

AGENDA

Meeting: **Cabinet**
Place: **The Kennet Room - County Hall, Trowbridge BA14 8JN**
Date: **Tuesday 29 November 2022**
Time: **10.00 am**

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

Membership:

Cllr Richard Clewer	Leader of the Council and Cabinet Member for Climate Change, 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 and Inclusion
Cllr Phil Alford	Cabinet Member for Housing, Strategic Assets and Asset Transfer
Cllr Ian Blair-Pilling	Cabinet Member for Public Health and Public Protection, Leisure, Libraries, Facilities Management and Operational Assets
Cllr Nick Botterill	Cabinet Member for Finance, Development Management and Strategic Planning
Cllr Dr Mark McClelland	Cabinet Member for Transport, Waste, Street Scene and Flooding
Cllr Ashley O'Neill	Cabinet Member for Governance, IT, Broadband, Digital, Licensing, Staffing, Communities and Area Boards

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

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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 - 16*)

To confirm and sign the minutes of the Cabinet meeting held on 11 October 2022.

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 Wednesday 23 November 2022. Anyone wishing to ask a question or make a statement should contact the officer named above.

6 **Financial Year 2022/23 - Quarter Two Revenue Budget Monitoring** (*Pages 17 - 48*)

Report of the Chief Executive

7 **Financial Year 2022/23 - Quarter Two Capital Budget Monitoring** (*Pages 49 - 78*)

Report of the Chief Executive


8 **Financial Year 2022/23 - Mid Year Treasury Management Review** (*Pages 79 - 98*)

Report of the Chief Executive

9 **Q2 Corporate Performance and Risk** (*Pages 99 - 118*)

Report of the Chief Executive

10 **Socially Responsible Procurement Policy** (*Pages 119 - 144*)

 Report of the Chief Executive

11 **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

NONE

Cabinet

MINUTES OF THE CABINET MEETING HELD ON 11 OCTOBER 2022 AT THE KENNET ROOM - COUNTY HALL, TROWBRIDGE BA14 8JN.

Present:

Cllr Richard Clewer (Chairman), Cllr Laura Mayes (Vice-Chairman), Cllr Phil Alford, Cllr Ian Blair-Pilling, Cllr Nick Botterill, Cllr Dr Mark McClelland and Cllr Ashley O'Neill

Also Present:

Cllr David Bowler, Cllr Clare Cape, Cllr Gavin Grant, Cllr Sven Hocking, Cllr Nick Holder, Cllr Tony Jackson, Cllr Gordon King, Cllr Jerry Kunkler, Cllr Nic Puntis, Cllr Tamara Reay, Cllr Caroline Thomas, Cllr Ian Thorn, Cllr Jo Trigg and Cllr Tim Trimble

89 **Apologies**

Apologies were received from Cllr Jane Davies.

90 **Minutes of the previous meeting**

The minutes of the meeting held on 27 September 2022 were presented.

Resolved:

To approve as a correct record and sign the minutes of the meeting held on 27 September 2022, subject to the Reasons for Decision at minute 85 to read as follows :

'The pandemic paused the SDAT programme and with the new Business Plan there is a drive to refresh the desire to ensure local Councils are best placed to look after the services and assets at a local level.

The revised policy will streamline the protracted negotiations experienced in the previous programme with an aim to make the policy clearer to those Councils wishing to pursue service devolution and asset transfer.'

91 **Declarations of Interest**

There were no declarations of interest.

92 **Leader's announcements**

The Leader had no formal announcements although he did indicate that there would be an update on the cost-of-living crises at Full Council on 18 October 2022.

93 **Public participation and Questions from Councillors**

General questions were submitted from the following members of the public:

- Mel Boyle – Social housing
- Dr Celia Beckett – Sites selected for council housing in Trowbridge

Cllr Richard Clewer, Leader of the Council and Cabinet Member for Climate Change, MCI, Economic Development, Heritage, Arts, Tourism and Health & Wellbeing explained that the above questions had received written responses which were published on the Council's website prior to the meeting a can be accessed [here](#) at supplement 1.

Dr Celia Beckett, Chair of Hilperton Area Action Group, was in attendance and asked a supplementary question about concerns raised by local residents during the Local Plan consultation process in relation to - lack of crossings for the river and canal making transport solutions impossible, frequent flooding in the Staverton area, a vital wildlife corridor, a special area of conservation for bats and these concerns being addressed. The Leader and Cllr Botterill commented on the Local Plan process and explained that the process was driven by evidence provided by the Council and considered by the Inspector.

94 **Update on Council's response to the climate emergency**

Cllr Richard Clewer, Leader of the Council and Cabinet Member for Climate Change, MCI, Economic Development, Heritage, Arts, Tourism and Health & Wellbeing presented a report which provided an update on progress and actions taken in response to the climate emergency.

The Leader explained that the council has made significant progress in responding to the climate emergency. Delivery plans have been published setting out how the Council will deliver its objectives as detailed in the Carbon Neutral Council Plan 2022-2024 and Climate Strategy Delivery Plan for Wiltshire 2022-2024. He commented in detail on the seven delivery themes for Transport, Housing and the Built Environment, Natural Environment, Energy, Green Economy, Waste and Carbon Neutral Council.

Cllr Mayes, Deputy Leader and Cabinet member for Children's Services, Education and Skills noted the incredible progress being made and asked about the Council influence on other organisations not under the responsibility of the Council. The Head of Climate Programme highlighted how the Council is reaching out and working with partners including Town and Parish Councils.

Cllr Blair-Pilling, Cabinet Member for Public Health and Public Protection, Leisure, Libraries, Facilities Management and Operational Assets highlighted the work being undertaken at Five Rivers Leisure Centre to install air source heat pumps and solar panels.

Cllr Alford, Cabinet Member for Housing, Strategic Assets and Asset Transfer reported that the Housing Energy Efficiency Programme has undertaken a large

number of retrofit assessments with the aim of the project to reduce the amount of CO2 produced by 15,000 tonnes across the council housing stock.

Cllr Ian Thorn welcomed the report and commented on the fantastic progress made. He indicated that it was important for the council to engage with other organisations to deliver positive outcomes for the county as a whole. Cllr Thorn raised the following issues:

- The opportunity to improve the performance of waste and recycling through public information campaigns and engaging with communities. In response, the Leader and Cllr Dr McClelland agreed that there were opportunities to increase recycling rates and to continue targeting marketing campaigns in this area.
- Judging success, reaching targets and identify progress. The Leader noted that the council is making good progress to achieve targets by 2030.
- The impact on the County as a whole. The Leader noted that it would be very difficult to decarbonise the County by 2030, as this would be reliant on policies set by the Government.
- Some concern with the direction of travel of the current Government.
- Huge opportunity to include policies in the Local Plan as it develops on about the amount of carbon being produced to build the home and then how the home is run by the owners. The Leader reminder Councillors that the Local plan needed to be compliant with national planning framework and the consideration of the inspector. The Local Plan would be as green and sustainable within these limits.
- To oppose fracking in the County. The Leader confirmed that there were no licences for fracking in Wiltshire. The Corporate Director Place confirmed that he would provide additional information to clarify this issue after the meeting.
- The allocation of £1m a year between 2021-2025 to support activity on the high street. The Leader confirmed that work was progressing well and provided meaningful and transformational support to grow businesses, support employment and transform Wiltshire's high streets to meet the needs of the local community.
- Engaging with suppliers and communicating the council's requirements in relation to the climate emergency. The Leader referred to paragraphs 90-93 of the report for examples of current work with suppliers in this area.

Cllr Graham Wright, Chairman of the Climate Emergency Task Group reported that the Task Group welcomed the council's commitment to give an update every six months on progress toward tackling climate change. He spoke about the progress being made, the need for continued focus on the issues, discussions about the various delivery themes by the Task Group, welcome the opportunity to review the next report in May 2023 prior to consideration by Cabinet. He also recognised and appreciated the amount of work to the point, particularly by the Climate Team, and others across the whole council.

Cllr Chris Williams informed the Cabinet that as the Military and Civilian Integration representative for the Council, he had recently visited a military camp in Wiltshire and heard about their plans to become carbon neutral, the outcomes of which would be extended to other military camps in Wiltshire.

Cllr Caroline Thomas commented on the funding of the electric vehicle infrastructure and in particular EV charging points currently not working in certain locations around the county. In response, the Leader explained that national grid capacity was the largest issue to contend with and others forms of green energy could well be available in the future.

Cllr Gordon King welcomed the report and asked about the outcomes if the Council were to achieve carbon neutrality. The Leader expressed confidence in achieving carbon neutrality in the county by 2030 for those areas under the responsibility of the Council, especially with the changes in technology. However, he did remind everyone that the journey was not simple and the measures outside of council control may be delivered by 2045.

Resolved:

That the actions taken in response to the climate emergency following the last update in February 2022 be noted.

Reason for Decision:

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

95 **Domestic Abuse External Grant Allocation - Year Two (2022-23)**

Cllr Ian Blair-Pilling, Cabinet Member for Public Health and Public Protection, Leisure, Libraries, Facilities Management and Operational Assets presented a report which sought authority to endorse the proposals outlined in the report for use against the Department for Levelling Up, Housing and Communities (DLUHC) funding, to fulfil the functions of the statutory duty on Tier 1 Local Authorities relating to the provision of support to victims of domestic abuse and their children residing in safe accommodation.

Cllr Blair-Pilling reported that the Secretary of State for DLUHC has determined under Section 31 of the Local Government Act 2003 that a grant of £125m should be awarded to local authorities to enable them to fulfil their statutory functions of the Domestic Abuse Act 2021 relating to the provision of specialist support to victims and their families fleeing domestic abuse and living in safe accommodation. He informed Cabinet that the Council has been allocated £832,348 for 2022-23 (year 2 funding).

Cabinet members indicated that the funding was fundamental in supporting children and adults in the area of domestic abuse and they welcomed the enhancement of the local provision.

Cllr Ian Thorn commented on funding and whether anything not spent during 2022/23 would be rolled over into an earmarked reserve and used to support the continuation of the work; He also commented on the support available for male victims of domestic abuse. In response, Cllr Blair-Pilling confirmed that any surplus would be rolled over to support future work in this area. It was noted that the need for support was increasing, and a property was being repurposed to support male victims of domestic abuse.

Cllr Johnny Kidney, Chair of the Health Select Committee confirmed that the Select Committee considered a draft version of the report at their meeting on 22 September 2022. They welcomed the report, noted its contents and would receive an update on outcomes from the funding and other domestic abuse work in 2022/23.

Resolved:

- **To accept the £832,348 allocated from the DLUHC for 2022-23 and endorse the proposals for allocating the grant**
- **To agree to roll any surplus funding to an earmarked reserve.**
- **To agree that any further decisions relating to the distribution of this grant are delegated to the Corporate Director of Resources, in consultation with the Cabinet Member for Public Health and Public Protection, Leisure, Libraries, Facilities Management and Operational Assets.**

Reason for Decision:

Part 4 of the Domestic Abuse Act 2021 details the statutory responsibilities of the Local Authority functions relating to the 'provision of support for all victims of domestic abuse and their children, regardless of their relevant protected characteristics, within relevant accommodation' (as defined by the Regulations).

To support the implementation of new duties in the Domestic Abuse Act 2021, Wiltshire distributed its allocated year 1 funding (£830,051) to further strengthen the local support offer to victims and their families fleeing domestic abuse and living in safe accommodation. The decision making was underpinned from evidence from the local health needs assessment, an independent review of services including a map and gap, as well as service-user engagement.

In April 2022 government committed a further £125million to be allocated to local authorities, for year two, of its three-year commitment to invest in domestic abuse services. Wiltshire have been awarded £832,348.

To maximise the opportunities of this additional funding, enhancing the local support offer available to victims and their families in Wiltshire experiencing domestic abuse, Wiltshire requires Cabinet approval to endorse the proposals for the allocation of this funding across the local system.

The proposals seek to build on the learning from those projects invested in as part of the year one funding and allows for continuation where early results have been indicative of positive engagement and better outcomes for those using the interventions and in receipt of the support. Using the funding on those proposals included in the paper will enable work to continue and to ensure there are no gaps in service delivery, which could place vulnerable service users at risk.

96 **Parish Stewards - Additional Funding**

Cllr Dr Mark McClelland, Cabinet Member for Transport, Waste, Street Scene and Flooding presented a report which requested an increase in the budget for the Parish Steward Scheme to increase the capacity and capability of the service.

Cllr Dr McClelland explained that the Council has been operating the Parish Steward Scheme successfully for many years and is a service that is greatly appreciated by the local communities.

The Leader referred to a statement from Rushall Parish Council in support of the proposals. The Statement was published in Supplement 1 on the Council's website at this [link](#).

The Cabinet noted that in order to increase the capability of the Parish Stewards it is proposed to add a two-person support team with additional equipment. Cllr Dr McClelland confirmed that the Parish Steward Support Team would be shared between the stewards and deployed as required, with care taken to ensure that they are programmed to be fully utilised.

Cllr Ian Thorn welcomed the report and asked that Town and Parish Council are made aware of the additional capacity of the Teams and the scope of work that can be undertaken.

Cllr Jerry Kunkler, Chair of the Environment Select Committee confirmed that he and Cllr Bob Jones, Vice Chairman of the Environment Select Committee, received a briefing on the report on 7 October 2022. He noted that Parish Stewards are valued by both councillors and parishes alike, and the report was welcomed and supported. They were reassured that any work will be appropriately prioritised and that the scope of the Stewards scheme will be reiterated to parishes and councillors to manage expectations.

Resolved:

- (i) That a budget of £233,000 is included for each of the years 2022/23, 2023/24 and 2024/5 to provide a Parish Steward Support Service. This one-off funding, totalling £699,000 will be provided from the Business Plan Priority reserve.**

- (ii) Arrangements are made with the highways term maintenance contractor for the supply of a suitable two-person team and associated equipment to support the Parish Steward scheme.**

Reason for Decision:

The Parish Steward scheme is important to the town and parish councils and the local communities, and their work contributes to improving the safety and appearance of Wiltshire's highway network. The increased budget will enable the Parish Stewards to undertake additional work on the network.

97 **Update on Social Mobility and community conversations**

Cllr Richard Clewer, Leader of the Council and Cabinet Member for Climate Change, MCI, Economic Development, Heritage, Arts, Tourism and Health & Wellbeing presented a report which provided detail of activity arising from recent community visits and pilots of ongoing community conversations.

The Leader explained that as part of Wiltshire Council's commitment to improving social mobility and tackling inequalities, senior leaders from a range of public sector organisations took part in community visits to Studley Green, Trowbridge and Bemerton Heath, Salisbury earlier this year. Leading to the development of ongoing community conversations for these areas, with the intention of piloting a bold and innovative approach to develop solutions, tailored to the strengths and needs of local areas and then adapting and rolling this out elsewhere in Wiltshire in due course.

The Director of Public Health emphasised that the process, vision and development of action would take place over the longer term, working with partners, community groups and residents. The report detailed a number of quick wins that have been supported by public service providers following initial engagement with local communities.

Cllr Ian Thorn referred to a successful garden tools loan project he was involved with some time ago and commented on how the community was engaged in the process. He also addressed the issue of councillors being advocates for their local area, and how the local authority can be a real motivator for change and engagement with residents. He asked about the approaches and methodologies the council was employing. The Leader agreed that councillors bring different skills to the table and suggested that engagement needs to be at a deeper level. The Director of Public Health concurred that the local authority is a great agent for change and that similar communities and groups were the focus of engagement during the recent covid pandemic.

Cllr Jo Trigg, local member for Studley Green, Trowbridge welcomed the report, supporting the action being taken and expressed her anticipation for Studley Green and Bemerton Heath and what this could develop into for similar areas. She noted that building trust and engaging in conversations were very important. However, there were concerns about budgets and the pressure on small charities, especially during the current cost of living crisis. The Director of

Public Health indicated that timeframes will be held loosely and driven by the local community.

Resolved:

That Cabinet note the range of activity underway to support these communities and the ongoing opportunities for community activism and tailored support.

Reason for Decision:

Improving social mobility and tackling inequality is a guiding theme for the council's Business Plan. In everything we do, we consider the impact of the action on social mobility and ask how we can help to tackle the disparities in opportunities that exist within Wiltshire.

98 **New Term Highways Maintenance Contract - Results of Procurement Exercise**

Cllr Dr Mark McClelland, Cabinet Member for Transport, Waste, Street Scene and Flooding presented a report which provided detail about the award of the Term Highways Maintenance contract.

Cllr Dr McClelland reminded Cabinet that in January 2022 they agreed for the Director of Highways and Transport to invite tenders for a new supplier to provide the Term Highway Maintenance Services, and to report the results of the procurement exercise back to Cabinet.

Cabinet noted that the new contract will include the provision of routine highways maintenance, Parish Stewards, pothole repairs, winter gritting, street lighting and the implementation of safety and Local Highway and Footway Improvement Groups (LHFIG) schemes. It also includes the provision for additional spend on works funded through external bids, and the option to allow other Wiltshire Council services to order works through the contract. The new contract will start on 1 April 2023. It is anticipated that annual expenditure through the contract is likely to be in the region of £15,000,000.

Cllr Jerry Kunkler, Chair of the Environment Select Committee confirmed that he, Cllr Bob Jones, Vice Chairman of the Environment Select Committee and Cllr Pip Ridout, Chairman of the Financial Planning Task Group received a briefing about Part 1 of this report on 7 October 2022. The briefing detailed the procurement process, and the new emphasis upon carbon reduction through the contract period was welcomed. They received reassurance that risks in relation to price and cost inflation had been identified and that actions are being undertaken to mitigate those risks. They welcomed the focus upon quality, and we heard about the quality assurance process. The Select Committee will continue to monitor this contract through the annual review of performance.

Cabinet noted that a list of three potential tenderers was prepared and evaluated by officers including detailed scoring and financial information. This information was contained in a Part II report considered at agenda item 14, with the press and public excluded.

Resolved:

See minute 102 below.

99 **Remobilisation of City Hall**

Cllr Richard Clewer, Leader of the Council and Cabinet Member for Climate Change, MCI, Economic Development, Heritage, Arts, Tourism and Health & Wellbeing presented a report which provided options and recommendations for the remobilisation of Salisbury City Hall as an arts, entertainment and cultural venue.

The Leader detailed the timelines for City Hall over the last few years, in particular, following Government direction on 20 March 2020, City Hall was closed due to the COVID-19 pandemic, in October 2020 Cabinet confirmed that the venue would remain mothballed until it was both financially viable and safe to reopen, in December 2020, City Hall was licenced to the NHS to be used as a Vaccination Centre, and the NHS have confirmed the venue will continue to be required as a vaccination centre until March 2023.

Cabinet noted that the council has applied to the Levelling Up Fund Round 2 seeking a substantial capital grant to deliver strategic improvements to Salisbury's Cultural offer, including improvement works to both City Hall and Salisbury Playhouse. If the bid is successful, the council and relevant partners will commit to contribute 'match' funding which will amount to over 10% of the grant award and would be subject to a capital funding bid. Works would be scheduled to commence in October of 2023 and to be complete in January 2025.

Cllr Jerry Kunkler, Chair of the Environment Select Committee confirmed that he and Cllr Bob Jones, Vice Chairman of the Environment Select Committee, received a briefing on this report on 4 October 2022. They welcome and endorsed the report following consideration of the options presented and with the commitment to address some of the building's structural issues. They noted that City Hall could be an important addition to Salisbury's visitor and night-time economy.

Cllr Tony Jackson commented on the capital grant and queried if there was such an opportunity for Warminster to bid for a similar grant. The Leader reminded the meeting that the Council has applied to the Government for the Levelling Up Fund Round 2 capital grant in line with the approved bidding process.

Cabinet noted that a pre-pandemic staffing structure was attached as a Part II appendix and was considered at agenda item 15, with the press and public excluded.

Resolved:

1. There are three options available to Wiltshire Council in order to remobilise City Hall:

Option	Description
1	Source a third-party organisation to operate City Hall as an entertainment venue on behalf of Wiltshire Council
2	Wiltshire Council to manage and operate City Hall internally, using same model as prior to the venues closure in 2020
3	Sell/Asset transfer venue to a suitable external organisation for us an entertainment venue

2. A key element of the 2020 Cabinet paper was that remobilisation should be undertaken when it was 'financially viable' to do so. Option 1 is the most likely to provide long-term financial sustainability in order for the venue to thrive in a manner that the other options may not.
3. It is recommended that Option 1 be agreed, and Wiltshire Council seek to source an external organisation to operate the venue.
4. It is recommended that future decisions relating to the remobilisation of City Hall are delegated to the Corporate Director Place in consultation with the Leader of the Council.

Reason for Decision:

Option 1 could:

- *retain an arts, entertainment, community, and cultural venue in Salisbury.*
- *potentially reduce the financial burden on the council as a third-party organisation will be asked to take on the running costs and operating risk.*
- *potentially retain a level of control over venue programming to include a community element.*

100 **Urgent Items**

There were no urgent items.

101 **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 102 and 103 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.

102 **New Term Highways Maintenance Contract - Results of Procurement Exercise**

The Cabinet considered the detailed scoring and financial information contained in the confidential report in Part II of the agenda which was presented by the former Acting Director – Highways and Environment.

The former Acting Director confirmed the name of the preferred tenderer and responded to question which included:

- A positive step to include a value of 10% for Social Value within the tender assessment.
- Financial viability of the tenderers to withstand the current economic climate.
- The tenderers experience of working in Wiltshire was not a factor considered during the tender assessment and all tenderers were treated equally.
- Lessons from past tendering exercises and how these impacted the current tender process.
- The track record of the preferred tenderer within the industry.

Resolved:

(i) The Term Highways Maintenance Contract should be awarded to Contractor A.

(ii) Cabinet authorises the Director of Highways and Transport, in consultation with the Corporate Director Resources and Deputy Chief Executive, in consultation with the Cabinet Member for Transport, Waste, Street Scene and Flooding, to satisfy themselves as to the details regarding the Contract, and then to take all necessary steps to enter into the new Highways Contract.

Reason for Decision:

(i) There is a need for a specialist contractor to deliver the Council's highways and related services when the existing contract ends on 31 March 2023.

(ii) Following a robust procurement exercise in accordance with the 'Restricted Procedure' tenders were submitted by three companies.

(iii) The tenders were assessed in terms of price, quality, carbon and social value and the most advantageous tender has been identified and recommended for acceptance.

(iv) *The most advantageous tender for the Council, taking into account price, quality, carbon and social value, should be accepted in accordance with the procurement procedures. The detailed scoring and financial information are contained in a confidential report to be considered in Part 2 of this meeting.*

103 **Remobilisation of City Hall**

Cllr Richard Clewer, Leader of the Council and Cabinet Member for Climate Change, MCI, Economic Development, Heritage, Arts, Tourism and Health & Wellbeing presented the appendix to the report which provided detail about the pre-pandemic staffing structure at City Hall.

Resolved:

- 1. That the pre-pandemic City Hall staffing structure be noted.**

Reason for Decision:

To aid the decision made at minute 99 above.

(Duration of meeting: 10.00 am - 12.15 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 or email communications@wiltshire.gov.uk

Wiltshire Council

Cabinet

29 November 2022

Subject: Financial Year 2022/23 - Quarter Two Revenue Budget Monitoring

Cabinet Member: Cllr Nick Botterill – Cabinet Member for Finance, Development Management and Strategic Planning

Key Decision: Non-Key

Executive Summary

This report informs members of the 2nd quarterly revenue budget monitoring forecast position (as at 30 September 2022) for the financial year 2022/23. It also provides an update on the MTFS and budget gap for the financial year 2023/24.

Quarter 2 Revenue Budget Monitoring

Quarter 2 budget monitoring forecasts are based on information known as at 30 September 2022. These are early forecasts and will be subject to movement during the year as more certainty arises and less estimation is required, particularly on areas such as demand and inflationary pressures.

The Net Budget set by Full Council for 2022/23 is £417.703m, and this budget was set recognising the one-year nature of the government funding and the uncertainty of future reform. The 2022/23 budget ensured that vital services to the residents, businesses and communities of Wiltshire continue to be provided during the ongoing pandemic, as well as delivering on the commitments as set out in the new Business Plan.

The quarter 2 position forecasts an underlying overspend for the year of £13.401m with one off mitigations in place that result in a net overspend for the year of £3.755m. No proposals are made for this variance however the next quarterly report will provide a more certain forecast and will lead into the final year end position and set out recommendations for any adverse or favourable variance, with the fall back being the utilisation of the reserve held for inflation pressures being experienced during 2022/23.

Proposal(s)

Cabinet is asked to approve:

- a) the transfer of an additional £0.826m from the Transformation Reserve.

- b) the transfer from the Latent Demand reserve, as detailed in the reserve paragraphs, the timing and value of which span this and the next financial year.
- c) the transfer of the £3.330m of BT Gainshare monies to the Transformation Reserve.

Cabinet is asked to note:

- a) the current revenue budget is forecast to overspend by £3.755m by the end of the financial year.
- b) the current forecast savings delivery performance for the year.

Reason for Proposal(s)

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

To inform Cabinet on the forecast revenue financial position of the Council for the financial year 2022/23 as at quarter 2 (30 September 2022), including delivery of approved savings for the year.

Terence Herbert
Chief Executive

Wiltshire Council

Cabinet

29 November 2022

Subject: Financial Year 2022/23 - Quarter Two Revenue Budget Monitoring

Cabinet Member: Cllr Nick Botterill – Cabinet Member for Finance, Development Management and Strategic Planning

Key Decision: Non-Key

Purpose of Report

1. To advise Members of the Revenue Budget Monitoring position 2022/23 Quarter 2 (30 September 2022) for the financial year 2022/23 with suggested actions as appropriate.

Relevance to the Council's Business Plan

2. Budget monitoring and reporting supports effective decision making and the alignment of resources and financial performance to the Council's priorities and objectives as laid down in the Business Plan.
3. Providing updates on the medium term financial strategy and budget for future years supports effective decision making and the alignment of resources to the Council's priorities and objectives as laid down in the Business Plan.

