the investment portfolios, of net zero by 2050. This will help to safeguard the investments and improve returns. The Committee has also approved spend to work with Mercer (the Fund's investment advisers) to develop a plan to ensure that the net zero target is achieved – this will include interim targets and monitoring.
40. During March 2021, the Fund launched a survey of the scheme membership, focussing on responsible investment issues, including climate change. 2,251 responses were received, from a diverse mix of scheme members. The results of the survey have been published in full on the [website](#). One relevant finding was that 86% of respondents answered Yes or Maybe to the question "is it important to you for Wiltshire Pension Fund to invest in sustainable and/or low carbon assets?"

41. A summary of the survey findings will be included in the Pension Fund annual report 2020/21. Also to be included this year is TCFD (Task force on Climate Related Financial Disclosures) reporting, for the first time. This will describe how the Fund manages climate risk, from a perspective of governance, strategy, risk management, and will also include carbon metrics.

Working with Partners as an Innovative and Effective Council: Commercialism

42. The council is currently working with the existing grounds maintenance provider to arrange a demonstration day for electric fleet which is currently on the market. This will include vans, ride-on mowers and hand tools such as hedge cutters and strimmers. It is likely that any significant changes to grounds maintenance fleet and tools will happen at the inception of the new provision post November 2022.

Working with Partners as an Innovative and Effective Council: Delivering Together

43. The council's area boards have been supporting groups on a variety of work programmes that relate to the environment. These range across many different topics, such as community electric vehicle charge points; energy saving schemes; waste reduction; knowledge sharing schemes; and many projects that support the natural environment and access to it. Further information is included in **Appendix 3**. All funding bids to Area Boards are now required to articulate their environmental impact.
44. The council has promoted the [Let's Go Zero](#) campaign to schools, with presentations to both Headteachers and Governors in March 2021. So far, 12 Wiltshire schools have signed up to the campaign. Environmental grants for schools have been promoted in the weekly e-bulletin and their feedback has been requested on the climate strategy.
45. Schools have also been provided with information on the [Queen's Green Canopy](#) initiative, a unique tree planting initiative created to mark Her Majesty's Platinum Jubilee in 2022. Schools can access free saplings on a first come first served basis. The initiative is not just restricted to schools and is looking to encourage many organisations to 'plant a tree for the jubilee'.
46. The council is currently undertaking a highway verge litter picking programme on major routes. So far this year 2215 bags of litter and 22 vehicle tyres equivalent to 29 tonnes of rubbish have been collected. The programme has been extremely successful and has been extended by a further four weeks. Litter is not only unsightly but also has significant impact on the environment and wildlife. The work that we have undertaken this year has been recognised by many Wiltshire residents via social media and also by Highways England for the clearance works on the major trunk roads (A303 and A36).
47. The council has signed up to the Keep Britain Tidy exemplar membership. This is a platform to engage with other organisations working to improve local environmental quality. It gives us unlimited access to the "ask the network"

where we can put questions to other members relating to our services, best practice and share expertise and “ask the expert” which offers impartial support from network experts including legal and environmental solutions.

48. Farmers and land managers working together can deliver greater benefits, especially at a landscape scale. Cranborne Chase Area of Outstanding Natural Beauty (AONB) has six farmer groups run by advisors or ‘facilitators’. In total there are over 90 farmers working in these groups across an area of 130 square miles. Each group sets their own agenda but common to all groups is a commitment to make improvements to the soils on their farms. Increasing the amount of organic matter within the soil allows more carbon to be stored so farmers are increasing their use of organic fertilisers like sewage sludge and compost from kitchen waste, rather than chemical fertilisers which use considerable amounts of energy and create emissions to produce. Soil structure and earthworm populations can be damaged by ploughing which also releases carbon into the atmosphere as well as using a considerable amount of fuel. Increasingly farmers are switching from ploughing to ‘minimum tillage’ systems saving fuel, earthworms and reducing emissions.
49. Working together across farm boundaries to create wildlife habitat corridors can help minimise the damaging effects of climate change on vulnerable wildlife populations such as rare butterflies, birds, plants, mammals and reptiles by allowing them to move safely between sites. Martin Down National Nature Reserve is completely surrounded by a ‘supercluster’ comprising three different farmer groups: Chalke Valley, Martin Down and Allenford Farmer Clusters. Species such as Marsh Fritillary butterfly and Turtle Dove are now being found outside the nature reserve boundary on new habitats created on adjacent farmland.
50. The council is involved nationally with the following networks and groups which aim to shape national policy. For example, the council was involved in a workshop with National Audit Office on the relationship between government and local authorities and how this will help or hinder net zero.
 - [Countryside Climate Network](#), which the Leader of Wiltshire Council now chairs
 - [Local Government Association](#) (LGA) climate action group
 - Association of Directors of Environment, Economy, Planning & Transport ([ADEPT](#)) Environment Board
 - [County Councils Network](#)
 - [Collaborative for Climate Action](#)
51. Working groups have been set up with public sector partners and housing associations to share knowledge and ways to work together to achieve our climate ambitions.

Overview and Scrutiny Engagement

52. As part of the governance supporting the development and delivery of the Climate Strategy, the Chairman of the Overview and Scrutiny Management

Committee now sits on the Councillor Climate Working Group. The executive continues to work closely with the O&S task group supporting this area and the recently published second set of recommendations were considered by the Environment Select Committee on 13 January 2021. The Global Warming & Climate Emergency task group discussed the Climate Strategy discussion document on 28 January 2021.

Safeguarding Implications

53. There are no safeguarding implications arising from this report.

Public Health Implications

54. There are no direct public health implications arising from the report itself. Most of the actions we are taking (for example travel) will, however, have the potential to have a positive impact on the health of the population.

Procurement Implications

55. Project leads will be engaging with Procurement directly and in line with the council's procurement policy.

Equalities Impact of the Proposal

56. One of the key principles is for the Climate Strategy to be equitable, ensuring the transition to low carbon, climate resilient future is fair.

57. The consultation and engagement approach for the Climate discussion document has been planned so that it is inclusive.

Environmental and Climate Change Considerations

58. This report sets out the council's response to environmental and climate change considerations following the acknowledgement of a climate emergency and agreement by Full Council to seek to make the county of Wiltshire carbon neutral by 2030.

Risks that may arise if the proposed decision and related work is not taken

59. The paper is for Cabinet to note and does not require a decision to be made.

Financial Implications

The table in Appendix 4 shows the Capital and Revenue funds that are allocated to programmes to reduce carbon generation in Wiltshire. To date a total of £88.095m Capital and £3.871m Revenue has been approved, these have different funding streams as shown in the table below.

The council has invested extensively in its carbon reduction programme, committing £50m towards retrofitting its housing stock as well as £12.295m funding to convert 40,000 street lights to LED and £10.4m to reduce emissions from its

corporate estate. The council has also successfully secured £0.68m of government funding to support active travel and has secured a bid of £4.438m to the Public Sector Decarbonisation Scheme (PSDS), following a successful pilot bid of £0.2m to improve Warminster library.

It is recognised that further funding will be required to continue this progression at both an organisational and at a county level. The council is committed to working with government and private sector partners to explore all opportunities to access the funds to facilitate this work.

As part of the Climate Strategy development, the council will begin to quantify how much the pathway to a carbon neutral council will cost.

Legal Implications

60. There are no legal implications arising from this report.

Workforce Implications

61. There are no workforce implications arising from this report.

Options Considered

62. The only option considered is to note the report.

Conclusions

63. Since Full Council resolved to acknowledge that there is a climate emergency and to seek to make the county of Wiltshire carbon neutral by 2030, a number of areas of work have been progressed.

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22 June 2021

Appendices

Appendix 1: Climate Strategy Stakeholder Engagement Report

Appendix 2: Carbon Reduction works completed and underway on council property

Appendix 3: Area Board supported environmental projects 2020/21

Appendix 4: Capital and Revenue funds that are allocated to programmes to reduce carbon generation in Wiltshire.

Background Papers

None.

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Appendix 1

Climate Strategy Stakeholder Engagement Report

This report summarises the engagement that will help to inform the draft Wiltshire Climate Strategy, which will be subject to consultation in Autumn 2021. A wide variety of stakeholders have provided input, and this is being considered along with our own research to develop the strategy.

Since Wiltshire Council acknowledged the climate emergency in February 2019, engagement on this agenda has been carried out – first by the Wiltshire Council ‘Global Warming and Climate Emergency Task Group’ and more recently by the council’s Climate Team. A summary of engagement activity is provided in Annex A.

The most recent targeted engagement activity during Spring 2021 was focussed on talking to key stakeholders. Annex B gives an overview of the groups of stakeholders that were involved at this stage.

During May 2021 a series of webinars were held, and input was also invited via e-mail. The ‘Climate Strategy Discussion Document’ was published in full, and as a summary, on the council’s [climate webpages](#). The engagement was based on this document and asked the questions:

1. What do you feel are the 3 priorities for Wiltshire (not just the council) in becoming carbon neutral by 2030?
2. Does the organisation you represent have carbon neutral targets? If so what are they?
3. In what way could you support the council’s Climate strategy?

As a result of this targeted engagement exercise 181 people attended live webinars, and 105 written responses were received.

All of the engagement to date will inform the draft Climate Strategy, which will be the subject of full public consultation in Autumn 2020.

This initial engagement is seen as the beginning of strategy development and delivery which will necessarily encompass ongoing engagement and partnership working in different forms.

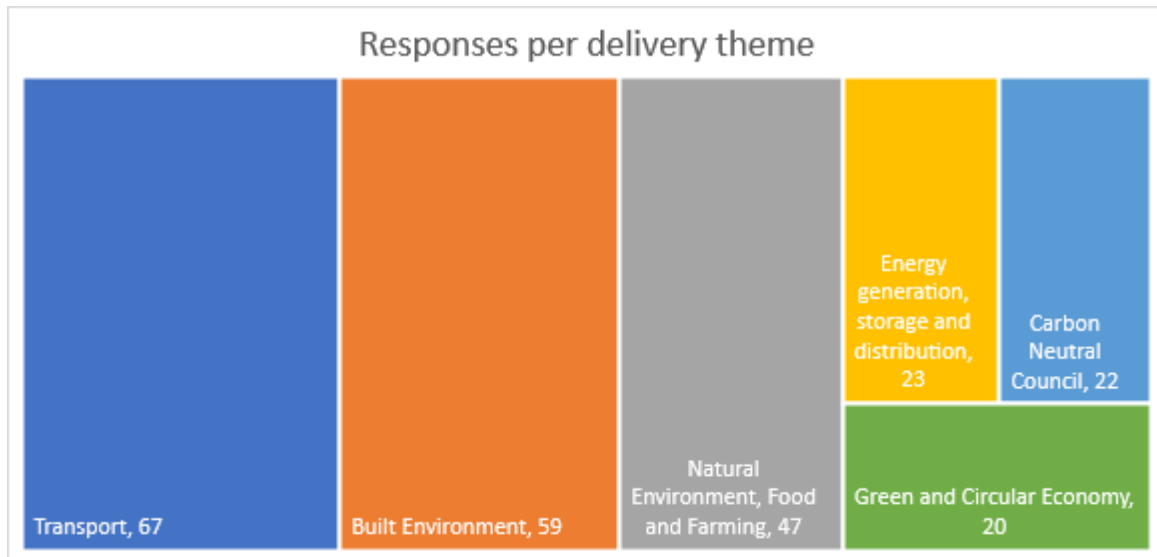
This was a targeted engagement programme, not aiming to provide a fully representative or statistically significant set of responses. The engagement was designed to give a steer in relation to:

- Feedback on the issues raised in the ‘Climate Strategy Discussion Document’
- An indication of the themes that stakeholders felt should be prioritised in the Climate Strategy
- An indication of gaps in awareness or knowledge – where there are themes that we know are critical in achieving carbon neutrality, but these received few mentions during our engagement.

Summary of emerging themes

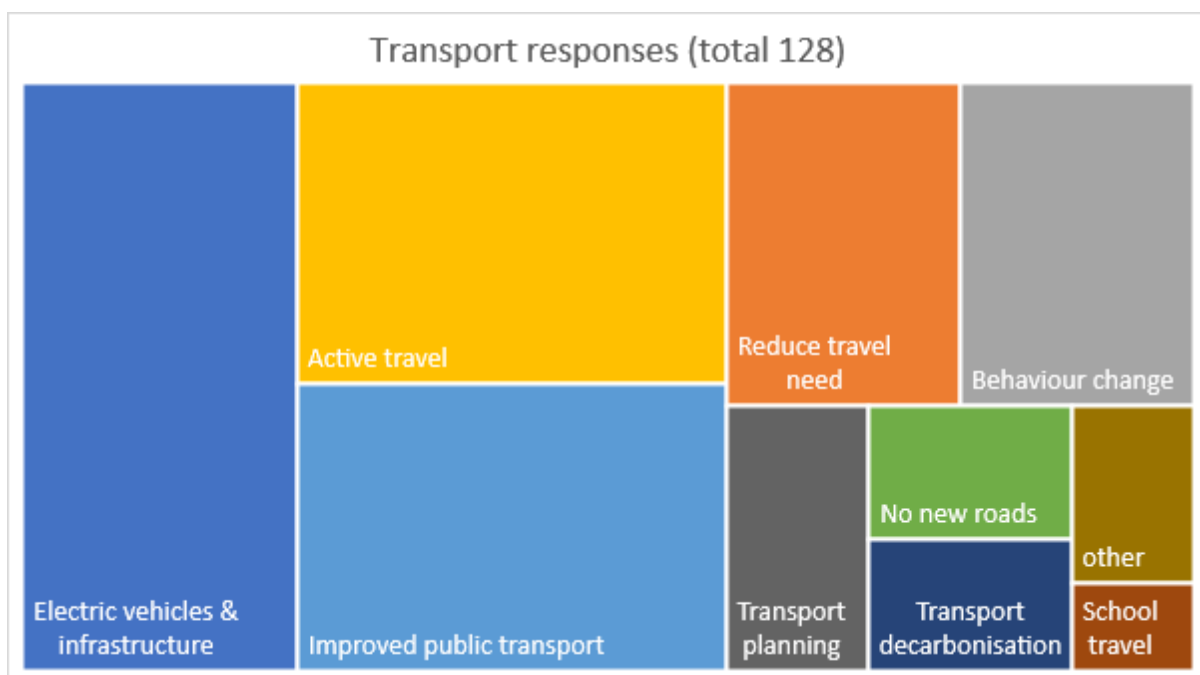
Q1: What do you feel are the 3 priorities for Wiltshire (not just the council) in becoming carbon neutral by 2030?

The following diagram shows the number of responses received in relation to each of the overarching Delivery Themes as set out in the Climate Strategy Discussion Document.



The following sections summarise the main messages that have been received through our engagement, in response to the priority areas for the Climate Strategy Question 1 above. Each section gives an overview diagram showing the strength of support for different topics and themes, as well as summarising the emerging themes that people felt the strategy should highlight.

Transport



Transport

- Transport was the theme that received the most comments and discussions in written responses as well as live events. Comments broadly followed the challenges and opportunities set out in the Discussion Document in relation to the 'Avoid, Shift, Improve' mode.
- While there were a lot of comments specifically on electric vehicle charging, the clear message was that the strategy should be centred on a strong, forward-thinking and strategic approach to low carbon mobility, affordable public transport and active travel.
- Many stakeholders pointed out that the council must give a clear and consistent message in relation to new road building and new housing developments, and how they align with the carbon neutrality aspiration, and in particular the zero carbon transport agenda.

