

Wiltshire Council

Cabinet

1 December 2020

From Ian James – Bremhill Parish Councillor

**To Cllr Philip Whitehead, Leader and Cabinet Member for Economic Development, MCI and Communications; and
Cllr Pauline Church Cabinet Member for Finance, Procurement and Commercial Investment**

Item 5 – Public Participation

Statement

It is the Council's Policy to operate at minimum reserves to maximise the funds available for investment.

Question 1

Please can you tell me how much the Council has in the minimum reserve fund?

Response

The statement is not a recognised Council approved policy and the Councils does not hold a reserve titled the minimum reserve.

However, the Councils General Fund reserve, held for emergency one off spend and to deal with financial shocks, stands at just over £15.4m at the start of 2020/21.

Question 2

Prior to 22nd March this year how much did Wiltshire Council hold in the investment reserve fund? After 22nd March 2020 the Stock Market lost 30% of its value.

Response

The Council does not hold a reserve titled the investment reserve fund.

The Councils Treasury Management Strategy does not permit investments into the stock markets. Although we have the option available to invest in Government Gilts and the CCLA property fund the Council currently does not hold any funds in those investments.

Question 3

Was the Council quick enough to cash in investments before large losses were incurred, and if so how much liquidity did the Council save?

Response

See response to question 2.

Question 4

What is the percentage today of taxpayers money held in investment funds?

Response

See response to question 2.

Question 5

And what was the value of the losses in £GB incurred by the Council as a result of the stock market crash?

Response

See response to question 2.

Question 6

Did you not consider having so much Council money in investments was risky, and who was responsible for the risk assessment on these investments?

Response

The Council makes investments based on its Annual Treasury Management Strategy. The investment strategy sets out the strict criteria the Council must adhere to when investing, and its priority is security, then liquidity and then yield.

The risks involved are set out clearly in the Councils Treasury Management Strategy Statement which are presented to Council as part of budget setting.

Question 7

COVID 19 will put further strain on the Council finances, even your own financial reports show that Wiltshire Council has one of the lowest reserves in the country, 2020/21 will bring less revenue to the Council for all the obvious reasons, and yet demands on the Council will rise. At the height of the pandemic Cabinet agreed to provide Future Chippenham £4.2m to continue the HIF bid. In hindsight was this not a poor decision?

Response

Continued work on the HIF bid has enabled the Council to enter into contract with Homes England and secure infrastructure funding should development come forward and also to finance historic costs incurred to date.

Question 8

The HIF bid for the road around Chippenham is a high risk project, time constrained and budget constrained. Has the cabinet discussed what options it has in respect of withdrawing from the bid?

Response

Review mechanisms are built in the grant funding agreement.

Question 9

The Essex HIF bid to Homes England was £90m, it now faces an increase in infrastructure costs to £120m which under Homes England contract rules Essex Council now has to find £30m to complete the project. Can Wiltshire Council afford £30m in this climate should the bid costs be wrong?

Response

The funding agreement includes a HIF funding recovery strategy which provides risk mitigation in the event that costs increase.

Question 10

If Wiltshire Council fails to complete the road by March 2024 how will the Council repay the £75m back to the Government?

Response

The Council does not have to complete the road by 2024 , the Council has to defray HIF funding on the road by that date.