Background

REVENUE BUDGET MONITORING 2022/23 – QUARTER 2

4. The Council approved a net budget for 2022/23 of £417.703m at its meeting on 1 February 2022.
5. This is the second report for the financial year and includes a summary of the movements to the original budget since it was set by Full Council in February 2022. This summary can be seen in Appendix A.
6. The following paragraphs focus on forecast year end variances against the approved budget based on information as at 30 September 2022. They also continue to set out the underlying pressure currently estimated within the service areas mainly as a result of the significant increases in inflation, and the assessed impact of this on the budgets. Mitigating management action is being taken and this is detailed so that the forecasts include the underlying pressure and the net position following the mitigations.

7. The forecasts at this stage of the year still contain uncertainty and are subject to movement during the rest of the financial year. They are forecasts for known items and commitments and estimates on a forecast for the remainder of the financial year. The current economic position and volatility continues to expose council services and the financial position to additional risk that forecasts may move in future periods due to the significant changes seen in inflation indices.

Main Considerations for the Council

Revenue Budget

8. Since the quarter 1 report the Council has continued to manage its overall financial position effectively with the forecast overspend now reduced by £2.265m to £3.755m as at quarter 2. Table 1 below shows the movement in variance from quarter 1 to quarter 2.

Table 1 – Movement in Forecast from Quarter 1 to Quarter 2

	<i>Revised Budget</i>	<i>Forecast Q2</i>	<i>Variance Q2</i>	<i>Variance Q1</i>	<i>Movement since Q1</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Corporate Director People					
Living and Ageing Well	71.509	72.749	1.240	1.245	(0.005)
Whole Life Pathway	81.217	83.288	2.071	1.862	0.209
Education & Skills	23.324	24.300	0.976	1.993	(1.017)
Family & Children Services	60.777	60.950	0.173	(0.748)	0.921
TOTAL PEOPLE	236.827	241.287	4.460	4.352	0.108
Corporate Director Resources					
Finance	3.792	4.646	0.854	1.016	(0.162)
Assets & Commercial Development	15.489	16.412	0.923	0.789	0.134
Information Services	11.467	11.230	(0.237)	0.221	(0.458)
Procurement & Commissioning	4.838	5.223	0.385	0.221	0.164
TOTAL RESOURCES	35.586	37.511	1.925	2.247	(0.322)
Corporate Director Place					
Highways & Transport	37.854	37.415	(0.439)	0.080	(0.519)
Economy & Regeneration	2.334	2.278	(0.056)	0.010	(0.066)
Planning	1.167	2.798	1.631	0.895	0.736
Environment	44.474	43.847	(0.627)	0.147	(0.774)
Leisure Culture & Communities	6.218	6.518	0.300	0.951	(0.651)
TOTAL PLACE	92.047	92.856	0.809	2.083	(1.274)
Chief Executive Directorates					
Public Health	1.414	1.059	(0.355)	(0.065)	(0.290)
Legal & Governance	9.456	9.427	(0.029)	0.152	(0.181)
HR&OD	3.337	3.156	(0.181)	(0.013)	(0.168)
Transformation & Business Change	0.392	0.271	(0.121)	(0.197)	0.076
Corporate Directors & Members	3.212	3.411	0.199	0.040	0.159
Commercial Savings	-	-	-	-	-
TOTAL CEX DIRECTORATES	17.811	17.324	(0.487)	(0.083)	(0.404)
Corporate					
Movement on Reserves	(1.138)	(1.138)	-	-	-
Capital Financing	26.841	24.245	(2.596)	(2.402)	(0.194)
Corporate Costs	3.854	3.958	0.104	0.197	(0.093)
Corporate Levies	5.875	5.415	(0.460)	(0.374)	(0.086)
TOTAL CORPORATE	35.432	32.480	(2.952)	(2.579)	(0.373)
TOTAL GENERAL FUND	417.703	421.458	3.755	6.020	(2.265)

9. The following elements of this report reflect the management responsibility in line with the current management hierarchy. The breakdown of the projected year end position is set out in table 2 below.

Table 2 – Forecast as at Quarter 2 2022/23 Summary Position

Overview of Quarter 2 Monitoring

	Original Budget	Revised Budget	Forecast before Management & Other Actions	Variance before Management & Other Actions	Management & Other Actions	Forecast	Variance
	A £m	B £m	C £m	D (C-B) £m	E £m	F (C+E) £m	G (F-B) £m
Corporate Director People							
Living and Ageing Well	72.096	71.509	73.949	2.440	(1.200)	72.749	1.240
Whole Life Pathway	78.003	81.217	83.961	2.744	(0.673)	83.288	2.071
Education & Skills	22.728	23.324	24.652	1.328	(0.352)	24.300	0.976
Family & Children Services	62.175	60.777	62.211	1.434	(1.261)	60.950	0.173
TOTAL PEOPLE	235.002	236.827	244.773	7.946	(3.486)	241.287	4.460
Corporate Director Resources							
Finance	3.895	3.792	5.031	1.239	(0.385)	4.646	0.854
Assets & Commercial Development	16.261	15.489	16.578	1.089	(0.166)	16.412	0.923
Information Services	11.595	11.467	12.051	0.584	(0.821)	11.230	(0.237)
Procurement & Commissioning	5.310	4.838	5.223	0.385	-	5.223	0.385
TOTAL RESOURCES	37.061	35.586	38.883	3.297	(1.372)	37.511	1.925
Corporate Director Place							
Highways & Transport	37.761	37.854	40.109	2.255	(2.694)	37.415	(0.439)
Economy & Regeneration	2.491	2.334	2.542	0.208	(0.264)	2.278	(0.056)
Planning	1.670	1.167	3.042	1.875	(0.244)	2.798	1.631
Environment	43.215	44.474	44.296	(0.178)	(0.449)	43.847	(0.627)
Leisure Culture & Communities	7.474	6.218	7.086	0.868	(0.568)	6.518	0.300
TOTAL PLACE	92.611	92.047	97.075	5.028	(4.219)	92.856	0.809
Chief Executive Directorates							
Public Health	1.597	1.414	1.092	(0.322)	(0.033)	1.059	(0.355)
Legal & Governance	7.482	9.456	9.729	0.273	(0.302)	9.427	(0.029)
HR&OD	5.468	3.337	3.342	0.005	(0.186)	3.156	(0.181)
Transformation & Business Change	-	0.392	0.319	(0.073)	(0.048)	0.271	(0.121)
Corporate Directors & Members	3.041	3.212	3.411	0.199	-	3.411	0.199
TOTAL CEX DIRECTORATES	17.588	17.811	17.893	0.082	(0.569)	17.324	(0.487)
Corporate							
Movement on Reserves	(1.138)	(1.138)	(1.138)	-	-	(1.138)	-
Capital Financing	26.841	26.841	24.245	(2.596)	-	24.245	(2.596)
Corporate Costs	3.113	3.854	3.958	0.104	-	3.958	0.104
Corporate Levies	6.625	5.875	5.415	(0.460)	-	5.415	(0.460)
TOTAL CORPORATE	35.441	35.432	32.480	(2.952)	-	32.480	(2.952)
TOTAL GENERAL FUND	417.703	417.703	431.104	13.401	(9.646)	421.458	3.755
Funding							
General Government Grants	(49.261)	(49.261)	(49.261)	-	-	(49.261)	-
Council Tax	(309.942)	(309.942)	(309.942)	-	-	(309.942)	-
Business Rates Retention Scheme	(58.500)	(58.500)	(58.500)	-	-	(58.500)	-
TOTAL FUNDING	(417.703)	(417.703)	(417.703)	-	-	(417.703)	-

10. Overall, the quarter 2 report identifies a potential year end forecast underlying overspend of £13.401m and a net overspend of £3.755m. This is the second report of the year 2022/23 and shows an improved forecast financial position and details of the significant variances within service areas are included below. There are some variances that affect all service areas, and an explanation is given below for these.

11. As part of setting the budget in February 2022 the Pay award was budgeted for at 2%. The working forecast at quarter 1 was updated based on the national employers offer to the unions which has now been agreed. This offer is a fix increase of £1,925 for every pay point which averages out across the whole council as a 6.6% increase overall. At quarter 1 the forecasts in service represented a 4.5% increase and the balance of the increase was shown as a £2.9m pressure as an overall corporate pressure. The forecast for the pay pressure is now all included within services and any pressure that is not

containable within the service budgets is referred to as the Pay award pressure. Due to the on-going recruitment difficulties faced in some services areas, this pressure is mitigated by additional amounts than originally forecast in the previous budget monitoring report as vacancies continue to be held longer than anticipated.

12. The 2022/23 budget also included a saving of £2.458m that was budgeted to be delivered from changes to Terms and Conditions. £1.709m of this has been achieved following the agreement of all 3 unions to freeze increments for 2 years, and changes to the over-time policy. However, changes to the unsocial hours, standby and callout policies totalling £0.749 remain under negotiation and are unlikely to deliver the full forecasted savings this year. These savings have been allocated out to services and are reported below and are referred to as the Terms and Conditions pressure.

CORPORATE DIRECTOR - PEOPLE

Table 3 – Forecast as at Quarter 2 2022/23 Corporate Director People Position

		<i>Original Budget</i>	<i>Revised Budget</i>	<i>Forecast before Management & Other Actions</i>	<i>Variance before Management & Other Actions</i>	<i>Management & Other Actions</i>	<i>Forecast</i>	<i>Variance</i>
		A	B	C	D (C-B)	E	F (C+E)	G (F-B)
		<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Corporate Director People								
Living and Ageing Well	Gross	109.301	104.311	105.136	0.825	(1.200)	103.936	(0.375)
	Income	(37.205)	(32.802)	(31.187)	1.615	-	(31.187)	1.615
	Net Exp	72.096	71.509	73.949	2.440	(1.200)	72.749	1.240
Whole Life Pathway	Gross	88.080	128.636	141.470	12.834	(0.673)	140.797	12.161
	Income	(10.077)	(47.419)	(57.509)	(10.090)	-	(57.509)	(10.090)
	Net Exp	78.003	81.217	83.961	2.744	(0.673)	83.288	2.071
Education & Skills	Gross	132.942	139.543	141.001	1.458	(0.352)	140.649	1.106
	Income	(110.214)	(116.219)	(116.349)	(0.130)	-	(116.349)	(0.130)
	Net Exp	22.728	23.324	24.652	1.328	(0.352)	24.300	0.976
Families & Children Services	Gross	67.546	66.293	67.844	1.551	(1.261)	66.583	0.290
	Income	(5.371)	(5.516)	(5.633)	(0.117)	-	(5.633)	(0.117)
	Net Exp	62.175	60.777	62.211	1.434	(1.261)	60.950	0.173
TOTAL PEOPLE	Gross	397.869	438.783	455.451	16.668	(3.486)	451.965	13.182
	Income	(162.867)	(201.956)	(210.678)	(8.722)	-	(210.678)	(8.722)
	Net Exp	235.002	236.827	244.773	7.946	(3.486)	241.287	4.460

Living and Ageing Well: Budget £71.509m – £1.240m overspend

13. Living and Ageing Well are projecting a £1.240m net overspend. This includes £0.310m of unachievable savings, £0.200m for spot to block placement conversions for older people and terms and conditions savings of £0.110m. The service will continue to look at how these may be achieved through other means.

14. The underlying overspend is £2.440m due to the additional inflationary pressures seen by the service, there are inflationary pressures generally across the care market due to cost of living increases and the use of agency staff by providers due to recruitment issues. Also, the pressures from the additional estimated pay award above the 2% budgeted and the Terms and Conditions pressures. Management action has reduced this pressure by £1.200m to the net overspend position reported above.

15. There are a number of variances in the budget, but the majority of the underspend position is in the budget for the expected hospital discharge pressures on business as usual post covid and its associated funding. However this isn't anticipated to be fully utilised this year as the Better Care Fund is mitigating these pressures through non recurrent funding
16. Within this the Reablement budget is projecting a net underspend of £0.097m. The reablement service continues to have recruitment difficulties, therefore the ongoing need to use locums required to cover long standing vacancies. The service needs to continue using locums to maintain safe levels of qualified staff. However it is now also proving difficult to recruit locums, hence the projected underspend position. It is anticipated this will resolve when the T&C's discussions reach a conclusion.
17. As the Council moves forward with making payments to care providers gross of client contributions there will be increased risk exposure to debts that were previously collected by care providers. In addition, there is some uncertainty in the overall recoverability of some debts associated with Adult Social Care and work is progressing through elements of the Adults Transformation Programme to review and assess the debts and also the control processes to ensure we mitigate the risks as far as possible. As such an additional risk factor has been included within the forecasts as a prudent approach while the debts and processes are reviewed and validation of the financial position assessed.

Whole Life Pathway: Budget £81.217m – £2.071m overspend

18. Overall, the Whole Life Pathway Budget is projecting a £2.071m overspend. This overspend includes £1.483m of unachievable savings for the improved use of Care Cubed of £0.500m, the Good Lives Alliance contract of £0.115m, spot to block placement conversion – working age £0.250m and Under 65 high cost placement action plan £0.500m and terms and conditions savings of £0.118m. Commissioning and the service, will continue to look at how these may be achieved through other means.
19. The underlying overspend is £2.744m due to the additional inflationary pressures seen by the service such as inflationary pressures across the care market due to cost of living increases and use of agency staff by providers due to recruitment issues. In addition, the service is facing pressures from the additional estimated pay award above the 2% budgeted and the Terms and Conditions pressures. Management action has reduced this pressure by £0.673m to the net overspend position reported above.
20. The Learning Disabilities and Autism Service (LDAS) budget is forecasting a £3.370 million overspend. £1.365m of this is due unachievable savings as detailed above. The service is awaiting a decision on a number of Continuing Health Care cases which if agreed would improve the forecast position. Further analysis will take place to forecast the impact of this as soon as it is known. The customers that are being referred to the service are increasing in complexity with a notable increase in the people who have autism and mental health needs which adds to the budgetary pressures.

21. The Community Support budget is projecting a £0.170m underspend. This is as a result of additional Continuing Health Care income to that budgeted and a number of staff vacancies. Also included within this budget are the costs of support to refugees, this includes the Homes for Ukraine funding from the DLUHC which is now estimated to be £12.485m to support local authorities to provide wrap-around support to individuals and families to rebuild their lives and fully integrate into communities. Any unspent funding at outturn will be requested to be set aside at the end of the year as it will be required in 2023/24 to continue this programme and to support housing and costs of staffing across the council to support this scheme.
22. The budget is forecasting a £1.365m underspend. This is made up of several variances within the service, the largest being £1.1090m underspend on the adults of working age mental health care budget as there has been a decrease in packages. The service is also forecasting an increase in income predominantly due to contributions from the ICB (Integrated Care Board) towards care costs of S117 jointly funded clients which is in excess of that budgeted for. There are inflationary pressures across the care market due to cost of living increases and use of agency staff by providers due to recruitment issues. In addition, the pressures from the additional estimated pay award above the 2% budgeted and the Terms and Conditions pressures resulting in a gross position of £1.165m. The service has worked to reduce this pressure by £0.201m to the net overspend position reported above.

Families & Children Services: Budget £66.292m – £0.173m overspend

23. This service protects, cares for and supports vulnerable children and families with the greatest needs, including children in care, disabled children, and those at risk of harm.
24. This is a demand driven service area. The anticipated volume of latent demand of children in care, post pandemic, has not yet to come to fruition. The budgeted number of children in care for 2022/23 financial year is 434. The actual number of children in care is 435 (September 2022). Commissioners are reporting that the marketplace is struggling to meet children's needs and as a result, small numbers of children are in higher cost placements than necessary to meet their needs.
25. The ability to retain stable numbers of children we support, unlike some other councils is as result of our successful prevention and early support services preventing such escalation of need and other schemes to mitigate cost pressures. This also includes the successful stronger families' team working intensively with families to prevent children coming into care, as well as the effective support service which offers families a service at an early help level, preventing escalation into statutory services. This service commenced at the end of 2017 and was predicted to have this impact. Other mitigation programmes include the "move forward" programme, enabling children to move from costly residential care to foster care or semi-independence, and investment in the sufficiency of Wiltshire placements through 'fostering excellence', which have contained demand and cost pressure. The forecast

position is that savings will be achieved and there is a small adverse variance which includes forecasting an increase for all in house carers, special guardians and adoption allowances to better reflect current inflationary pressures. This forecast position is subject to change if demand increases or, the marketplace continues to be unable to offer suitable placements which leads to an increase in costly residential provision being required.

26. In addition, the national social work recruitment and retention challenge is being felt in Wiltshire and there are forecasted underspends in service teams. A specific workforce strategy is in place and remains a priority. As part of this campaign, Wiltshire is committed to “growing its own” social workers so a greater number of staff on the ASYE (assessed and supported year in employment) for newly qualified social workers have been employed this year, a by-product of this approach is that these staff are at the beginning of their careers and there are economic benefits. These factors lead to a forecast underspend across all teams of £0.270m, including the current forecast pay award assumptions. In order to reduce the overall cost pressure, fixed term family support workers are being used which means use of agency staff has been kept to a minimum to date however, there are concerns that if future recruitment campaign success is limited, or our ability to retain is hindered due to us continuing to place ourselves outside of the market competition for experienced social workers, agency staff will need to be considered for key posts which will increase costs. The vacancies are helping to mitigate the increased pay inflation pressure for 2022/23 financial year.
27. The Council is committed to providing placements for unaccompanied asylum-seeking children, current numbers of these young people being under 18 years of age are 42. Since April 2022, 24 young people have been mandated and 16 have been spontaneous arrivals. We have 42 unaccompanied asylum-seeking young people who are care leavers. Based on our quota of 0.1% of Wiltshire’s population we should be taking 106 from the National Transfer Scheme (NTS) scheme so we can expect a further 64, however this will increase as our current cohort turn 18 yrs old. Timing is unclear at this point. This is in addition to any spontaneous arrivals. Regional arrangements may change in this and the next few financial years.
28. New Home Office guidance for unaccompanied minors travelling from Ukraine, means that they will be eligible for a private fostering service up until they are 18 (the mainstream service is up to 16). This is in addition to the estimated 20 already anticipated from the national scheme (grant funding is available to contribute to cover costs). Support for this group will be absorbed into current teams wherever possible to do so.
29. SEN social care external placement budgets are forecasting an underspend of £0.040m due to both current and anticipated numbers of disabled children in our care and those with special educational needs and disability. Current budgeted unit cost is £737 per week across all types of placement. The overall average as at quarter 2 is £822 –There are two underlying reasons for the cost pressures, some children are presenting with more complex needs as a result of the pandemic and additionally, there is pressure for placements for children in a marketplace which has been impacted by the pandemic in both unit price and availability. The demand for placements, however, is lower than

anticipated including planned transitions of young people to access adult services and this is driving the forecast underspend.

30. Overall, the lower than planned numbers of childrens placements mitigate against the increased weekly prices due to complexity of need, market sufficiency and national inflationary pressures felt by providers.

31. A number of small other variances comprise the balance of the forecast overspend.

Education & Skills (School Effectiveness, SEN & Inclusion): Budget £23.214m – £0.976m overspend

32. The services in this area fulfil numerous statutory duties with a mixture of local authority and dedicated schools grant (DSG) funding. The majority of the local authority funded services are forecast to largely be aligned with budget – the forecast underspend in service teams of (£0.130m) includes the current additional pay inflation estimate but relates part year vacant posts across the service. Some of these posts have been held vacant to offset reduced trading income. These vacancies are helping to mitigate the increased pay inflation pressure for 2022/23 financial year.

33. Where eligible, 5-16-year-old school children with an Education, Health and Care Plan (EHCP) can take up free school transport. The forecast expenditure for school transport for learners with an education health and care plan (EHCP) is £1.000m overspent. This overspend includes travel savings achieved of £0.150m following re-contracting and 1,543 learners accessing transport at an average annual cost of £9,118, leading to the forecast overspend of £1.000m.

34. A number of small other variances including lower than planned traded income levels and additional grants secured comprise the balance of the forecast overspend.

CORPORATE DIRECTOR – RESOURCES

Table 4 - Forecast as at Quarter 2 2022/23 Corporate Director Resources
Position

		Original Budget	Revised Budget	Forecast before Management & Other Actions	Variance before Management & Other Actions	Management & Other Actions	Forecast	Variance
		A £m	B £m	C £m	D (C-B) £m	E £m	F (C+E) £m	G (F-B) £m
Corporate Director Resources								
Finance	Gross Income	82.469 (78.574)	82.366 (78.574)	83.718 (78.687)	1.352 (0.113)	(0.385)	83.333 (78.687)	0.967 (0.113)
	Net Exp	3.895	3.792	5.031	1.239	(0.385)	4.646	0.854
Assets & Commercial Development	Gross Income	33.117 (16.856)	33.294 (17.805)	34.915 (18.337)	1.621 (0.532)	(0.166)	34.749 (18.337)	1.455 (0.532)
	Net Exp	16.261	15.489	16.578	1.089	(0.166)	16.412	0.923
Information Services	Gross Income	12.016 (0.421)	11.888 (0.421)	12.418 (0.367)	0.530 (0.054)	(0.821)	11.597 (0.367)	(0.291) 0.054
	Net Exp	11.595	11.467	12.051	0.584	(0.821)	11.230	(0.237)
Procurement & Commissioning	Gross Income	17.069 (11.759)	6.756 (1.918)	7.141 (1.918)	0.385 -	-	7.141 (1.918)	0.385 -
	Net Exp	5.310	4.838	5.223	0.385	-	5.223	0.385
TOTAL RESOURCES		Gross Income 144.671 (107.610)	134.304 (98.718)	138.192 (99.309)	3.888 (0.591)	(1.372) -	136.820 (99.309)	2.516 (0.591)
	Net Exp	37.061	35.586	38.883	3.297	(1.372)	37.511	1.925

Finance: Budget £3.792m – £0.854m overspend

35. Overall, the Finance forecast has improved by £0.162m from the variance reported in Quarter 1. Finance is forecasting a variance of £1.239m before management action, as previously reported this is due to the pressure on Pay award which has increased to £0.287m in line with new Pay award pressure allocation to service and a pressure of £0.970m on Benefit Subsidy as a result of people being placed in supported living accommodation with non-registered providers. The Council is only able to claim the rent element from Government and has to cover the cost of support. Supported Living is used to support vulnerable people, including those with Drug and Alcohol addictions and help them transition back into the community.

36. These pressures are being offset by maximising the allocation of grant income in relation to Energy Rebate administration. A grant of £0.198m was received from Government for administering the scheme and the service have managed the delivery of this scheme effectively. Vacancies are being held and are forecast to continue to be held across the service to further reduce the variance to a overspend of £0.854m.

Assets & Commercial Development: Budget £15.489m – £0.923m overspend

37. Assets & Commercial Development are reporting a £0.923m overspend, this has increased by £0.174m since quarter 1, is largely as a result of the revised pay award pressure allocation to service and increased inflation pressure on maintenance contracts.

38. As seen nationally, energy prices have significantly increased. The budget was set with a forecast increase of 35% for electricity and 60% for gas for commodity prices. However actual increases have far exceeded those original forecasts, in part due to non-commodity prices which could not be hedged and were unknown at budget setting. The forecast for quarter 2 is an overspend on electricity of £0.250m, gas £0.240m and Biomass fuel £0.098m. Electricity

forecast has improved by £0.200m from quarter 1 due to PCRPs efficiency works, biomass boiler operations and actual consumption being less than forecast.

39. An increased pressure of £0.750m is forecast on maintenance contracts from inflation on services and materials and as a result of several major breakdowns and repairs in quarter 2. The pressure on pay budgets has increased to £0.175m as a result of the revised pay award assumptions.

40. These pressures are being offset in the main by one off income, significantly from the NHS for the use of City Hall of £0.270m and £0.162m compliance scheme income. A saving on Covid cleaning of £0.116m has also been achieved as levels have been reduced back to standard.

ICT: Budget £11.467m – £0.237m underspend

41. ICT are reporting an overspend of £0.584m before management action, £0.248m forecast for revised Pay award assumptions, £0.104m for Terms & Conditions pressure, £0.178m for inflation pressure on Microsoft Enterprise & Select Agreement at 12.5% and forecast reduced income of £0.054m.

42. Management action has been taken to reduce this to a net underspend of £0.237m. The support contract with Microsoft and Azure were reviewed and restructured to manage the inflation pressure, the Microsoft Enterprise Agreement has been renewed during quarter 2 and overall, these items now deliver a net saving of £0.256m for 2022/23.

43. Further savings have been achieved on the corporate Network totalling £0.312m, these will be one off and recurring savings and are being used to offset other pressures on applications and support contracts. BT invoices have been reviewed and challenged and refunds and ongoing reductions agreed where we have been charged incorrectly and tariffs have been changed to ensure we have the best deals.

44. Through a combination of holding vacancies and difficulty recruiting the pay award pressure, including T&C's is forecast to be reduced to £0.123m, a saving of £0.229m.

45. An ongoing risk for the service is inflation on software licences and hardware maintenance support contracts as they come up for renewal, this will need to be reviewed and managed as it arises but is a risk given the level inflation is running at.