Avoiding emissions

- Reduce the need / choice to travel by car – working from home, retain and improve local facilities, broadband, planning development
- No new road building

Shift the mode of travel

- Public transport – improve, and increase use
- Active Travel:
 - Active travel needs to be front and centre of strategies – aligning with carbon hierarchy, and 'Avoid, Shift, Improve'. A strategic cycling and walking network for Wiltshire – incorporated within and extending existing Rights of Way network and integrated within existing or new green and blue infrastructure as much as possible.
 - Improved walking and cycling infrastructure must be incorporated into new developments; strategic cycling network between settlements – particularly in and around the main towns / 'Principal Settlements';
 - Improve rural road safety

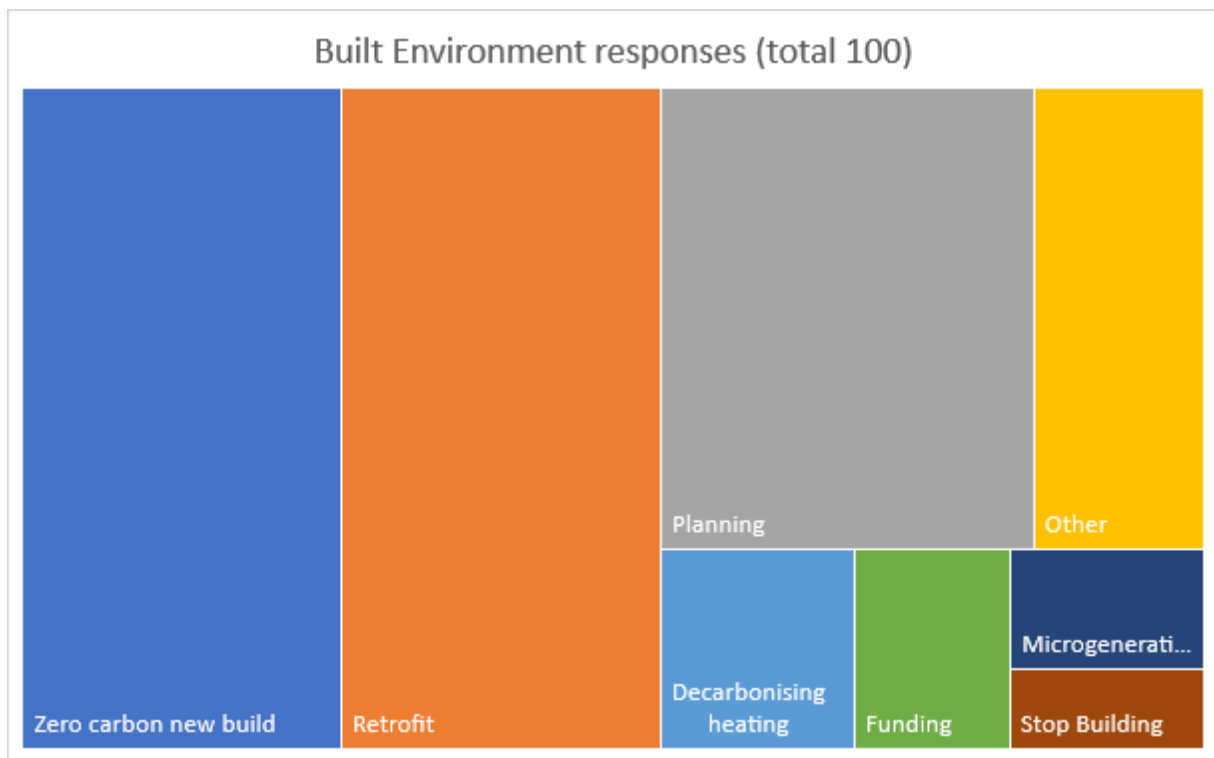
Improve vehicle technology

- **Electric vehicle uptake:**
 - improve EV charging infrastructure in Wiltshire
 - EV car clubs
- Alternative fuels such as hydrogen and biomethane were not generally discussed

Overarching issues:

- Talk about 'Mobility' instead of 'Transport'
- Behaviour change – schools / work travel plans; increase use of public transport, active travel
- There wasn't a significant mention of 'transport poverty' or fairness and accessibility

Built environment

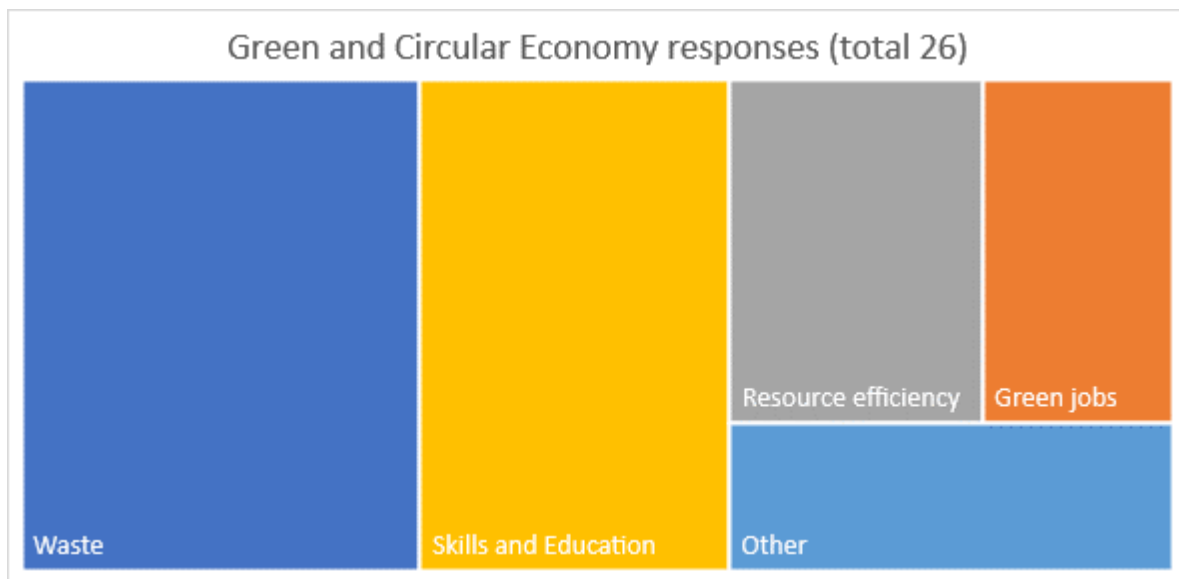


Built environment

Three key topics were raised, net zero carbon new build, planning/settlement location and the retrofit of existing property.

- New building should be built to be zero carbon. This referred to both housing and general building.
- Many comments refer to the importance of planning in relation to the built environment. This refers both specifically to the local plan produced by the council, but also more generally to the spread of settlements, where these are located, and how transport relates to settlement patterns.
- The need to retrofit the existing built environment, and ensure it is energy efficient, was highlighted, in relation to housing primarily, but also to business and schools and the wider built environment. The difficulty of retrofitting historic buildings was mentioned by only a few.
- The need for support in undertaking retrofit was also raised. Understanding where to start with this and how to access grants was raised alongside funding.
- Fuel poverty is an important topic and significant government funding is being allocated to tackle it, but not a significant issue raised by the targeted engagement.
- Specific technical issues such as the need to decarbonise heating or microgeneration were mentioned but by a minority of respondents, these are also encompassed by wider topic of housing retrofit.
- There was little mention of the need to make sure the built environment is resilient to the impacts of climate change, e.g. designing and retrofitting for cooling, reduced water use.

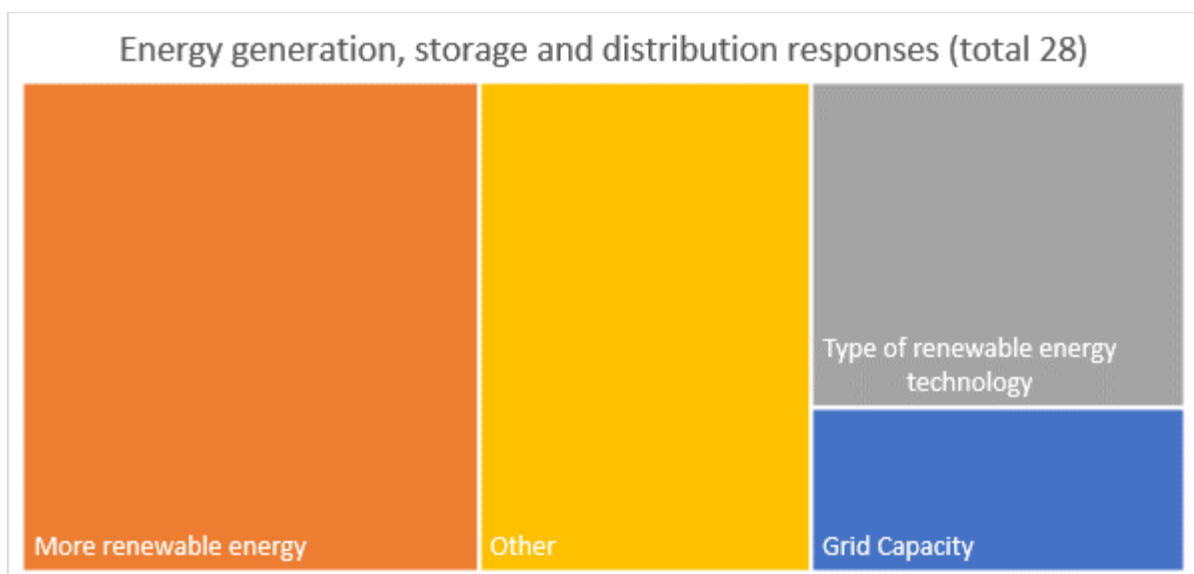
Green and circular economy



Green and Circular Economy

- Ensuring there are enough skilled people for local “green jobs”, e.g. skills needed for retrofitting buildings / installing new heating technologies.
- Diversification of businesses into green sector.
- Waste was mentioned no doubt partly because it was not presented in detail in the Discussion Document. Specific comments included:
 - More recycling – including businesses.
 - Consumption by individuals needs to be tackled.
 - Less waste = no new incinerators needed.

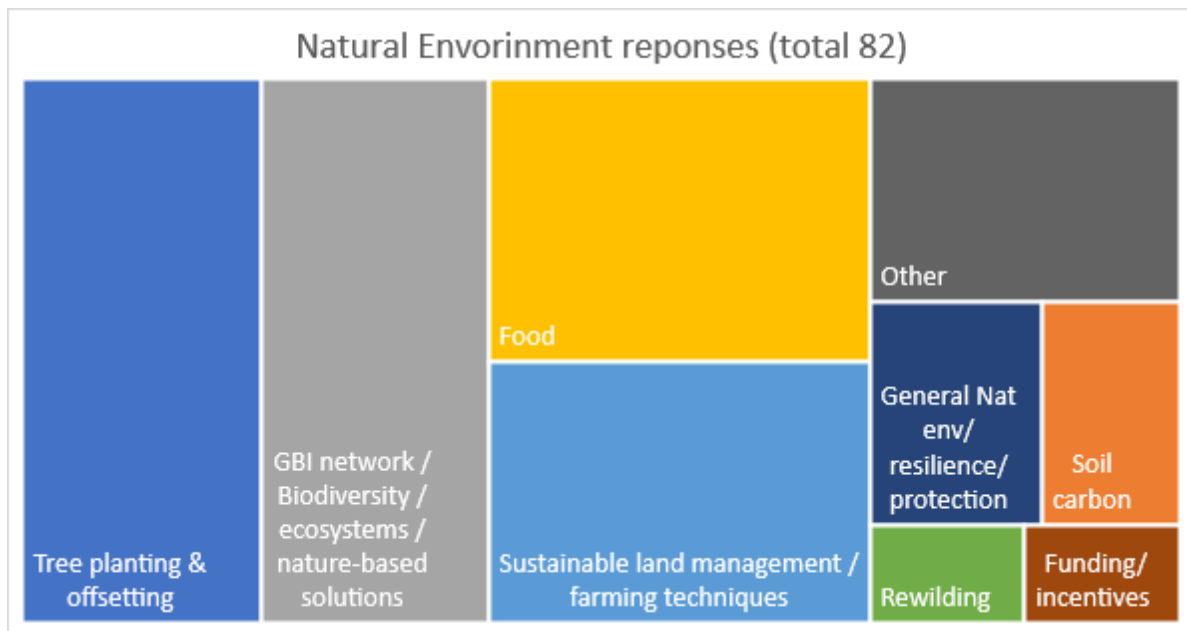
Energy generation, storage and distribution



Energy generation, storage and distribution

- Using renewable energy, in particular solar but also wind, was the most commented on topic in energy. Other technologies were mentioned to a lesser degree.
- It was felt that the council should explore renewable energy generation on its property as much as possible.
- Generally energy was raised as a priority less than the other main topic areas, (it does however overlap with others such as net zero carbon built environment)
- Grid capacity was highlighted as a crucial issue by a couple of respondents.
- The smart grid specifically was not highlighted or the need to reduce energy as a starting point.

Natural environment



Natural Environment, Food and Farming

The main engagement event with natural environment stakeholders was held in conjunction with the Green and Blue Infrastructure Strategy, so there was a significant proportion of specialist input and comments relating to improving the green and blue infrastructure network, improving biodiversity and ecosystems.

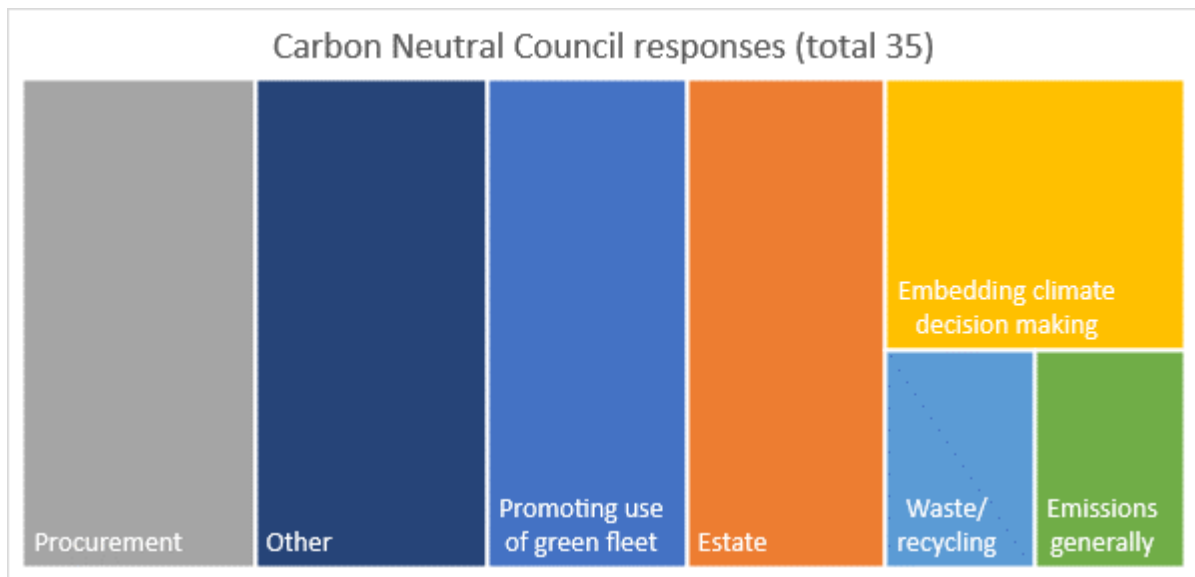
Outside of the natural environment stakeholder group, many other responses also called for the natural environment to be highlighted in the strategy.

Key areas are summarised as follows:

- Make best use of our natural environment to help offset emissions – through tree planting, but also through improved land use management, rewilding and improve biodiversity / ecosystems / soil to increase absorption carbon dioxide
- Food: supporting agriculture to produce locally and cut down on food miles, sustainable production methods, changing diets

- Apart from a great deal of interest in tree-planting, surprisingly little was specifically discussed in relation to offsetting, soil carbon and resilience
- The main comments in relation to resilience were to look after the natural environment so that it can help us be resilient to climate change – e.g. flooding
- Though not mentioned by many, it is important to highlight the comments in relation to efficient use of land or balancing land uses – e.g. in relation to potentially competing land uses, such as renewable energy, recreation, restoring biodiversity/habitats, offsetting, food production
- Some non-technical specialists commented that it was interesting that the council's presentation and documents set out the need to plan for a 2°C temperature rise, as until then respondents had focussed mainly on the need to avoid / mitigate carbon emissions, and not on the impacts / adaptation.

Carbon Neutral Council



Carbon Neutral Council

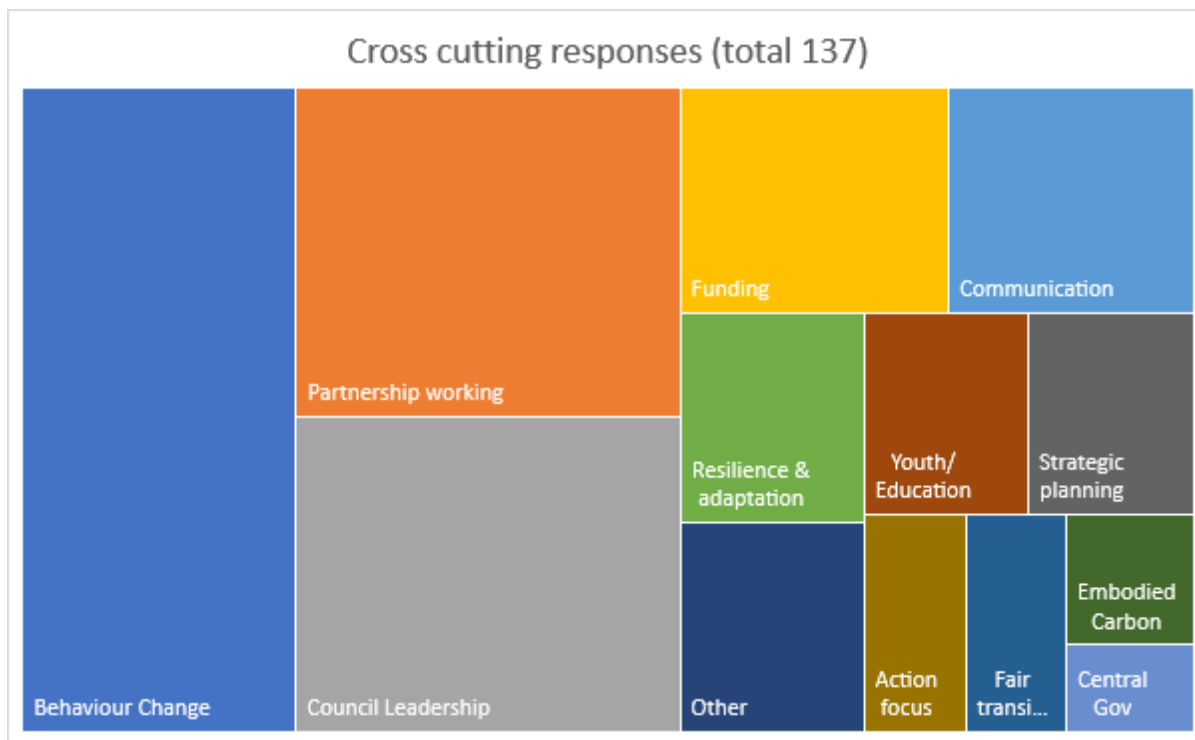
A wide variety of specific suggestions were raised in relation to the council's own operations and greenhouse gas emissions, including:

- Workplace EV charging
- Promoting use of green fleet
- Focus on reducing emissions from council estate and de-gas operational buildings
- Waste / recycling
- Tree planting / improving biodiversity and land management on own property
- Travel planning and parking charges

A few overarching areas stood out:

- the council needs to show **leadership and example** by becoming carbon neutral as a council.
- **procurement / indirect emissions** are not currently measured / reported and this was raised as an area that the council should be looking at
- embedding climate in **decision making** was also a key theme, including carbon assessment of key projects and decisions.
- the council's role in **engaging others**.

Principles, approach and other cross-cutting themes



Principles, approach, cross-cutting themes

- Behaviour change – ensuring people understand carbon neutral / zero carbon and are equipped to take action. It came through very strongly that this needs to underpin the strategy and cross-cuts all the other themes.
- Defining carbon neutral / net zero. Define what ‘carbon neutral by 2030’ means and how it is measured. Provide a clear route map to carbon neutral by 2030.
- Explain / use clearly the different national and local targets
- Report scope 3 emissions. Use consumption-based emissions / embodied carbon, not just territorial. Include all GHGs, not just carbon dioxide and methane.
- Don’t gloss over issues (e.g. no new roads) – council needs to lead. Be honest and open about the climate impact, and if a project is necessary explain the reason and how a decision was reached.
- Leadership / focus on actions that can make a difference. e.g. Town and Parish Councils are looking to Wiltshire Council for leadership on what they should be doing. They are wanting specific targets, actions, advice and support e.g. in relation to being a carbon neutral local council, or advice on how to work with the community.
- Green recovery – use the lessons from Covid in reacting to an emergency. Make sure the recovery does not take us backwards.
- A fair transition to net zero was only mentioned by a few, but a meaningful discussion was initiated.