Procurement & Commissioning: Budget £4.838m – £0.207m overspend

46. Procurement & Commissioning are reporting an overspend of £0.207m as a result of the revised Pay award assumptions.

CORPORATE DIRECTOR – PLACE

Table 5 - Forecast as at Quarter 2 2022/23 Corporate Director Place Position

		Original Budget	Revised Budget	Forecast before Management & Other Actions	Variance before Management & Other Actions	Management & Other Actions	Forecast	Variance
		A £m	B £m	C £m	D (C-B) £m	E £m	F (C+E) £m	G (F-B) £m
Corporate Director Place								
Highways & Transport	Gross Income	51.086 (13.325)	51.158 (13.304)	54.428 (14.319)	3.270 (1.015)	(1.731) (0.963)	52.697 (15.282)	1.539 (1.978)
	Net Exp	37.761	37.854	40.109	2.255	(2.694)	37.415	(0.439)
Economy & Regeneration	Gross Income	4.000 (1.509)	3.917 (1.583)	3.977 (1.435)	0.060 0.148	(0.264)	3.713 (1.435)	(0.204) 0.148
	Net Exp	2.491	2.334	2.542	0.208	(0.264)	2.278	(0.056)
Planning	Gross Income	8.450 (6.780)	7.947 (6.780)	9.195 (6.153)	1.248 0.627	(0.244)	8.951 (6.153)	1.004 0.627
	Net Exp	1.670	1.167	3.042	1.875	(0.244)	2.798	1.631
Environment	Gross Income	52.633 (9.418)	53.220 (8.746)	54.832 (10.536)	1.612 (1.790)	(0.449)	54.383 (10.536)	1.163 (1.790)
	Net Exp	43.215	44.474	44.296	(0.178)	(0.449)	43.847	(0.627)
Leisure Culture & Communities	Gross Income	15.000 (7.526)	20.030 (13.812)	21.387 (14.301)	1.357 (0.489)	(0.568)	20.819 (14.301)	0.789 (0.489)
	Net Exp	7.474	6.218	7.086	0.868	(0.568)	6.518	0.300
TOTAL PLACE		Gross Income (38.558)	136.272 (44.225)	143.819 (46.744)	7.547 (2.519)	(3.256) (0.963)	140.563 (47.707)	4.291 (3.482)
	Net Exp	92.611	92.047	97.075	5.028	(4.219)	92.856	0.809

47. As shown above the £44.225m of Place & Environment revised budget is derived from income, the table below breaks this down further by department.

Table 6 – Place Income Budgets by Department

Service	Department	Fees & Charges, Other Income	Grants, Contributions, Recharges	Total Income Budgets
Highways & Environment	Highways	-3.487	-0.016	-3.503
	Car Parking	-8.257	0.000	-8.257
	Passenger Transport	-0.421	-1.124	-1.545
		-12.165	-1.140	-13.305
Economy & Regeneration	Enterprise Network	-1.244	0.000	-1.244
	Major Projects	-0.023	-0.207	-0.230
	Economic Regeneration	0.000	-0.109	-0.109
		-1.267	-0.316	-1.583
Planning	Building Control	-1.156	0.000	-1.156
	Development Management	-4.540	0.000	-4.540
	Local Land Charges	-1.034	0.000	-1.034
	Spatial Planning	0.000	-0.050	-0.050
		-6.730	-0.050	-6.780
Environment	Public Protection	-0.934	-0.019	-0.953
	Natural & Historic Environment	-0.053	-0.017	-0.070
	Waste	-7.720	-0.003	-7.723
		-8.707	-0.039	-8.746
Leisure Culture & Communities	Leisure	-12.809	-0.338	-13.147
	Libraries & Heritage	-0.432	-0.233	-0.665
		-13.241	-0.571	-13.812
TOTAL PLACE		-42.110	-2.116	-44.226

48. Fees & Charges income is difficult to forecast as it is influenced by so many different factors outside of the Council's control and can fluctuate. For Qtr2 the

majority of the forecasts have been forecast on Budget or in line with 2021/22 outturn unless the actual position over the first half of the year was significantly over or under profile and there was evidence to suggest it will not stabilise, further detail is included below for these areas.

Highways & Transport: Budget £37.854m – £0.439m underspend

49. The Highways and Transport service is managing significant inflation pressures with an average 6% (excluding fuel inflation pressure) higher increases on contracts than budgeted for as part of the 2022/23 budget. The quarter 2 net position has improved by £0.288m from that reported in quarter 1, largely due to further contract savings on the Streetscene contract due to mobilisation of the new contract and suspension of work.
50. The position before management action is a net £2.255m overspend. This is also higher than reported in quarter 1 due to further pressures in Passenger Transport services and changes in pay award assumptions. The pressure can be broken down as £0.567m pressure from Highways contract inflation, £0.468m pay award pressure, £1.642m Passenger Transport inflation pressure (including fuel pressure) as well as support and retendered prices for Bus Network, £0.276m pressure on car parking income and savings targets no longer assessed as being deliverable of £0.100m. Offsetting these pressures are forecast £0.442m additional Streetworks income and £0.357m other income.
51. These pressures are being offset by a range of one off management measures, £0.372m staff savings from holding vacancies and maximising capitalisation, £0.719m reduction in contract spend and supplies, £0.640m drawdown from ear marked reserves and £0.963m use of grant and developer contributions.
52. Car parking saving proposals have all been implemented with increased tariffs actioned at the end of quarter 2. Overall a reduction in usage has been seen which is generating a forecast underachievement of income at quarter two of £0.276m.
53. Streetworks income has been forecast slightly lower for quarter 2 based on the actuals received in the first two quarters and is now showing an overachievement of income of £0.442m. This income is difficult to forecast as it depends on the amount of work undertaken on the highway by utilities, developers and contractors. The MTFs for 2023/24 was increased in line with 2021/22 outturn position to reflect the improved position. The other income variance of £0.372m relates to a range of fees and charges across the service, the majority of which are deemed to be one off in nature or volatile so have not been built into the MTFs, for example £0.093m relates to a developer payment for the hire of street lighting.
54. Highways contract inflation is running on average at 13%, as part of budget setting the average % inflation uplift applied was 6% for Highways and Transport which is generating significant pressure for the service. Inflationary increases are agreed on individual contracts and applied when due. It is forecast the pressure for 2022/23 will be circa £0.567m on Highways

revenue. This has been managed in part by a reduction in service largely as contractors are still experiencing issues as a result of COVID so are actually unable to deliver some services at budgeted level, issues include a shortage of drivers and resources, this is in part down to a buoyant construction sector attracting skilled operatives and difficulty with procuring equipment and machinery. In addition, further savings have been forecast in quarter 2 on the Streetscene contract as work has been suspended and as we go through contract mobilisation, with the new contract due to start in December 2022. The service is working with contractors to deliver to 2022/23 budget, prioritising essential and critical works and working to the contractors' capacity; overall, there will be a reduction in the level of services provided for 2022/23.

55. Passenger Transport contracts are also presenting with significant inflation pressure, this is compounded by the super inflation seen on fuel at circa 30% and falling patronage. In order to keep services running and prevent bus service sections being deregistered, the Council has had to step in and provide support where routes have become commercially unviable. An inflation increase, directly linked to fuel is also being provided to contractors to help ease the immediate pressure and ensure services are not handed back. For quarter 2 additional pressures have been included to reflect the significant price increases for retendered contracts in year. These pressures are currently forecast to be £1.642m above base budget for 2022/23; however, as this position was forecast at the end of 2021/22 financial year grant and an EMR was set aside in order to provide one off assistance in 2022/23. Therefore, the service will be drawing this pressure from reserves and maximising grant and S106 contributions for 2022/23 to come in on budget.
56. The inflation pressure will be an ongoing issue for Highways & Transport so will need to be factored into the MTFS if the service is to be maintained at agreed levels. As part of budget setting for 2023/24 services will need to be reviewed and rescoped to see what is deliverable within the Council's affordability envelope. The Highways term maintenance contract has been retendered and a new contract will start in April 2023, this will result in increased prices and has been factored into the MTFS.
57. The £0.100m undeliverable saving is in relation to the savings proposal to charge for advertising on Bus Shelters. This proposal has now been linked to the Bus Service Improvement Plan (BSIP) and so will be delayed until 2023/24. Mitigating one off savings below are being used to offset this pressure until it is delivered.
58. The pay award pressure has increased due to the revised pay award assumptions to £0.500m for Highways & Transport, this is being managed down by holding vacant posts and capitalising where appropriate resulting in a saving of £0.372m.
59. Overall the variance has been managed down to an underspend position of £0.439m.

Economy & Regeneration: Budget £2.334m – £0.056m underspend

60. Economy & Regeneration are forecasting an underlying full year variance of £0.208m overspend, this is due to the Pay award pressure and changes in capitalisation of salaries. Management action has been taken to reduce this overspend variance to a forecast £0.056m underspend by holding vacancies.
61. Wiltshire Towns recovery budget of £1m is forecast to be on budget, though it is noted that £0.800m of that expenditure is small grant awards to external agencies and this may therefore be subject to variance. Grant award periods will run from October-March and will be monitored. Wiltshire Towns Programme also has an ear-marked reserve, current forecasts are that the full reserve will not be required to be drawn down in 2022/23 as recruiting to vacant posts for the programme is proving to be challenging.

Planning: Budget £1.167m – £1.631m overspend

62. As part of budget setting for 2022/23 Development Management Income budgets for fees and charges were increased back to pre-COVID-19 levels. Building Control and Local Land Charges were increased to 98% of pre-COVID-19 levels. The Fees & Charges income budgets total £6.730m.
63. As at Quarter 2 Development Management income is forecast to underachieve by £0.502m, this is a change from quarter 1 which was reported online and is based on the actuals to date continuing to be under profile.
64. Building Control and Local Land Charges is forecast to underachieve income budgets by £0.176m, this forecast shows a slight improvement since quarter 1 and reflects actuals received to date.
65. The service is forecasting a net £0.392m overspend on salaries. This is in part due to the pay award pressure of £0.300m and also due to Development Management having to use Agency staff due to difficulties recruiting and retaining experienced staff. This issue has been compounded as lack of resources and increased activity at the end of 2021/22 has led to a backlog which is now requiring additional Agency staff to reduce. The marketplace has become extremely competitive, and this issue is being seen nationally across the industry, the service is working with HR to try to agree a long term strategy for staff recruitment and retention. Vacancies are being held where possible in Building Control and Land Charges to help mitigate the situation.
66. In addition, an overspend on appeals and legal costs (agency workers and counsel advice) is also forecast of £0.598m. This continues to be a risk area for the service.

Environment: Budget £44.474m – £0.627m underspend

67. Environment services is forecasting a net £0.627m underspend, this is an improved position from quarter 1 and is due to increased income (primarily from recyclable materials through the Lot 1 waste management contract) and less waste tonnages/different treatment streams than forecast. As previously advised included within this are significant variances on Gross (expenditure) and Income budgets.
68. The increasing inflation rate has a significant impact on the Waste Contracts, the service is currently forecasting a £1.448m pressure for contract inflation with CPI rates at 10.1% for July 2022 when the majority of inflation is contractually due to be applied. It should be noted that for most of the waste contracts, the indexation is not an automatic uplift but subject to the contractor evidencing their increased costs, and any claim capped at CPI. A saving of £0.646m is being achieved as a result of less tonnages and different waste stream treatments.
69. The remaining pressure is being offset by a forecast overachievement on income of £1.79m. As reported in 2021/22 outturn position the service saw a significant increase across recycling materials sales, this is forecast to continue and is supported by the actuals seen in the first two quarters of 2022/23. Recycling material income is notoriously volatile and has been particularly influenced through changing economic climate. However, industry intelligence is that, whilst prices have peaked and will likely come down for some materials during 2022/23, prices are not expected to fall to the levels experienced in 2020/21. This will need to be closely monitored and is a risk area for the service. The forecast increased Income has been factored into the updated 2023/24 MTFS.
70. The Saving proposal for £0.100m to introduce a charge at Household Recycling Centres for the disposal of non-household Waste has been put on hold in response to the Government public consultation on proposals to prevent councils from applying charges for "DIY waste" at Household Recycling Centres. The closing date for consultation responses was the 4 July 2022, and an outcome is not yet known.
71. The table below shows the forecast tonnages and rates for the significant Waste contracts against the budgeted position, these are the main cost drivers for the Waste service.

Service:	Tonnes				£/Tonne *				Budget Forecast Variance Due to Price/Tonnes £'m
	Budget setting F'cast (T)	Current Yr End F'cast (T)	Var (T)	Var (%)	£/Tonne (Budget Setting)	£/Tonne (Forecast)	Var (£)	Var (%)	
Provision and operation of Waste Transfer Stations (WTS), a Materials Recovery Facility (MRF) and two Household Recycling Centres (HRCs)	86,300	78,744	-7,556	-8.8%	£ 63.20	£ 68.32	£5.12	8.1%	-0.177
Composting services	39,200	37,661	-1,539	-3.9%	£ 34.80	£ 36.96	£2.16	6.2%	-0.158
Treatment & disposal of residual waste (inc street sweepings)	23,000	18,941	-4,059	-17.6%	£ 34.37	£ 37.31	£2.94	8.5%	0.025
Tax payable on all waste sent to landfill	35,800	33,066	-2,734	-7.6%	£ 98.60	£ 98.60	£0.00	0.0%	-0.323
Energy from waste landfill diversion contract.	50,000	50,000	0	0.0%	£ 132.25	£ 131.18	£-1.06	-0.8%	-0.196
Mechanical biological treatment (MBT) Landfill diversion contract.	60,000	57,909	-2,091	-3.5%	£ 151.78	£ 164.72	£12.95	8.5%	0.464

* £/T excludes income

72. Environment Services is currently forecasting an overspend on pay budgets of £0.328m. £0.164m is in relation to the pay award pressure and £0.164m is in relation to not being able to deliver against the 6.5% vacancy factor target. This will be continually monitored, and any new vacancy's will be assessed and held where possible.

Leisure Culture & Communities: Budget £6.078m – £0.300m overspend

73. Leisure Culture & Communities is reporting a net variance before management action of £0.868m, there are three main pressures driving this position. The Pay award pressure of £1.095m, this has increased since quarter 1 due to changes in pay award assumptions and also includes assumptions around pay harmonisation, £0.232m Terms and Conditions pressure and inflation pressure of £0.031m on supplies contract, Chemicals seeing a 90% increase from September 2022. This is being offset by a forecast overachievement of income of £0.489m which is based on the performance seen in the first two quarters.

74. The service has taken action to manage this pressure by holding vacancies, the saving for this has increased since quarter 1 as the service have had difficulties recruiting so is forecasting a saving of £0.329m. There is also a significant saving on supplies & services from bulk buying supplies to lock in lower prices and focusing on essential spend of £0.271m. This has reduced the variance to a Net position of £0.300m.

75. Leisure Operations Income is currently forecast to overachieve the budget which was set at 80% of pre COVID-19 levels. The forecast is based on the performance in the first two quarters continuing. At present the service have not seen any decline in membership or income, but this is a risk with the current cost of living pressure and competition.

76. Savings targets are on track overall, mitigating one off savings from holding vacancies across the service have been actioned while longer term sustainable restructures have taken place to deliver permanent savings. The Savings target for £0.048m for smaller Libraries has been reprofiled to the end of the year and has been highlighted as significant risk, this will be picked up through the 2023/.24 budget setting process.

CHIEF EXECUTIVE DIRECTORATES

77. Table 7 - Forecast as at Quarter 2 2022/23 Chief Executive Directorates Position

		Original Budget	Revised Budget	Forecast before Management & Other Actions	Variance before Management & Other Actions	Management & Other Actions	Forecast	Variance
		A £m	B £m	C £m	D (C-B) £m	E £m	F (C+E) £m	G (F-B) £m
Chief Executive Directorates								
Public Health	Gross Income	18.220 (16.623)	22.385 (20.971)	22.063 (20.971)	(0.322) -	(0.033)	22.030 (20.971)	(0.355) -
	Net Exp	1.597	1.414	1.092	(0.322)	(0.033)	1.059	(0.355)
Legal & Governance	Gross Income	10.080 (2.598)	12.118 (2.662)	12.531 (2.802)	0.413 (0.140)	(0.302)	12.229 (2.802)	0.111 (0.140)
	Net Exp	7.482	9.456	9.729	0.273	(0.302)	9.427	(0.029)
HR&OD	Gross Income	9.290 (3.822)	6.382 (3.045)	6.391 (3.049)	0.009 (0.004)	(0.186)	6.205 (3.049)	(0.177) (0.004)
	Net Exp	5.468	3.337	3.342	0.005	(0.186)	3.156	(0.181)
Transformation & Business Change	Gross Income	-	0.392	0.319	(0.073)	(0.048)	0.271	(0.121)
	Net Exp	-	0.392	0.319	(0.073)	(0.048)	0.271	(0.121)
Corporate Directors & Members	Gross Income	3.055 (0.014)	3.226 (0.014)	3.425 (0.014)	0.199 -	-	3.425 (0.014)	0.199 -
	Net Exp	3.041	3.212	3.411	0.199	-	3.411	0.199
TOTAL CEX DIRECTORATES		Gross Income 40.645 (23.057)	44.503 (26.692)	44.729 (26.836)	0.226 (0.144)	(0.569) -	44.160 (26.836)	(0.343) (0.144)
		Net Exp	17.588	17.893	0.082	(0.569)	17.324	(0.487)

Public Health: Budget £1.414m – £0.355m underspend

78. Public Health are forecasting an underspend of £0.355m on the council budget funded services. This is due to a number of small underspends across the service as part of an exercise to improve efficiencies in part offset by the additional estimated pay award and the Terms and Conditions pressure. In 2022/23 the Public Health Grant is £18.015m. This is being fully spent on activities such as the Public Health Nursing service, Drug and Alcohol Substance Misuse services, Sexual Health services, Domestic Abuse services for Wiltshire and a wide range of health improvement services such as health improvement coaches. Public Health have £0.062m of staff related savings in 2022/23 of which all are forecast to be achieved.

Legal, & Governance: Budget £9.410m – £0.029m underspend

79. Legal and Governance are forecasting a variance before management action of £0.273m overspend. This is from the pay award pressure of £0.413m which has increased since Quarter 1 due to the changes in pay award assumptions. This pressure is being offset in part by forecast additional income across the service, particularly on Registration services. Registration income budget was increased to 98% of Pre Covid-19 levels for 2022/23, the service is seeing strong demand and has exceeded profiled budget for the first half of the year.

80. Management action has been taken to reduce the variance to a net variance of (£0.029m) underspend by holding vacancies across the service where appropriate and reducing spend on professional fees and contracts. The forecast assumes some of these vacancies will be held for the rest of the financial year, this will need to be monitored to ensure the service has the capacity to deliver.

Human Resources & Organisational Development: Budget £3.336m – £0.181m underspend

81. A number of staff are redeployed to support capital programmes and transformational schemes key to the implementation of programmes of work such as EVOLVE. Where salary cost pressure has arisen from forecast pay award, which is higher than budgeted for, these have been absorbed and mitigated against by holding vacancies and wherever possible seconded posts have not been backfilled on a like for like basis.

Transformation & Business Change: Budget £0.392m – £0.121m underspend

82. This service brings together the systems thinking and programme office to create a transformation and business change service at the heart of supporting the delivery of the Council's business plan priorities. The team is largely funded from flexible use of capital receipts. Where salary cost pressure has arisen from the forecast pay award, which is higher than budgeted for, these have been absorbed and mitigated by the small number of vacancies in quarter 1 which have led to a forecast net underspend on salaries across the whole service.

83. The Transformational Board has agreed a drawdown from the transformation reserve totalling £1.322m over three years in order to prioritise and facilitate the Business Insights and Adults Transformation programmes of work. Cabinet are asked to approve an additional £0.826m transfer from the reserve in this financial year (2022/23) following the approval to transfer £0.531m at quarter 1. The cumulative impact over the 3 years is a total transfer of £3.081m.

Corporate Directors and Members: Budget £3.110m – £0.199m overspend

84. The overspend is due to the Pay Award pressure and non-delivery of the vacancy factor.

CORPORATE EXPENDITURE

Table 8 - Forecast as at Quarter 2 2022/23 Corporate Position

		Original Budget	Revised Budget	Forecast before Management & Other Actions	Variance before Management & Other Actions	Management & Other Actions	Forecast	Variance
		A £m	B £m	C £m	D (C-B) £m	E	F (C+E)	G (F-B) £m
Corporate Movement on Reserves	Gross Income	(1.138)	(1.138)	(1.138)	-		(1.138)	-
	Net Exp	(1.138)	(1.138)	(1.138)	-	-	(1.138)	-
Capital Financing	Gross Income	26.991	26.991	26.986	(0.005)		26.986	(0.005)
	Net Exp	(0.150)	(0.150)	(2.741)	(2.591)	-	(2.741)	(2.591)
		26.841	26.841	24.245	(2.596)	-	24.245	(2.596)
Corporate Costs	Gross Income	3.113	3.854	3.928	0.074		3.928	0.074
	Net Exp	-	-	0.030	0.030	-	0.030	0.030
		3.113	3.854	3.958	0.104	-	3.958	0.104
Corporate Levies	Gross Income	7.664	7.664	8.072	0.408		8.072	0.408
	Net Exp	(1.039)	(1.789)	(2.657)	(0.868)	-	(2.657)	(0.868)
		6.625	5.875	5.415	(0.460)	-	5.415	(0.460)
TOTAL CORPORATE	Gross Income	36.630	37.371	37.848	0.477	-	37.848	0.477
	Net Exp	(1.189)	(1.939)	(5.368)	(3.429)	-	(5.368)	(3.429)
		35.441	35.432	32.480	(2.952)	-	32.480	(2.952)

Financing & Investment Income & Expenditure: Budget £26.841m – £2.596m underspend

85. The final value of capital spend funded by borrowing figure for 2021/22 sets the minimum revenue provision charge for year 2022/23. As a result of the reduction in the 2021/22 capital programme year end financial position there is a £1.197m saving in 2022/23.

86. The Council took a treasury management decision to borrow £80m in March 2022 and based on the current cashflow forecast the council will not need to borrow again in 2022/23. As a result of this borrowing and the interest rates, interest payable is forecast to exceed budget by £1.326m. This is offset by a forecast overachievement of £2.591m on interest receivable due to the increased level of cashflow and increased interest rates, and this forecast also accounts for forecast loan interest from Stone Circle and Wiltshire College.

87. An underspend is forecast on asset disposal costs of £0.134m for quarter two based on actual activity to date and forecast to the end of the financial year.

Corporate Costs: Budget £3.854m – £0.104m overspend

88. A small overspend of £0.012m has been forecast on bank charges for 2022/23 due to the delay in achieving the full year of savings associated with obtaining PCI DSS compliance. An overspend has also been forecast on internal audit of £0.009m due to unforeseen inflationary increase and external audit fees of £0.100m due to additional work requirements to support the on going audits. This is being offset by a forecast overachievement of purchase of annual leave and National Insurance saving's on salary sacrifice schemes of £0.020m.

Corporate Levies: Budget £5.875m – £0.460m underspend

89. An overachievement of income is forecast for renewable energy Business rates of £0.868m, and this has been reflected in the MTFs for 2023/24 as the increased level of incoming is recurring. In 2022/23 this is offsetting a pressure of £0.394m for Pension deficit lump sum payment and £0.100m on the

Apprenticeship Levy and Flood Defence levy. For quarter 2 an underspend of £0.100m has also been forecast against Early Retirement pension costs.

COLLECTION FUND

90. The Collection Fund is the ring-fenced fund which comprises all income and expenditure for both the Council Tax and Business Rates.

91. The previous year's deficit will continue to be funded by the monies set aside in the Collection Fund Volatility reserve over the 3-year period 2021/22-2023/24 as originally planned, with the timing of the financial impact across the 3 years set out in the regulations set by government.

DEDICATED SCHOOLS GRANT – Total Grant £426.772m - £7.789m forecast net overspend

92. The forecast variance for dedicated schools grant (DSG) is a net £7.789m overspend. This is driven by demand from parents and schools for statutory support for vulnerable children with SEN & disability, reflected in increased numbers of education health and care plans (EHCPs.) The number of EHCPs at the end of quarter 2 2021-22 was 4,252; quarter 2 in 2022-23 is 4,613; an increase of 361 plans (8.5%).

93. The demand pressure and overspend is aligned with the national picture for many other local authorities and Government's acknowledgement of this is reflected in the national level additional funding for the 2022/23 high needs block of £1,082m and high needs block supplementary funding of £325m for the 2022-23 financial year. The 2022-23 allocation included increases of £4.897m and £2.415m respectively for Wiltshire. This has come some way to alleviating the pressure it will not however, assist with previous years overspends which are held in the DSG deficit reserve in the local authority's balance sheet. Lobbying continues to request support and additional funding at national level.

94. The DfE's SEN review was published in March 2022 and the financial implications of this are unclear at this stage although national bandings of support are proposed. Wiltshire has submitted both a consultation response and separate written response and the DfE is yet to publish its findings and recommendations.

95. The DSG is ringfenced and is separate to local authority budget. Any underspend or overspend is also ringfenced. At the beginning of the financial year, the DSG reserve balance had a deficit of £25.973m this is now forecast to be £33.198m. The local authority has a long-term recovery plan centred around inclusion which is being implemented in partnership with schools however the deficit lies with Wiltshire Council whilst the recovery plan is delivered. Additional funding is key to meeting the needs of Wiltshire pupils.

96. Prior to 2020/21 the DSG grant was treated as a usable reserve, when this went into deficit it was no longer appropriate for it to be treated as such, as negative cash reserves are not acceptable. In April 2020 Ministry of Housing,

Communities & Local Government (MHCLG) introduced new legislation to switch the DSG deficit reserve from usable to an unusable reserve and allowed the creation of an adjustment account on the balance sheet. In presenting the Better Value proposition DfE have only confirmed that the override will end on 31 March 2023. This provides no resolution to the negative reserve issue which was the subject of the override. The potential size of the deficit reserve for Council, at 31 March 2023, presents a financial stability issue for the 2023/24 financial year. As such we will continue to liaise with DLUHC and DfE to further understand how the DBV programme will impact on the accounting override. Our local authority position is that we simply cannot sustain the DSG deficit.