Initiatives and targets to support implementation of the Climate Strategy

As well as asking stakeholders about the priorities that should be included in the Climate Strategy, the Discussion Document and engagement activities also asked whether stakeholders had carbon neutral targets and how their own work programmes would support the Climate Strategy:

2. Does the organisation you represent have carbon neutral targets? If so what are they?
3. In what way could you support the council's Climate strategy?

In general, where stakeholders had targets, these broadly aligned with the council's own commitment to be carbon neutral by 2030, or the government's 2050 target. It was encouraging how many respondents stated that they already had strategies and measures in place to help achieve carbon neutrality, and that they were keen to work in partnership with each other and with the council to achieve the common goal.

Conclusion

The engagement with stakeholders has provided useful input to the development of the Climate Strategy. The issues raised by stakeholders broadly align with the content of the Discussion Document. However, the results show that stakeholders wish to see certain aspects highlighted or brought out even more strongly, such as the scale and strategic or holistic nature of measures needed.

The responses generally call for clear leadership and a strong approach by the council in relation to the areas of the largest emissions: Transport and Built Environment. In addition, the Natural Environment was a key area, which, although it does not necessarily contribute the greatest proportion of Wiltshire's greenhouse gas emissions, it is perhaps the theme that represents interactions between all other themes and touches on everyone's lives, offering co-benefits alongside carbon neutrality.

Behaviour change and information came through very strongly as an area that underpins all of the delivery themes. It was felt that the Climate Strategy would not be delivered successfully without a significant change in mindset and action of all that live and work in Wiltshire.

Themes that did not receive a lot of attention indicate a lack of awareness of these issues or of certain specific technologies.

Most comments were based on carbon reduction, and there were relatively few mentions of adaptation and resilience, except by the natural environment stakeholders. In particular there seems to be a lack of discussion of the impacts of climate change and the cost to the economy and health.

Despite much discussion on carbon reduction, this tended to focus on looking at low-carbon technologies and solutions, rather than getting to grips with the need to reduce our energy use. This may be implied or taken as read, but we will need to ensure it is a clear priority.

It is interesting that the most popular comments and themes are not necessarily the most impactful in relation to mitigating or adapting to climate change. This will need to be explored through the development and delivery of the climate strategy.

Annex A: Summary of engagement activity and reports.

<p>Engagement by the Global Warming and Climate Emergency Task Group, June 2019 - November 2020</p>
<p>Substantial research and engagement was carried out by Wiltshire Council's Global Warming and Climate Emergency Task Group. The Task Group met with a range of witnesses, including local authority officers, Executive members, professionals in relevant industries, interest/campaign groups, national bodies and other stakeholders. More details on who was engaged are available in the Task Group's first report (see item 64, paragraph 15) and second report (see items 11, paragraph 14).</p>
<p>Early engagement by Climate Team November 2020 – April 2021</p>
<p>Climate Team in place from Autumn 2020. Initial engagement in Nov 2020 with Wiltshire Council staff</p>
<p>Direct 1 to 1 engagement / meetings with external stakeholders</p> <ul style="list-style-type: none"> • Businesses – a selection of large Wiltshire businesses, Inspire, Swindon and Wiltshire Local Enterprise Partnership • Community and voluntary groups e.g. Salisbury Diocese, Wiltshire Racial Equality Council, Centre for Independent Living, Pound Arts Centre
<p>Internal engagement with Wiltshire Council officers on Climate Strategy Discussion Document, January 2021</p>
<p>Wiltshire Climate Alliance Youth event, 22 February 2021</p>
<p>Regular discussion on emerging strategy via the following groups:</p> <p>Wiltshire Council:</p> <ul style="list-style-type: none"> • Global Warming and Climate Emergency Task Group • Fleet strategy • Active Travel working group • Strategic Procurement: Social Value Working Group • Climate Programme Group – Wiltshire Council Directors • Heads of Service Forum <p>Partnerships:</p> <ul style="list-style-type: none"> • Public Sector Partners working group • Education, Employment and Skills Action Group (EESAG) • Social housing providers
<p>Specific engagement events May 2021</p>
<ul style="list-style-type: none"> • Sustainable Transport team meeting 4 May 2021 • Wiltshire Housing associations meeting 10 May 2021 • Wiltshire Councillors, as part of Councillor induction programme, 17 May 2021, 44 attended • Voluntary and Community Sector Organisations webinar, 17 May 2021, 12 attended • Town and Parish Councils webinar, 20 May 2021, 52 attended • Natural environment organisations: Green and Blue Infrastructure Strategy & Climate Strategy webinar, 25 May 2021, 40 attended • Environment and community interest groups webinar, hosted by Wiltshire Climate Alliance, 26 May 2021, 22 groups, 33 attended
<p>Additional engagement May 2021</p>

Schools: Article in headteachers network and Governors network newsletters.

E-mails to all stakeholders inviting comments on Climate Strategy Discussion Document

- Businesses and Business networks, e.g. Inspire, Wiltshire 100, Business West; Public Sector Partners; Local Resilience Forum; Housing Associations; Community Energy Groups; Neighbourhood Planning Groups (via Town and Parish Councils); utilities companies; Wiltshire Council's large suppliers; Education, Employment and Skills Action Group; survey for all Heads of Service at Wiltshire Council

Key reports that complement our engagement

Recommendations by the **Global Warming and Climate Emergency Task Group** which were reported as follows:

- GWCE Task Group Report Part One on Energy, Transport and Air Quality, reported to Overview and Scrutiny Management Committee on [29 September 2020](#)
- GWCE Task Group Report Part One on Planning was reported to Environment Select Committee on [13 January 2021](#)

The Executive Responses to the GWCE Task Group recommendations were presented to Environment Select Committee on [13 January 2021 and 3 March 2021](#).

Wiltshire Local Plan Review consultation 13 January – 9 March 2021 included a paper on 'Addressing Climate Change and Biodiversity Net Gain'. The consultation attracted many comments that are relevant to climate change and they will form part of the evidence base for both the Local Plan and the Climate Strategy. A summary of the Local Plan Review consultation results was presented at the Cabinet meeting on [29 June 2021](#).

National Association of Local Councils (NALC) survey on climate change, which was [launched](#) in October 2020. The results for Wiltshire were kindly shared with us by NALC.

Annex B: Summary of stakeholders who engaged with the Climate Strategy development

Public sector
Public service partners Statutory agencies Town / Parish / City Councils Schools
Businesses and supply chain
A selection of Wiltshire businesses Business networks / associations (inc Swindon and Wiltshire Local Economic Partnership (SWLEP), Inspire) Wiltshire Council suppliers
Natural environment & agriculture (in conjunction with Green and Blue Infrastructure Strategy)
Natural environment organisations including: Environment Agency, Natural England, Wessex Water, canal and river trusts and partnerships, NFU and representatives of farming networks, Historic England, National Trust, CPRE, AONBs.
Wiltshire Council
GWCE Task Group Councillors A cross section of managers and staff
Community and Voluntary Sector
Local environment groups, e.g. local transition / zero carbon groups (via Wiltshire Climate Alliance) Community Energy Groups Community & Voluntary sector organisations
Transport
Wiltshire Council Sustainable Transport Team, Passenger Transport Team <i>External transport partners will be engaged fully once the government transport decarbonisation strategy is published and provides a context for partnership working.</i>
Housing
Housing associations

Appendix 2: Carbon Reduction works completed and underway on council property

Site	Public Sector Decarbonisation Scheme works				Property Carbon Reduction Budget works		
	PV panels	Air Handling Unit replacements	Motor upgrades	Air to Water Heat Pumps	LED Lighting	Heat pump	Controls upgrades
Bradford on Avon Swimming Pool	Yes						
Calne Leisure Centre	Yes		Yes				
Calne Library	Yes						
Chippenham Monkton Park Offices	Yes		Yes				Yes
Chippenham Olympiad Leisure Centre	Yes		Yes	Yes			
Chippenham Wiltshire & Swindon History Centre	Yes				Yes		Yes
Corsham Campus	Yes						Yes
Devizes Bradbury Manor					Yes		
Devizes Kennet House Depot	Yes						
Devizes Leisure Centre	Yes		Yes				Yes
Durrington Swimming Pool	Yes	Yes					
Malmesbury Sports Centre - The Activity Zone	Yes		Yes		Yes		
Marlborough Leisure Centre	Yes		Yes				
Pewsey The Vale Community Centre	Yes						
Royal Wootton Bassett Lime Kiln Sports Centre	Yes	Yes					
Salisbury Bradbury House					Yes		
Salisbury Bourne Hill Council Offices	Yes						
Salisbury Churchfields Depot	Yes						
Salisbury Culver St car park					Yes		

Site	Public Sector Decarbonisation Scheme works				Property Carbon Reduction Budget works		
	PV panels	Air Handling Unit replacements	Motor upgrades	Air to Water Heat Pumps	LED Lighting	Heat pump	Controls upgrades
Salisbury Five Rivers Leisure Centre	Yes		Yes	Yes			
Salisbury London Rd Park and Ride					Yes		
Tisbury Nadder Community Campus	Yes						
Trowbridge County Hall	Yes				Yes		Yes
Trowbridge Riverway Depot							
Warminster Library	Yes	Yes		Yes	Yes		
Warminster Sports Centre	Yes	Yes		Yes			

Appendix 3: Area Board supported environmental projects 2020/21

Blue Heart Campaign, Trowbridge Area Board - £1,115 awarded

Project summary: This project engages members of the public on the Blue Heart Campaign, which focuses on areas of land in gardens, public open spaces or road verges that are left or enhanced for wildlife. Many wildlife meadow trials in Trowbridge have very little engagement and this project runs family events to create their own blue heart for their own garden. A wildflower patch in Trowbridge will be created to run a series of talks and events demonstrating the benefits of reduced mowing and wildflower enhancements for wildlife.

City to Countryside Dog Trails initiative, Southern Wiltshire Area Board - £500 awarded.

Project summary: Dog trails to facilitate access to the countryside via supported walking routes.

Eco Friendly Directory, Southern Wiltshire Area Board, no funding required

Project summary: A community area directory of eco-friendly initiatives, projects and schemes in and around Wiltshire (a sharing resource for parish councils and community groups to get inspiration from). Produced by a local volunteer, and to be used and promoted at a themed event this year.

Electric Charging Points, Tidworth Area Board – £9,000 awarded

Project summary: A joint project with Tidworth Town Council to include the installation of electric charging points in their new Civic Centre due for completion in about 2 years. The community area currently has no charging points.

Fovant Village Hall Energy Saving project, South West Wiltshire Area Board - £5,600 awarded.

Project summary: an environmental project to aid the Fovant Village Hall to save energy through the improvement of the hall structure.

Harnham Neighbourhood Association, Harnham Harvest Table, Salisbury Area Board - £910 awarded

Project summary: The project aims to provide a mechanism for gardeners and allotment-holders in Harnham to share their surplus fruit and vegetables with other local residents who can benefit from them. This reduces wastage and promotes health and wellbeing by providing an accessible and free source of fresh produce to all who wish to take advantage of it including struggling families and older people.

Kingdom of Sticks, Bee Trail, Salisbury Area Board - £1,753 awarded

Project summary: The Salisbury Bee Trail will update signage and maps will be available to enable people to experience being outside in the city and as lockdown eases. Exploring our city green spaces is central to the trail which have hidden signs and the map will take people to the correct spot to find each of the 14 stops. For more information visit - <https://www.kingdomofsticks.com/>

Laverstock Scouts Nature Discovery Area, Southern Wiltshire Area Board - £1,700 awarded

Living Green Wall, Bradford on Avon Area Board - £2,500 awarded

Project summary: This is a community project backed by the Town Council which the Area Board supported. The [Living Green Wall](#) is a community-led project aiming to build a beautiful vertical garden in the heart of Bradford on Avon. The proposal is to build a vertical garden on the wall in Bridge Yard for the enjoyment and benefit of the town's community, visitors and businesses. Living Walls offer not only aesthetic benefits; they improve air quality and encourage biodiversity in otherwise blank lifeless spaces.

With the Town Council's declarations of Climate and Ecological Emergencies, and Climate Friendly Bradford on Avon urging the community to upscale its efforts to improve air quality and biodiversity in the town centre, this project presents a fantastic opportunity to do so, whilst providing a beautiful feature for visitors and residents alike. The wall will include a wide variety of seasonal plants, low energy LED lighting as well as birdhouses and bug hotels.

Mere Electric Car Club, South West Wiltshire Area Board - £11,000 awarded

Project summary: The aim is to introduce up to 4 electric charging points in Mere and up to 2 electric cars that will facilitate a new car club, for residents and visitors to rent. The charging points will also be promoted to A303 travellers.

Purchase of Becky Addy Wood, Bradford on Avon Area Board - £5,000 awarded

Project summary: Following the wood's listing for auction, Bradford on Avon Town Council was approached by the Friends of Becky Addy Wood (FROBAW) to investigate whether it could support a purchase as a way of protecting habitat. A [project](#) was initiated to help purchase Becky Addy Wood for the benefit of the community both in Bradford on Avon and Westwood, to retain and protect green spaces as per the intention of the Neighbourhood Plan.

Salisbury City Council/ Anybody Can Cook, Salisbury Community Pantry, Salisbury Area Board - £5,000 awarded

Project Summary - A [community shop](#) for people on low incomes who have suffered a change in situation particularly during COVID. A project with partners to extend the food delivery project that has been in place during lockdown. It acts as a stepping

stone from foodbanks and supports families and individuals to prepare nutritious meals from the ingredients, as well as helping to avoid food waste.

Salisbury Garden Volunteers, Salisbury Area Board – £1,000 awarded

Project Summary - The [Secret garden](#) is nearing completion as far as design is concerned. However, with the background of Climate Change and the interruptions to our work caused by Novichok and COVID-19 the aim is to future-proof the garden as far as possible. Our immediate goals are a) To reduce the need for constant watering b) To offer more protection for wildlife c) To reduce our dependence on foreign imports d) To increase the production of our own compost material e) To provide more of a continuous display throughout the seasons.

Salisbury Transition City, Salisbury Area Board - £1,000 awarded

Project Summary - This [event](#) will build on the successful September 2020 event which brought together over 20 community groups and organisations including Salisbury City Council with the aim of raising awareness of the need to bring about a sustainable future for the city. The event is also aimed at encouraging greater engagement amongst the young people regarding environmental issues and will promote greater involvement in the democratic process. It is also hoped that this will provide young artists with a platform to showcase their talents. This will be done by doing the following:

- Create an uplifting event in Queen Elizabeth Garden where community groups can provide information about their work.
- Provide a two stages with musical entertainment poetry and educational talks. This application will enable the youth stage to be funded. It will be dedicated to young people.
- Provide a platform for organisations including Salisbury City Council to explain what they are doing to become carbon neutral by 2030.
- Encourage visitors to become involved in positive initiatives within their own communities. 5 To promote Salisbury as being a vibrant attractive community which cares about the future of the City and the environment.

Share Salisbury (A Library of Things), Salisbury Area Board, - £3,200 awarded

Project Summary - [Share Salisbury](#) will provide the community with a Library of Things containing items such as carpet cleaners camping tables tools and toys. These will be available to hire via an on-line platform. All items will be of significant value to families and individuals who may not otherwise have access to such goods due to high purchasing cost or because infrequent use would not justify a purchase. The project will help to reduce inequality waste resource use and carbon emissions.

[Tis the Future](#), South West Wiltshire Area Board, no funding required

Trowbridge environmental community, Waste Free Masterclasses: Trowbridge Area Board - £950 awarded

Project summary: A focus on providing waste free boxes to households to help them learn ways in which to combat unnecessary single use plastics at home. Boxes are provided at subsidised cost from 'We Are Undressed' and contain different items depending on the need at home e.g. lemon bicarbonate of soda and vinegar to make up a cleaning solution. Instructional videos of what is in each box and how to make up a cleaning solution are posted to our website to guide people through the process.

Water Quality Testing Kit, Wiltshire Wildlife Trust – Trowbridge Area Board - £515 awarded

This project will allow Wiltshire Wildlife Trusts Water Team to purchase a backpack lab - water quality testing kit and educational resource, part of the ABBA: A Better Biss Approach Project. An in-depth water quality analysis on the rivers around Trowbridge will commence and school and community groups will be introduced to water quality testing with practical demonstrations and activities.

Appendix 4: Capital and Revenue funds that are allocated to programmes to reduce carbon generation in Wiltshire.