97. Councils nationally have an estimated £2.3 billion in high needs funding deficits. Those authorities with the most significant deficits, have been enrolled in the DfE “Safety Valve” programmes. Following the publication of the SEN Review the DfE have published a suite of reports and guidance to support local authority budget management and recovery plans. Wiltshire has been offered support in the second phase of the DfE’s “Developing Better Value” (DBV) programme. The Council is scheduled to be part of the DfE’s second phase of the DBV programme in January 2023 and has been awarded £0.045m to facilitate this. In addition, the DfE have appointed Newton, CIPFA and SEN advisers to work with officers to review the recovery plan and provide support and guidance. Officers have started preparatory work with Newton / CIPFA.

DSG Reserve (held in the council's balance sheet)	Early Years Ringfence (effective 01-04-22)	Schools Block, HNB & Central	Total 22/23 FY
	£m	£m	£m
Balance Brought Forward from 21/22		25.973	25.973
Early Years Adjustment 21/22 prior year	-0.564		-0.564
Forecast variance 22/23	-2.379	10.168	7.789
Estimated balance CFWD 2022	-2.943	36.141	33.198

98. Officers have taken every opportunity to take part in national and southwest comparator research which show the extent of the national and regional issue. Best practice and savings approaches are being shared with peers.

99. Wiltshire is taking steps to address the demand for specialist placements; significant Council investment in the System of Excellence and new Special School places in the north of the county, the 150-place free special school in the south, expansion of specialist places within our schools and the flexible use of capital receipts by the council to fund a series of projects to facilitate change both internally and to influence partners. These and the savings planned from them do not lead to a balanced position within the 10-year recovery period. Savings are limited by many external factors and include a parent’s legal right to state parental preference and recourse to a tribunal.

100. Officers are regularly meeting with school leaders to progress plans through the High Needs Recovery Group, reporting the position and recovery plan to Schools Forum. School Leaders have raised the profile of the funding

challenges with Wiltshire's MPs who have been supportive and in turn, raised with central government.

101. As the situation stands both locally and for most other local authorities, the pupil driven needs simply cannot be met without an appropriate level of funding.

SAVINGS DELIVERY 2022/23

102. For 2022/23 large savings were required to balance the revenue budget totalling £24.825m. These are already reflected in the revenue budget aligned to services and have to be met in full or they will result in an overspent position by the year end and will have a direct impact on the scale of savings to be delivered in future years. As such a significant risk remains should there be a shortfall in the saving achieved. It is therefore critical to continue robust monitoring of the revenue budget and reporting the achievement of the savings required.

103. Following detailed monitoring by each manager responsible for a revenue budget saving, it is possible to quantify the amount and status of savings and the inherent risks associated with them. The deliverability of these proposals is monitored and reported directly to the Corporate Leadership Team (CLT). The assessment on the deliverability of the savings at the end of quarter 2 2022/23 is shown in the table below, these assessments are included in the General Fund figures set out in this report.

104. Of the £24.825m savings targets £13.301m (53.6%) are assessed as having been delivered as at the end of September. £21.536m (86.7%) is forecast to be achieved by the end of the year 2022/23. This leaves £3.290m (13.3%) which are not currently forecast to be achieved by the end of the year. Alternative approaches and sources will have to be considered to bridge this gap before the year end.

105. The delivery of savings remains a focus for the Council and the status of the undelivered savings is considered as part of the future year financial planning processes to ensure the budget remains robust and deliverable and any undelivered saving adversely affects any budget gap in future years if not addressed or mitigated on an on-going basis.

Table 10 – 2022/23 Savings Delivery

Wiltshire Council - Savings Tracking 2022-23**Period - Sep (06)****Savings Targets, Full Year Forecasts and Actuals to Date Values £**

Corporate Director	Directorate	2022/23 Savings Target	Saving achieved to date £	Forecast Saving £	Difference between forecast and target
		£m	£m	£m	(-FAV /+UNFAV) £m
People	Living and Ageing Well	5.299	3.573	4.840	0.459
	Whole Life Pathway	3.359	0.657	1.740	1.619
	Families & Children's	2.093	1.413	1.984	0.109
	Education & Skills	0.725	0.353	0.719	0.006
People Total		11.476	5.996	9.283	2.193
Resources	Finance	0.181	0.032	0.181	-
	Assets & Commercial Development	0.837	0.652	0.825	0.012
	Information Services	0.535	0.307	0.431	0.104
	Procurement & Commissioning	1.549	1.408	1.503	0.046
Resources Total		3.102	2.399	2.940	0.162
Place	Highways & Transport	2.364	0.654	1.861	0.503
	Economy & Regeneration	0.344	0.305	0.344	-
	Planning	0.437	0.229	0.437	-
	Environment	1.478	0.688	1.333	0.145
	Leisure Culture & Communities	1.057	0.226	0.777	0.280
Place Total		5.680	2.102	4.752	0.928
Chief Executive	Public Health	0.061	0.061	0.061	-
	HR&OD	1.493	0.959	1.486	0.007
	Legal & Governance	0.545	0.457	0.545	-
	Corporate Directors & Members	0.339	-	0.339	-
Chief Executive Total		2.438	1.477	2.431	0.007
Corporate	Capital Financing	1.030	0.250	1.030	-
	Corporate Costs	1.100	1.077	1.100	-
Corporate Total		2.130	1.327	2.130	-
Grand Total		24.826	13.301	21.536	3.290
%age Total Target		100.0%	53.6%	86.7%	13.3%

CAPITAL RECEIPTS FLEXIBILITIES 2022/23

106. The government allows Local Authorities to fund transformational activity that is designed to deliver ongoing revenue savings and/or transform service delivery to reduce costs or reduce demand for services in the future. This is known as Capital Receipts flexibilities. It is important that any Local Authority using this flexibility is transparent in reporting its plans and the individual projects that are to be funded or part funded and report the previous years' activity and whether the planned savings and/or service transformation have been or are being delivered as planned.

107. At part of budget setting the council planned to use £1m of Capital Receipts to fund transformational activity across the council in areas of priority such as Adults Transformation, Family and Children's Transformation and Customer Experience. For this financial year this funding solution will be used to fund elements of the Transformation and Business Change team costs, supporting the transformation programmes across the council.

RESERVES POSITION AND FORECAST

108. Reserves are an important element of the Council's finances, and a sufficient level of balances should be held, to mitigate risks within the budget and operations of the Council.

109. The level of both general fund reserves and earmarked reserves held by the Council were increased as part of the final financial year end position for 2021/22 to help support the forecast future financial position, risks and expected demand the council faces. An additional contribution of £2.8m was made to the General Fund Reserve, increasing the balance to £21.056m. This was to provide additional resilience within the reserve to support the financial position in 2021/22 and to allow for financial risks and a lead in time for recovery.
110. In addition, £5.355m was also set aside in a Transformation reserve to provide funding for transformational activity across the council. The use of this reserve is overseen by the Transformation Executive Board, who agree the prioritisation of the activity and agree the funding. A request to draw down from Transformation reserve of £0.531m was approved as part of the quarter one budget monitoring report following agreement at the Transformation Executive Board. An additional £0.826m is now requested to be transferred from this reserve to support transformational activity across the council, as agreed by the Transformation Executive Board. The cumulative 3-year effect will be a transfer of £3.081m, which would leave £2.274m available in this reserve.
111. An element of the contractual arrangement with BT to deliver fibre broadband services across Wiltshire includes a gainshare arrangement. Under this arrangement there is a one-off windfall payment due to the council of £3.330m in this financial year. It is requested to transfer this one off gain into the transformation reserve to provide additional funding capacity to support the transformation across the council for the coming years that will be required to become more financially sustainable and to continue to deliver high quality, modern public services. This will therefore increase the forecast balance available less the commitments of funding over the next 3 years to £5.604m.
112. The significant aspects of financial risk within the budget for 2022/23 are in part mitigated by earmarked reserves set aside for both Latent Demand and Inflation. £7m has been set aside in a specific Inflation reserve as the council recognises the expectation that there will be pressure on the 2022/23 budget and £1.856m remains in the Pay Award reserve to support the expected pressure in these costs. If required to fund these pressures in this financial year a request will be made to draw the funding down at outturn.
113. The Latent Demand reserve balance of £7.895m has been available for demand that presents over and above the metrics included in the budget. Demand pressures are now starting to present in this year and are forecast to continue into the next financial. The Corporate Leadership Team are assessing the impact on the financial position as well as the best approach to fund these pressures and will be agreeing that some aspects of this demand should be funded by this reserve, as it has been set aside for this purpose.
114. The balance remaining on this reserve, following the anticipated transfer for funding, will be in the region of £3.8m which will continue to be available should any additional demand present either during the remainder of this year or next financial year.

115. A formal request will be presented as part of the next budget monitoring report to transfer funding from this reserve to fund pressures identified in services as a result of back log and demand for service, most notably Planning, Children's social care and Whole Life Pathway.

MEDIUM TERM FINANCIAL STRATEGY AND BUDGET 2023/24 UPDATE

116. As part of the quarter 1 budget monitoring report a high level update was presented in respect of the Budget 2023/24 and Medium Term Financial Strategy following a review of the underlying assumptions. This set out that there was an increased estimated budget gap over the next 3 years of around £45m that took into account the increasing inflationary pressures seen across services as well as some favourable changes such as assumptions on Government funding streams continuing.

117. The key timescales for setting the budget were also included that set out the meetings leading up to the Full Council meeting on 21 February 2023, with the budget papers due to be published early January to allow time for robust scrutiny processes, consultation and engagement.

118. The review on assumptions contained within the Councils MTFS was undertaken to ensure that they were robust and reflected the latest economic forecasts. Given the current economic climate these assumptions will continue to be refreshed until the last possible date before the budget proposals are published in January 2023.

119. The process for the Budget and MTFS is for the underlying overspend being forecast at quarter 1 to be funded, by using the anticipated increase in funding estimated in the MTFS. This position effectively funds the inflationary pressures being experienced by services during this current financial year.

120. Services have then been asked to bring forward saving proposals that consume all pressures after that date i.e. financial year 2023/24 and the following two financial years covering the period of the MTFS up to 2025/26.

121. The additional funding raised by changes in funding assumptions e.g. business rates, government grant and council tax, will be used to firstly to fund the increase in corporate costs e.g. the financing of the approved capital programme, as well as then directing the resources to deliver on the Councils priorities as set out in the Business Plan.

122. Cabinet have held a series of budget challenge sessions with the Corporate Leadership Team to understand the cost drivers, assumptions and their impact on service budgets and their delivery, as well as the saving proposals being put forward to deliver a balanced budget. These will now be continued to be worked on until published in January 2023.

123. Crucial to this is the Autumn Statement announcement by the Chancellor of the Exchequer on 17 November. At the time of writing this report the detail was still being awaiting on key funding streams directed towards Local Councils,

most notably on social care and business rates. Changes to Council Tax thresholds were also announced by the Government.

124. The Local Government Finance settlement is anticipated to be announced on 21 December, whereby outstanding detail on individual funding streams e.g. New Homes Bonus as well as new social care funding allocations are expected.

Overview and Scrutiny Engagement

125. Regular reports are taken to Overview & Scrutiny relating to the Council's financial position. This report is being considered at the meeting of Financial Planning Task Group on 25 November 2022.

Safeguarding Implications

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

Public Health Implications

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

Procurement Implications

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

Equalities Impact of the Proposal

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

Environmental and Climate Change Considerations

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

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

131. 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.

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

132. Ongoing budget monitoring and management, of which this report forms part of the control environment, is a mitigating process to ensure early identification and action is taken. Risks associated with service delivery and the level of reserves will be raised as and when proposals are brought forward as part of the budget setting process.

Financial Implications – Section 151 Officer Commentary

133. This report is the second report for the 2022/23 financial year and, positively, is showing an improved forecast for the financial year since the quarter 1 report. The report indicates an underlying pressure on the base budget of £13.4m which continues to be mitigated by items of a one-off nature, through management action which are, in the main, reduced costs arising through holding vacancies and income.
134. The pay award for 2022/23 has recently been agreed and has been fully reflected within the forecasts. Overall, the impact will be to increase the Council pay bill by 6.6%. The Council had allowed for an element of this increase through a mix of a base budget increase of 2% and amount set aside in reserve to deal with the one off cost in this financial year, however the continuing difficulties in recruitment have meant that the rising underspends now projected have countered the increased costs in this financial year.
135. Given the current cost of living crisis and the levels of inflation since the budget was approved in February 2022 it was anticipated that the Councils budget would not be sufficient to cover the rising costs in this financial year. Prudently £9m has been set aside in earmarked reserves to deal with the increased cost in 2022/23. At present only £3.7m of this will now be needed to cover the forecast overspend.
136. However, this will only cover one year, and the impact of the inflation compounded from 2023/24 onwards means the latest financial gap, before the outcome of the Autumn Statement, any local decisions on funding and critically savings and efficiencies, stands at £31m. Again, the Council prudently holds a budget equalisation reserve of £16m to help balance the budget, but reserves are one off in their nature and the costs are ongoing.
137. There remains a level of uncertainty and risk contained within this forecast at the halfway stage of the financial year. Whilst officers have worked hard to ensure the significant savings programme of £25m in this financial year is achieved, with nearly 87% of savings forecast to be delivered, there is the possibility that further savings not yet delivered fail to be delivered either at all or by their original time frame, but where this arises mitigations to offset the impact are sought.
138. As previously mentioned, the management action contained in the report centres mainly around holding vacancies, containing inflation to a lesser amount than either negotiated or the prevailing rate of CPI and one-off income. The impact in 2022/23 is now unlikely to be a full year impact but will inevitably mean a worsening position in later years. With inflation now at 11.1% and expected to continue to remain around that level for the winter months, there is a risk that inflation levels cannot be contained as currently forecast.
139. With the improving position there are no further management actions proposed at this time, however the Councils Corporate Leadership Team will be ensuring close scrutiny and challenge of the forecasts and management actions in the coming months to continue the improvement in the Councils overall financial position.

Legal Implications

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

Workforce Implications

141. If the Council fails to take actions to address in-year forecast shortfalls, overspends or increases in its costs it may need to implement further spend controls, or if the position is deemed critical unplanned service rationalisation may be required. This could impact on the workforce, and may include changes to roles or redundancies. Ongoing budget monitoring and management, of which this report forms part of the control environment, is a mitigating process to ensure early identification and action is taken.

Options Considered

142. Budget monitoring forms part of the financial control environment and it is important to provide reporting on all aspects of financial management and performance to Cabinet and the public, including delivery to plans, variances and risks and impacts.

Conclusions

143. The report supports effective decision making, ensures a sound financial control environment and ensures members are updated on the latest position for the budget for 2022/23 and informed of the proposed budget setting process timetable and an update on the latest position for the budget for 2023/24.

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18/11/2022

Appendices

Appendix A: Revenue Budget Movements

Background Papers

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

Wiltshire Council's Financial Plan Update 2022/23, Medium Term Financial Strategy 2022/23-2024/25 - Full Council, 15 February 2022

[Agenda for Council on Tuesday 15 February 2022, 10.30 am | Wiltshire Council](#)

Financial Year 2022/23 – Quarter One Revenue Budget Monitoring – Cabinet 27 September 2023

Appendix A – Revenue Budget Movements

	2022-23 Original Budget	Budget movements approved by CLT Q1 / Q2	Revised Budget Q2
	£m	£m	£m
Corporate Director People			
Living and Ageing Well	72.096	- 0.587	71.509
Whole Life Pathway	78.004	3.213	81.217
Education & Skills	22.729	0.595	23.324
Family & Children Services	62.175	- 1.399	60.776
Corporate Director Resources			
Finance	3.895	- 0.103	3.792
Assets & Commercial Development	16.261	- 0.772	15.489
ICT	11.595	- 0.127	11.468
Procurement & Commissioning	5.309	- 0.472	4.837
Corporate Director Place & Environment			
Highways & Transport	37.761	0.093	37.854
Economy & Regeneration	2.490	- 0.077	2.413
Planning	1.670	- 0.503	1.167
Environment	43.215	1.259	44.474
Leisure Culture & Communities	7.474	- 1.255	6.219
Chief Executive Directorates			
Public Health	1.597	- 0.183	1.414
Legal & Governance	7.482	1.974	9.456
HR&OD and Transformation	5.468	- 5.468	-
HR&OD	-	2.336	2.336
Transformation & Business Change	-	1.392	1.392
Corporate Directors & Members	3.041	0.171	3.212
Commercial Savings	-	-	-
Corporate			
Movement on Reserves	- 1.138	-	- 1.138
Capital Financing	26.841	-	26.841
Corporate Costs	3.113	0.663	3.776
Corporate Levies	6.625	- 0.750	5.875
General Fund Budget	417.703	- 0.000	417.703
HRA Budget	-	-	-
Total	417.703	- 0.000	417.703
WC Funding			
General Government Grants	- 49.261	-	- 49.261
Council Tax	- 309.942	-	- 309.942
Business Rates Retention Scheme	- 58.500	-	- 58.500
Total Funding	- 417.703	-	- 417.703
Total	0.000	- 0.000	-

Wiltshire Council

Cabinet

29 November 2022

Subject: Financial Year 2022/23 - Quarter Two Capital Budget Monitoring

Cabinet Member: Cllr Nick Botterill – Cabinet Member for Finance, Development Management and Strategic Planning

Key Decision: Non-Key

Executive Summary

This report sets out the Capital Programme for 2022/23 as of 30 September 2022 for the second Quarterly budget monitoring period. It includes the movements from July 2022 and sets out how the programme is forecast to be financed. It provides an update on the significant schemes that are planned to be delivered and those that have been reprofiled to future years.

Quarter 2 Capital Budget Monitoring

The Quarter 2 Capital Programme is based on information as of 30 September 2022. The report confirms the current forecast movement of approvals between years as schemes have been assessed and the spend profile recast.

Proposals

Cabinet is asked to note:

- a) the additional budgets added to the programme of £1.748m under Chief Finance Officer delegated powers;
- b) the movement of £78.816m of budgets into future years under Chief Finance Officer delegated powers;
- c) the removal of £0.451m from the capital programme under Chief Finance Officer delegated powers;
- d) budget movements between schemes;
- e) the revised 2022/23 Capital Programme as at Quarter 2 of £191.908m and
- f) the capital spend as at 30 September of £47.454m

Cabinet is asked to approve:

- a) the movement of £0.800m budget from the centrally held Corporate budget to Depot & Office Strategy to cover inflationary increases for Hindon Stagger Salt Depot
- b) to recommend to Full Council to approve an increase in the Capital Enhancement budget of £0.516m to enable the refurbishment of an existing Family Contact Centre to be funded by increased capital receipts.

Reason for Proposals

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

To inform Cabinet on the financial position of the Council on the 2022/23 capital programme as at Quarter 2 (30 September 2022).

Terence Herbert
Chief Executive

Wiltshire Council

Cabinet

29 November 2022

Subject: Financial Year 2022/23 - Quarter Two Capital Budget Monitoring

Cabinet Member: Cllr Nick Botterill – Cabinet Member for Finance, Development Management and Strategic Planning

Key Decision: Non-Key

Purpose of Report

1. To advise Members of the 2022/23 Capital Programme position as at Quarter 2 (30 September 2022) and provide an update on the forecast for the financial year.

Relevance to the Council's Business Plan

2. Budget monitoring and reporting supports effective decision making and the alignment of resources and financial performance to the Council's priorities and objectives as laid down in the Business Plan.

Background

CAPITAL PROGRAMME MONITORING 2022/23 – QUARTER 2

3. Full Council approved a net capital programme budget for 2022/23 of £307.115m at its meeting on 15 February 2022.
4. As part of the Quarter 1 capital programme report actions were recorded which amended the capital programme budget to £269.427m.

Main Considerations for the Council

5. During the year the Chief Finance Officer authorises additions to the Capital Programme under delegated powers where schemes come forward and are funded by external funding sources such as grants and s106 contributions. During the second Quarter £1.748m budget has been added to the programme under these delegated powers. These increases are set out in Appendix B and discussed later in the report. The increases have no effect on the net funding position of the programme or the approved borrowing level as they are funded by external sources.
6. In line with the approvals sought in the Capital Programme Q1 report £0.451m budget has been removed from the programme this is to align the budget with the

actual grant award for Schools Maintenance and Modernisation and to account for a developer contribution as financing rather than budget increase.

7. Capital schemes have been reviewed and £78.816m has been reprogrammed into future years to align with forecast programme delivery. There are no negative financial or reputational implications to report from this re-programming.
8. The Capital Programme for 2022/23 stands at £191.908m as of 30 September 2022 after the above changes have been made. The table below summarises the budget movements discussed. A detailed budget movement by scheme is shown in Appendix A for Cabinet to review.
9. Cabinet is asked to note the movement and reprofiling of £0.235m from the Structural Maintenance budget of £0.225m and Local Highways and Footpath Improvement Groups of £0.010m to Integrated Transport budget.
10. Within this report a budget movement of £0.800m from the centrally held Corporate Budget to Depot & Office Strategy to cover inflationary increases for Hindon Stagger Salt Depot is requested to be approved.
11. To enable the refurbishment of an existing Family Contact Centre Cabinet is asked to recommend to Full Council to approve an increase in the Capital Enhancement budget of £0.516m. The enhancement and improvement of the provision in one of the centres will enable the number of centres to be reduced from three to two, releasing one property for sale, the forecast capital receipt is £0.990m.

Table 1 – 2022/23 Q2 Capital Programme Amendments

	£'m
Q1 Capital Programme Approved by Full Council	269.427
Amendments to Capital Programme from Qtr. 1 Review to Note:	
Additional budgets added to the programme	1.748
Budgets Removed from programme	-0.451
Budgets reprogrammed from 2022/2023 into future years	-78.816
Capital Programme 2022/23 as at 30th Sept 2022	191.908

12. The programme remains ambitious and historically Wiltshire Council's average annual Capital Programme spend is in the region of £100m. There are however some significant schemes included in the programme that are driving the higher budget level and these are detailed in the report below.
13. The total capital expenditure as at Quarter 2 is £47.454m, approx. 25% of the revised total budget. The low spend figure is an indication that schemes are progressing slower than anticipated, however officers are still forecasting that these schemes will progress and spend to budget in 2022/23. This will be robustly reviewed at Quarter 3 with the expectation of additional reprofiling into future years. It should also be noted that the spend figure does not include commitments.
14. As previously reported in Quarter 1 the biggest implication from not delivering the capital programme as planned is linked to schemes funded by borrowing. This

impacts on the Financing and Investment Income and Expenditure revenue budget which is set based on the programme for the previous financial year. As a result of the underspend in 2021/22 from programme slippage there will be a £1.197m saving on the Minimum Revenue Provision (MRP) budget this year (2022/23).

15. The 2022/23 capital schemes funded by borrowing inform the Financing and Investment Income and Expenditure budget for 2023/24. If the programme is set too high and is not delivered at this level the revenue budget set aside will not be required and is diverted away from key services. The programme needs to be continuously reviewed to ensure it is robust and achievable and to inform the 2023/24 budget setting process.
16. As reported at Quarter 1 a new governance process has been developed to provide further assurance on deliverability of the capital programme. This process has been implemented for the first time as part of Quarter 2 capital monitoring with the oversight provided by the Asset Gateway and Capital Programme Board (formerly the Asset Gateway Board). At Quarter 2 in 2021/22 £55.759m was moved to future years. This has increased to £78.816m at Quarter 2 2022/23 which sets out the overly ambitious nature of the budget set back in February and indicates that the oversight is providing additional challenge on deliverability of schemes within the programme.
17. The table below shows the summary position for the 2022/23 Capital Programme, this is broken down further under each directorate.

Table 2 – 2022/23 Q2 Capital Programme

Service	Revised Budget 2022/2023	Actual Spend as at Qtr. 2 2022/2023	% Actual to Budget
	<u>B</u> £'m	<u>C</u> £'m	<u>C/B</u> £'m
Corporate Director - People	42.633	11.337	27%
Corporate Director - Resources	63.579	16.599	26%
Corporate Director - Place	58.742	13.221	23%
General Fund Total	164.954	41.157	25%
Housing Revenue Account	26.954	6.297	23%
General Fund and HRA Programme 2022/23	191.908	47.454	25%

People

18. The table below shows the Capital Programme 2022/23 Quarter 2 at programme level for the People Directorate. The revised budget stands at £42.634m and spend is currently at 27%.
19. As part of the Quarter 2 review, £0.673m of additional budget has been added to the programme for Early Years and Childcare, these additions are grant

contributions and s106 increases and are detailed in Appendix B and discussed below. £0.353m has been removed from the Schools Maintenance and Modernisation Programme to align the budget with actual grant award and approved funding.

20. A total of £8.007m budget has been reprogrammed into future years in line with forecast delivery programmes.

Table 3 – 2022/23 Capital Programme, People Services

Capital Programme Budget and Spend 2022/2023 Qtr 2			
Scheme Name	Revised Budget	Actual Spend	% Actual Spend to Revised Budget
	£m	£m	£m
Whole Life Pathway			
Sensory Stimulation & Development Play Equipment	0.020	0.000	0%
Whole Life Pathway Total	0.020	0.000	0%
Ageing & Living Well			
Disabled Facilities Grants	2.700	1.044	39%
Ageing & Living Well Total	2.700	1.044	39%
Education & Skills			
Access and Inclusion	0.126	0.000	0%
Army Rebasing	0.012	0.000	0%
Basic Need	6.896	2.936	43%
Stonehenge School Replacement of Lower Block	3.638	0.025	1%
Devolved Formula Capital	0.629	0.629	100%
Schools Maintenance & Modernisation	5.347	1.161	22%
Early Years & Childcare	0.559	0.000	0%
Early Years Buildings	0.121	0.000	0%
DfE Funded SEN Specialist Placement Expansion	0.003	0.000	0%
Silverwood Special School	16.712	5.491	33%
SAIL Free Special School Abnormal Costs	0.350	0.000	0%
SEND Special School Capacity & Alternative Provision	0.403	(0.017)	-4%
High Needs Provision Capital Allowance	3.617	0.068	2%
Education & Skills Total	38.413	10.293	27%
Families & Children's Service			
Children's Homes	1.500	0.000	0%
Families & Children's Total	1.500	0.000	0%
Corporate Director - People	42.633	11.337	27%

Ageing & Living Well

21. The Disabled Facilities grant programme is a grant scheme for adaptations and facilities to enable disabled residents to stay in their home. In addition, it is used for other initiatives and programmes to deliver the same outcome, including the Optimising Care Initiative and Occupational Therapist Service to ensure clients are assisted to move to more suitable accommodation.
22. £0.500m has been reprogrammed to future years following a revised projected outturn for the Disabled Facilities grant programme to £2.700m. The service is assessing the feasibility of purchasing two homes for very complex clients with one home to potentially cost £1.000m. Budget is available from future years and so an assessment will be made at Quarter 3 to determine the viability of purchasing homes by the end of 2022/23.