CAPITAL	Previous		2022/23	Future		Total	Grant	Salix	Borrowing	HRA	Revenue Budget	TOTAL	External Funding
	Years	2021/22		Years	Years								
HRA - Housing Energy Efficiency Programme	-	3.000	5.000	42.000	50.000	-	-	-	50.000	-	50.000	-	
LED Programme	8.024	4.271	-	-	12.295	-	-	12.295	-	-	12.295	-	
Salisbury River Park Scheme	6.049	0.481	-	-	6.530	6.060	-	0.470	-	-	6.530	20.000	
Area Board - Grants linked to Climate Change	0.050	-	-	-	0.050	-	-	0.050	-	-	0.050	-	
Operational Property Energy Efficiency and Generation	0.453	3.047	6.900	-	10.400	-	-	10.400	-	-	10.400	-	
Park & Ride Solar Panel Canopies	-	2.400	1.100	-	3.500	-	-	3.500	-	-	3.500	-	
Public Sector Decarbonisation Scheme Projects	0.200	4.438	-	-	4.638	4.638	-	-	-	-	4.638	-	
Active Travel Fund	-	0.681	-	-	0.681	0.681	-	-	-	-	0.681	-	
Total Capital	14.777	18.318	13.000	42.000	88.095	11.380	-	26.715	50.000	-	88.095	20.000	

REVENUE	Previous		2022/23	Future		Total	Grant	Salix	Borrowing	HRA	Revenue Budget	TOTAL	External Funding
	Years	2021/22		Years	Years								
National Bus Strategy	-	0.100	-	-	0.100	0.100	-	-	-	-	-	0.100	-
Better Bus Fund - Bus Service Enhancements	-	0.671	-	-	0.671	0.671	-	-	-	-	-	0.671	-
Rural Mobility Grant - Pewsey Vale Demand	-	1.200	-	-	1.200	1.200	-	-	-	-	-	1.200	-
Responsive Bus Service	-	0.500	-	-	0.500	0.500	-	-	-	-	-	0.500	-
COMF - Warm & Safe Wiltshire	0.350	0.350	0.350	0.350	1.400	-	-	-	-	-	1.400	1.400	-
Dedicated Climate team	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	0.350	2.821	0.350	0.350	3.871	2.471	-	-	-	-	1.400	3.871	-

BIDS	Previous		2022/23	Future		Total	Grant	Salix	Borrowing	HRA	Revenue Budget	TOTAL	External Funding
	Years	2021/22		Years	Years								
Local Cycling and Walking Infrastructure Plans -	-	0.060	-	-	0.060	0.060	-	-	-	-	-	0.060	-
Chippenham & Trowbridge	-	0.096	-	-	0.096	0.096	-	-	-	-	-	0.096	-
Bradford on Avon Treescape Bid	-	-	-	-	-	-	-	-	-	-	-	-	-
In Development	-	0.156	-	-	0.156	0.156	-	-	-	-	-	0.156	-

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Wiltshire Council

Cabinet

13 July 2021

Subject: Silverwood School Build Update

Cabinet Member: Cllr Jane Davies, Cabinet Member for Adult Social Care, SEND, Transition and Inclusion

Key Decision: Key

Executive Summary

At a meeting of Cabinet on 19th November 2019, the following decisions were made:

- Approval for the establishment of a new maintained special school with a single leadership team for the existing St Nicholas, Rowdeford and Larkrise schools as soon as possible and no later than 1 September 2021
- Approval for the closure of St Nicholas, Rowdeford and Larkrise school as a related proposal no later than the 31 August 2021
- Approval for expansion on the existing Rowdeford site to accommodate up to 400 pupils as part of the new special school by September 2023
- Recommendation that a new capital budget is included in the Capital Programme 20/21 which will be approved by Full council in February 2020 at the revised level of £33.194 million required to deliver this proposal
- Approval that the sites of St Nicholas and Larkrise stay in use until the new provision is ready, and it is appropriate to consider children/young people transitioning to the new site at Rowdeford
- Authorisation that the Executive Director of Children's Services, after consultation with the Cabinet member for Children, Education and Skills, the Director of Legal, Electoral and Registration Services and Chief Finance Officer/Section 151 Officer takes all necessary steps to implement Cabinet's decision.

Since this meeting there has been significant progress in delivering against these recommendations and the special school transformation programme is well-established.

In June 2020 Willmott Dixon were appointed as the Council's Main Construction Partner operating under a Pre-Construction Services Agreement to carry out design works for the Silverwood School build project. A final build contract is then expected to be signed with Willmott Dixon in autumn 2021.

The detailed build design has now been completed through a successful programme of co-design with pupils, parents and carers, staff and governors. However, most recent cost planning indicates that the costs of the build are

expected to exceed the current allocated capital. This cost-pressure can be attributed to a combination of factors:

- In the past few months there has been a period of extreme volatility in the construction market, with significant increases in material prices and challenges in supply due to a culmination of factors including global demand, Brexit and recovery from the pandemic.
- There are cost pressures related to the unique nature of this site driven by the commitment to create a design that is sympathetic to the site and allows protection of its biodiversity. In particular, a very rare species of bat has been identified on the site. As a result, appropriate mitigation is required on site to protect and enhance this rich natural setting.

This paper seeks Cabinet approval for a budget allocation of £5.283M in additional capital to be funded by borrowing from the “Other Capital Schemes to be Confirmed” budget and that it is reprofiled to £3m in 2023/24 and £2.283m in 2024/25. This will enable this important build programme to proceed and secure much-needed additional places for our learners with special educational needs. Without this additional capital, the build programme will be at risk of delay and consequent risk of a lack of sufficient in-county places for our most vulnerable learners. This would have a detrimental impact on children, young people and their families and the need to provide alternative places in additional temporary accommodation or in independent sector placements would also impact on the Council’s revenue budgets.

Proposal(s)

It is recommended that Cabinet approve the allocation of £5.283m of capital budget funded by borrowing from the “Other Capital Schemes to be Confirmed” budget and that it is reprofiled to £3m in 2023/24 and £2.283m in 2024/25.

Reason for Proposal(s)

If additional special school places cannot be delivered by September 2023 there will be insufficient places for some of our most vulnerable learners. Provision would either need to be made in temporary accommodation which could be costly and challenging to locate on site, or in independent sector places which are also under pressure, are high-cost, and often require learners to travel out of Wiltshire. This has a significant impact on our high needs block budget, as well as our transport budget, and most importantly does not support learners to be educated within Wiltshire close to their home and families.

Terence Herbert
Chief Executive

13 July 2021

Subject: Silverwood School Build Update

Cabinet Member: Cllr Jane Davies, Cabinet Member for Adult Social Care, SEND, Transition and Inclusion

Key Decision: Key

Purpose of Report

This report will provide an update to Cabinet on the Silverwood Build programme and requests that Cabinet note the current cost pressures against the allocated capital budget in the context of extreme volatility in the construction market, and the specific challenges of the site. It will request that Cabinet approve the allocation of £5.283m of capital budget funded by borrowing from the “Other Capital Schemes to be Confirmed” budget and that it is reprofiled to £3m in 2023/24 and £2.283m in 2024/25. It sets out the importance of providing additional special school places, and the risks to both the Council’s budget and to children, young people and their families if alternative placements need to be identified.

Relevance to the Council’s Business Plan

1. The Silverwood School build forms part of the special school transformation programme of work which contributes to a number of the Council’s priorities and objectives as laid down in the Business Plan 2017-2022:
 - i) **Priority: Growing the Economy**
 - High quality special educational provision in all schools; ensuring that all pupils achieve the best possible outcomes and go on to enjoy the best start to adult life
 - Investment in local contractors and business through the build programme via our Main Supply Chain Partners
 - ii) **Priority: Strong Communities**
 - Focus on delivering the educational provision, in-county, that children and young people with special education needs and/or disability (SEND) require: the right education provision, at the right time, in the right place
 - Developing social enterprise opportunities on the new site and supporting ongoing links between the campuses of the school and their local communities

- Promoting inclusion across our school system and supporting a broader offer that enables education within a mainstream setting where appropriate

iii) Priority: Protecting the most Vulnerable

- Ensuring that children and young people with SEND can have the best education and support, provided in good quality estate
- Ensuring that special education provision in Wiltshire is equitably provided, reducing the number of pupils who must travel excessive distances to school
- Special education provision that is better aligned with other related services (community health services, social care, and mental health for example)
- Promoting and supporting an aspirational curriculum that delivers outstanding teaching and learning and promotes outreach into mainstream provision

iv) Priority: Innovative & Effective

- Creating a system of excellence that will promote inclusion of SEND children and young people in mainstream provision
- Demonstrating an open and inclusive approach; designing the new school together through co-production
- Doing things differently to ensure that the Council can meet its statutory duties to provide the right education provision in the face of a rising population and growing demand

Background

2. In a report to Cabinet on 19th November 2019 it was noted that there were three potential scenarios for costs for the Silverwood Build project. The likely cost was identified as c£33m, whilst the worst-case scenario was estimated to be around £39m. Accordingly, Cabinet approved a capital budget of £33.194m to be included in the Capital Programme for 2020/21 to be approved by Full Council in February 2020.
3. In June 2020 Willmott Dixon were appointed as the Council's Main Construction Partner operating under a Pre-Construction Services Agreement to carry out design works for the Silverwood School build project with a view to entering into a formal build contract with them during 2021. There was some impact due to COVID on the timescales in appointing Willmott Dixon, and this has consequently impacted on timescales for some activities such as co-design and visits to other schools. Most recently there has been a period of extreme volatility in the construction market due to a culmination of factors including global demand, Brexit and recovery from the pandemic. The project team continue to work with Willmott Dixon to mitigate the impact of this on the delivery of the build as much as possible and will continue to monitor closely.
4. Notwithstanding this, co-design work has continued despite the challenges of delivery during a pandemic and the programme is forecast to deliver

additional new school places as anticipated by 2023 delivering key benefits across the system.

5. From September 2020 to March 2021 a programme of 14 co-production workshops was delivered in order to develop the designs for the new build in partnership with parents, carers, staff and governors. The Council has also worked together with the school to support co-design work with pupils from across the three sites to shape what should be included in the new build. This has enabled stakeholders to work directly with the design team architects to shape the design from the 'ground up'.
6. Engagement with the local community has also been vital from the outset in developing proposals for the new build. Two community engagement events were held in November and March via a webinar format. Attendees, including local residents and parish councillors, received presentations from the programme team sharing the design as it had developed. The presentation was followed by an in-depth interactive question and answer session covering a broad range of topics including transport, access into and out of the site, and biodiversity and protection of the natural habitats on site. It is evident that the Rowde community have always been and continue to be highly supportive of the school.
7. The build project team and school governors and leaders have also been able to visit other special schools in the local area in order to benefit from their experience and "lessons learned" from other new build developments. Feedback from these visits was shared with the wider co-production workshops.
8. The design team has been working closely with the school's staff and senior leadership team and with key stakeholders including local residents to develop detailed designs including room layouts and arrangements for transport and drop-off and pick-up at the site. There has been good engagement with local health partners and professionals including representatives from Virgin Care, Oxford Health, occupational therapy and the wheelchair service, and health professionals have provided valuable input to the detail of room layouts and hygiene and therapy spaces to ensure they will work well for children and young people.

Main Considerations for the Council

9. The detailed build design has now been completed through a successful programme of co-design with pupils, parents and carers, staff and governors. However, most recent cost planning indicates that the costs of the build are expected to exceed the current allocated capital by £5.283M. This cost-pressure can be attributed to a combination of factors:
 - In the past few months there has been a period of extreme volatility in the construction market, with significant increases in material prices and challenges in supply due to a culmination of factors including global demand, Brexit and recovery from the pandemic. Steel, timber, cement, aggregates, plastic and roof tiles are among the products that have been on the Construction Leadership Council's list of products

- facing supply constraints, and price increases are being forecast for 2021 and 2022.
- There are cost pressures related to the unique nature of this site driven by the commitment to create a design that is sympathetic to the site and allows protection of its biodiversity. In particular, a very rare species of bat has been identified on the site. As a result, appropriate mitigation is required through the build design to protect and enhance this rich natural setting.
10. A programme of value engineering has been successful in mitigating some cost pressures to date, and further work in this area will continue to be vital in managing costs. The Council's project team will work closely with Willmott Dixon and with the support of independent cost advice to ensure that we continue to realise efficiencies and cost reductions, working to reduce this affordability gap. However, further reductions to the core project brief and scope, such as reduced floor area or facilities would be detrimental to the build and realisation of benefits through the wider transformation programme as they would risk delivery of the core requirements, either by reducing facilities available or decreasing the number of places that would be created through the programme.
 11. Demand for special school places continues to rise both nationally and in Wiltshire. Between September 2019 and September 2020 there was an 11.6% increase in EHCPs in Wiltshire. Nationally, government projections are that demand for special school places will continue to rise until 2024 before levelling off and very gradually decreasing.
 12. Since its opening in September 2020 place numbers at Silverwood have already risen from 370 to a projected approximate 400 on roll in September 2021. As the report to Cabinet on 19th November 2019 noted therefore, there is a continuing and urgent need for additional special school places in order to ensure that we can deliver against our SEND and Inclusion strategy's key priorities which include a commitment to supporting inclusion and wellbeing in the community and improving the range and quality of provision.
 13. If additional capital cannot be identified there is a risk that the required places would not be delivered on time. This would require the Council to identify alternative placements for children and young people. These could potentially be provided in temporary accommodation subject to identification of a suitable site and would incur estimated costs of £0.725m capital and £0.12m revenue. However, there is a significant risk that some places would need to be sourced in the independent sector. As highlighted in the report to Cabinet on 19th November 2019 such places are significantly more expensive than our own in-house provision and there are very few places in the independent sector within easy distance of the county, therefore there is a greater risk that placements become residential rather than day placements. This is contrary to the Council's drive to ensure that children live and learn in the county. This is not only costly, placing financial pressure on the high needs block, and translating into costly packages of care as children to transition into adult services, but also reduces the likelihood of children being included within and active citizens of their local communities.

The impact on the high needs block could be significant, and for every 5 children who had to be placed in an independent sector place, there would be an estimated annual cost of £0.265M, and whole lifetime education costs for these same children if placed in independent sector in Reception would be £3.7m over 14 years, with transport costs in addition to this.

Overview and Scrutiny Engagement

14. The proposals were previously presented to Overview and Scrutiny on 30th September 2019.

Safeguarding Implications

15. As highlighted in the report to Cabinet in November 2019 there are safeguarding implications to be considered as this project proceeds through implementation. These include:
 - I. Ensuring staff are appropriately trained and supported to work with different cohorts of learners
 - II. Ensuring that development at the Rowde site takes account of the need to create environments that are accessible to and meet the needs of those with severe learning difficulties
 - III. Ensuring that the transport assessment and travel plan that supports the planning application for the new build at the Rowde site addresses the issue of the increased traffic that will be entering and leaving the site, in order to safeguard learners and local residents.
 - IV. Ensuring that the travel plan associated with the planning application for the new build at the Rowde site ensures an efficient and robust plan for journeys to and from the site, including on-site traffic management.

Public Health Implications

16. The provision of education positively contributes to population health and wellbeing. Access to a high quality education plays a key role in providing foundations to ensure all children have the best start in life, giving them the ability to learn and understand about health and wellbeing and have the opportunity to live healthier lives.
17. Having additional specialist provision for children and young people with complex needs in Rowde will be more convenient for those parent carers in the East of the county and will reduce their travel times.
18. The main health and care providers in Wiltshire were consulted at the time of the development of the proposals and there is ongoing engagement with them in order to shape the designs for the new build.

Procurement Implications

19. The Council has appointed Willmott Dixon as our main construction partner.

20. Procurement was undertaken via the Southern Construction Framework (SCF) which is fully OJEU compliant and has been used previously to successfully deliver a major school project.
21. A two-stage mini-competition through the framework resulted in Willmott Dixon being appointed under a Pre-Construction Services Agreement (PCSA) as our preferred partner to deliver two key outputs:
 - a. To produce an accepted design up to the end of RIBA Design Stage 4 (Technical Design Stage)
 - b. Via a mechanism of open book and transparent competitive pricing to provide the Council with a fixed price lump sum to carry out the construction works for acceptance by the Council
22. If the above two outputs are delivered to the Council's satisfaction, the Council will then enter into a formal NEC Build Contract with Willmott Dixon to carry out the construction works. However, the Council is not obliged to enter into a formal build contact and therefore the Council's immediate liability is protected and capped to the value of the PCSA.
23. The additional budget allocation of £5.283M that is being sought is permissible under the Public Contracts Regulations 2015.

Equalities Impact of the Proposal

24. At every stage of the process of developing proposals, Equalities Impact Assessments have been carried out. The most recent review of the EIA indicates that the programme retains a similar level of impact on equality / diversity issues to that shared with Cabinet in November 2019.
25. The creation of a new single school across three sites, and the provision of additional school places positively seeks to offer greater access and diversity of curriculum and support in a world class learning environment.

Environmental and Climate Change Considerations

26. As highlighted in the Cabinet Report in November 2019 the programme is focused on creating additional spaces on an existing site thereby reducing the need to build on greenfield sites and will also involve repurposing existing buildings, with a focus on sustainability and eco-friendly construction best practice.
27. The build project is seeking to reduce carbon emissions whilst increasing places, and there is an aspiration that the new classroom block will be carbon neutral on completion.

Risks that may arise if the proposed decision and related work is not taken

28. There are a number of risks associated with not making a decision:
 - Inability to provide sufficiency of SEND places in the north of the county

- High revenue costs associated with making temporary or alternative places available either through temporary capital works or high-cost placements in independent sector placements.
- Children/young people continuing to be educated in buildings not fit for purpose
- Children/young people continuing to be educated in communities away from Wiltshire

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

29.

Risk	Mitigating Action
Risk that construction costs will continue to rise during this period of market volatility.	Robust project management through the Council's project team, working closely with our independent cost consultant to benchmark costs and drive best value. Internal challenge and focus to be provided through an internal Silverwood Build working group.

Financial Implications

30. Clearly this is a significant increase in cost. Infrastructure in particular is susceptible to pressures around materials availability and a shortage of specialist skills, with price increases of 3% and 5% being forecast for 2021 and 2022 respectively. Despite this increase, it is prudent to proceed with the build as per the original timeline largely due to the requirement for specialist places but additionally, delays in getting projects moving are likely to translate into an even steeper pace of predicted inflationary growth from 2022 onwards, reaching 5% by 2025 as the market recovers.
31. The Silverwood Build working group was created to provide some internal challenge and focus as we move forward. The group provides regular updates to the Special Schools Transformation Group which then escalates risks through the FACT Board. In addition, there is a regular update on Specialist School Place Planning to Schools Forum as part of the high needs block recovery plan.
32. The additional Capital Budget requirement is £5.283m. Capital financing costs would be circa £0.211 million per year based on annuity Loan for 50 years at 2%.
33. It is recommended that budget is allocated from the "Other Capital Schemes to be Confirmed" budget in 2022/23 and that it is reprofiled to £3m in 2023/24 and 2.283m in 2024/25. Borrowing for this has already been approved by full Council and budget to finance it has been included in the Financing and Investment Income and Expenditure revenue budget. This will reduce the total "Other Capital Schemes to be Confirmed" budget to £18.9m.