Education & Skills

23. A total of £0.673m has been added to the programme under delegated Chief Finance Officer powers to reflect 2022/23 grant awards and contributions, which are detailed in Appendix B. £7.507m budget has been transferred to future years in line with current expected delivery programmes.
24. A total of £3.434m has been reprogrammed into future years for Basic Need. Works to Clarendon Primary and Forest and Sandridge primary schools have just commenced. Works at Corsham, Christ Church and Lyneham primary schools and Melksham Oak secondary schools have completed with retention held. Underspends are being returned to the main Basic Needs cost centre for reallocation to future projects in 2023/24 onwards. Works at Corsham and Kingdown secondary schools are delayed with both projects being managed directly by the respective schools. Delayed starts to Abbeyfields secondary and Holt primary school will result in fees only being incurred in 2022/23, so remaining budgets have been reprogrammed to future years
25. A combination of reprogramming of budgets to future years (£0.334m) and a reduction in budget of (£0.353m) has been made to the Schools Maintenance and Modernisation programme. Harnham Junior and Wootton Bassett Infants works are complete, with remaining budgets moved to Studley Green. The Holbrook replacement mobile build is now due to commence at Easter 2023.
26. In July 2022, Cabinet approved the policy for the replacement of early years buildings along with the additional capital requirement for the full 10 year replacement programme. The start of the programme was therefore delayed. It is likely that only one setting will receive their capital allocation before the end of the current financial year, therefore £1.049m has been reprogrammed to future years.
27. The Silverwood build programme started construction in April 2022. This will deliver significant additional places from September 2023 for learners with SEND. This programme is projected to spend to profile, but will be reviewed at Quarter 3 to ensure spend is on track.

28. £2.120m of the High Needs budget is to be reprogrammed to future years. This includes 50% of the budget allocation for the Castle Mead school modular build, two thirds of the secondary school Resource Bases and 80% of contingency.

Families & Children's

29. The service is continuing to pursue the purchase of a residential house for use as a children's home. The service is projecting to spend £0.800m for the purchase of one property. A successful DfE grant will reduce the cost to the council to £0.400m. The outcome of this grant application is expected imminently. It will not be known until October 2022. It is likely that £0.700m as a minimum will be slipped to future years at Quarter 3.

Resources

30. The table below shows the Capital Programme 2022/23 Quarter 2 at programme level for the Resources Directorate. The revised budget stands at £62.779m and spend is currently at 26%.

31. As part of the Quarter 2 review, £0.836m budget has been added to the programme under Capital Receipt Enhancement for Affordable Housing (inc. commuted sums). £0.096m was removed from the Health and Wellbeing Centres, this is to align funding and budget approvals. Full details of these movements can be found in Appendix B.

32. A total of £49.205m budget has been reprogrammed into future years in line with forecast delivery programmes.

33. Cabinet is asked to approve a budget movement of £0.800m from the centrally held Corporate Budget to Depot & Office Strategy to cover inflationary increases for Hindon Stagger Salt Depot.

34. Cabinet is asked to recommend to Full Council to approve an increase in the Capital Enhancement budget that is funded from Capital Receipts of £0.516m to enable the refurbishment of an existing Family Contact Centre. The enhancement and improvement of the provision in one of the centres will enable the number of centres to be reduced from three to two, releasing one property for sale, the forecast capital receipt is £0.990m.

Table 4 – Capital Programme 2022/23, Resources

Scheme Name	Capital Programme Budget and Spend		
	Revised Budget	Actual Spend	% Actual Spend to Revised Budget
Finance			
Corporate	1.071	0.000	0%
Evolve Project	5.376	0.615	11%
Finance Total	6.447	0.615	10%
Assets & Commercial Development			
Affordable Housing including Commuted Sums	0.536	0.315	59%
Capital Receipt Enhancement	1.268	0.495	39%
Commercial - Commercial Investment	0.997	0.000	0%
Lackham College Land Purchase	1.300	1.372	106%
Depot & Office Strategy	2.455	1.507	61%
Facilities Management Operational Estate	4.206	2.205	52%
Gypsies and Travellers Projects	0.150	0.000	0%
Housing Infrastructure Fund (HIF)	9.377	1.226	13%
Porton Science Park	5.557	2.432	44%
Health and Wellbeing Centres - Live Schemes	7.166	3.693	52%
Non-Commercial Property Purchases	0.134	0.025	19%
Property Carbon Reduction Programme	3.276	0.577	18%
Park & Ride Solar Panel Canopys	0.300	0.002	1%
Public Sector Decarbonisation Scheme Projects	0.073	0.083	114%
Salisbury Central Car Park & Maltings	0.001	0.001	100%
Facilities Management Investment Estate	0.630	0.097	15%
Social Care Infrastructure & Strategy	0.034	0.000	0%
Assets & Commercial Development Total	37.460	14.030	37%
Capital Loans			
Stone Circle Housing Company Loan	10.833	0.174	2%
Stone Circle Development Company Loan	2.350	1.102	47%
Capital Loans Total	13.183	1.276	10%
Information Services			
ICT Applications	3.045	0.160	5%
ICT Business as Usual	1.513	0.115	8%
ICT Other Infrastructure	0.831	0.270	32%
ICT Get Well	0.952	0.133	14%
Microsoft Cloud Navigator	0.148	0.000	0%
Information Services Total	6.489	0.678	10%
Corporate Director - Resources	63.579	16.599	26%

Finance

35. The Evolve programme reports within the Finance budget line and is for the procurement and implementation of a new Enterprise Resource Planning

(ERP) system for the Council. Due to a delayed contract start £2.363m has been reprogrammed to future years in line with the current delivery programme. There is also a projected delay to the go live date of the new system. An indicative commencement date has yet to be confirmed.

Assets & Commercial Development

36. Following a Cabinet decision on 12th July 2022, the Future Chippenham programme is paused. Discussions with Homes England on the Grant Determination Agreement continue and a further report will be presented to December Cabinet. As such spend in the current year on fees and survey work will be reduced, with a portion of capital to be removed once the final financial position is known.
37. Under Affordable Housing, a budget has been created for £0.836m funded by s106 contributions and RTB funding for Park Farm, Seend (White Horse Housing Association), however £0.300m of this has been reprogrammed to future years to match profiled spend.
38. £9.000m has been reprogrammed to future years for Commercial Investment leaving a smaller budget to accommodate professional fees and some works only.
39. The Depot Phase One programme covers five main refurbishment and expansion projects for Highways Winter Maintenance depots. The projects at Royal Wootton Bassett and High Post Depots were completed in 2021. Warminster Depot was completed in the spring of 2022 and Parsonage Way Depot is due to complete in October 2022. The final project, the construction of a new depot in the southwest, Hindon Stagger, is due to complete in 2023. £2.317m has been reprogrammed to future years to match profiled spend and hold retention for complete projects.
40. The Hindon Stagger depot works are underway. Land has been acquired, site preparations have commenced, and issues being worked through with the planners following the submission of the planning application to achieve planning consent. It is anticipated that the tender process will commence early in the New Year (2023). The project budget is currently set at £2.824m. Hindon Stagger is the last depot to be completed. The latest cost plan has forecast an overall financial forecast of £3.624m, an increase of £0.800m. The primary reasons for this are a requirement to purchase additional land to provide the necessary facilities for the new salt store, delays associated with legal matters to purchase the additional land and during this time, construction inflation has risen at a significant rate. Cabinet is asked to approve a budget movement of £0.800m from the centrally held Corporate Budget to the Depot and Office Strategy to address this pressure.
41. Property Carbon Reduction Programme and Generation and Public Sector Decarbonisation budgets have multiple projects underway to reduce the council's carbon emissions and support the business plan mission of leading the way in how councils and counties mitigate the climate challenges and to also generate utility cost savings from the property estate. These projects

include lighting upgrades, PV installations, upgraded air handling units, and the installation of air source heat pumps and include all types of property in the estate including leisure centres, depots, respite centres and hub buildings. £1.700m has been reprofiled to a new spend plan and therefore moved to future years. In addition £3.200m for the Park and Ride Solar Panel Canopy's has also been reprofiled and moved to future years.

42. £0.300m has been reprogrammed to future years for the North Wiltshire Schools PFI, to align with forecast projected spend. Similarly, £1.150m has been reprogrammed to future years for The Gypsy and Travellers Projects with professional fees and initial costs only to be spent in 2022/23.
43. A total of £2.185m has been reprogrammed into future years for Health & Wellbeing Centres. Melksham Campus construction has completed, and the site opened on the 1st August 2022. £0.635m has been programmed to future years to accommodate retention and potential spend during the latent defects period. Works to Melksham House continue to progress with completion due winter 2023. The contractor's revised spend forecast requires £1.549m to be programmed into future years.
44. £0.096m has been removed from the Health and Wellbeing Centres to align funding and budget approvals for Calne Community Campus.
45. Porton Science Park building handover to the Council from the main contractor McAvoy has been moved back to mid November 2022 due to delays getting power to the building, problems with the procurement of some materials and availability of local operatives working on-site.
46. As set out in the Quarter 1 report, the Council has had to work closely with SSE Energy Services and the landlord DSTL to install a new substation to power the second (and, in the future, a third) building.
47. Negotiations are progressing with DSTL to take half the space on the first floor. A further five potential tenants of the incubator space are in advanced negotiations with the council and the council is working both to ensure that the building is completed as soon as possible, and that terms are agreed for leases, such that these tenants may move in as soon as possible.
48. £0.600m has been reprogrammed to future years from the Social Care Infrastructure Strategy budget. Adult Services and Commissioning are currently writing a business case to determine the viability of a residential care facility. The residual budget will be spent on associated fees.

Capital Loans to Stone Circle

49. This represents the capital loan funding to Stone Circle companies for 2022/23.

50. At the 31/03/2022 the Stone Circle Housing company had acquired 51 properties and has a Capital Loan of £11.055m and a working capital loan of £0.184m from Wiltshire Council.
51. The Business Plan programme is set to acquire 250 units by 2024/25. The Plan was revised, and new house price parameters established to enable the company to be more competitive.
52. 15 properties were purchased by the end of Quarter 2. The original target for 2022/23 was to purchase circa 70 properties. This is now likely to be circa 50 and therefore £10.461m is reprogrammed to future years.
53. Stone Circle Development Company has six development sites across Wiltshire for delivery of market properties with the proposal to deliver Carbon Zero homes with affordable housing provided at policy compliant levels. As at the 31/03/2022 Stone Circle Development company has a Capital Loan of £0.535m and a Working Capital Loan of £0.162m from Wiltshire Council. £9.823m has been reprogrammed into future years to align budget to current work programme.

Information Services

54. The ICT capital programme is shown across Applications, Get Well, Other Infrastructure and Business as Usual and covers staff costs and project costs to deliver key infrastructure, applications, cost of replacing staff devices and for further digital transformation and activities and emerging fields like business intelligence. ICT have undertaken a comprehensive review of project expenditure to date, commitments, staff costs and anticipated delivery timescales. This has resulted in a requirement to reprogramme £5.005m into future years.

Housing Revenue Account (HRA)

55. The table below shows Quarter 2 capital programme summary position for the Housing Revenue Account. The revised budget stands at £26.954mm and spend is currently at 23%.
56. As part of the Quarter 2 review £8.626m budget has been reprogrammed into future years, £6.626m in relation to the Council House Build programme from delays in making and receiving planning permissions and £2m for Planned Capital Maintenance due to procurement delays, both have been aligned to current forecast delivery programme.

Table 5 – Capital Programme 2022/23, HRA

Scheme Name	Capital Programme Budget and Spend 2022/2023 Qtr 1		
	Revised Budget	Actual Spend	% Actual Spend to Revised Budget
Housing Revenue Account			
HRA - Council House Build Programme	0.038	0.000	0%
HRA - Council House Build Programme (Phase 2)	1.552	0.451	29%
HRA - Council House Build Programme (Phase 3.1)	6.496	1.687	26%
HRA - Council House Build Programme (Phase 3.2)	1.157	0.773	67%
HRA - Council House Build Programme (Phase 3.3)	3.436	0.156	5%
HRA - Refurbishment of Council Stock	14.275	3.230	23%
Housing Revenue Account Total	26.954	6.297	23%

57. 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 1,000 homes over the next ten years.

58. The current 30 year business plan has been reviewed to reflect estimated cost increases and based on the anticipated rent regime to be agreed by Government, is still capable of delivering the planned maintenance, Housing energy efficiency programme and Council House Build programme.

Place

59. The table below shows the Quarter 2 capital programme summary position for Place Directorate. The revised budget stands at £58.742m and spend is currently at 23%.

60. As part of the Quarter 2 review, £0.239m has been added to the programme which is aligning forecast Grant allocations and parish council contributions to projects. In addition, £0.235m has been moved between schemes £0.225 from Structural Maintenance and Bridges and £0.010m from Local Highways and Footpath Improvements to Integrated Transport. These movements are shown in Appendix B.

61. A total of £13.778m budget has been reprogrammed into future years, in line with forecast delivery programmes.

Table 6 – Capital Programme 2022/23, Place

Scheme Name	Capital Programme Budget and Spend 2022/2023 Qtr 1		
	Revised Budget	Actual Spend	% Actual Spend to Revised Budget
Highways & Transport			
Churchyards & Cemeteries	0.028	0.000	0%
CIL Funded Schemes	0.053	0.000	0%
Parking Contactless Machines	0.127	0.000	0%
Fleet Vehicles	2.711	0.000	0%
Integrated Transport	3.725	2.203	59%
Local Highways and Footpath Improvement Groups	1.335	0.258	19%
LED Street Lighting	0.762	0.666	87%
Structural Maintenance & Bridges	21.586	8.119	38%
Churchfields Depot Drainage and Traffic Management	0.081	(0.008)	-10%
Passenger Transport RTPi	0.692	0.130	19%
Drainage Improvements	0.500	0.000	0%
Major Road Network M4 Junction 17	1.007	0.131	13%
A338 Salisbury Junction Improvements MRN	0.059	0.018	31%
A350 Chippenham Bypass (Ph 4&5) MRN	1.091	0.549	50%
A3250 Melksham Bypass LLM - Full Scheme	1.825	0.145	8%
Highways & Transport Total	35.582	12.460	35%
Economy & Regeneration			
Chippenham Station HUB	0.204	0.001	0%
Corsham Mansion House	0.048	0.000	0%
Salisbury Future High Streets	4.815	0.178	4%
Trowbridge Future High Streets	5.024	0.244	5%
West Ashton Urban Extension Project	8.784	0.000	0%
Carbon Reduction Projects	0.070	0.035	50%
Wiltshire Ultrafast Broadband	0.062	0.000	0%
Wiltshire Online	0.829	0.000	0%
Economy & Regeneration Total	19.836	0.458	2%
Environment			
Waste Services	1.117	0.214	19%
HRC Savings Infrastructure	0.100	0.000	0%
Environment Total	1.217	0.214	18%
Leisure Culture & Communities			
Area Boards Grants	0.642	(0.020)	-3%
Fitness Equipment for Leisure Centres	0.200	0.000	0%
Libraries - Self Service	0.250	0.000	0%
Other Schemes including cross cutting systems	0.019	0.019	100%
Trowbridge Leisure Centre	0.500	0.013	3%
Leisure Requirements	0.496	0.077	16%
Leisure Culture & Communities Total	2.107	0.089	4%
Corporate Director - Place	58.742	13.221	23%

Highways & Transport

62. Included under Highways & Transport are the Structural Maintenance and Bridges programmes. These are funded by grant from the Department for Transport (DfT) and the schemes cover maintaining, improving and renewing carriageways and footways including reconstruction, resurfacing, surface dressing and patching. The grant funding is also used for lighting column and traffic signal replacement and re-decking, resurfacing, masonry repair and strengthening of bridges. It ensures the renewal, repair and preventative maintenance of carriageway/footway and land drainage infrastructure to prevent flooding. The service is managing significant inflation pressures ranging between 8% and 30%, by reducing the level of work that is undertaken to remain within budget.
63. Two major road projects have been delayed, both funded by DfE and CIL. £0.700m has been reprogrammed to future years for the A338 Salisbury Junction Improvements whilst the scheme is reviewed and alternatives considered. £1.000m for the Melksham Bypass Scheme has also been reprogrammed to future years whilst the scheme waits the outcome of a connectivity study.
64. £0.748m has been brought forwards from 2024/25 to 2023/24 for the A350 Chippenham Bypass works as the detailed design stage has progressed quicker than anticipated, this is shown on Appendix B.
65. Contracts have been let for vehicle purchases however expenditure has been delayed due to 12 month lead in times for vehicles and special build requirements for others. £1.500m of the budget has been re-profiled for vehicles that will not be supplied until 2023/24. In the unlikely event that the vehicles are available earlier then a portion of this capital may need to be brought forwards.

Economy & Regeneration

66. There are three significant schemes included in the revised 2022/23 programme under Economic Development and Planning; £8.784m for West Ashton Urban Extension Project, £7.279m for Salisbury Future High Street and £5.024m for Trowbridge Future High Street.
67. The Council is working with Homes England under the terms of its Grant Determination Agreement for £8.784m of Housing Infrastructure Funding (HIF) to ensure that funding will support the costs of road infrastructure required to deliver 2,200 new homes at West Ashton, Trowbridge. The pressure on the projects is that the funding is bound by deadline which expires on 31 March 2023. Unfortunately, it has not yet been possible to resolve all outstanding matters relating to the section 106 agreement by the new milestone of 14 July 2022. The council's strategic planning committee has extended the deadline for signing the 106 agreement to January 2023 so the developer's planning permission is not at immediate risk, however it

remains critical to meeting the timescale for HIF expenditure that the s106 agreement be signed as soon as possible and certainly by the January deadline so that the Homes England funding may still be drawn down by the funding deadline. The council is doing everything it can within its powers to support the developer and reach agreement with Homes England regarding the drawdown of the funding.

68. The Salisbury Future High Street Fund (FHSF) Programme will focus on the Station Forecourt, Blue Boar Row and Fisherton Street schemes in Salisbury. This will create some residential space, enhance the public realm, and improve accessibility to make it easier, safer, and more convenient to travel into the city centre. Reporting to the Department of Levelling Up, Housing and Communities (DLUHC) takes place twice annually, in December and May. The profiled spend for 2022/23 is £4.815m and this is on track to deliver as forecast, £2.463m has therefore been reprogrammed to future years.
69. The Trowbridge Future High Streets Fund (FHSF) Programme will be spent across a range of projects aiming to strengthen the sustainability of Trowbridge Town centre by creating a more diverse offer and increasing footfall. Ensuring this long-term sustainability involves maximising the use of some key buildings, bringing vacant retail units back into use, as well as improving connectivity, the public realm and active travel opportunities within the town centre. The programme is fully grant funded.
70. The Trowbridge FHSF programme continues to seek the reallocation of some funds between projects to ensure deliverability within the funding criteria and fixed budget envelope. A full update report on FHSF progress was reported to Cabinet on 27 September 2022
71. There are two externally grant funded digital projects within Economy and Regeneration. The Wiltshire Ultrafast Broadband project is due to close, but the timetable for this is with BDUK and SWLEP. Barring the commitments that are on this capital line £1.011m has been reprogrammed to future years. Should the funding not be spent these grants will need to be returned to the respective organisation on closure of contracts. Should this occur in 2022/23, then the funding may need to be brought forwards again.
72. Similarly Wiltshire On-Line is externally funded on a rolling contract to 2025/26. Currently £1.573m remains uncommitted and this has been reprogrammed to future years, again on the basis that if funding is required to be returned in year, that this is brought forward.

Environment

73. Waste Services includes numerous projects that provide recycling bins, black boxes, wheelie bins, DIY disposal at household recycling centres, emissions control equipment for residual household waste, management and control of emissions at closed landfill sites and food waste digesters. At Quarter 2 £0.369m has been identified to be reprogrammed into future years. A full review of remaining provision is being undertaken.

Leisure, Culture and Communities

74. Work is currently taking place to determine robust business cases and a planned pipeline of leisure facility improvements. The pipeline will be based on RIBA build stages and so will provide a more accurately profiled budget. As a result of the review to date £3.912m has been reprogrammed to future years. The provision of fitness equipment is currently in the process of being tendered. In addition, the installation of any procured fitness equipment is linked to the pipeline of projects and £0.600m of this budget has been reprogrammed to future years.
75. £0.400m Community Projects has been reprogrammed to future years, as has £0.250m for Libraries Self-Service pending a transformation review.

Capital Programme 2022/23 Funding

76. The Capital Programme for 2022/23 has been financed as shown in the table below as at Quarter 2.

Table 7 – Capital Programme 2022/23 Funding

Funding	£'m
Grants	76.789
S106 Contributions	4.746
CIL Contributions	0.204
Other Contributions	0.472
HRA Reserves/Borrowing	21.879
Capital Receipts	4.537
RTB Housing Receipts	2.392
Shared Ownership Income	1.269
Borrowing funded by Revenue Savings in Service	1.760
Borrowing	63.877
Stone Circle Capital Loan	13.183
Total Capital Programme 2022/23	191.108

77. The Council bids for and receives grants from Government and third parties, and these come from various departments including Department for Transport, Homes England, Department for Business, Energy and Industrial Strategy, Department for Levelling Up, Housing and Communities and Department for Education.
78. In addition to grants, contributions are also used to finance the programme and contributions cover third party non grant funding for example Section 106 (S106) developer contributions, Community Infrastructure Levy (CIL), contributions from private or public sector organisations.
79. The HRA finances its capital programme depending on sources available in that financial year with the aim of minimising borrowing. The new build programme financing has been delegated to the Corporate Director of

Resources & Deputy Chief Executive (S151 officer) and the Director of Assets and Commercial Development. Funding sources are the HRA Revenue and Capital Reserves, Right to Buy receipts, shared ownership receipts, commuted sums, grants, and as a last resort borrowing.

80. The General Fund borrowing total of £63.877m, 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 2022/23 a revenue saving of £1.197m for MRP has been reported as a result of the reduction in the 2021/22 capital programme year end position.
81. A forecast net underspend of £1.264m has also been reported in Quarter 2 for Interest payable and receivable. The Council took a treasury management decision to borrow £80m in March 2022 and based on the current cashflow forecast the Council will not need to borrow again in 2022/23. As a result of this borrowing and the increases in interest rates, interest payable is forecast to exceed budget by £1.326m. This is offset by a forecast overachievement of £2.591m on interest receivable due to the increased level of cashflow and increased interest rates, alongside amounts forecast for loan interest from Stone Circle and Wiltshire College.
82. The 2022/23 capital schemes funded by borrowing inform the Financing and Investment Income and Expenditure budget for 2023/24. The programme therefore needs to be deliverable to ensure that revenue budget is not set aside unnecessarily and diverted away from key services. This will now be ensured through the new Asset Gateway Capital Programme governance process which will provide assurance through regular review and challenge of the capital schemes.
83. The Council brought forward into 2022/23 £5.797m of capital receipts from previous years and is forecasting to achieve £3.674m receipts from the disposal on assets in 2022/23. This is a small increase from Quarter 1 report. £4.537m of capital receipts are planned to be used to finance the capital programme and £1.000m under Capital Receipts Flexibilities regulation to fund revenue costs of transformational projects. This would leave a balance to roll forward to 2023/24 of £3.934m.

Overview and Scrutiny Engagement

84. This report will be considered by the Financial Planning Task Group on 25 November 2022.

Safeguarding Implications

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

Public Health Implications

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

Procurement Implications

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

Equalities Impact of the Proposal

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

Environmental and Climate Change Considerations

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

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

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

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

91. Ongoing budget monitoring and management, of which this report forms part of the control environment, is a mitigating process to ensure early identification and action is taken.

Financial Implications – S151 commentary

92. The financial implications are implicit throughout the report.

93. As part of the budget monitoring process reviews are carried out of the likely timing of the delivery of the schemes within the Capital Programme.

94. These reviews will continue as part of the Quarterly budget monitoring process so that forecasts are made with greater confidence and the understanding of future funding requirements for borrowing and impact on future budget requirements is understood. This is critical as we move into setting the MTFs and Budget for the next financial year.

Legal Implications

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

Workforce Implications

96. No workforce implications have been identified as arising directly from this report. Ongoing budget monitoring and management, of which this report forms part of the control environment, is a mitigating process to ensure early identification of variances and action is taken so that impacts to the workforce are minimised.

Options Considered

97. Budget monitoring forms part of the financial control environment and it is important to provide reporting on all aspects of financial management and performance to Cabinet and the public, including delivery to plans, variances and risks and impacts.