Legal Implications

34. There are six categories of modifications available under the Public Contracts Regulations 2015 (PCR 2015) Regulation 72. The most appropriate regulation to apply here is Regulation 72(1)(c), which states that modifications are available without a new procurement exercise where there were circumstances that affect the contract value that a diligent contracting authority could not have foreseen, the modification doesn't alter the overall nature of the contract, and the increase in price does not exceed 50% of the total value of the contract.
35. The unforeseen circumstances in this case were the impact of an increase in cost of resources in the construction market and delay in appointing Willmott Dixon due to COVID, as well as circumstances the Council was unaware of regarding a protected bat species. These circumstances were responsible for the increase in the project price. The overall nature of the project (the provision of a special school) has not changed, and the increase in the price does not exceed 50% of the total initial value of the contract.
36. The legal implication of modifying the contract under Regulation 72(1)(c) is the requirement of the publication of a modification notice on the UK e-notification services, Find a Tender (FTS).

Workforce Implications

37. No workforce implications.

Options Considered

38. Three key options have been considered:

- To increase the capital budget for the build project as set out in this report
- To seek to decrease the scope of the brief for the project either in terms of facilities, spaces or build quality.

This option is not recommended as it would not deliver the required additional places or facilities which are integral to ensuring children and young people with SEND receive an excellent education.

- To test the market to seek alternative pricing through a single-stage tender process.

This option is not recommended as it presents a risk that an alternative provider could not be identified to deliver the build programme to time or budget, and there could consequently be a delay to delivering places and consequent risks as outlined in this report.

Conclusions

It is recommended that Cabinet approve the allocation of £5.283M additional capital in order to proceed to the next stage of the build project funded by

borrowing from the “Other Capital Schemes to be Confirmed” budget and that it is reprofiled to £3m in 2023/24 and 2.283m in 2024/25.

Helen Jones (Director - Joint Commissioning)

Report Author: Alison Enever, Head of Special School Transformation,
alison.enever@wiltshire.gov.uk,

Date of report: 30th June 2021

Background Papers

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

Report to Cabinet November 2019: “Proposals for special schools in the north of Wiltshire – Outcome of statutory consultation (September 2019)”.

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Wiltshire Council

Cabinet

13 July 2021

Subject: Proposal for the future provision of Streetscene Grounds Maintenance and Street Cleansing

Cabinet Member: Cllr Dr Mark McClelland Cabinet Member for Transport, Waste, Streetscene and Flooding

Key Decision: Key

Executive Summary

Cabinet are asked to consider the options and evidence presented in this paper and to reach a decision on the future delivery mechanism for grounds maintenance in Wiltshire.

Consideration has been narrowed down to two options:

- (a) Procurement of a new contract
- (b) Bring service delivery under Council management

In developing the options, consideration has been given to:

- The opportunity for future revenue savings
- Opportunities for improvements to service delivery i.e. litter collection, fly tipping and associated enforcement action
- Asset Transfer and Service Devolution
- Our carbon neutral target
- The statutory duties of the Council
- Efficiencies from including similar services into a new contract or in-house provision

Proposal(s)

That authority is delegated to the Director Communities & Neighbourhood, in consultation with the Cabinet Member for Transport, Waste, Street Scene and Flooding, to scope an innovative new specification, including new service areas, and procure and award a new contract for street scene services and grounds maintenance from the market.

Reason for Proposal(s)

The present street cleansing and amenity grounds maintenance services are being provided by *idverde* under an external contract which will terminate on 30

November 2022. Legal and procurement advice is that the current contract cannot be extended.

Terence Herbert
Chief Executive

Wiltshire Council

Cabinet

13 July 2021

Subject: Proposal for the future provision of Streetscene Grounds Maintenance and Street Cleansing

Cabinet Member: Cllr Dr Mark McClelland Cabinet Member for Transport, Waste, Streetscene and Flooding

Key Decision: Key

Purpose of Report

1. The present street cleansing and amenity grounds maintenance services are being provided by *idverde* under an external contract which will terminate on 30 November 2022. Legal and procurement advice is that the current contract cannot be extended.
2. Cabinet is asked to consider the options and evidence presented in this paper and to reach a decision on the future delivery mechanism for grounds maintenance in Wiltshire. The options under consideration are:
 - Option 1:** Procurement of a new contract
 - Option 2:** Bring Service delivery under Council management

Relevance to the Council's Business Plan

3. Clean and well-maintained streets, public open spaces, amenity land, streets, countryside sites and cemeteries and churchyards all contribute to improving people's sense of mental wellbeing and physical health, helping to create stronger communities.

Background

4. The present street cleansing and amenity grounds maintenance services are being provided by *idverde* under a resource based external contract which will terminate on 30 November 2022. This contract was originally delivered under the Main Highway Contract with Balfour Beatty Living Places from 2013 to 2015. Due to performance issues under agreement with Balfour Beatty the contract was novated to their subcontractor originally Fountains Landscapes Ltd, who on going into administration were taken over by English Landscapes who were subsequently bought by the French company *idverde*. Prior to 2013 the service was delivered under a mixed model with some inhouse provision and some outsourced provision. By moving to an outsourced model savings and efficiencies were made and initial performance issues have been addressed through the client management of *idverde*.
5. A resource-based contract operates under a defined scope of works and broad guidelines such as the overall extent of grass to be cut. The contractor identifies the number of

operatives required to deliver the service in total and the core costs of the contract are calculated accordingly. The council as client has the advantage of flexibility as to how it then prioritises activities according to changing demand and can ensure delivery of the optimum service. For example, if cold weather at the start of the planned grass cutting season causes the rate of growth to be slow such that it can be delayed, the staff resource that is freed up can be redirected to undertake additional litter collections, without there being an additional charge to the council. This has been proven to work well, with change notices being issued to the contractor to cover variations and the option for individual compensation event notices to be issued when a need arises for a task to be undertaken which is outside of the scope of works. Where there are prescribed standards which apply to specific elements of the ground's maintenance services, the services are provided to at least the minimum statutory requirement.

6. The current Street Scene contract was due to end on 31 May 2020 but was extended for a further six months to 30th November 2020 as the service felt it was not sensible to potentially implement a new contract with a replacement supplier in the middle of the grass cutting season. A further extension to the contract of two years was subsequently agreed based upon the need to meet the requirements of the Council's then newly adopted Service Delegation/Community Asset Transfer (SDAT) Programme and remove the risk of tendering unknown quantities before the completion of the programme. The SDAT programme is currently paused.
7. In March 2020 the Service was moved from the Highways and Environment Directorate to Communities and Neighbourhoods in order to provide greater join up with Countryside and Rights of Way services and closer working with Town and Parish Councils through Communities.

Main Considerations for the Council

8. The services provided under the present contract are:

Provision and emptying of litter bins	Electoral transport service
Grounds maintenance of public open spaces and amenity areas (grass cutting, hedge and shrub maintenance)	Cleaning of the Council's public toilets including those at park and ride locations, cemeteries and chapels and Castle Coombe.
Street Cleansing	Play area inspections and maintenance
Grave digging (council owned cemeteries)	Graffiti removal
Fly-tip clearance of non-hazardous waste, up to 3.0 cubic metres.	Markets (setting up and dismantling)
Leisure facilities land	HRA land

9. Greater efficiencies, economies of scale and improvements to standards of provision including enforcement activity could be achieved through the inclusion of some similar services currently provided in other ways by the council. Table 1 sets out what these services are. If the contract is retendered to include these proposed additional services, with the exception of the fly-tipping element, these would be tendered as individual lots to enable the associated services to identify their service specific costs. The lots can include a bill of quantities, this would incorporate day rates as well as prices for ad-hoc works. Further details on this would be established during the procurement process and market testing.

Table 1: Additional grounds maintenance services to be considered for incorporation within a new contract or Council Managed service

Service	Present Management	Benefits of Inclusion	Operation if Outsourced	Operation if Council- Managed
Collection of all fly-tipped waste (hazardous & non hazardous & over 3m³)	Collection of clean (non hazardous) fly-tipped waste under 3m³ is included within GM contract. For clearance of clean fly tip waste over 3m³ and Hazardous fly tipped waste arrangements are made via the Enforcement team.	All clean waste fly tips can be collected together. Single disposal and processing. Hazardous waste still requires specialist handling but potential for economies of scale if handled by one operator. Will allow effective enforcement.	Specification to be included in tender. Risk assessments, safe systems of work, PPE etc. will be responsibility of contractor.	Council team could subcontract the hazardous fly-tip waste service.
Maintenance and Improvement of Public Rights of Way and Countryside sites	Reactive service provided by Countryside Management using local contractors and volunteers to undertake work on ad-hoc basis. No contract in place.	confidence and stability and economies of scale. Will aid budget planning.	Specification to be included in tender. Contractor can be required to support and work with volunteers on appropriate tasks.	Initial investment in vehicles, machinery and tools and recruitment of operational staff. May be easier to combine with increased volunteer activity unlikely to bring cost savings.
Maintenance of trees on council-owned land	Reactive service provided by Countryside Management using local contractors and volunteers to undertake work on ad-hoc basis. No contract in place.	confidence and stability and economies of scale. Will aid budget planning.	Specification to be included in tender.	Arboriculture is a specialist activity and requires specialist knowledge and skills. Under an inhouse model we would sub-contract
Housing HRA Grounds Maintenance	Sheltered Housing Schemes – standard service delivered; HRA pays for an enhanced service. The minimum standard provided through the existing contract is not considered acceptable by the residents who pay directly for the service.	Should be included as a separate “Lot” to enable a separate service standard to be determined, the cost of which can be recovered in its entirety from the tenants.	Let as a separate Lot which could be bid for in isolation or as part of a successful multi-lot bid.	Will need inclusion in initial start-up costs and then ongoing delivery. Could also include requirement for additional workforce, vehicles and machinery.

Table 1: Additional grounds maintenance services to be considered for incorporation within a new contract or Council Managed service

Service	Present Management	Benefits of Inclusion	Operation if Outsourced	Operation if Council- Managed
Housing HRA Grounds Maintenance	Communal/Shared Areas – standard service delivered.	A separate “Lot” to enable service standard to be determined, the cost of which can be recovered in its entirety from the tenants.	Let as a separate Lot which could be bid for in isolation or as part of a successful multi-lot bid.	Will need inclusion in initial start-up costs and then ongoing delivery.
Council Property Assets – Grounds Maintenance	The grounds maintenance requirement for space that sits within the curtilage of council owned properties currently receives the standard service under the existing GM contract.	For service-based reasons (e.g. sensory gardens in the Respite Centres, landscaping at Leisure Centres) there is a requirement for a different specification.	Let as a separate Lot which could be bid for in isolation or as part of a successful multi-lot bid.	Will need inclusion in initial start-up costs and then ongoing delivery.
Council owned land excluding land within the curtilage of council properties unfunded activities	Certain grounds maintenance activities which present on this type of land are unfunded and not provided for within any existing arrangements. This would include such things as: Ditch clearance, Non highway drains and culverts, tree care, Hard-surface maintenance, river corridors and pond maintenance	Including these disciplines in any new contract as core competency will resolve long standing inefficiencies.	Types of work could be stipulated and included in a Bill of quantities and responsible services can prioritise works against budget.	These works may require specialist skills and the need to be subcontracted.

10. The present contract allows town and parish councils to go direct to our provider for top up services such as additional grass cutting. There is scope for us to manage this demand and generate income by offering add on services to all town and parish Councils at the beginning of the year. Town and Parish councils could then opt in should they feel they want to enhance the service we will be providing whilst benefiting from our economies of scale.
11. Both the additional services and inclusion of similar services could take place both by an external contract or Council managed provision. The efficiencies and potential savings / income generation are being worked through. Decisions on the addition or removal of any area of service would need to be taken in consultation with the Cabinet Member or Members within whose remit they fall.
12. The team have undertaken a broad analysis of delivery options, considering the approaches from other local authorities. Appendix 1 details all options considered and the reasons for discounting those that aren't presented here. Table 1 below details the strengths, weaknesses, opportunities and threats of the two options:

Option 1: Procurement of a new contract

Option 2: Bring Service delivery under Council management

Please note a financial comparison can be found at Appendix 3.

Table 1: SWOT analysis of options		
	Option 1: External Contract	Option 2: Wiltshire Council Managed Service
Strengths	<p>The contractor manages the on-the ground delivery of the service with the Council managing the contract and relationship with the provider, each utilising skills, knowledge, and capacity which already exist in the respective organisations.</p> <p>Economies of scale are more readily achieved as the provider operates nationally and not just in Wiltshire.</p> <p>The contractor can increase/decrease provision for seasonal demand by bringing staff in from other areas and taking staff off to other works during the quieter months.</p> <p>The Contractor is commercially orientated, continuously striving for efficiency and cost effectiveness driven to do this by shareholder value.</p> <p>This is the existing arrangement and does not require the council to have the in-house skills required to deliver the on-the-ground service.</p> <p>A resource-based contract as at present provides good flexibility of the workforce to meet changes in core priorities without incurring additional costs.</p> <p>Fixed costs are pre-determined over the life of the contract but with inbuilt flexibility to make cost and efficiency savings as opportunities arise and/or other requirements necessitate.</p>	<p>The council directly manages the whole service providing a standard approach to both staff management and service delivery further enabling a consistent level of service across all localities.</p> <p>Council managed service would require significant upskilling and/or recruitment of staff therefore increasing and developing the skills and knowledge available in-house.</p> <p>Although the core services will be specified within an agreed scope of works and must be delivered to the prescribed standards, an in-house workforce will give increased flexibility</p> <p>There is greater control over budget allocations and resources deployed when cost and efficiency savings are required</p> <p>A council managed service may better facilitate changes in service levels consequent on service delegations and asset transfers</p> <p>There is no profit margin all financial input goes into delivery of service for our residents.</p> <p>Depending on the service operating model chosen, an arms-length option could be able to generate income from the provision of commercial/top-up services.</p>
Weaknesses	<p>The Council does not directly manage the on-the-ground delivery of the service so has less control than if it managed the whole service.</p> <p>Additional works not included in the scope of works will need to be paid for at extra cost even if provided by the same contractor. Non contractual tasks can introduce delays.</p>	<p>The current Streetscene service team has no recent experience of managing the delivery of the service. A minimum of twelve months will be required to upskill/ recruit the necessary staff before the start date of 1 December 2022.</p> <p>The council will have less buying power to negotiate lower costs, especially at start-up.</p>

	<p>Under-performance in some areas can be difficult to address if the contractor is performing satisfactorily on balance.</p> <p>External contract is likely to be less flexible when quantifying future service requirements should a number of service devolutions happen for example the recent SDAT programme drastically reduced the service provision in a number of areas resulting in contractor's loss of profit and steep compensation event notices.</p> <p>If a new external provider TUPE of staff will apply.</p>	<p>TUPE of staff from existing provider may require harmonisation of terms and conditions depending on which Council management model is adopted.</p> <p>For an arms-length option; This will be a new venture for the council and will take a significant resource involving a number of service areas, including Legal, HR, and Finance.</p> <p>The council has no experience of operating a Teckal company and is unlikely to be able to immediately offer a commercial service as a newcomer in a competitive market. This would mean that the advantages of offering commercial services alongside the core work of the council's grounds maintenance may not be realised for some time, potentially between 3-5 years.</p> <p>If the restructure is required once the service is brought in house and redundancies apply, depending on the age, length of service of Officers and contributions made this could lead to pension strain.</p>
Opportunities	<p>The scope of the contract could be extended to include additional services such as dealing with hazardous fly-tipped waste, maintenance of trees on council owned land and maintenance of public rights of way.</p> <p>Contractors are able to take on extra clients to supplement their income.</p> <p>Contractor can provide top up services to Town and Parishes – enabling economies of scale to be passed to the localities and supplemented income for the provider.</p>	<p>Other directorates have separate contracts in place with IdVerde or other providers. A Council managed operation could rationalise these providing greater efficiencies and cost benefits.</p> <p>The scope of the contract could be extended to include additional services for which the council currently has no contract in place, such as dealing with hazardous fly-tipped waste, maintenance of trees on council owned land and maintenance of public rights of way.</p> <p>Possibility to provide enhanced/top up services to town and parish councils there by generating income.</p>
Threats	<p>There is an inevitable uncertainty about the post-COVID economic recovery and how this will affect the market. Although the council would not be going out to tender until early in 2022, by which time there may be better vision, it is at present difficult to know whether</p>	<p>The timescale for setting up an entirely in-house operation to be operative by 1 December 2022 is already demanding, due to the need to start from scratch. It will be necessary to upskill and recruit experienced staff which will add to the start-up costs.</p>

	<p>external providers will offer best value in comparison with the services being brought under the council's management.</p>	<p>Inevitably, there is a nervousness at present about post-COVID recovery, how long it will take and what it will look like both within the council and externally. The council will need to have and retain the skills and experience to adapt to emerging, changing and unpredictable circumstances as they arise.</p> <p>Although the services to be delivered will be prescribed within an agreed scope of works, there is a risk that the workforce will be perceived as a flexible council- wide resource that can be diverted to undertake other works unrelated to the Streetscene functions, to their detriment.</p> <p>A further decision is required on the Council Managed approach: Teckal company, Trust or Community Interest Company.</p>
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	Considerations within each option
Option 1: Procurement of a new contract	a) Length of contract – industry data indicates 10 years provides value for money through a return on initial investment. A break clause within the contract is recommended.
	b) Depots – whether the provider using our depots at a charge or whether they use their own facilities. This could be determined through contract negotiation. With options presented in the contract specification
	c) Capital investment – If the Council invested upfront Capital into the contract for machinery and equipment there is the potential to deliver a year-on-year revenue saving.
	d) Scope of contract, potential to include fly tipping, FM GM works, public rights of way and trees maintenance. This could be done as an option within the procurement process and proceed if the market price is acceptable.
	e) Client management – potential to deliver saving by requiring the contractor to client manage the contract. Quality management would need to be considered carefully for this.
Option 2: Bring service under Council Management	a) Determine whether to manage in house, or as a Teckal Company, a Trust, or a Community Interest Company.
	b) Scope of service; including additional services would be straight forward; but the expertise required for fly tipped hazardous waste is likely to require contracting of this service.
	c) The revenue generating opportunities for each management option may be a factor in determining which option is chosen.

Overview and Scrutiny Engagement

13. A briefing note will be provided to the Environment Select Committee prior to consideration by Cabinet of this report.