Conclusions

98. The report supports effective decision making and ensures a sound financial control environment.

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

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Appendices

Appendix A: Capital Programme Budget Movements 2022/23 Quarter 2

Appendix B: Capital Programme Adjustments Quarter 2 2022/23

Background Papers

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

Financial Year 2022/23 – Quarter One Capital Budget Monitoring – Cabinet 27
September 2022 - [Agenda for Cabinet on Tuesday 27 September 2022, 10.00 am | Wiltshire Council](#)

Wiltshire Council's Financial Plan Update 2022/23, Medium Term Financial Strategy 2022/23-2024/25 - Full Council, 15 February 2022
[Agenda for Council on Tuesday 15 February 2022, 10.30 am | Wiltshire Council](#)

Appendix A: Capital Programme Budget Movements 2022/23 Quarter 2 (page 1)

Capital Programme Budget Movements 2022/2023 Qtr 2						
Scheme Name	Qtr 1 Budget	Budget Movements between Schemes	Additional Budgets added to the Programme (Section 1 Appendix B)	Reduced Budgets	Budgets reprogrammed from 2022/2023 into future years (Section 2 Appendix B)	Revised Budget
	£m	£m	£m	£m		£m
Whole Life Pathway						
Sensory Stimulation & Development Play Equipment	0.020	0.000	0.000	0.000	0.000	0.020
Whole Life Pathway Total	0.020	0.000	0.000	0.000	0.000	0.020
Ageing & Living Well						
Disabled Facilities Grants	3.200	0.000	0.000	0.000	(0.500)	2.700
Ageing & Living Well Total	3.200	0.000	0.000	0.000	(0.500)	2.700
Education & Skills						
Access and Inclusion	0.126	0.000	0.000	0.000	0.000	0.126
Army Rebasing	0.012	0.000	0.000	0.000	0.000	0.012
Basic Need	10.330	0.000	0.000	0.000	(3.434)	6.896
Stonehenge School Replacement of Lower Block	3.638	0.000	0.000	0.000	0.000	3.638
Devolved Formula Capital	0.629	0.000	0.000	0.000	0.000	0.629
Schools Maintenance & Modernisation	6.035	0.000	0.000	(0.353)	(0.335)	5.347
Early Years & Childcare	0.455	0.000	0.673	0.000	(0.569)	0.559
Early Years Buildings	1.170	0.000	0.000	0.000	(1.049)	0.121
DfE Funded SEN Specialist Placement Expansion	0.003	0.000	0.000	0.000	0.000	0.003
Silverwood Special School	16.712	0.000	0.000	0.000	0.000	16.712
SAIL Free Special School Abnormal Costs	0.350	0.000	0.000	0.000	0.000	0.350
SEND Special School Capacity & Alternative Provision	0.403	0.000	0.000	0.000	0.000	0.403
High Needs Provision Capital Allowance	5.737	0.000	0.000	0.000	(2.120)	3.617
Education & Skills Total	45.600	0.000	0.673	(0.353)	(7.507)	38.413
Families & Children's Service						
Childrens Homes	1.500	0.000	0.000	0.000	0.000	1.500
Families & Children's Total	1.500	0.000	0.000	0.000	0.000	1.500
Corporate Director - People	50.320	0.000	0.673	-0.353	-8.007	42.633

Appendix A: Capital Programme Budget Movements 2022/23 Quarter 2 (page 2)

Capital Programme Budget Movements 2022/2023 Qtr 2						
Scheme Name	Qtr 1 Budget	Budget Movements between Schemes	Additional Budgets added to the Programme (Section 1 Appendix B)	Reduced Budgets	Budgets reprogrammed from 2022/2023 into future years (Section 2 Appendix B)	Revised Budget
Finance						
Corporate	1.071	0.000	0.000	0.000	0.000	1.071
Covid 19 Capital	0.000	0.000	0.000	0.000	0.000	0.000
Evolve Project	7.741	0.000	0.000	0.000	(2.365)	5.376
Finance Total	8.812	0.000	0.000	0.000	(2.365)	6.447
Assets & Commercial Development						
Affordable Housing including Commuted Sums	0.000	0.000	0.836	0.000	(0.300)	0.536
Capital Receipt Enhancement	1.268	0.000	0.000	0.000	0.000	1.268
Commercial - Commercial Investment	9.997	0.000	0.000	0.000	(9.000)	0.997
Lackham College Land Purchase	1.300	0.000	0.000	0.000	0.000	1.300
Depot & Office Strategy	4.772	0.000	0.000	0.000	(2.317)	2.455
Facilities Management Operational Estate	4.207	0.000	0.000	(0.001)	0.000	4.206
Gypsies and Travellers Projects	1.300	0.000	0.000	0.000	(1.150)	0.150
Housing Infrastructure Fund (HIF)	9.377	0.000	0.000	0.000	0.000	9.377
Porton Science Park	5.557	0.000	0.000	0.000	0.000	5.557
Health and Wellbeing Centres - Live Schemes	9.446	0.000	0.000	(0.096)	(2.184)	7.166
Non-Commercial Property Purchases	0.133	0.000	0.000	0.001	0.000	0.134
North Wiltshire Schools PFI Playing Fields	0.300	0.000	0.000	0.000	(0.300)	0.000
Property Carbon Reduction Programme	4.976	0.000	0.000	0.000	(1.700)	3.276
Park & Ride Solar Panel Canopys	3.500	0.000	0.000	0.000	(3.200)	0.300
Public Sector Decarbonisation Scheme Projects	0.073	0.000	0.000	0.000	0.000	0.073
Salisbury Central Car Park & Maltings	0.001	0.000	0.000	0.000	0.000	0.001
Facilities Management Investment Estate	0.630	0.000	0.000	0.000	0.000	0.630
Social Care Infrastructure & Strategy	0.634	0.000	0.000	0.000	(0.600)	0.034
Assets & Commercial Development Total	57.471	0.000	0.836	(0.096)	(20.751)	37.460
Capital Loans						
Stone Circle Housing Company Loan	21.294	0.000	0.000	0.000	(10.461)	10.833
Stone Circle Development Company Loan	12.173	0.000	0.000	0.000	(9.823)	2.350
Capital Loans Total	33.467	0.000	0.000	0.000	(20.284)	13.183
Information Services						
ICT Applications	4.935	0.000	0.000	0.000	(1.890)	3.045
ICT Business as Usual	1.722	0.000	0.000	0.000	(0.209)	1.513
ICT Other Infrastructure	1.432	0.000	0.000	0.000	(0.601)	0.831
ICT Get Well	3.258	0.000	0.000	(0.001)	(2.305)	0.952
Microsoft Cloud Navigator	0.148	0.000	0.000	0.000	0.000	0.148
Information Services Total	11.495	0.000	0.000	(0.001)	(5.005)	6.489
Corporate Director - Resources	111.245	0.000	0.836	-0.097	-48.405	63.579

Appendix A: Capital Programme Budget Movements 2022/23 Quarter 2 (page 3)

Capital Programme Budget Movements 2022/2023 Qtr 2						
Scheme Name	Qtr 1 Budget	Budget Movements between Schemes	Additional Budgets added to the Programme (Section 1 Appendix B)	Reduced Budgets	Budgets reprogrammed from 2022/2023 into future years (Section 2 Appendix B)	Revised Budget
Highways & Transport						
Churchyards & Cemeteries	0.028	0.000	0.000	0.000	0.000	0.028
CIL Funded Schemes	0.053	0.000	0.000	0.000	0.000	0.053
Parking Contactless Machines	0.127	0.000	0.000	0.000	0.000	0.127
Fleet Vehicles	4.211	0.000	0.000	0.000	(1.500)	2.711
Integrated Transport	3.043	0.235	0.212	0.000	0.000	3.725
Local Highways and Footpath Improvement Groups	1.333	(0.010)	0.022	0.000	0.000	1.335
LED Street Lighting	0.762	0.000	0.000	0.000	0.000	0.762
Major Road Network (MRN)	0.000	0.000	0.000	0.000	0.000	0.000
Structural Maintenance & Bridges	22.032	(0.225)	0.005	(0.001)	0.000	21.586
Churchfields Depot Drainage and Traffic Management	0.081	0.000	0.000	0.000	0.000	0.081
Passenger Transport RTP1	0.692	0.000	0.000	0.000	0.000	0.692
Drainage Improvements	0.500	0.000	0.000	0.000	0.000	0.500
Major Road Network M4 Junction 17	1.007	0.000	0.000	0.000	0.000	1.007
A338 Salisbury Junction Improvements MRN	0.759	0.000	0.000	0.000	(0.700)	0.059
A350 Chippenham Bypass (Ph 4&5) MRN	1.091	0.000	0.000	0.000	0.000	1.091
A3250 Melksham Bypass LLM - Full Scheme	2.825	0.000	0.000	0.000	(1.000)	1.825
Highways & Transport Total	38.544	(0.000)	0.239	(0.001)	(3.200)	35.582
Economy & Regeneration						
Boscombe Down	0.000	0.000	0.000	0.000	0.000	0.000
Chippenham Station HUB	0.204	0.000	0.000	0.000	0.000	0.204
Corsham Mansion House	0.048	0.000	0.000	0.000	0.000	0.048
Salisbury Future High Streets	7.278	0.000	0.000	0.000	(2.463)	4.815
Trowbridge Future High Streets	5.024	0.000	0.000	0.000	0.000	5.024
West Ashton Urban Extension Project	8.784	0.000	0.000	0.000	0.000	8.784
Carbon Reduction Projects	0.070	0.000	0.000	0.000	0.000	0.070
Wiltshire Ultrafast Broadband	1.073	0.000	0.000	0.000	(1.011)	0.062
Wiltshire Online	2.402	0.000	0.000	0.000	(1.573)	0.829
Economy & Regeneration Total	24.883	0.000	0.000	0.000	(5.047)	19.836
Environment						
Waste Services	1.486	0.000	0.000	0.000	(0.369)	1.117
HRC Savings Infrastructure	0.100	0.000	0.000	0.000	0.000	0.100
Environment Total	1.586	0.000	0.000	0.000	(0.369)	1.217
Leisure Culture & Communities						
Area Boards and LPSA PRG Reward Grants	0.642	0.000	0.000	0.000	0.000	0.642
Community Projects	0.400	0.000	0.000	0.000	(0.400)	0.000
Fitness Equipment for Leisure Centres	0.800	0.000	0.000	0.000	(0.600)	0.200
Libraries - Self Service	0.500	0.000	0.000	0.000	(0.250)	0.250
Other Schemes including cross cutting systems	0.019	0.000	0.000	0.000	0.000	0.019
Trowbridge Leisure Centre	0.500	0.000	0.000	0.000	0.000	0.500
Leisure Requirements	4.408	0.000	0.000	0.000	(3.912)	0.496
Leisure Culture & Communities Total	7.269	0.000	0.000	0.000	(5.162)	2.107
Corporate Director - Place	72.282	(0.000)	0.239	(0.001)	(13.778)	58.742
2022/2023 Capital Programme General Fund Total	233.847	(0.000)	1.748	(0.451)	(70.190)	164.954

Appendix A: Capital Programme Budget Movements 2022/23 Quarter 2 (page 4)

Capital Programme Budget Movements 2022/2023 Qtr 2						
Scheme Name	Qtr 1 Budget	Budget Movements between Schemes	Additional Budgets added to the Programme (Section 1 Appendix B)	Reduced Budgets	Budgets reprogrammed from 2022/2023 into future years (Section 2 Appendix B)	Revised Budget
Housing Revenue Account						
HRA - Council House Build Programme	0.038	0.000	0.000	0.000	0.000	0.038
HRA - Council House Build Programme (Phase 2)	1.400	0.000	0.000	0.000	0.152	1.552
HRA - Council House Build Programme (Phase 3.1)	7.000	0.000	0.000	0.000	(0.504)	6.496
HRA - Council House Build Programme (Phase 3.2)	6.800	0.000	0.000	0.000	(5.643)	1.157
HRA - Council House Build Programme (Phase 3.3)	4.067	0.000	0.000	0.000	(0.631)	3.436
HRA - Refurbishment of Council Stock	16.275	0.000	0.000	0.000	(2.000)	14.275
Housing Revenue Account Total	35.580	0.000	0.000	0.000	(8.626)	26.954
2022/2023 Capital Programme General Fund and Housing Revenue Account Total	269.427	(0.000)	1.748	(0.451)	(78.816)	191.908

Appendix B: Re-programming Q2 2022/23 (Page 1)

CHIEF FINANCE OFFICER (CFO) - EXERCISE OF DELEGATED POWERS & REQUESTS FOR ADDITIONAL RESOURCES WITHIN THE CAPITAL PROGRAMME					
Cabinet Meeting					
Financial Year:			2022/2023		
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:	Fitness Equipment for Leisure Centres		Reason:	Project now linked to Leisure Centre Improvement line	
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-0.600	0.600	0.000	0.000	0.000
Funding Source:	Borrowing				
Project Name:	HRA - Miscellaneous General		Reason:	Slippage due to contract renewal & capacity	
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-2.000	2.000	0.000	0.000	0.000
Funding Source:	HRA Revenue Contribution & MRR				
Project Name:	Leisure Requirements		Reason:	Reprofile to reflect project prioritisation	
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-1.500	1.500	0.000	0.000	0.000
Funding Source:	Borrowing				
Project Name:	Leisure Centre Improvement		Reason:	Reprofile to reflect project prioritisation	
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-2.412	2.412	0.000	0.000	0.000
Funding Source:	Borrowing				
Project Name:	Commercial - Commercial Investment		Reason:	Slippage - prof fees & works for solar farm	
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-9.000	9.000	0.000	0.000	0.000
Funding Source:	Borrowing funded by Revenue Saving in Service				
Project Name:	A338 Salisbury Junction Improvements		Reason:	Scheme reviewed, alternatives being considered	
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-0.700	0.700	0.000	0.000	0.000
Funding Source:	0				
Project Name:	A3250 Melksham Bypass LLM		Reason:	Scheme awaiting outcome of connectivity study	
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-1.000	1.000	0.000	0.000	0.000
Funding Source:	DfT Grant				
Project Name:	North Wiltshire Schools PFI Playing Fields		Reason:	Reprofile to reflect anticipated year of spend	
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-0.300	0.300	0.000	0.000	0.000
Funding Source:	Borrowing				

Appendix B: Re-programming Q2 2022/23 (Page 2)

Project Name:	Property Carbon Reduction Programme	Reason:	Reprofile to new expenditure plan		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-1.700	0.000	1.700	0.000	0.000
Funding Source:	Borrowing				
Project Name:	Park & Ride Solar Panel Canopies	Reason:	Reprofile to anticipated expenditure		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-3.200	2.000	1.200	0.000	0.000
Funding Source:	Borrowing				
Project Name:	CHBP Phase 3.1	Reason:	Reprofile to anticipated expenditure		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-0.504	0.504	0.000	0.000	0.000
Funding Source:	HRA / RTB Capital Receipts / Shared Ownership Income				
Project Name:	CHBP Phase 3.2	Reason:	Reprofile to anticipated expenditure		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-5.643	5.643	0.000	0.000	0.000
Funding Source:	HRA / RTB Capital Receipts / Shared Ownership Income				
Project Name:	CHBP Phase 3.3	Reason:	Reprofile to anticipated expenditure		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-0.631	0.631	0.000	0.000	0.000
Funding Source:	HRA / RTB Capital Receipts				
Project Name:	CHBP - Phase 2	Reason:	Reprofile to anticipated expenditure		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	0.152	-0.152	0.000	0.000	0.000
Funding Source:	HRA				
Project Name:	A350 Chippenham Bypass (Ph 4&5) MRN	Reason:	Detailed design progressing better than anticipated		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	0.000	0.748	-0.748	0.000	0.000
Funding Source:	DfT Grant & S106				
Project Name:	Melksham House	Reason:	Reprofile based on contractor revised forecast		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-1.549	1.533	0.016	0.000	0.000
Funding Source:	Borrowing				
Project Name:	G & T Emergency Stopping Places	Reason:	Prof fee charges only in 22/23, initial costs		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-1.150	1.150	0.000	0.000	0.000
Funding Source:	Borrowing				
Project Name:	Park Farm, Seend (White Horse HA)	Reason:	Reprofile to reflect completion payment date		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-0.300	0.300	0.000	0.000	0.000
Funding Source:	S106 / HRA				
Project Name:	Libraries - Self Service	Reason:	Changes pending Transformation review		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-0.250	0.250	0.000	0.000	0.000
Funding Source:	Borrowing				
Project Name:	OWTP Depots Phase 2	Reason:	Reprofile to anticipated project timetable		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-2.317	2.255	0.062	0.000	0.000
Funding Source:	Borrowing				

Appendix B: Re-programming Q2 2022/23 (Page 3)

Project Name:	Social Care Capital Grant	Reason:	Fees for care home subject to business case		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-0.600	0.600	0.000	0.000	0.000
Funding Source:	Grant				
Project Name:	Community Projects	Reason:	Money not needed in current year		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-0.400	0.400	0.000	0.000	0.000
Funding Source:	Borrowing				
Project Name:	Melksham Campus Ph 2	Reason:	Reprofile to anticipated project timetable		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-0.635	0.635	0.000	0.000	0.000
Funding Source:	Borrowing				
Project Name:	Evolve	Reason:	Reprofile to reflect change to timetable		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-2.365	2.365	0.000	0.000	0.000
Funding Source:	Borrowing				
Project Name:	Various Basic Need Projects	Reason:	Contractor issues and delays in start dates / reprofile		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-3.434	3.434	0.000	0.000	0.000
Funding Source:	DfE grant				
Project Name:	Studley Green (Schools Maint)	Reason:	Reprofile to reflect change to timetable		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-0.135	0.135	0.000	0.000	0.000
Funding Source:	DfE grant				
Project Name:	Holbrook Primary School (Sch Maint)	Reason:	Reprofile to reflect change to timetable		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-0.200	0.200	0.000	0.000	0.000
Funding Source:	DfE grant				
Project Name:	Early Years Buildings	Reason:	Delays to start date for project		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-1.049	1.049	0.000	0.000	0.000
Funding Source:	Borrowing				
Project Name:	Wiltshire Ultrafast	Reason:	Slipped budget to reflect ongoing issues with contractor		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-1.011	1.011	0.000	0.000	0.000
Funding Source:	Borrowing				
Project Name:	Wiltshire Online	Reason:	Slipped budget to reflect ongoing issues with contractor		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-1.573	1.573	0.000	0.000	0.000
Funding Source:	Borrowing				
Project Name:	Disabled Facilities Grant	Reason:	Reprofile to reflect forecast works		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-0.500	0.500	0.000	0.000	0.000
Funding Source:	Grant funded				
Project Name:	EV Charging	Reason:	0		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-0.269	0.269	0.000	0.000	0.000
Funding Source:	Borrowing				

Appendix B: Re-programming Q2 2022/23 (Page 4)

Project Name:	Tranman ICT System upgrade		Reason:	Revised start date	
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-0.020	0.020	0.000	0.000	0.000
Funding Source:	Borrowing				
Project Name:	Carbon Neutral Fleet		Reason:	Reprofile to reflect delays to vehicle (lead times)	
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-1.211	1.211	0.000	0.000	0.000
Funding Source:	Borrowing				
Project Name:	High Needs Capital 2022-23		Reason:	Various schemes forecasting delayed works	
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-2.120	2.120	0.000	0.000	0.000
Funding Source:	DFE Grant				
Project Name:	Purchase of Wheelie Bins		Reason:	Reprofile to reflect anticipated demand	
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-0.369	0.093	0.092	0.092	0.092
Funding Source:	Borrowing				
Project Name:	ICT Get Well		Reason:	Reprofile to reflect revised forecast	
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-2.305	2.305	0.000	0.000	0.000
Funding Source:	Borrowing				
Project Name:	ICT Applications		Reason:	Reprofile to reflect revised forecast	
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-1.890	1.890	0.000	0.000	0.000
Funding Source:	Borrowing				
Project Name:	ICT Other Infrastructure		Reason:	Reprofile to reflect revised forecast	
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-0.601	0.601	0.000	0.000	0.000
Funding Source:	Borrowing				
Project Name:	ICT Business As Usual		Reason:	Reprofile to reflect revised forecast	
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-0.209	0.209	0.000	0.000	0.000
Funding Source:	Borrowing				
Project Name:	Salisbury Future High Streets		Reason:	Reprofile in line with submitted spend forecast to DLUHC	
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-2.463	0.000	2.463	0.000	0.000
Funding Source:	DLUHC Grant				
Project Name:	Early Years & Childcare		Reason:	0	
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-0.569	0.569	0.000	0.000	0.000
Funding Source:	Borrowing/S106				
Project Name:	Stone Circle Housing Company Loan		Reason:	Reprofiled to reflect revised forecast	
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-10.461	10.461	0.000	0.000	0.000
Funding Source:	Borrowing				
Project Name:	Stone Circle Development Company Loan		Reason:	Reprofiled to reflect revised forecast	
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	-9.823	9.823	0.000	0.000	0.000
Funding Source:	Borrowing				
Total Re-programming between years	-78.816	73.847	4.785	0.092	0.092

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:

Appendix B: Capital Programme Adjustments Q2 2022/23 (Page 1)

CHIEF FINANCE OFFICER (CFO) - EXERCISE OF DELEGATED POWERS & REQUESTS FOR ADDITIONAL RESOURCES WITHIN THE CAPITAL PROGRAMME

Cabinet Meeting
 Financial Year:

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:	Integrated Transport	Reason for movement:	National Highways Contribution		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	210,000.00				
Funding Source:	Grant contribution				

Project Name:	Integrated Transport	Reason for movement:	Town & Parish Contributions		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	1,864.00				
Funding Source:	Town Council Contribution				

Project Name:	Local Highway Footway Improvement Groups	Reason for movement:	Town & Parish Contributions		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	21,836.00				
Funding Source:	Parish Contribution to Scheme				

Project Name:	Bridges General	Reason for movement:	Insurance contribution		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	4,750.00				
Funding Source:	Insurance contribution for Bridges				

Project Name:	Early Years Schemes	Reason for movement:	S106 cont Chipp EY building project		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	175,220.00				
Funding Source:	Funding from S106 contributions				

Project Name:	Early Years Schemes	Reason for movement:	S106 cont Malmesbury projects		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	394,086.00				
Funding Source:	Funding from S106 contributions				

Project Name:	Park Farm, Seend (W Horse HA)	Reason for movement:	Agreed contributions for Scheme		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	836,000.00				
Funding Source:	S106 and RTB receipts funding				

Project Name:	Early Years Schemes	Reason for movement:	New contribution for general EY sche		
Budget Change:	2022/2023	2023/2024	2024/2025	2024/2025	2025/2026
	103,528.00				
Funding Source:	S106 Early Years Contribution				

1,747,284.000 Total Delegated Changes Approved by Section 151 Officer

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:

Wiltshire Council

Cabinet

29 November 2022

**Subject: Report on Treasury Management Strategy 2022/23
Half Year ended 30 September 2022**

**Cabinet member: Cllr Nick Botterill - Cabinet Member for Finance,
Development Management and Strategic Planning**

Key Decision: Non Key

Executive Summary

The Council adopted the Treasury Management Strategy and an Annual Investment Strategy for 2022/23 at its meeting on 22 February 2022.

In addition to an Annual Report, the Treasury Management Strategy requires a mid-year report reviewing the Treasury Management activities for the current year so far. This report covers the period from 1 April 2022 to 30 September 2022.

The Council has not taken out any new PWLB borrowing (loans) during 2022/23.

Against budget, there is a projected net underspend in respect of interest receivable and payable of £1.265m.

The Council has not breached any of its performance indicators for the half year 1 April 2022 to 30 September 2022.

During the year the Council breached the counterparty monetary limit for an investment held with Handelsbanken (35 day notice account). The monetary limit is £15.000m, and following automatic application of the quarterly interest, the investment balance was £15.013m (details can be found in paragraphs 49 - 52). Actions have been taken to mitigate the risk of reoccurrence of any such breach.

Proposals

Cabinet is asked to note:

a) that the contents of this report are in line with the Treasury Management Strategy 2022/23.

b) the performance of the Council's investments and borrowings against the parameters set out in the approved Treasury Management Strategy for 2022/23.

Reasons for Proposals

To give members an opportunity to consider the performance of the Council in the period to 30 September 2022 against the parameters set out in the approved Treasury Management Strategy for 2022/23.

Terence Herbert**Chief Executive****Andy Brown****Corporate Director of Resources & Deputy Chief Executive (s151 Officer)**

Wiltshire Council

Cabinet

29 November 2022

**Subject: Report on Treasury Management Strategy 2022/23
Half Year ended 30 September 2022**

**Cabinet member: Cllr Nick Botterill - Cabinet Member for Finance, Development
Management and Strategic Planning**

Key Decision: Non Key

Purpose of Report

1. The Council adopted a Treasury Management Strategy for 2022/23 at its meeting on 22 February 2022, incorporating Prudential Indicators, Treasury Management Indicators and an Annual Investment Strategy, in accordance with the Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
2. The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management recommends that members be updated on treasury management activities regularly. This report, ensures Wiltshire Council is implementing best practice in accordance with the Code, and covers the following,
 - An economic update for the first half of the 2022/23 financial year
 - A review of the Treasury Management Strategy and Annual Investment Strategy
 - The Council's capital expenditure, as set out in the Capital Strategy, and prudential indicators
 - A review of the Council's investment portfolio for 2022/23
 - A review of the Council's borrowing strategy for 2022/23
 - A review of compliance with treasury and prudential limits for 2022/23

Background

3. The Council operates a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low-risk counterparties, providing adequate liquidity, before considering optimising investment return.
4. The second main function of the treasury management team is the funding of the Council's capital plans. The capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans or using longer term cashflow surpluses.

Economic Background and Interest Rate Forecast

5. The second quarter of this year saw bank rate rise by 100 basis points, taking it to 2.25%, with further rises yet to come.
6. The latest forecast from Link Group, the Council's treasury advisor, sets out a view that both short and long dated interest rates will be elevated for some time, as the Bank of England seeks to squeeze inflation out of the economy. Whilst the Government is providing a package of fiscal loosening to try to protect households and businesses from the impact of high wholesale gas and electricity prices.
7. Link Group have provided the following forecast for bank rate. The second and third rows of the table below are expected average earnings for cash investments by local authorities for three to six months. Rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short term cash at any one point in time.