Safeguarding Implications

14. Grounds maintenance services are provided for the benefit of all people, including children, young people and vulnerable adults. Whether the services are in future provided through a tender or are brought under the Council's management, there is no bearing on safeguarding.

Public Health Implications

15. The maintenance of the council's amenity land and public open spaces, urban streetscene, cemeteries and closed churchyards, public toilets, trees, public rights of way and street cleansing and collection of litter and fly-tips all contributes to peoples' safe use and enjoyment of their environment and to their mental and physical wellbeing.

16. As identified in the Environmental and Climate Change Considerations section of this report, by improving the way in which these services are delivered to contribute to combatting climate change and achieving the council's target to become carbon neutral by 2030, we will further improve people's health and overall wellbeing.

Procurement Implications

17. Either option presents procurement implications. If the services are to be tendered, the council will need to enter a full competitive procurement process.

18. Tendering the service suggests a lengthy and complex procurement exercise under the auspices of the OJEU regime. However, bringing the service in house would require a range of procurement exercises to obtain the goods and facilities necessary for its delivery. These are set out in Table 2 below. Further detailed timetable included in appendix 6.

Table 2: Procurement required under Council Managed Service	
Vehicles	Type
	Vans – varying size and specifications
	Tractors
	Tractor attachments – gang mowers, rear mounted flails, side arm flails, Amazon collector
	Ride on Mowers
	Pedestrian sweeper
	Trailers – varying size and specifications
	Excavator
Machinery	Tracked Chipper
	Pedestrian Mowers
	Powered hand tools
Equipment	Non mechanical hand tools
	Uniform and PPE
ICT	Handheld devices linked to ICT asset management system
Materials	Public litter bins
	Play area equipment

19. Given the range of items required for each procurement under Council Managed provision, some of the procurement exercises may have to be conducted under the auspices of the OJEU regime. The procurement of vehicles is one such.

20. It is recommended that the necessity of each commodity or service to the safe, functional and legal operation of the service from day 1 (i.e., 1st December 2022) is considered and a list of procurements in priority order is drafted with an accompanying timetable to ensure a realistic procurement approach.

21. The current OJEU threshold for supplies and services is £189,330 (this figure covers the life cycle of the procurement and is not an annual value.) This figure is subject to review from 1st January 2022.

Equalities Impact of the Proposal

22. Grounds maintenance services are provided for the benefit of all people, including children, young people and vulnerable adults. Whether the services are in future provided through a tender or are brought under the Council's management, there is no new bearing of either proposal on equality.

Environmental and Climate Change Considerations

23. The following measures will be sought to support our Carbon Neutral target:

- Requiring an external provider to use a green energy tariff.
- Reduction in the numbers of vehicles, plant and other machinery which are powered by fossil fuels replaced by alternative fuel powered vehicles, machinery and tools. This will be subject to council's fleet and depot strategies as currently there is insufficient infrastructure to support electrification of fleet at the depots. Feasibility studies are being undertaken as part of the afore mentioned strategies and currently the market is indicating that alternative Electric fleet options are 40% more expensive to purchase
- Work planning to reduce the number of journeys made and distances travelled.
- Managing amenity grounds wherever possible to encourage a short, flower rich turf that is valuable for bees and other insects.
- Reductions in frequency of grass cutting and establishment of additional wildflower meadows and highway verges with replacement and additional tree planting in suitable locations and increasing the involvement of local communities in helping to manage and maintain these areas.
- Replacement of any trees and hedges removed for reasons of safety or damage and increasing tree and hedge planting within the principle of the right tree in the right place.
- Opportunities to include and increase community engagement in service delivery through volunteering and the encouragement for people to take on the management and care of amenity spaces within their neighbourhoods will also be promoted and supported. These will include support for community litter picking, targeting of 'hot spot' litter collections and street cleansing, improving the way that fly-tipping is managed, collected and enforced against.

24. Should it be decided to tender for the delivery of services all tenderers shall be required to provide information about how they will work to minimise adverse effects upon the environment and will contribute to the objectives and targets identified in the council's Green and Blue Infrastructure Strategy. This will include how tenderers will work with and alongside Wiltshire communities and businesses, with carbon reduction being a key theme within the council's recovery from Covid-19.

25. Warmer, wetter winters and hotter, drier summers together with increased frequency of extreme weather events could all affect growth rates of grass and other vegetation to be cut, flood damage to maintained land, washing away of river banks and bridges carrying public rights of way and storm damage to trees. Such events could disrupt planned works and require resources to be diverted at short notice. It will be necessary to have a flexible, multi-skilled and readily adaptable workforce who can be reallocated between tasks at short notice when the need arises.

26. Rapid and/or vigorous growth of natural vegetation together with reduced frequencies of cutting to help with carbon sequestration and reduced emissions from vehicles and machinery may require the acquisition of machinery suited to more robust work. Wherever possible, changes will be made to replace fossil fuelled vehicles and machinery with alternative fuel and low emission ones. The experience of the present grounds maintenance contractor gained from early work for other councils is that both carbon emissions and running costs can be reduced by around 50% by making this switch, although the durability in comparison with petrol and diesel has yet to be established. The use of alternatively fuelled machinery and fleet will be incorporated into councils' fleet and depot strategies.

Risks that may arise if the proposed decision and related work is not taken

27. The present grounds maintenance contract expires on 30 November 2022. Whether the continued delivery of the services provided after that date is to be via a supplier or suppliers sourced through a procurement exercise, or is to be brought under the Council's management, the process to be followed will take approximately 18 months. To ensure seamless continuity of the service provision an immediate start on the work involved needs to be made, regardless of the option chosen.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

Risk	Mitigation
<p>Under-performance by the Contractor</p> <p>The Service Devolution and Asset Transfer programme drastically reduces the service provision in a number of areas resulting in contractor's loss of profit and steep compensation event notices.</p> <p>There is an inevitable uncertainty about the post-COVID economic recovery and how this will affect the grounds maintenance and street scene market.</p>	<p>Strong performance management of the contractor and clear performance indicators.</p> <p>Clear communication through the specification of the SDAT programme; close working with Town and Parish Councils and the Contractor to mitigate risk.</p> <p>Market testing indicates providers are stable and there is competitive interest in a contract with Wiltshire.</p>

Financial Implications

28. A summary of the financial implications can be found in Appendix 7.

29. Whether the service is to be delivered through a contract with an external provider or under council management, it is believed savings can be delivered. These savings could be achieved by taking the following action:

- Reducing the volume of work undertaken through changes to maintenance regimes such as frequency and specification of grass cutting where use of the land permits, adoption of the “No-mow May” initiative, revision of frequency of litter collections based on actual demand instead of routine.
- The use of energy-saving and operating less costly electric vehicles, machinery, and tools subject to the council’s fleet and depot strategies.
- Reductions in distances travelled.
- Greater community involvement in maintaining their local areas.
- Increased income generation.
- The Capital purchase by the Council for all vehicles and other machinery at the start of the Contract, enabling the Council to pay this back at a reduced borrowing rate.

Legal Implications

30. For Option 1 (procurement of new contract): Wiltshire Council would carry this out in accordance with Section B of Part 10 of its Constitution and in accordance with the Public Contracts Regulations 2015. The council would comply with Section 3 of Chapter 2 of the PCR 2015 with an open or restricted procedure which would be a competitive process to provide a most economically advantageous tender. Difficulties with the procurement process could be that there are few tenders or non-compliant tenders and the procurement does not achieve the intended result.

31. For Option 2 (bringing the services in house): if a decision is made to bring the services in house, the Council can either provide this directly as a service, or start a new wholly owned organisation to deliver the services. The new organisation would take the form of a Teckal company or other organisation in the public interest. The following is a list of options under Option 2 for the in house proposal:

- a. The Council may provide the services directly, pursuant to the Code of Practice on Litter and Refuse and the Environmental Protection Act 1990, among other legislation;
- b. Teckal company: the council would be following the same process that it has already achieved with the Stone Circle company structures. The council has the power to do this under the Localism Act 2011 (sections 1 and 4). Policy documents (the Commercial Policy and Approach 2017-2027) state that models

of delivery for assets and resources can include wholly owned trading companies. These companies are compliant with Regulation 12 of the PCR 2015 provided that all of the following are met:

- The contracting authority exercises over the legal person concerned a control similar to that which it exercises over its own departments.
 - More than 80% of the activities of the controlled legal person are carried out in the performance of tasks entrusted to it by the controlling contracting authority or by other legal persons controlled by that contracting authority.
 - There is no direct private capital participation in the controlled legal person, with the exception of non-controlling and non-blocking forms of private capital participation required by national legislative provisions, in conformity with the EU Treaties, which do not exert a decisive influence on the controlled legal person.
- c. Teckal companies are independent companies that make their own decisions, even though the board members and directors will be officers of the council, however it cannot pursue objectives that are contrary to ours. They have separate personalities and cannot bind the council to their contracts.
- d. These companies are generally used where there is an intention to make a profit. The council's liability would be limited to the value of its shares;
- e. It has been proposed that the Council could set up a trust for these services. The Commercial Policy and Approach 2017-2027 also suggests that the council can use this model of delivery under the Social Enterprises option. It is difficult to find a form of trust that will fit the services that we are providing as trusts are, on the whole, set up for charitable purposes. As providing street scene services is not a charitable purpose under section 3(2) of the Charities Act 2011 (and as there is a tension for charities owned by local authorities, as they may not be seen as independent and cannot be a Teckal company), a more appropriate form of body would probably be a community interest company under the Companies (Audit, Investigations and Community Enterprise) Act 2004 and as suggested in the Commercial Policy. This is not a form of trust but is a company that is concerned with the provision of public services.
- f. CICs are a limited liability company that are designed to provide social enterprises in the public interest. They must adhere to company law and are subject to the Companies Act 2006. They have their own autonomy and are non-profit, serving the community. However, they do not benefit from tax advantages that charities do.
32. More detailed advice may be set out in a further report for the purpose of consideration when more is known about the intentions for the provision of the street scene service.

Workforce Implications

33. External Contract:

None

34. Wiltshire Council controlled service:

35. There will be start-up cost implications and resource would be required from Streetscene, Legal, HR, IT, SAFM and Accountancy to support the change in delivery. Costings can be found in Appendix 3. The skillset within the current Streetscene team is contract management rather than service delivery so additional training and expertise would be required. Some of the Legal work may need to be externalised as the setting up of a company or trust will be outside of the present experience of the council.

36. TUPE rules would require the transfer to Wiltshire Council of approximately 100 Idverde employees who are working on the present contract. For this purpose it has been assumed that for an initial period (minimum of 6 months) the service would be provided on a like-for-like basis including management structure, numbers and employment costs and pay scales of operatives (although it is likely that Wiltshire Council would provide more staff-benefits such as short-term sick pay than an external service provider might do), vehicle feet, machinery and tools etc.

37. The Council has established policies and procedure for these processes and would ensure that these are followed.

38. HR&OD would work with the service to ensure any transfer into the Council was TUPE compliant, with timelines being drawn up to ensure timely employer liability information provided to allow for due diligence to take place for any measures to be declared prior to any formal consultation taking place, with recognised trade unions and staff affected.

39. Staff TUPEd across to the Council under the age of 75 and with a contract of more than 3 months term will automatically be admitted to the Local Government Pension Scheme (LGPS). Pension strain could occur if redundancies are made depending on the age, length of service and contributions made by individual Officers to the Pension scheme.

Options Considered

40. The options considered were:

- a. Extending of the current provision by way of a further extension to the existing contract
- b. the council to tender the service
- c. Council Managed provision of the service
- d. A tender with Swindon Borough Council
- e. A tender with a number of Parish Councils

These options were narrowed down to:

- a. The council to tender the service

b. Council managed provision of the service

41. To assist the decision, officers have been looking at the ways in which other similar councils provide their grounds maintenance services. The results of the study to date are set out in the table at Appendix 5 to this report.

Conclusions

42. It is recommended that authority is delegated to the to the Director Communities & Neighbourhood, in consultation with the Cabinet Member for Transport, Waste, Street Scene and Flooding, to scope an innovative new specification, including new service areas, and procure and award a new contract for street scene services and grounds maintenance from the market in line with option 1 of the report.

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1 June 2021

Part 1 Appendices

Appendix 1: Long list of options considered

Appendix 2: Programme Management Timetable (Full programme Gantt chart, excel spreadsheet)

Appendix 6: Council managed procurement timetable

Part 2 Appendices

The following appendices are Part 2 due to the presence of commercially sensitive information.

Appendix 3: Financial analysis cost comparison (excel spreadsheet)

Appendix 4: Example of specifications under review

Appendix 5: Grounds maintenance by other councils

Appendix 7: Finances

Background Papers

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

- Wiltshire Streetscene Service Scope of Works 1 June 2020 – 31 May 2021

APPENDIX 1 – LONG LIST OF OPTIONS CONSIDERED

The five options initially considered

3.1 The options considered were:

- (a) Extending of the current provision by way of a further extension to the existing contract
- (b) the council to tender the service
- (c) Council Managed provision of the service
- (d) A tender with Swindon Borough Council
- (e) A tender with a number of Parish Councils

<u>Option</u>	<u>Considerations</u>	<u>Rationale</u>
1. Extension of the present external contract	The current provider is idverde, who have a long history of working with Wiltshire Council. They are a proven contractor and are well established within Wiltshire. A price was obtained to further extend the contract to 2024 under existing contract arrangements, past the already agreed two-year extension. idverde agreed to underwrite any legal challenges which may arise from a further extension agreement, protecting Wiltshire Council from any legal challenge relating to any further extension passed that agreed up to 2022. Due to the SDAT programme being placed on hold, there has been significant impact on the programme. A further extension would allow for the	Procurement have advised that this option is neither feasible nor lawful

	<p>programme to recommence and allow more time to better understand the quantities that will be required under a new contract in 2024.</p>	
<p>2. To tender a new external contract</p>	<p>The provision of the street cleansing and grounds maintenance service needs to be revised in 2022 following the delegation of services to a number town and parish councils. To date, SDAT has seen all Streetscene services removed from Salisbury, Chippenham, Devizes and Pewsey and adjustments to the contract made accordingly. Bradford On Avon is nearing completion. Although the future form and timeline for SDAT has yet to be decided upon, a new individualised contract with the rebasing of the service will allow further amendments to be made and for market testing to be carried out to ensure best value.</p> <p>The tender would bring the contract specification up to date, taking account any legislative changes. It would also provide greater flexibility to amend services into the future to take into account additional service delegations and asset transfers and/or other changes that may become necessary.</p> <p>If this option is selected, the proposal is to tender a resource-based contract working to a scope of delivery. The resource-based elements will enable the service to set its priorities in a rapidly changing service allowing us to divert resources as we see appropriate. This is a proven method in the current contract which allows us to divert</p>	<p>Tendering the within a new contract services will give the opportunity to review and address deficiencies of the present contract which include:</p> <ul style="list-style-type: none"> • elements of the present contract which may be better provided within other existing council contracts and vice-versa. • the need to review depot locations (taking into consideration the current council depot review) and the potential to introduce charges for use of the council’s depots. • the need to reduce, reuse and recycle more waste and allow an informed discussion with any new service provider regarding SDAT and the effect on service delivery. • Improve upon and save costs on the collection of litter and fly-tips. • Enable liaison with any new contractor regarding the use of modern technology which will enable us to drive better efficiencies into the contract and improve methods of communication. This would see a reduction in the requirement for weekly monitoring meetings and reduce administrative times, also allowing the provision of up-to-date progress reports against scheduled work programmes and deadlines. • Ensure that any new service provider is contributing to the council’s commitment to be carbon-neutral by 2030. Considerations might include the type of fleet they use by switching to battery powered vehicles and machinery thereby reducing carbon emissions and innovative means of improving biodiversity • Allow a rebalancing of the fixed costs to the current revenue spend. • Incorporation of year-on- year cost savings throughout the duration of the contract. <p>The economies of scale may be continued, with a framework being built in to allow organisations to ‘top up’ local services funded from outside the council, where the council provides services to the statutory minimum level and/or the organisation wishes to provide an enhanced service. This would include:</p>

	<p>grass cutting crews onto other duties such as litter picking during periods of warm dry weather when there is minimal grass growth. A resource-based contract also minimises the risk of compensation events where additional grass or hedges are added to the contract. It will be possible to add, remove and amend areas for maintenance as we identify the need such as S106 adoptions, and additional highway land or simply areas of land which evidence shows we should be maintaining.</p> <p>The resource provision should be calculated and agreed based on measurements/ quantities/ specification at the beginning of each year. Two examples of this are; the contractor shall propose (a) what resources they require to maintain 4 million square metres of grass 9 times a year, and (b) the resources they will require to ensure 3500 litter bins are emptied at a frequency that prevents them from overflowing.</p>	<p>Business Improvement Districts, businesses, local town and parish councils and organisations who will have access to:</p> <ul style="list-style-type: none"> • competitively tendered rates; • a robust contract specification; • approved contractor/s who can quickly and easy top up amenity and streetscene services on Wiltshire Council land reflecting local demand and for the provision to be managed by Wiltshire Council for a charge. <p>If this option is selected there are two key contract options for consideration;</p> <p><u>1.Outcome-based</u> An outcome-based contract will specify a required outcome for each of the service areas and providing that those outcomes are met, the contractor has met their contractual requirement. For example, we may specify that the contractor shall deliver 9 cuts per annum of all amenity grass between March and November. It will then be for the contractor to determine the requirements to ensure the target is met.</p> <table border="1" data-bbox="1198 790 1921 1393"> <thead> <tr> <th data-bbox="1205 794 1585 879">Outcome based Contract Pros</th> <th data-bbox="1585 794 1915 879">Outcome based contract cons</th> </tr> </thead> <tbody> <tr> <td data-bbox="1205 879 1585 1137">The contractor decides how best to deliver to services and can drive efficiencies.</td> <td data-bbox="1585 879 1915 1137">Due to the ever-changing quantities in amenity assets, this could lead to Compensation event notices. Previous adverse experiences with the BBLP contract.</td> </tr> <tr> <td data-bbox="1205 1137 1585 1294">Accountability is with the contractor to deliver to the service specification and frequencies</td> <td data-bbox="1585 1137 1915 1294">Limited flexibility within a rapidly changing politically influenced service.</td> </tr> <tr> <td data-bbox="1205 1294 1585 1388">During periods of absence and sickness, the contractor will need to ensure that there</td> <td data-bbox="1585 1294 1915 1388">Difficult to predict costs as the quantities are changing frequently –</td> </tr> </tbody> </table>	Outcome based Contract Pros	Outcome based contract cons	The contractor decides how best to deliver to services and can drive efficiencies.	Due to the ever-changing quantities in amenity assets, this could lead to Compensation event notices. Previous adverse experiences with the BBLP contract.	Accountability is with the contractor to deliver to the service specification and frequencies	Limited flexibility within a rapidly changing politically influenced service.	During periods of absence and sickness, the contractor will need to ensure that there	Difficult to predict costs as the quantities are changing frequently –
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			<p>is sufficient cover to meet the service requirement, for example, if a barrow operative is off sick, the contractor will still be required to ensure the Town Centres remain compliant with the regulatory Code of Practice</p>	<p>both adding and removing areas. An outcome-based contract will likely be a cost per m2 or linear length for example</p>	
			<p>Outcome based contracts are generally the cheapest provision type.</p>	<p>Any areas currently out of specification will require additional works/ additional cost unless we can quantify this in the tender process. This will likely drive up the cost. For example, hedges that have not been maintained for a number of years will now require enhanced works – chainsaw/chipper etc.</p>	
				<p>Whilst it is good to drive efficiencies, in an outcome-based contract, the contractor may be looking to find efficiencies over quality.</p>	
				<p>Any additional works outside of the scope of the contract are normally more expensive</p>	

		<p><u>Resource based</u> A resource-based contract is in its essence a requirement for the contractor to provide a specific number of resources based on the priorities of Wiltshire Council. For example, we may specify that amenity grass cutting will be cut 9 times per annum and at the start of the year we have 3.6million square metres of amenity grass. The Contractor will specify the resource requirement to ensure they are adequate to meet this requirement. The significant difference with a resource-based contract is that should the services be suspended for instance due to prolonged periods of dry weather and minimal growth or equally prolonged periods of wet weather, those resources can be diverted onto other duties such as litter picking.</p> <p>The resource-based contract allows for changes in the quantities as is to be expected with large grounds maintenance and street cleansing contracts without the requirement for regular financial Compensation Event Notices. The annual spend is known and any increase in quantities will be recognised by the client as affecting delivery times as opposed to contract cost.</p> <table border="1" data-bbox="1205 790 2016 1316"> <thead> <tr> <th data-bbox="1205 790 1646 877">Resource-based contract Pros</th> <th data-bbox="1646 790 2016 877">Resource-based contract Cons</th> </tr> </thead> <tbody> <tr> <td data-bbox="1205 877 1646 1316"> Costings remain consistent throughout the year and is therefore easier to monitor the budget providing it is within the capability of the assets (flail/rotary mowers) </td> <td data-bbox="1646 877 2016 1316"> Significant changes in specification could lead to compensation event notices should there be a requirement for different types of machinery. For example – if in year 2 or 3 we significantly increased the Wildflower provision from amenity grass. This may require the contractor to increase its cut and collect equipment and </td> </tr> </tbody> </table>	Resource-based contract Pros	Resource-based contract Cons	Costings remain consistent throughout the year and is therefore easier to monitor the budget providing it is within the capability of the assets (flail/rotary mowers)	Significant changes in specification could lead to compensation event notices should there be a requirement for different types of machinery. For example – if in year 2 or 3 we significantly increased the Wildflower provision from amenity grass. This may require the contractor to increase its cut and collect equipment and
Resource-based contract Pros	Resource-based contract Cons					
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				therefore look to offset those costs to the client.
			In periods of disruption, the resources remain a consistent and can be diverted onto other works (grass cutters during prolonged periods of wet/dry weather)	Difficult to drive efficiencies after the award of the contract.
			Easily monitorable all-year-round (daily whereabouts of staff) yet driven in performance outcome targets. For example, the contractor will specify we need 50 operatives to ensure grass is cut 9 times a year. Resource and outcome then become part of the KPI's.	
			A resource-based contract allows staff to be retained, keeping their skills/ attributes and local knowledge within the service.	
			Resources are easily quantifiable which helps with any possible SDAT negotiations and TUPE considerations.	
			Reduces the risk to the Council against any financial compensation event notices as the resource is agreed at the start of the year and any fluctuations within the quantities or requirements within the measurements will affect delivery time as opposed to a financial implication.	

<p>3. To a Council Managed Service</p>	<p>Council managed provision would allow a more flexible approach to amending services and resources to align with the changing financial and political environment.</p>	<p>As with Option 2 (Tendering the service), Council managed provision will be able to address:</p> <ul style="list-style-type: none"> • the council's depot review • the need to reduce, reuse and recycle more waste • introduction of the use of modern technology such as live cutting data, live schedules, live litter bin data which will enable us to drive better efficiencies also allowing the provision of up-to-date progress reports against scheduled work programmes and deadlines • opportunity to review which of the works provided within the present contract can be better delivered in other way and whether there are other services and departments within the council aspects of whose services could be included • Allow a rebalancing of the fixed costs to the current revenue spend • Incorporation of year-on- year cost savings • Achievement of the council's target of becoming carbon-neutral by 2030.
<p>4. Tender with Swindon Borough Council</p>	<p>A Wiltshire Council individual contract would be tendered with Swindon Borough Council. Discussion has previously taken place with Swindon Borough Council about the opportunities of a joint provision with the advantages and disadvantages of such an option. Wiltshire Council has considerable experience with this type of provision with the current Highways Contract with Swindon Council. It allowed the greater economies of scale when the service was tendered in 2016.</p>	<p>Swindon Borough Council (SBC) provide an in-house service which officers the opportunity of a commercial provision. They would be keen to provide a service to the whole of the county, or parts of it where this was mutually beneficial.</p> <p>Procurement regulations and tendering the service would allow for Swindon Borough Council the opportunity to provide the service through a competitivetender.</p> <p>The Framework Agreement would allow Swindon Borough Council or another provider the opportunity to provide elements of the main contract across the county.</p> <p>As Swindon would wish to tender for the service, this option would enable them to provide a competitive bid with the other interested parties should we opt to tender a contract.</p>

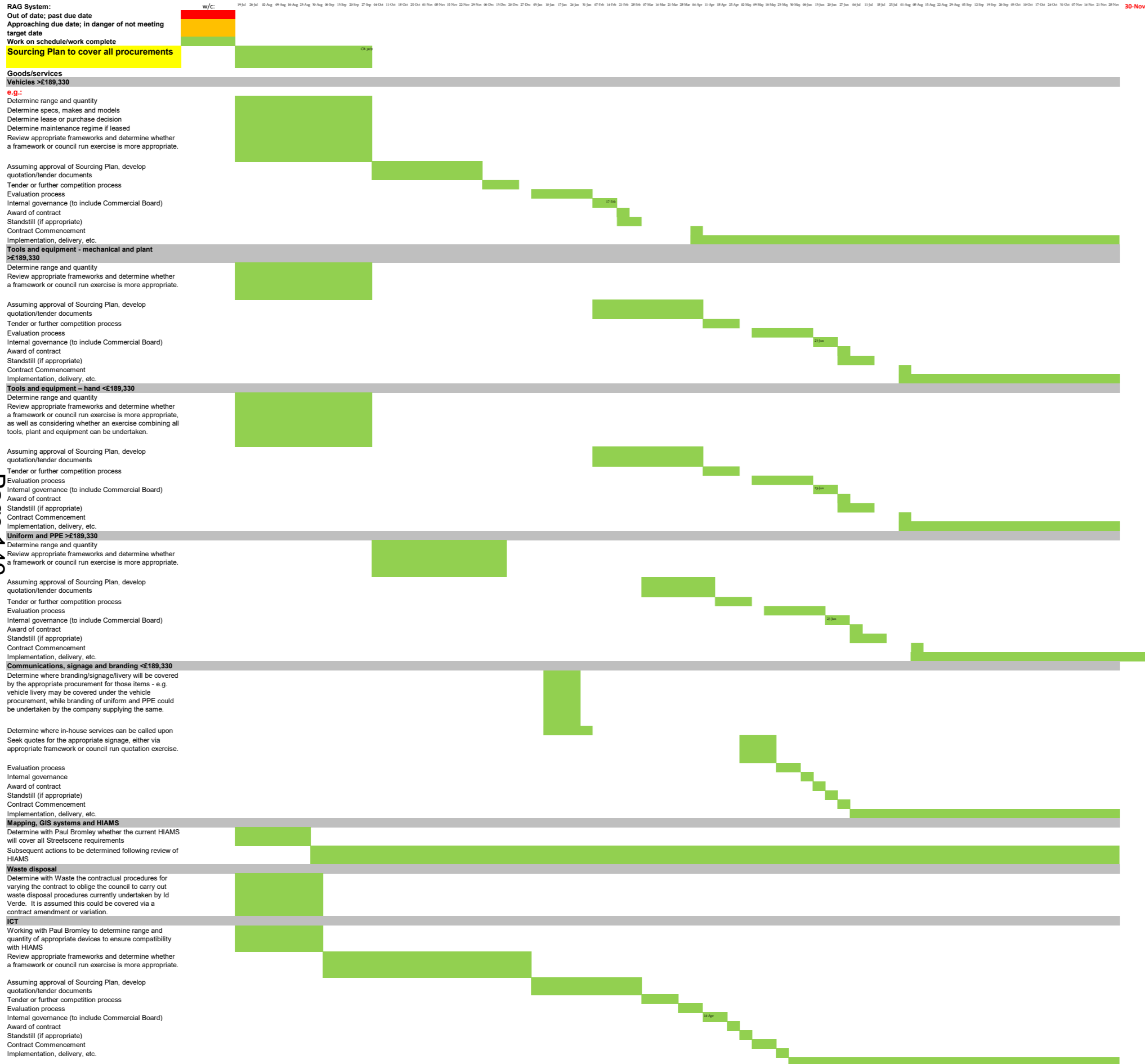
		<p>However, since this option was identified SBC have moved to delivering services through combination of devolution to parish councils, with small in-house workforce and contractors dealing with parks and open spaces</p>
<p>5. Tender with a number of Town and Parish Councils</p>	<p>An individual Wiltshire Council contract could be tendered with a number of other local councils within Wiltshire. Wiltshire Council has considerable experience of this type of provision with the novated contract with Salisbury City Council and the contribution systems for Devizes and Chippenham.</p> <p>This option allows the economies of scale to be continued, if and when the amenity and street cleansing service reduces in line with SDAT and also allows partners to simply top up services at their cost where there is local demand for higher standards.</p> <p>This option allows local town and parish councils access to: competitive tender rates; a robust contract specification; an approved contractor which can quickly and easily top up amenity and streetscene services on Wiltshire Council land reflecting local demand.</p> <p>However, the option to commission works with other local councils is not preferred reflecting the experience of the current systems. With partnership contracts there is an equal status of partners on the various contract boards. This creates issues with the management of the contract with multiple partners. Regular group</p>	<p>The option to commission works with other local councils is not preferred reflecting the experience of the current systems. With partnership contracts there is an equal status of partners on the various contract boards. This creates issues with the management of the contract with multiple partners. Regular group discussions with partners and the contractor are required to enable the escalation of issues. Contract instructions must follow the official processes, or contract management is found wanting. The inconsistencies of how different partners score the contract can also be challenging.</p> <p>For performance monitoring, each partner scores the provision with performance and extensions being based upon the individual scores. Hence Wiltshire Council could have concerns but the contract in totality might be scored by the partners as acceptable.</p> <p>For these reasons a full partnership arrangement is considered to be inappropriate.</p> <p>An option for a Framework type 'call off' for town and parish councils may be possible, with a commercial client management offer by Wiltshire Council at a fee, allowing the local councils to benefit from the economies of scale associated with larger contracts. However, this carries a political risk following the delegation of services, as not only will the local council be paying for services provided by Wiltshire Council, Wiltshire Council will be charging them for the management of these services.</p>

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The timescales shown below assume procurements relating to a like for like adoption by the council or a Local Authority Trading Company (LATC) of the services currently undertaken by Id Verde.



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Wiltshire Council

Cabinet

13 July 2021

Subject: Council House Build Programme

Cabinet Member: Councillor Phil Alford, Cabinet Member for Housing, Strategic Assets and Asset Transfer

Key Decision: Key

Executive Summary

In 2018 the Cabinet approved the proposal to proceed with the Council House Build Programme Phase 2 on the back of a successful Phase 1 Programme.

Phase 2 was established with a budget of £9.4m and in 2019 the Cabinet approved proposals for the Housing Revenue Account to commit to a 10 Year Programme delivering 1000 new affordable homes.

Since this time, the Residential Development team has developed a Housing Estate and Development proposal, setting out the plan for growing the stock throughout the County, has explored and implemented opportunities to deliver zero carbon homes in line with the Council's climate emergency declaration and has been developing a programme to deliver the 1000 homes needed over the next 10 years.

This paper sets out updates on the 3 phases that have been brought before Cabinet previously (Phase 2, Phase 3.1 and Phase 3.2) as well as introducing Phase 3.3 and Phase 3.4 to the Cabinet.

This paper also introduces the proposed review of the Council's existing sheltered housing stock and the proposals to commence public engagement and consultation with existing residents.

Proposal(s)

- a) To note the updates to Council House Build Programme (CHBP) phases 2, 3.1 and 3.2
- b) To agree to the increase in costs associated with Phase 3.1 to £21,950,972 and 3.2 to £20,446,014 with the understanding that the homes are early adopters for testing modern methods of construction (MMC), whilst also developing homes to zero carbon standards. Budget will be pulled back from future years and the overall capital programme total remains unchanged.

- c) To agree the proposed budget of £20,000,000 for Phase 3.3 and 3.4 respectively. Budget will be pulled back from future years and the overall capital programme total remains unchanged.**
- d) To delegate to Director of Housing and Commercial authority to seek planning permission for and to enter into contracts for professional services and construction of Phases 2, 3.1, 3.2, 3.3 and 3.4**
- e) To delegate to Director of Housing and Commercial, in consultation with the Cabinet Member for Housing, Strategic Assets and Asset Transfer the authority to purchase the freehold of land for the purposes of new build developments in relation to Phases 3.1, 3.2, 3.3 and 3.4.**
- f) To delegate to Director of Housing and Commercial, in consultation with Cabinet Member for Housing, Strategic Assets and Asset Transfer the authority to make offers for affordable housing purchases to meet an identified housing need (i.e purchase single property from open market) for Phase 3.1, 3.2, 3.3 and 3.4.**
- g) To delegate to Director of Housing and Commercial, in consultation with the Cabinet Member for Housing, Strategic Assets and Asset Transfer the authority to make offers for affordable housing offered by developers in lieu of compliance with affordable housing obligations in Section 106 agreements in relation to phases 3.1, 3.2, 3.3 and 3.4**
- h) To delegate to the Director of Housing and Commercial authority to make bids to Homes England for grant funding to assist with the financial viability of CHBP projects in phases 3.1, 3.2, 3.3 and 3.4 and to enter into funding agreements if the bids are successful**
- i) To delegate to the Director of Housing and Commercial, in consultation with the Cabinet Member for Housing, Strategic Assets and Asset Transfer the authority to approve substitution of schemes identified in the CHBP Phase 2, 3.1 and 3.2 (as set out in Appendix 1) if, following more detailed investigation do not prove not to be viable. Substitution schemes must fit within the existing budget allowance.**
- j) To delegate to the Director of Housing and Commercial authority to substitute and change funding streams as identified in CHBP Phase 2, 3.1 and 3.2 (as set out in Appendix 1 (part 2 paper)) to optimise financing of the CHBP.**
- k) To commence consultation with the existing Sheltered Housing residents on the options for the future housing offer at the sites listed in appendix 2.**
- l) To delegate to the Director of Housing and Commercial, in consultation with the Cabinet Member for Housing, Strategic Assets and Asset Transfer the authority to approve front-loading of funds into phase 3.3 and 3.4 where opportunities allow, with a reduction in funding in future years.**
- m) To delegate to the Director of Housing and Commercial, in consultation with the Cabinet Member for Housing, Strategic Assets and Asset Transfer the authority for Financial Viability Appraisals to extend to a 40 year payback where necessary to deliver the Council Housing Build Programme with the increased requirements.**

Reason for Proposal(s)

A review of the Housing Revenue Account (HRA) business plan following the removal of the cap on borrowing enabled capacity to support a new build programme.

On 3rd November 2020, £195m was agreed by Cabinet within the HRA 30-year business plan. The proposals set out above enable the effective delivery of the new build programme within the agreed parameters. At this stage there is no request to change the total allocated funding of £195m, but to consider that costs within these early phases are higher whilst the Residential Development Team explore new delivery mechanisms and technology. It is anticipated that these costs are expected to come down for the future phases when products have matured and become more common in the marketplace.

Terence Herbert
Chief Executive

13 July 2021

Subject: Council House Build Programme

Cabinet Member: Councillor Phil Alford, Cabinet Member for Housing, Strategic Assets and Asset Transfer

Key Decision: key

Purpose of Report

1. The purpose of this report is to seek Cabinet approval to proceed with developing a programme of opportunities for 3.3 and 3.4 of the Council House Build Programme (CHBP).
2. This report will also provide an update on the current programmes associated with Phase 2, 3.1 and 3.2.
3. Finally, this report will seek to onboard the Cabinet to the plans for review of the Council's existing sheltered housing stock. Several of the schemes have been identified for a detailed review to ensure they are fit for purpose for current and future needs.