	2022/23		2023/24				2024/25			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Bank Rate	4.00	5.00	5.00	5.00	4.50	4.00	3.75	3.25	3.00	2.75
3 Month Average	4.50	5.00	5.00	5.00	4.50	4.00	3.80	3.30	3.00	2.80
6 Month Average	4.70	5.20	5.10	5.00	4.60	4.10	3.90	3.40	3.10	3.00

8. Gilt yields and PWLB rates were generally on a rising trend throughout 2022, the exception being a short rally in gilts in July and August. However, they rose exceptionally sharply towards the end of September.
9. The 50 years PWLB target certainty rate for new long term borrowing started 2022/23 at 2.20% before increasing to 4.80% in September. Link Group forecast that PWLB rates will be on a downward trend through 2023 and 2024, falling back to 3.10% by the end of September 2015.
10. Below is an interest forecast table for PWLB certainty rates, provided by Link Group.

	2022/23		2023/24				2024/25			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
25yr PWLB Rate	5.10	4.90	4.80	4.50	4.30	4.10	3.90	3.70	3.60	3.60
50yr PWLB Rate	4.80	4.60	4.50	4.20	4.00	3.80	3.60	3.40	3.30	3.30

11. In the last quarter,
 - GDP was revised upwards to 0.2% (quarter on quarter) from negative 0.1%
 - CPI inflation rose to 9.9% in August, having been 9.0% in April
 - The unemployment rate fell to 3.6%
 - The UK economy grew by 0.2% (quarter on quarter), though revisions to historic data left it below pre-pandemic levels.

Treasury Management Strategy Statement and Annual Investment Strategy Update 2022/23

12. The Treasury Management Strategy Statement (TMSS) 2022/23, which includes the Annual Investment Strategy, was approved by Full Council on 22 February 2022.
13. There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

The Council's Capital Position (Prudential Indicators)

14. This part of the report is structured to update
 - The Council's capital expenditure plans
 - How these plans are being financed
 - The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow
 - Compliance with the limits in place for borrowing activity

Prudential Indicator for Capital Expenditure

15. The following table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed by Full Council on 22 February 2022.

Capital Expenditure	2022/23 Original Budget £m	2022/23 Q2 Revised Budget £m	Current Position £m
General Fund	217.419	150.971	42.086
Housing Revenue Account (HRA)	45.159	26.954	6.832
Commercial Activities/Non- financial investments *	44.538	13.183	1.276
Total	307.116	191.108	50.194

* Commercial activities/non-financial investments relate to areas such as capital expenditure on investment properties, loans to third parties etc.

Changes to the Financing of the Capital Programme

16. The following table draws together the main strategy elements of the capital plans (above) highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure.
17. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This borrowing need may also be supplemented by maturing debt and other treasury requirements.

Capital Expenditure	2022/23 Original Budget £m	2022/23 Q2 Revised Budget £m
Total Capital Expenditure	307.116	191.108
Financed by:		
Capital Receipts	3.439	4.537
Capital Grants	75.350	76.789
HRA	26.159	21.879
Other	0.000	9.083
Total Financing	104.948	112.288
Borrowing Requirement	202.168	78.820

Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary

18. The following table shows the CFR, which is the underlying need to borrow for a capital purpose.

Prudential Indicator – Capital Financing Requirement	2022/23 Original Estimate £m	2022/23 Revised Estimate £m
CFR – General Fund	670.466	539.445
CFR – HRA	118.864	118.864
Total CFR	789.330	658.309

19. The revised CFR is significantly lower than the original estimate due to the reduction in the external borrowing required to support the capital programme.

20. The following table shows the operational boundary; this is the limit beyond which the external debt is not normally expected to exceed. The operational boundary is based on a prudent estimate of the most likely maximum level of external borrowing for both capital expenditure and cashflow purposes, which is consistent with other budget proposals. This was set in the TMSS 2021/22, which was approved by Full Council on 22 February 2022 and does not change throughout the year.

Prudential Indicator - Operational Boundary for External Debt	2022/23 Original Estimate £m
Borrowing	813.887
Other Long Term Liabilities	0.200
Operational Boundary	814.087

Limits to Borrowing Activity

21. The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowing less investments) will only be for a capital purpose.

22. Gross external borrowing should not, except in the short term exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2022/23 and

the next two financial years. This allows some flexibility for limited early borrowing for future years.

	2022/23 Original Estimate £m	2022/23 Q2 Current Position £m	2022/23 Revised Estimate £m
Borrowing	529.708	407.741	504.642
Other Long Term Liabilities	0.200	0.200	0.200
Total Debt	529.908	407.941	504.842
CFR	789.330	658.309	658.309

23. A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit, which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired could be afforded in the short term, is not sustainable in the long term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Authorised Limit was set in the TMSS 2022/23, which was approved by Full Council on 22 February 2022 and does not change throughout the year.

Authorised Limit for External Debt	2022/23 Original Estimate £m
Borrowing	831.263
Other Long Term Liabilities	0.200
Total Authorised Limit	831.463

Borrowing

24. The Council's Capital Financing Requirement (CFR) for 2022/23 is £658.309m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is usually driven by market conditions.
25. The table in paragraph 22 shows the Council has borrowings of £407.741m and has currently utilised £250.568m of cash flow funds in lieu of borrowing. This figure includes £59.858m PFI liability, which when accounted for, results in a net internal borrowing position of £190.710m. It is forecast that this under-borrowed position will decrease to £93.609m by 31 March 2023.
26. As the capital programme is kept under regular review, the borrowing strategy will therefore also be regularly reviewed and revised if necessary, in order to achieve optimum value and minimise risk exposure in the long-term.
27. It is anticipated that no further borrowing will be undertaken this financial year.

28. Following the decision to borrow £80m in March 2022, there is a higher revised estimate of external interest payable. The current forecast for interest expenditure for 2022/23 against budget is an overspend of £1.326m.
29. A summary of the Council's borrowing position as at 30 September 2022 is detailed at Appendix 1.

Borrowing - Stone Circle

30. Included in the planned capital and borrowing programme are loans made to Stone Circle. The amounts are as follows.

Capital Expenditure	Loans Outstanding as at 31 March 2022 £m	2022/23 Expenditure to date £m	2022/23 Revised Expenditure to year end £m	2022/23 Forecast Cumulative Expenditure £m
Loans to Stone Circle	11.937	1.277	13.183	25.120

31. The Stone Circle loans have been funded entirely by borrowing, which will be funded by revenue savings generated through financial returns from the company, through mark up on the loans and through future dividends. As the Council has maintained an under borrowed position, this means that borrowing has not yet been undertaken to fund this element of the capital programme.
32. Borrowing undertaken to fund capital expenditure, including the loans to Stone Circle, is owned and financed by the Council, regardless of whether any income is received from third party investments. This creates additional credit risk for the Council.

Debt Rescheduling

33. Debt rescheduling opportunities have been very limited in the current economic climate and following the various increases in the margins added to gilt yields which have impacted the PWLB borrowing rates since October 2010. Therefore, no debt rescheduling has been undertaken to date in the current financial year. However there may be better opportunities in the future, although only prudent and affordable debt rescheduling will be considered.

Compliance with Treasury and Prudential Limits

34. It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the half year ended 30 September 2022, the Council has operated within the treasury and prudential indicators set out in the Council's TMSS 2022/23.

35. No future difficulties are envisaged for the current or future years in complying with these indicators.

Annual Investment Strategy

36. The Council will aim to achieve the optimum return on its investments commensurate with proper security and liquidity levels, consistent with the Council's risk appetite. In the current economic climate, it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods of up to 12 months with high credit rated institutions, using the Link Group creditworthiness approach.

Creditworthiness

37. Following the Government's fiscal event in September 2022, two ratings agencies (Standard & Poors and Fitch) have placed the UK sovereign debt rating on negative outlook, reflecting a downside bias to the current ratings in light of expectations of weaker finances and economic outlook.

Investment Counterparty Criteria

38. The Council applies the creditworthiness service provided by Link Group. This service employs a sophisticated modelling approach, combining credit ratings, credit watches and credit outlooks in a weighted scoring system. This produces 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.
39. The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

Investment Portfolio 2022/23

40. As at 30/09/2022, the Council held £211.500m of cash investments. This compares to £209.529m as at 31/03/2022.
41. The average level of funds available for investment over the first six months of the year was £226.057m. The level of funds available was mainly dependant on the timing of payments, receipt of grants and progress on the capital programme.
42. A summary of the Council's investments as at 30 September 2022 are detailed at Appendix 2

Investment Performance 2022/23

43. The investment portfolio yield for the first six months of the year was 1.13% against a benchmark of 0.91% (90 day backward looking SONIA (Sterling Overnight Indexed Average) rate). Therefore, the Council outperformed the benchmark by 22 bps (basis points).
44. In sterling markets, the Sterling Overnight Indexed Average (SONIA) is the recommended replacement for the previous investment benchmark, LIBID. SONIA

is administered by the Bank of England, who take responsibility for its calculation and publication. It is based on actual transactions and reflects the average of the interest rates that banks pay to borrow overnight sterling from other financial institutions and other institutional investors.

45. The current forecast for interest income for 2022/23 is an overachievement of £2.591m against budget. This is due to an increased level of cashflow and significantly increased interest rates. This also includes forecast loan interest from Stone Circle and Wiltshire College (loans given in previous financial years).
46. In respect of the total interest income and expenditure budget, there is a combined projected net underspend of £1.265m. This forecast has been included within the figures reported in the period 6 revenue budget monitoring report to Cabinet.

Fund Investments

47. In March 2022, the Council purchased £10m of units in the CCLA property fund. The fund is designed for local authorities seeking exposure to UK commercial property for longer term investments. The aim of this investment is to provide a higher level of investment income, together with long term capital appreciation.
48. There was a cost to enter the property fund (of 6.32%), meaning that on entry the fund was valued at £0.632m less than the purchase price. This difference between the purchase price and the valuation, does not represent a cost to the Council, as it is not charged to the Council's revenue account, but held in a separate unusable reserve. This is due to an accounting directive (IFRS9) which over-rides general accounting practice, which otherwise would see the entry cost charged to revenue in the year in which it was incurred.
49. Following its introduction, the statutory override was due to apply until 1 April 2023. In the last quarter, the Government has undertaken a consultation regarding its future. The Wiltshire Council response to the consultation made a case for the extension of the over-ride, to negate the impact of any potential unrealised gains on the Council's revenue account.
50. The current value of the property fund is £9.439m, an increase of £0.071m from its initial valuation. It has generated £0.196m of gross dividend income, which represents a gross return of 3.92%.
51. Once the investment income on the property fund has been adjusted for the associated fees, the net dividend income is £0.166m, which represents a net return of 3.31%.

Breach of Counterparty Limit – Handelsbanken

52. A notice account is held with Handelsbanken, which enables the Council to diversify its investments, using a counterparty with a high credit quality with a different type of

investment vehicle. The terms of this investment require the Council to give 35 days notice to withdraw funds. Interest is calculated by the bank and applied to the account automatically on a quarterly basis.

53. The monetary limit on this account is £15.000m, and in May 2022, the Council held £149.888m. When the interest (of £0.024m) was applied by Handelsbanken at the end of this month, the account balance was £15.013m, breaching the limit by £0.013m. On receipt of the interest, the Council immediately withdrew funds to bring the account balance to within the counterparty limit, subject to the 35 day notice restriction.
54. The error occurred following an unexpected increase in the interest rate offered by Handelsbanken, leading to a higher than expected quarterly interest figure.
55. The risk of the above situation recurring will be mitigated through a decreased level of balances held on this investment, to allow sufficient headroom for increased interest income. Additional work will also be undertaken to monitor interest receipts on this investment, especially in the current interest rate rising environment.

Overview & Scrutiny Engagement

56. Financial Planning Task Group will consider this report on 25 November 2022. Any comments from the Task Group will be reported verbally at the meeting of Cabinet.

Safeguarding Implications

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

Public Health Implications

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

Procurement Implications

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

Equalities Impact of the Proposal

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

Environmental and Climate Change Considerations

61. There are a small, but growing number of financial institutions and fund managers promoting “ESG” products (short term cash investments), which the Council considers alongside other investment options, and will choose these “ESG” investments where they at least match the yield of other investment options if they meet the critical principles of security, liquidity and yield set by the council’s TMSS. The Council also has £6.6m borrowing from Salix Finance who offer interest free loans to public sector organisations for heat decarbonisation and energy efficiency projects to reduce greenhouse gas emissions from public sector buildings.

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

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

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

63. All investments have been at fixed rates during the period. The Council's current average interest rate on long term debt is 3.40%, which compares favourably with similar rates of other UK local authorities.

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

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

Financial Implications

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

Legal Implications

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

Workforce Implications

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

Proposals

69. Cabinet is asked to note:

- a) that the contents of this report are in line with the Treasury Management Strategy 2022/23.
- b) the performance of the Council's investments and borrowings against the parameters set out in the approved Treasury Management Strategy for 2022/23.

Andy Brown

Corporate Director of Resources & Deputy Chief Executive (s151 Officer)

Report Author:

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10 November 2022

Appendices

Appendix 1 Borrowing Portfolio

Appendix 2 Investment Portfolio

Borrowing Portfolio as at 30 September 2022

Lender	Start Date	Maturity Date	Amount £m	Rate %	Annual Interest £m
Public Works Loan Board (PWLB)					
PWLB	28/03/2012	28/03/2023	8.000	2.56	0.205
PWLB	15/02/2010	01/06/2023	2.000	4.45	0.089
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	0.048
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	0.043
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	0.042
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	0.099
PWLB	13/03/2019	13/03/2063	10.000	2.36	0.236
PWLB	13/03/2019	13/03/2064	10.000	2.36	0.236
PWLB	13/03/2019	13/03/2065	10.000	2.36	0.236
PWLB	08/02/2022	01/02/2028	20.000	1.95	0.390
PWLB	08/02/2022	01/02/2029	20.000	1.98	0.396
PWLB	08/02/2022	31/03/2071	20.000	2.00	0.400
PWLB	08/02/2022	01/01/2072	20.000	2.00	0.400
Total PWLB Loans			340.123		11.221

Lender	Start Date	Maturity Date	Amount £m	Rate %	Annual Interest £m
Market Loans – Fixed Rate					
Barclays Bank	03/12/2004	03/12/2054	10.000	4.45	0.445
Barclays Bank	31/08/2005	31/08/2055	5.000	3.99	0.199
Barclays Bank	31/07/2007	01/08/2067	6.000	4.21	0.253
			21.000		0.897
Market Loans - LOBOs					
FMS Wermanagement	07/12/2004	08/12/2053	10.000	4.45	0.445
PBB 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
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	4.20	0.168
			40.000		1.770
Total Market Loans			61.000		2.667
Salix Loans					
Loan 1	01/11/2019	01/04/2025	0.620	0.00	0.000
Loan 2	01/03/2020	01/04/2026	3.283	0.00	0.000
Loan 3	01/07/2021	01/01/2027	2.715	0.00	0.000
Total Salix Loans			6.618		0.000
Total - All Loans			407.741		12.807

Investment Portfolio as at 30 September 2022 (compared to the counterparty list)

Borrower	Amount (£m)	Interest Rate (%)	Start Date	Maturity	Link Credit Rating (see next page for explanatory key)
Bayerische Landesbank London	10.000	1.58	07/07/2022	07/10/2022	Red – 6 months
National Bank of Kuwait (International)	10.000	1.73	18/07/2022	18/10/2022	Red – 6 months
Qatar National Bank	10.000	2.585	20/07/2022	20/01/2023	Red – 6 months
Landesbank Hessen-Thuringen	10.000	2.06	20/07/2022	20/12/2022	Red – 6 months
Coventry Building Society	10.000	1.62	22/07/2022	22/11/2022	Red – 6 months
Yorkshire Building Society	10.000	1.50	25/07/2022	25/10/2022	Green – 100 days
Goldman Sachs International Bank	10.000	1.78	03/08/2022	03/11/2022	Red – 6 months
Clydesdale Bank	10.000	1.93	12/08/2022	18/11/2022	Green – 100 days
Landesbank Baden-Wuerttemberg	10.000	2.27	18/08/2022	18/11/2022	Red – 6 months
Standard Chartered Bank	10.000	2.57	07/09/2022	07/12/2022	Red – 6 months
ANZ Banking Group	10.000	2.75	08/09/2022	08/12/2022	Orange – 12 months
First Abu Dhabi Bank	10.000	2.86	09/09/2022	09/01/2022	Orange - 12 months
National Bank of Canada	10.000	2.16	08/09/2022	10/10/2022	Red – 6 months
DBS Bank	10.000	3.55	23/09/2022	23/03/2023	Orange - 12 months
Close Brothers	10.000	3.20	26/09/2022	24/03/2023	Red – 6 months
Handelsbanken (35 Day Notice Account)	14.889	1.95	*	*	Orange - 12 months
Black Rock Money Market Fund	0.004	1.93	*	*	AAA
Federated Money Market Fund	27.904	2.04	*	*	AAA
Goldman Sachs Money Market Fund	0.016	1.91	*	*	AAA
Aberdeen Investments Money Market Fund	18.677	2.01	*	*	AAA
BNP Money Market Fund	0.010	2.11	*	*	AAA
Total	211.500				

* Money Market Funds/HSBC Overnight Investment Account/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.

Long Term Investment Portfolio as at 30 September 2022

Counterparty	Amount £m	Dividend Rec'd ** £m	Start Date	Current Valuation £m	Notes
CCLA – Property Fund	10.000	0.196	31/03/2022	9.439	Current valuation unrealised – no impact on revenue
Total	10.000	0.196		9.439	

** Dividends received quarterly

Link Group 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 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 rating

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Wiltshire Council

Cabinet

29 November 2022

Subject: Corporate Performance and Risk Monitoring Report: Q2 2022/23

Cabinet member: Cllr Richard Clewer, Leader of the Council and Cabinet Member for MCI, Economic Development, Heritage, Arts, Tourism and Health & Wellbeing

Key Decision: Non-Key

Executive Summary

This report provides a quarter two update on performance and the emerging targets against the stated missions in the Council's Business Plan 2022-32. The strategic risk summary is also included.

Proposals

Cabinet are asked to:

1. Note the updates and outturns against the measures and activities ascribed against the Council's priorities and agree the initial targets.
2. Observe the Strategic Risk Summary.

Reason for Proposal

To provide Cabinet with a quarterly update on the current corporate performance framework, which is compiled of the measures used to monitor progress against the 10 missions laid out in Wiltshire Council's Business Plan 2022-32.

For the first time, targets are now starting to be included.

The Strategic Risk Summary captures and monitors significant risks facing the Council, in relation to in-service risks facing individual areas and in managing its business across the authority.

This is supported by, and in compliance with, the Council's Corporate Performance and Risk Policy.

Terence Herbert
Chief Executive

29 November 2022

Subject: Corporate Performance and Risk Monitoring Report: Q2 2022/23

Cabinet member: Cllr Richard Clewer, Leader of the Council and Cabinet Member for MCI, Economic Development, Heritage, Arts, Tourism and Health & Wellbeing

Key Decision: Non-Key

Purpose of Report

1. This report provides an update on the progress against the stated missions in the Council's Business Plan.
2. To note: it provides information on measures of performance at the end of Q2 (September 2022) and risks as they are at the time of the report's production – risks are not based on a quarterly reporting cycle.
3. The Q2 2022/23 Corporate Scorecard and targets are attached to the report as **Appendix 1**.
4. The Strategic Risk Summary is attached as **Appendix 2**.

Relevance to the Council's Business Plan

5. This report updates Cabinet on the performance against each of the stated missions contained in the Business Plan 2022-2032.

Background

6. Prior to the Business Plan's ratification at Full Council, Directors and Cabinet Members agreed a corporate performance framework that identified the measures that would initially be used to track progress against the 10 missions identified.
7. These measures fell into three categories:
 - i) Main indicators – the key metric for that particular mission.
 - ii) Supporting indicator(s) – a metric that helps add weight or explanation to the main indicator.
 - iii) Basket indicators – where it was impossible to identify one or two main indicators measures were grouped together to be able to report on elements of each mission.
8. The resulting scorecard includes each main measure (the latest reported figure), the most relevant/recent supporting and basket indicators.

9. Measures and targets on the scorecard are owned and reported by the service to which they relate, and they continue to be iteratively challenged and improved at Performance Outcome Boards and Groups. This ensures they are most representative of performance against a mission and allows for advanced scrutiny.
10. The Strategic Risk Summary is attached as **Appendix 2** and provides information on the challenges, and potential challenges, the Council faces in delivering its services and ambitions.
11. Included in the risk summary is the Strategic Risk Register which contains risks that, if they were to become issues, could hamper the Council's ambition to achieve its stated aims whether that be empowering the people of Wiltshire, building thriving economies or leading the response to climate change.
12. Risks are identified, defined, reviewed, and managed in service areas.
13. There are over 250 risks identified and scored in the corporate risk management process. The Strategic Risk Register is made up of those risks which have either a potential impact on the wider council or are the responsibility of the wider council to mitigate.
14. A full explanation of the makeup of the Strategic Risk Register can be found at the bottom of **Appendix 2**.
15. Previously, two risks – inflation and staff recruitment and retention – were classified as issues, meaning that the potential problems identified have materialised.
16. These both remain in place as the inflationary pressures continue and the labour market challenges are also yet to abate.
17. This quarter, a new issue has been raised on the Evolve programme as delays in delivery will result in delayed realisation of benefits associated with the programme. This is a live issue that is currently in management and mitigating actions are underway as the original programme timescales will not be met.
18. The emerging risks also remain as a recent change of Prime Minister and Cabinet presents some uncertain policy direction, and global events continue to have domestic implications as the country heads towards winter.
19. The teams are now working to mitigate the impact of these issues and will continue to do so until they are no longer having a direct impact on delivery.
20. This is in line with and outlined in more detail within the Council's Corporate Performance and Risk Policy.

Targets

21. With corporate performance reporting at a Cabinet-level now embedded across services, iterative targets are starting to emerge and are included in the scorecard.
22. At the top of the scorecard, a chart also tracks the performance against the previous quarter.

We Get the Best Start in Life

23. It is difficult to make judgments about recent trends in the phonics and Key Stage 4 education gaps because different approaches to assessment were taken during the pandemic. This has meant that 2020 and 2021 are not easily comparable with previously years and, consequently, targets have been set using the regional performance as a benchmark.

We stay active

24. The percentage of children who are physically active has increased and is better than the regional and national averages. The target is to now remain above these averages and bring the total to 60% over the course of the business plan.
25. Similarly, the percentage of adults who are physically active has increased and is above the national and regional average. As with children, the target is to now remain above these averages and increase the total to 75% over the course of the business plan.
26. Referrals to the Reablement Service is a volume metric, making it one to monitor rather than target. Currently, the trend shows that total referrals remain at a consistent level.

We are safe

27. Re-referrals to Children's Services should be between 14% and 20% to remain within the lower and higher expected ranges. Last year, the South West was operating at nearly 23%, as were Wiltshire's statistical comparators.
28. The total number of licensing interventions is a volume metric and one that will be monitored. As the measure is also subject to significant seasonal variations, an annual rolling average is used.
29. The percentage of S42 outcomes met should remain in the targeted 95% to 99% range.
30. The percentage of 'first conversations' where the outcomes have been completed in three working days should be 85% or above. It must be noted that a 100% completion figure is highly unlikely to ever be achieved due to external factors (pending investigations etc) which cause a delay in them taking place.

We live well together

31. The percentage of looked after children placed more than 20 miles from home is expected to remain within the range of 34% to 37%.
32. Care leavers being housed in suitable accommodation must remain between 85% and 95% to be within the expected range. This also keeps it in line with South West's performance.

We ensure decisions are evidence-based

33. Voter turnout in neighbourhood plan referendums and unitary by-elections remains typically lower than in national elections. With this considered, the ambition is to achieve over a 25% turnout for neighbourhood plan referendums and 35% for unitary by-elections.

We have the right housing

34. The total number of households in temporary accommodation is targeted to remain below 95.
35. Targets on the number on the housing register have never been set and, as with other volume metrics, will be assessed for outliers and actively managed.

We have the right skills to prosper

36. Consistent and statistically significant movements in unemployment and youth claimants are the subject of monitoring – both monthly and year-on-year. This will also take place to assess performance against national and local positions.

We have vibrant and well-connected communities

37. The target for public transport usage is 7,905,000 passenger trips per annum, across both the supported and commercial network.
38. As public transport has not yet recovered to pre-pandemic levels, the target for the end of Q4 is based upon 15% fewer trips than there were in the financial year 19/20 (9,300,000).

We take responsibility for the environment

39. Household waste forecast outturn for 22/23 is 888kg total waste per household, an 8% improvement on the 21/22 outturn. A stretch target of 880kg is proposed (8.8% improvement on 21/22).
40. The Council has limited influence on this metric, which is primarily a product of economic factors that may inform the consumer choices of residents (waste increased during 20/21 due to pandemic and changing behaviours,

for example) and cost of living issues could contribute to further reductions in household waste.

41. There are also seasonal variations in waste collected which means the forecast annual outturn should not be apportioned on a quarterly basis – and quarterly figures for waste in the year to date are provided for comparison on an annual basis.
42. The recycling and composting target rate of 50% by 2020 has been missed and the proposed revised target is 45% (2.8% improvement on 21/22).
43. For waste recovery (% of household waste sent for treatment/energy recover), the proposed stretch target of 42% would represent an improvement of 3.1% on 21/22 outturn.
44. For residual waste, a stretch target of 13% is proposed, representing a 5.9% improvement over 21/22 outturn. This is a product of the indicators above, with more waste captured for recycling and increased tonnages of waste sent for energy recovery resulting in less tonnage being disposed of to landfill.

We are on the path to carbon neutral (net zero)

45. Wiltshire's carbon emissions – those which arise within the county – are targeted to be 2100 ktCO₂ at the next return (expected July 2023).
46. Wiltshire Council's carbon emissions are targeted to be 3750 tonnes of CO₂e when next reported (expected August 2023).
47. Homes in Wiltshire with Energy Performance Certificates at Levels A – C is targeted to be above the South West's benchmark of 48%.
48. The number of public electric vehicle charges is expected to currently remain in line with the South West average of 35 chargers per 100,000 of the population.