Relevance to the Council's Business Plan

4. The delivery of new affordable council homes in Wiltshire will meet the following priorities and goals within the Council's business plan;
 - a. Growing the economy**

The programme offers opportunities to stimulate growth of green jobs with local contractors and business to support the development of new affordable housing, sourcing local consultants, surveyors & contractors where possible to deliver homes that will be highly energy efficient and therefore cheap to run for the resident.
 - b. Strong communities**

The CHBP invites communities to be involved with the development process, with a dedicated Community Led Housing fund to support groups to bring forward housing opportunities.
The programme looks to also develop opportunities for self and custom build homes unlocking potential for the communities to take responsibility for solving individual housing needs and creating a positive and lasting role in the community.
 - c. Protecting the most vulnerable**

The CHBP works closely with colleagues in Whole Life Commissioning, Adult Social Care, and Children and Families teams to identify suitable opportunities to meet specific needs. Current workstreams include buying and adapting homes for those on the housing register with specific housing needs, buying and

leasing homes to meet the needs of adults with learning disabilities and building bespoke accommodation to meet the very specific needs of a family with multiple disabilities.

d. An innovative and effective council

Within phase 3.1 the Residential Development Team will be piloting 3 sites to be delivered using modern methods of construction (MMC), delivering zero carbon homes. The first “all electric” homes will be powered by air source heat pumps, waste water heat recovery system, PV panels and developed with fabric first approaches to reduce thermal bridging.

Background

5. The borrowing cap for the (HRA) was lifted in October 2018. This allows the Council to model the borrowing capacity that the HRA has over the next 30 years to support the next phase of council house building.
6. In February 2019 the Council declared a climate emergency and stated its ambition to seek to make Wiltshire carbon neutral by 2030.
7. A further decision was taken in November 2019 by the Residential Development Team, in consultation with the Director for Housing and Commercial and the then Cabinet Member for Housing to remove all gas from new build specifications and explore opportunities to deliver new build homes to Passivhaus standards or to develop zero carbon homes.
8. Nationally the Government has committed £11.5b to fund 180,000 new affordable homes, with £7.4b of this allocation for homes outside of London.
9. In Sept 2020 Housing Secretary Robert Jenrick announced that he was making modern methods of construction central to the Government’s new affordable homes programme.
10. The Council’s Phase 1 programme delivered 150 new homes at Affordable Rent levels, however Phase 2 and beyond have all been modelled on delivering Social Rents (with the exception of properties purchased through S106 agreements that are specified as affordable rent within contractual agreements)
11. The Residential Development team utilises a mixture HRA borrowing, Right to Buy (RTB) receipts, Commuted Sums from S106 Agreements and Homes England funding to deliver the new build programme.
12. In March 2021, following years in consultation, the Government amended RTB receipt expenditure guidance, allowing up to 40% (from 1st April 2021) of RTB receipts to be utilised on new build projects encouraging Local Authorities to become active developers of affordable housing.

Main Considerations for the Council

Council House Build Programme – Phase 2 update

13. The phase 2 programme (as set out in Appendix 1) consisted predominantly of RTB re-purchases which enabled the Residential Development Team to continue to deliver a Phase 2 programme, carry out research and market engagement to address the carbon agenda, and develop the Housing Estate and Development Plan.
14. The phase 2 programme has enabled the purchase of 12 properties which had previously been sold under the RTB. This enabled the use of time limited RTB Receipts and allows the Council to bring stock back in house that will support the future retro-fit or regeneration agendas.
15. Within phase 2, the Residential Development Team also secured the first s106 purchase of properties in Porton, which has now been completed and handed over to the Council.
16. Phase 2 also included the purchase of 2 shared ownership properties from Phase 1 sheltered housing schemes to meet the growing rental demand.
17. The only new build element of phase 2, comes with the site known as New Zealand Avenue, a former youth centre in Salisbury that was appropriated from the General Fund to the HRA for development of affordable housing. This project has just appointed a contractor and will be starting on site in July 2021.
18. This phase is currently projecting to spend £5,773,788 to deliver 28 units of affordable housing.

Council House Build Programme – Phase 3.1 update

19. Phase 3.1 began in April 2020, with rental income expected to hit in April 2023, allowing 3 years from inception to completion.
20. Phase 3.1 includes 66 new build units, developed by the Council through MMC at zero carbon standards, 18 units purchased from Redcliffe Homes through a s106 purchase and 8 RTB purchases, delivering a total of 91 homes.
21. In 2019 the Cabinet approved funding of £18,984.890 for the delivery of 95 units, however the current programme budget is estimating £21,950,972 for the delivery of 91 units.
22. The increased cost has been attributed to meeting the higher environmental standards and achieving zero carbon. The new standards have seen a £14k increase per property for increased specification of fabric/materials and technology.
23. In addition to the increased standards, the cost of delivering homes using MMC solutions currently comes at a premium. The benefits of speed is expected to outweigh the majority of the increased costs, as it is intended that the rental income will be achieved much earlier in the programme.
24. As it stands, the house price of the MMC element has been confirmed and agreed in contract, however the ground works element is still out to tender and

therefore the Residential Development Team is working on a Quantity Surveyor estimate at this stage.

25. When working with MMC solutions, it has become clear that the benefits of MCC are in the ability to bulk order stock; offering a factory a clear pipeline of work for a 2-3 year period. The Residential Development Team have been working closely with Magna Housing Association and Sedgemoor Homes to aggregate the demand of the three organisation's requirements, which will see prices come down through collective and competitive tender, plus has enabled an opportunity to work collaboratively to develop existing designs and save costs.
26. MMC development currently comes at a premium, the market for residential MMC is immature but growing rapidly. It is anticipated that the cost of delivering MMC will be reduced in future phases as the product becomes more widely available, driving down the premium currently associated.

Council House Build Programme – Phase 3.2 update

27. Phase 3.2 began in April 2021, therefore the Residential Development Team are early in the programme and only just starting to commence works on due diligence.
28. This phase has recently seen 2 large sites fall out of the programme due to negotiations with landowners. Therefore, the team is currently in the process of bidding for some Brownfield Land Release funding through One Public Estate (OPE) to release some garage sites for new build opportunities and also bidding for some s106 purchase opportunities to complete the programme.
29. As it stands, assuming all bids for funding and purchase of s106 units prove successful the programme consists of 98 units with a budget of £20,446,014 this is also above the Cabinet approved budget of £18,565,220 to deliver 102 units. However, this phase still has an element of uncertainty given that a number of sites are subject to s106 bids and funding opportunities.
30. It is proposed that with Phase 3.2 an agreed budget of £20.4m to deliver 98 units should be agreed knowing that the cost of the carbon agenda going to impact the budget but also with the knowledge that an aggregated tender will bring costs of MMC orders down.

Council House Build Programme – Phase 3.3 & 3.4 – Introduction

31. Phase 3.3 is due to commence in April 2022 and 3.4 in April 2023. In order to develop a clear programme of pipeline sites, opportunities need to be identified in advance to build a programme of continuous projects.
32. The opportunities currently being explored for Phases 3.3 and 3.4 amount to a possible 299 units at a total of £61m. It is not anticipated that all of these opportunities will come to fruition, but the large majority will involve purchasing land to develop new schemes.

33. For the purposes of planning, this report seeks to allocate £20m per phase for the delivery of 100 homes in each phase, but also seeks the flexibility of bringing forward 150 homes or 200 homes in a given phase where the opportunities allow effectively frontloading some of the funding and reducing the reliance in later years.

Sheltered Housing Review

34. The Phase 1 programme saw the development of two new enhanced sheltered housing facilities through Needham House, Devizes and Evergreen Court, Amesbury. These two sites have proven to be well received by the residents and create exemplar sheltered housing in the context of a portfolio of existing homes that need investment.

35. The disparity between the existing sheltered housing stock and the new sheltered development standards has created a need to review the existing sheltered facilities and a need to bring the Council's historic schemes up to a similar standard as the two new sheltered housing schemes.

36. Of the 24 historic sheltered housing schemes 16 were identified for full options appraisals to ascertain the best option going forward and make the schemes fit for purpose for current and future needs (appendix 2). The 16 identified, were primarily not fit for sheltered housing due to the location, the lack of lift access or were offering bedsit style accommodation. In addition, some sites offer purely bungalow accommodation and do not represent a full sheltered housing scheme.

37. The remaining sites have been identified for renovation and refurbishment that will bring the schemes up to date and offer longevity for the current and future occupants.

38. A number of the sites identified in Phase 3.3 and 3.4 would offer the opportunities to develop some more enhanced sheltered housing within Salisbury where schemes will offer an array of facilities on-site, as well as comfortable, level access, 1 and 2 bedroom apartments.

39. In order to progress the options appraisal process, the Residential Development Team will work closely with the Council's Housing Management and Resident Engagement teams to consult existing residents on the options determined within the options appraisal. Residents will be involved in the process and invited to comment on options and subsequently involved in decisions on designs and scheme finishes.

40. In addition to the resident consultation the Residential Development Team will also engage the wider public to develop a picture of what is important within a sheltered housing scheme assisting with anticipating future demand for the schemes as well as wider community benefits that can be delivered from the Council's assets.

Overview and Scrutiny Engagement

41. The Environment Select Committee receives the Housing Board's annual report (4th March 2020) which includes updates on the council house build programme.
42. The Global Warming & Climate Emergency Global Warming task group has produced recommendations to support the council's zero carbon targets relating to energy, transport, air quality and planning. These include recommendations for retro-fitting existing council houses and more energy efficient new council house builds (29 September 2020) to which the Executive responded (13 January 2021)

Safeguarding Implications

43. New affordable homes will enable children, their families, young people and vulnerable people to live in a safe and secure, affordable and sustainable environment.

Public Health Implications

44. Having a safe and secure affordable home has been shown to deliver health benefits alongside benefits relating to accessing education and employment.
45. Delivering homes on brownfield garage sites will improve ongoing issues with anti-social behaviour experienced and will improve these local communities. Further benefits to developing brownfield land is the location tends to be already well serviced and within established communities, reducing isolation and better opportunities to access town/cities by walking and cycling.
46. The zero carbon new build stock will create added benefits to the environment and air quality.

Procurement Implications

47. The Residential Development Team work closely with their Procurement lead, creating sourcing plans and attending Commercial Board for all new procurements.
48. The sourcing plan for the MMC 3 year supply is currently with Procurement for review with initial conversations well received, clearly seeing the benefits of aggregating the demand and driving costs down.
49. Where possible utilising existing Frameworks for procurement have proven to be successful.
50. Any procurement routes taken will be in line with the Council's procurement regulations and public procurement rules and advice will be sought from Legal Services as needed.

Equalities Impact of the Proposal

51. Equality impacts will be monitored as projects progress. This is to ensure that the Council's statutory commitments to promoting equality and inclusion and tackling inequality are maintained. The delivery of these homes will support the delivery of the Council's vision to create strong communities meeting the needs of all protected characteristics.
52. The use of MMC housing enables homes to be built at 100% of the Nationally Described Space Standard, and bungalows are built to M4(2) standard which is suitable for residents with physical disabilities and easily adaptable to those in need of full wheelchair accessible accommodation.
53. An Equality Impact Assessment has been completed against the Council House Build Programme.

Environmental and Climate Change Considerations

54. The Council House Build Programme is committed to delivering energy efficient homes that will not only benefit the end-user in terms of cost and comfort, but will also provide a long term climate benefit.
55. The environmental benefits of delivering homes through MMC are much greater than traditional means;
 - a. Reduced waste
 - b. Reduced transport to local communities
 - c. Reduced emissions from construction
 - d. End of life opportunities to recycle materials
56. The MMC pilot will deliver homes that offer a 54% reduction in U-Values from current Building Regulation requirements, delivering a fabric first product with 55mm increase on insulation, improving thermal efficiency.
57. The MMC pilot will also deliver the Council's first all electric homes, utilising air source heat pumps and waste water heat recovery systems with the opportunity to off-set the electricity costs with 3kw of PV on each property.
58. The calculated fuel cost benefit to the end-user is expected to be around £365 per year without including the PV benefits. This will reduce fuel poverty and yield health benefits for tenants.
59. The MMC 3 year supply will seek future proof solutions to ensure the homes do not only meet the current environmental needs but will also meet the future pressures expected for cooling homes as well as heating them.
60. As part of the demand aggregation process (bulk ordering of units), it is understood that not all clients will have the same drive as the Council to deliver zero-carbon now, therefore the MMC 3 year tender will enable manufacturers to price for added technology that will increase the homes environmental benefits (such as PV, batteries).

Risks that may arise if the proposed decision and related work is not taken

61. If the proposals presented in this paper are not approved, it will not be possible to meet the Council's carbon reduction agenda with the Council's new build programme.
62. The opportunities to test MMC on a larger scale will not be realised, resulting in small scale, more expensive procurements for each individual project.
63. Without the ability to purchase land opportunities it will not be possible to achieve the target of meeting 1000 new affordable homes.
64. If the Council is not building new stock, but relying on s106 opportunities, new housing stock will not be developed to the zero carbon standards.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

65. There is a multitude of risks associated with any new build construction project, the most generic risks that will apply to each project have been outlined below with mitigating action:

	Risk	Mitigating action
a)	Funding viability risks	Financial Viability Appraisals (FVAs) are completed prior to projects progressing to ensure that the anticipated costs can be achieved within the set parameters
b)	Cost of delivery – unforeseen costs	Experience from previous projects and an element of unforeseen risk is factored into each project through a contingency sum
c)	Planning	Early conversations and pre-application advice is sought to eliminate the risk of adverse planning decisions
d)	Community support	Early consultation with local parish and town councils is key to engaging the community and councillors to support the delivery. Regular attendance at parish council meetings and area boards to promote the opportunities and the benefits of new affordable housing. Community consultation opportunities to take place when designs begin to take shape Recent engagement on the emerging climate strategy has shown a very strong desire by the community for zero carbon new homes.

e)	Availability of land	Where possible the Residential Development Team will use land already within the Council's ownership. Where this is not possible, land will be purchased for the purpose of meeting the programme targets
f)	Meeting delivery timescales	Funding streams can often come with delivery timescales. When tendering for contractors timescales will be communicated through the tender process to ensure that deadlines can be met. Bids for funding will HE funding will only be made when a project is a "firm" scheme, reducing the risk of having to hand back funds.
g)	Frontloading risk	The programme currently sees a lot of the £195m expenditure being brought forward for the delivery of the first 4 phases. This is with the intention that the costs will reduce in later phases, but there is a risk that the reduction will not be realised in later phases.
h)	Right to Buy	Council tenants will have the right to buy their property. However, a new tenant will have to hold a tenancy for a minimum of 3 years before they can exercise this right. The Council can also reduce the discount to which the tenant would be eligible by up to 100% for 15 years from the date of acquisition or construction of the property to ensure the cost of the building or of acquiring the home is covered by the receipt from the property to enable repayment of the capital.
i)	Increased costs and shortages of materials since Covid Pandemic	The approach taken by the team to secure a 3 year MMC Manufacturer enables this risk to be mitigated to some extent. The super-structure will be in a factory pipeline, defined over a 3 year period, enabling creative procurement by the manufacturer.

Financial Implications

66. This report is seeking to reprofile the capital budget for the Council House Build Programme. The overall capital budget will remain at the level of £195m as previously approved and the objective remains to deliver 1000 units. The report is seeking approval to front-load and increase the budgets for Phases 3.1, 3.2, 3.3, 3.4 of the Council House Build

Programme.

67. It is then anticipated that costs of delivery will reduce over time as methods of procurement become more established and we can take advantage of economies of scale, bulk buying and collaboration with other authorities in order to reduce the price.
68. The Residential Development Team will need to purchase land in order to deliver early phases of the programme
69. Costs of modular construction are expected to come down as the technology develops and becomes more standardised.
70. Furthermore, this report is also seeking approval from Cabinet for the flexibility for the payback to be pushed back from 30 years to 40 years when building homes to a higher, more energy efficient standard.
71. There is a risk that the cost of the units will not reduce in later phases. Furthermore, it should be noted that the cost of construction might be greater than anticipated as a result of the Covid pandemic; easing of lockdown measures has led to a surge in demand for construction projects and shortages of some materials have led to delays and driven up prices.

Legal Implications

72. Full title reports will be required for land identified within the programme to ensure the land is free of any covenants or other legal matters that could impact the delivery of the site.
73. Advice from Legal Services will be sought when entering into funding agreements for the programme
74. Advice from Legal Services will be sought for entering contracts with consultants, contractors and developers.
75. Officers in Legal Services will be required to assist with the appropriation of land from the General Fund to the Housing Revenue Account where necessary
76. Advice will be needed from officers in Legal Services to ensure compliance with relevant legislation and any other legal issues arising during the sheltered housing consultation exercise.

Workforce Implications

77. None.

Options Considered

78. The Council could limit the development programme to be solely funded from the HRA business plan (which includes use of Commuted Sums and Right to Buy Receipts) and not bid for social housing grant (Homes England grant). This would not maximise development capacity and in turn would limit the ability to meet housing need and as such it has not been recommended.
79. The Council could limit development of new homes to sites in the ownership of the HRA and Council's General Fund, not seeking affordable housing offered as a planning obligation under s106 agreements. Affordable Housing offered as a planning obligation can be an economic way of securing new affordable housing and does allow the Council the ability to expand its sphere of operation across the County. Therefore, it is not recommended to limit development to take place only on Council owned land.
80. The Council could limit developments of new homes to sites in the current ownership of the HRA and Council's General Fund, not seeking opportunities to purchase the freehold of land for new build purposes. Land opportunities within the HRA are limited to small in-fill sites that will not generate the economies of scale needed when developing a programme of this scale and the Residential Development Team cannot rely on appropriation of land from the Council's General Fund which is already in high demand. Taking opportunities to purchase freehold land available outside the Council's existing landholdings enables the programme to meet the targets to deliver 1000 homes, whilst also generating some economies of scale.
81. The Council could look at simple redecoration of existing sheltered stock, keeping all stock as is with some updating. The stock identified for options appraisal has been identified through a matrix of information with housing management and maintenance input as stock that cannot be simply updated. The location and layout or lack of basic facilities render the sites unsuitable for long term sheltered offering. Therefore, it is recommended to proceed with reviewing the stock, as identified, and consulting with residents throughout the review process.

Conclusions

82. The conclusions reached, having taken the above into account is that the CHBP is progressing well; albeit with some overspend to agreed budgets. The overspend, has been encapsulated within the HRA business plan with clear measures in place to manage the increased costs. The growing housing need, particularly in the wake of the Covid-19 pandemic has emphasized the need for the Council to continue to develop more affordable housing and the clear direction within the programme to focus on delivering zero carbon homes whilst testing MMC solutions should be encouraged.

Simon Hendeby – Director for Housing and Commercial

Report Author: Laura Young – Residential Development Manager

Date of report 01/06/2021

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