Future Developments

49. Heading in to 2023, the scorecard will be undergoing significant review and improvement with changes to be brought to Cabinet for approval. It had been intended to expedite these improvements during 2022 but staff turnover in the Executive Office, wider service pressures across the Council and a delay in appointments has prevented this from happening.
50. Primarily, these will be in the form of an easier to read dashboard with improved data visualisation. This will provide greater context, longer time series and an enhanced narrative about progress against service delivery plans which will highlight where there are risks of failure or slippage.
51. Additional measures, for example on customer service and complaints, will also be added.
52. Targets will continue to remain under review and appropriately stretched.

53. Alongside these changes, a programme is underway to further align financial reporting beyond just timings, so that reports can be presented and synchronised with wider corporate performance.
54. Future risk summaries will feature the Council's response to the updated national-level risks. This will be completed in partnership with the Local Resilience Forum who will produce a 'Wiltshire response' to the National Risk Assessment.
55. An exercise is also to be undertaken with the Extended Leadership Team to ensure that items that do not yet make risk classification, or cannot be quantified as emerging risks, are considered in more depth. It is expected that future risk summaries will be reflective of the live and dynamic nature of council services.

Overview & Scrutiny Engagement

56. The Overview and Scrutiny Management Committee has not yet had the chance to view the report due to timings of the report's production not aligning with meeting dates.
57. Chairs and vice-Chairs have been encouraged to review upon publication, ahead of further conversation at Cabinet. As ever, their engagement and challenge, especially on targets, is welcomed and encouraged

Safeguarding Implications

58. A number of indicators are regularly analysed which directly relate to the safeguarding of children and adults. Action is taken where improvements in performance are required or new risks present.

Public Health Implications

59. Not applicable as no decision is required, although many of the indicators are a key feature of our public health work.

Procurement Implications

60. Not applicable as no decision is required.

Environmental and Climate Change Considerations

61. Not applicable as no decision is required, although many of the indicators are a key feature of our environmental plans.

Workforce Implications

62. There are no direct implications arising from this report. However, it must be recognised that there remains a live issue for the Council when recruiting and retaining staff. Whilst both a national and sectoral issue, active management is underway.

Equalities Impact of the Proposal

63. Not applicable as no decision is required.

Risk Assessment

64. Not applicable as no decision is required.

65. Performance and risk indicators will continue to draw on the framework set out in the Business Plan and will continue to be refined through engagement with the relevant services.

Financial Implications

66. Not applicable as no decision is required.
67. Performance and risk, as outlined above, will inform the current service planning cycle and, in turn, the development of the budget for February 2023.

Legal Implications

68. Not applicable as no decision is required.

Options Considered

69. Not applicable as no decision is required.

Conclusions

70. This report brings together the updated performance indicators that make up the corporate performance framework as well supplementary commentary to provide further context around the Council's activities in these areas and the risks faced by the Council.

Perry Holmes
Director, Legal and Governance

Report Author:

Martin Nicholls, Head of Executive Office | martin.nicholls@wiltshire.gov.uk

Background reading

Corporate Performance and Risk Policy, February 2019

Appendices

- Appendix 1: Corporate Scorecard Q2 2022/23
 - Appendix 2: Strategic Risk Summary
-

Wiltshire Council Performance Scorecard - 2022/23 Quarter Two





Of the 27 indicators on this scorecard 22 (81%) were ranked as either green or amber in terms of improved performance.






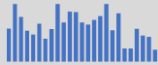

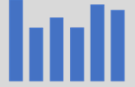


Arrows show the direction of travel. Green is a positive change, red a negative a change and orange neither positive or negative.






Gold shaded measures are main indicators	Unshaded indicators support a main indicator	Grey shaded indicators are selected from a basket of possible measures - the name of that basket appears above the measures
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Measure description	Target	Previous positions	Latest position	Latest report	Frequency	Direction of Travel	Trend	Comment	
We Get the Best Start in Life									
Educational Gap: Phonics (The percentage point gap between all pupils at KS1 and those receiving pupil premium - achieving phonics)	Below regional benchmark (20%)	20.0%	21.2%	21.1%	Sep-22	annual - academic year			Presently, the focus is on being consistently above the regional benchmark as it is difficult to make judgments about recent trends with these indicators as different approaches to assessment taken during the pandemic mean 2020 and '21 are incomparable with previously years. Please note: the latest data is also provisional.
Educational Gap: KS4 (The percentage point gap between all pupils and those receiving pupil premium - achieving 5+ in English and Maths at KS4)	Below regional benchmark (30.7%)	26.2%	29.4%	32.3%	Sep-22	annual - academic year			
We Stay Active									
Percentage of Children who are Physically Active	60% over course of Business Plan	43.7%	50.5%	53.7%	Mar-21	annual			The trend shows the last four financial years. The improvement shown in Wiltshire in the past three years has not been mirrored in the national or regional figures. Wiltshire now shows better levels of activity than the England (44.6%) or South West (46.3%) average. Results for 2021/22 are yet to be published.
Percentage of Adults who are Physically Active	75% over course of Business Plan	71.2%	72.1%	72.9%	Mar-21	annual			The trend shows the last four financial years. Small improvements in each of the last three years put the activity levels in adults in Wiltshire above the national (65.9%) and regional (70.5%) average.
Referrals into the Reablement Service (total monthly number)		242	257	233	Sep-22	3-month rolling average			The trend shows the last eight months. Total referrals remained at a fairly consistent level since the start of the year before September's drop.

Measure description	Target	Previous positions	Latest position	Latest report	Frequency	Direction of Travel	Trend	Comment
We are Safe								
Re-referrals to Children's Services (% referrals within 12 months of previous referral)	Between 14% and 20%	15.5%	16.1%	15.4%	Sep-22	monthly		The trend shows the last 18 months. Every month of the financial year 2021/22 returned a lower re-referral rate than the 16% for 2020/21. The first five months of 2022/23 have each seen a small proportion rise before a fall in Sept. Despite this our re-referral rate is lower than comparative local authorities.
Public Protection								
Total number of Licensing Interventions (Notifications received, Number of Licensing Hearings, Number of Animals Inspections carried out and Number of Licensing Transactions)		1,017	1,765	2,332	Sep-22	Annual rolling average		The first and final quarters of the financial year traditionally show fewer interventions than quarters two and three due to the lower number of events. As business activity increased following the pandemic so did the number of licensing interventions but Q2 22/23 is at similar levels to Q2 21/22. Post-pandemic, there has been an increase in festivals and events being held again which have been supported by the Licensing Team, as well as an increase in animal breeders trading in the area which all require inspecting by licensing officers.
Adult Safeguarding								
Percentage of S42 Outcomes Met (% of statutory enquiries into possible abuse or neglect [section 42] in which set outcomes were met)	Between 95% and 99%	95.0%	95.0%	100.0%	Sep-22	monthly		The trend shows the last 18 months. This indicator counts enquiries as they are closed and only counts incidents where an individual is asked what they want to achieve from the process. The overall proportion of met outcomes remains high.
Percentage of Outcomes Complete in Three Working Days (% of all 'first conversations' where the outcome was completed within 3 working days from first contact)	85% or above	81.0%	85.0%	81.0%	Sep-22	monthly		The trend shows the last 18 months. The proportion of completed outcomes in the time frame remains consistently within a range of less than 8 percentage points over the period shown. Each of the last three months was a slight improvement on the same position last year.

Measure description	Target	Previous positions	Latest position	Latest report	Frequency	Direction of Travel	Trend	Comment
We Live Well Together								
Stability for Looked after Children								
Percentage of Looked After Children Placed more than 20 Miles from Home (Excludes unaccompanied asylum seeker children)	Between 34% to 37%	37.0%	39.0%	38.0%	Sep-22	monthly	 	The trend shows the last 18 months. The proportion has been stable for the last 12 months; fluctuating between 35% and 38%. The final 2021/22 position was 36%, down one percentage point from 2020/21.
Care Leavers in Suitable Accommodation (% of 19-21 year old care leavers in suitable accommodation in a four month window)	Between 85% and 95%	89.0%	91.0%	90.0%	Sep-22	monthly	 	The trend shows the last 18 months.
We ensure decisions are evidence-based								
Participation								
Voter Turnout in Neighbourhood Plan Referendums	Above 25%	28.0%	26.6%	12.7%	Oct-22	latest vote	 	The trend shows 25 referendums from 2019. Since 2021 17 referendums have been held and the median turnout is 42%. The last referendum was held in Laverstock and Ford with 12.7%. The highest turnout for a referendum since 2021 is Crudwell (62%) - held alongside local elections - and Broad Chalke for a standalone referendum (52%)
Voter Turnout in Unitary By-Elections	Above 35%	24.9%	35.6%	33.0%	Nov-22	latest vote	 	The trend shows all by-elections dating back to 2019. The latest vote was in Salisbury St Paul's in November 2022, which had a slightly reduced turnout on the previous by-election turnout (35%). The median turnout since the start of 2019 in six unitary by-elections is 31.24%.

Measure description	Target	Previous positions	Latest position	Latest report	Frequency	Direction of Travel	Trend	Comment
We have the Right Housing								
Delivery of Affordable Housing	650 homes per financial year	556	688	295	Sep-22	Annual total		The trend shows the last six quarters. The cumulative total for affordable homes completed in 2021/22 was 688 which surpassed the target of 650. The July to Sept 2022 figure is less than the same period in the previous year of 194.
The number on the Housing Register (total number of the households on the register at the end of the period, not including those on the open market register)		3,870	4,136	4,193	Sep-22	quarterly		The trend shows the last ten quarters. The numbers on the housing register have been growing over the last 24 months. At the end of Sept the number was 21% higher than the same point in 2021 and 28% higher than the same point in 2020.
Total Households in Temporary Accommodation	Below 95 placements	69	78	93	Sep-22	quarterly		The trend shows the last ten quarters. Whilst worse than last quarter the figures remain an improvement on the situation in June 2020 where there were 135 households in temporary accommodation and are a 7% reduction on the same period last year.
We have the Right Skills to Prosper								
Unemployment (number of the work age population [16+] claiming out of work benefits)		2.1%	2.1%	2.1%	Sep-22	monthly		The trend shows the last 18 months. The claimant number had been falling but has risen by a small amount in the last two months, but the Sept total is a 29% reduction on the Sept 2021 figure.
Youth Claimant Rate (percentage of 18-24 year olds claiming out of work benefits)		3.0%	3.1%	3.1%	Sep-22	monthly		The trend shows the last 18 months. A downward trend of a year-and-a-half means that in Sept the youth claimant rate was almost 2 percentage points below where it was at the same time in the previous year.

Measure description	Target	Previous positions	Latest position	Latest report	Frequency	Direction of Travel	Trend	Comment
We have Vibrant, Well-Connected Communities								
Transport and links								
Use of Public Transport (Number of passenger trips on both the commercial and supported bus network)	7,905,000 (trips per annum, by Q4 22/23)	7,271,897	4,530,180	6,793,565	Q1 (Jun 22)	12 month rolling (reported by latest quarter)		The target for public transport usage is 7,905,000 passenger trips per annum across both the supported and commercial network. As public transport has not yet recovered to pre pandemic levels, the target is based upon 15% less trips than pre covid figures, where we had 9,300,000 passenger trips in the financial year 19/20.
We Take Responsibility for the Environment								
Waste economy								
Household Waste (Kilograms of waste produced per household)	880kg (at the end of Q4)	501	519	476	YTD Q2	Annual		The trends show the YTD Q2 position over the last three years. 21/22 and 22/23 values are provisional.
Recycling Rate (Percentage of household waste recycled or composted)	45%	44.6%	46.0%	43.0%	YTD Q2	Annual		These four indicators should be reviewed together as they provide data on the amount of household waste produced, and the routes of disposal. Overall, tonnages are down compared with the peaks seen over the period of the pandemic. The stretch targets proposed are for the end of 22/23. With the Environment Act there will be requirements to collect more materials for recycling with central funding provided to support this and further information is awaited on the timing of these legislative changes to inform our targets for future years.
Waste Recovery Rate (Percentage of household waste sent for treatment/energy recovery)	42%	41.8%	35.4%	41.6%	YTD Q2	Annual		
Residual Waste Rate (Percentage of household waste sent to landfill)	13%	13.6%	18.6%	15.4%	YTD Q2	Annual		

Measure description	Target	Previous positions	Latest position	Latest report	Frequency	Direction of Travel	Trend	Comment
We are on the path to Carbon Neutral (Net Zero)								
Wiltshire's Carbon Emissions (kilotons carbon dioxide, and the equivalent of other greenhouse gasses. Territorial emissions only, i.e. these are emissions that arise within the county)	2100 kilotons	2,637	2,534	2,209	Dec-20	annual with a 2-year lag		The trends show the most recent three annual returns. This measure counts only the gasses produced within the county and the complexity of measuring it means that data is only available after two years. The direction of travel is positive.
Wiltshire Council's Carbon Emissions (measured in CO2e - greenhouse gases in a common unit. For any quantity and type of greenhouse gas, CO2e signifies the amount of CO2 which would have the equivalent global warming impact)	3750 tonnes	12,321	4,401	5,275	Mar-21	annually		The trend shows the five latest annual returns. The small rise in 2021/22 is due to the resumption of services following the pandemic.
Energy Performance Certificates at Levels A - C (% or registered EPC recorded at one of the top three levels - a three year rolling average)	Above South West benchmark (48%)	43.0%	49.0%	50.0%	Dec-21	annual		The trend shows the five latest annual returns. This does not show the EPCs of all homes in Wiltshire only the EPCs registered over a rolling three-year period. Half of Wiltshire's homes were classified in the top three (of seven) levels in the most recent count compared with 34% in 2015-18.
Public Electric Vehicle Charging Points (all publicly available charging points including those owned by the council)	35 per 100,000 population (in line with SW average)	120	167	179	Mar-22	annual		The trend shows the position at the end of the last four financial years. There has been slow growth in the last two years of just 49% but these figure do not include private EV charging where there is more growth.

Wiltshire Council Strategic Risk and Issues Summary - 2022/23

This summary gives details of issues the council is dealing with, the strategic risk register and the emerging risk that may need to be quantified in the future. A guide to reading the risk register is included at the back of this summary.

Issues

Obstacles and Challenges that are now present and being managed as issues by Wiltshire Council

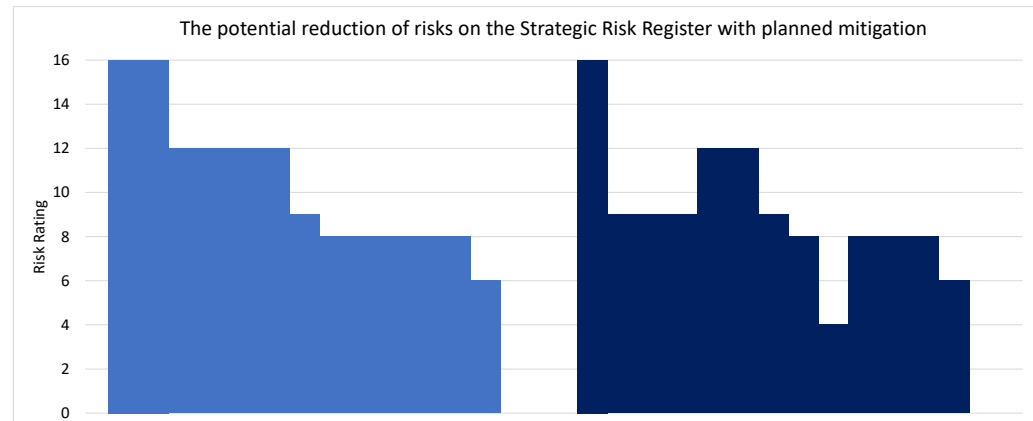
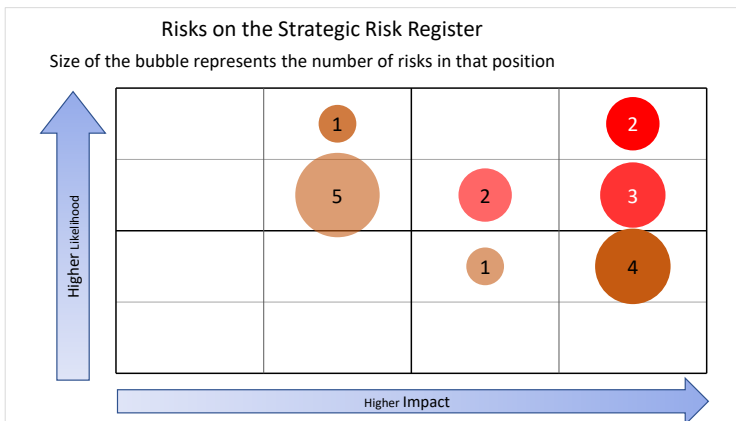
Macro economic pressures on our budgets: Sustained inflation Nationally, there is a 'cost of living crisis' impacting businesses and residents and, due to inflation, the council has experienced a significant increase above that forecast in the budget. As part of the final financial outturn reporting the Council took the opportunity to prudently set aside reserves to offset the unforeseen costs of inflation likely to arise in 2022/23, with £7m set aside for Contractual Inflation & £2m set aside for Pay Inflation to address the in-year pressure.

Evolve programme delays Delays in programme delivery will result in delayed realisation of benefits associated with the programme. This is a live issue currently in management, as original programme timescales will not be met. Mitigating factors: The levels of expected benefits are not anticipated to change at this stage, just the timescales for delivery; programme benefits have not yet been crystallised into the MTFS plan, so impact of delivery timescale reprofiling can be contained in next round of budget setting process.

Staff Capacity: Recruitment and retention Some, but not all, service areas have identified that this has now become an issue, with there being a range of factors at play in different labour markets. These include:

- A smaller national workforce (less European immigration, earlier retirement/semi-retirement following the pandemic, increased numbers of those on out of work benefits) and closer to full employment.
- Specific skills shortages.
- Competition from the private sector and from other public sector organisations.
- The impact of the increase in the cost of living making higher wages more important.
- The cost increase of driving for those who have to travel in their role.

The result is that some services are now impacted by insufficient staffing.



Strategic Risk Register - ranked by Inherent Risk Score (the risk as it is now), national level risks shown in grey

Risk short name	Cause	Event	Effect	Primary Risk Category	Secondary Risk Category	Owner	Risk Response	Q3 Inherent Impact	Q3 Inherent Likelihood	Q3 Inh Risk Rating	Q3 DoT	Appetite check Q3	Q3 Mitigation Actions	Q3 Actions Confidence	Q3 Residual Impact	Q3 Residual Likelihood	Q3 Res Risk Rating
1 Unable to meet demand for special educational needs or disability (SEND) school provision	Cost of provision exceeds the High Needs Block (HNB) of the Dedicated Schools Grant (DSG)	More of the DSG spent on providing education for SEND	Shortfall in the funding for schools	Financial	Legal	Helean Hughes	Treat	4	4	16	▶	Outside	We remain in frequent dialogue with the DfE and will be starting joint work with them on their Delivering Better Value (DBV) Outcomes programme in the autumn which will enable some support and challenge in relation to this area.	Low	4	4	16
2 Lack of capacity in the social care market	Changes in the local market (including recovery from the pandemic) means there is insufficient supply of Home Care, Independent Fostering Agencies, Children's Homes, provision for complex needs (including people with complex behavioural needs)	Too often provision has to be secured out of county, often in competition with other local authorities at a cost higher than the local market	The right type of care is not always available, people able to be discharged have to wait longer in hospital and budgetary pressure increases if people are placed in out of county or spot provision	Service Delivery	Financial	Helen Jones	Treat	4	4	16	▶	Outside	Block purchased day care. New tender going live in September. Still issues about sufficiency and handbacks	Moderate	3	3	9
3 Failure to manage housing development	Lack of a 5 year land supply	Loss of control over the location of new development	Non-plan led housing development may be granted consent through the appeal process: Allowing development where we don't want it; Increase in costs - defending appeals; Pressure on staff.	Legal	Reputation	Jean Marshall	Treat	4	3	12	▶	Outside	Updated our 5 year land supply in April. Development Management teams are seeking to approve applications where there are no major policy obstacles, Spatial Planning continue to support neighbourhood plans to bring forward housing sites, in addition to encouraging developers to bring forward allocated sites. We do have an improved position, but still short of the 5 years. Progress on the local plan is still being given a priority.	Moderate	3	3	9
4 Uncontrolled cost of social care (predominantly adults)	Changes in regulation (including the cost of increased infection prevention & control measures), workforce pressures and inflationary pressures in the care market	Each individual care package cost increases	Greater budgetary pressure to meet statutory requirements impacting on preventative and other spend	Financial	Service Delivery	Helen Jones	Tolerate	3	3	9	▶	Within	Continue to identify budgetary pressures and report in to Cabinet.	Moderate	3	3	9
5 Cyber Resilience	Malicious attacks from either internal or external individuals or organisations with the intent of stealing data or impacting the council's ability to deliver services.	Wiltshire Council's security is compromised opening up access to councils systems and personal and corporate data for malicious activity.	Loss of personal or corporate information OR loss or interruption of some or all council services delivered to citizens of Wiltshire.	Service delivery	Reputation	Mark Tucker	Treat	3	3	9	▶	Within	Work continues around recovery plans and a council-wide EPRR exercise is being planned.	High	3	3	9

Strategic Risk Register - ranked by Inherent Risk Score (the risk as it is now), national level risks shown in grey

Risk short name	Cause	Event	Effect	Primary Risk Category	Secondary Risk Category	Owner	Risk Response	Q3 Inherent Impact	Q3 Inherent Likelihood	Q3 Inh Risk Rating	Q3 DoT	Appetite check Q3	Q3 Mitigation Actions	Q3 Actions Confidence	Q3 Residual Impact	Q3 Residual Likelihood	Q3 Res Risk Rating	
6	Programme delays may result in increased budget requirement.			Service Delivery		Stuart Honeyball	Treat	3	3	9		Within	Mitigating factors: Original programme budget planning included a prudent approach to contingency provision, resulting in £1.8m of contingency funding being built into the capital budget allocations from	Moderate	3	2	6	
7	Impact of negative media/social media coverage on council	Potential negative reaction to council decision making and delivery of services.	Negative public reaction expressed via social media and through the media	Negative impact on council's reputation.	Reputation	Reputation	Perry Holmes	Tolerate	2	4	8	▶	Within		High	2	4	8
8	Failure in Safeguarding Children	The council and / or multi- agency partners failing to follow procedures or to undertake a thorough assessment	The council and / or multi- agency partners providing inappropriate intervention or no intervention.	Children not being protected from harm.	Service Delivery	Reputation	Lucy Townsend	Treat	4	2	8	▶	Within	1. Workforce strategy in place to aid recruitment and retention of practitioners. 2. Quality Assurance Framework in place which assures monitoring of performance (qualitative and quantitative). 3. Increased resource directed into the Integrated Front Door to effectively manage the increase in referrals and ensure consistent threshold application, thus preventing unnecessary escalation into statutory service where there is more pressure on workforce i.e. social workers. 4. Continued prioritisation of the family help/hub agenda, including consideration of commissioning efficiencies.	High	2	2	4

Strategic Risk Register - ranked by Inherent Risk Score (the risk as it is now), national level risks shown in grey

Risk short name	Cause	Event	Effect	Primary Risk Category	Secondary Risk Category	Owner	Risk Response	Q3 Inherent Impact	Q3 Inherent Likelihood	Q3 Inh Risk Rating	Q3 DoT	Appetite check Q3	Q3 Mitigation Actions	Q3 Actions Confidence	Q3 Residual Impact	Q3 Residual Likelihood	Q3 Res Risk Rating	
9	[Composite] Information Governance	Failure to manage information effectively in keeping with Data Protection Act Principles leading to reportable incidents and potential data breaches	1. Personal Information not obtained and / or processed fairly 2. Excessive information obtained and held beyond service purpose 3. Information held for longer than purpose requires 4. Information not accurately captured / maintained or kept current 5. Information not protected by adequate technical measures 6. Sensitive information inappropriately disclosed either verbally, on paper or electronically.	Unlawful use and / or disclosure of personal data results in Risk and distress to individuals concerned, potential fines from Information Commissioners Office (ICO), reputational damage and loss of confidence in the authority.	Legal	Financial	Perry Holmes	Tolerate	3	2	6	▶	Within		High	3	2	6
10	[Composite] Income Collection	Decrease in levels of income due to lower payment rates, take up of services or increase default rates	Failure to collect income as expected and budgeted for	Increased financial pressure on other service areas in order to deliver a balanced budget across the Council as a whole which results in cuts to those other services spend.	Financial	Reputation	Lizzie Watkin	Treat	2	3	6	▶	Within	Additional budget monitoring and training with all heads of service	High	2	2	4
11	[Composite] Corporate Health, Safety & Wellbeing	Inadequate or ineffective control strategy is established	Lack of application by managers and individuals of corporate policy and procedures	Likelihood of personal harm increases.	Health & Safety		Kate Blackburn	Tolerate	2	3	6	▶	Within	Ongoing programme of compliance monitoring	High	2	2	4
12	Hospital discharges resulting in high cost and highly restrictive packages of care	Increase in number people needing to be discharged from hospital not being discharged	Challenge from external partners on the quality/quantity of available provision	Increase in out of county placements and / or high cost packages, hospital beds being unavailable for others with complex needs.	Service delivery	Financial	Claire Edgar	Treat	2	3	6	▶	Within	Liaison with health partners. Weekly Community Team for People with Learning Disabilities (CTPLD) update call with health and Dynamic Support Register (DSR) meetings. Accommodation needs shared with commissioning to inform strategy. MADE events identifying discharge pathway plans.	High	2	2	4

Strategic Risk Register - ranked by Inherent Risk Score (the risk as it is now), national level risks shown in grey

Risk short name	Cause	Event	Effect	Primary Risk Category	Secondary Risk Category	Owner	Risk Response	Q3 Inherent Impact	Q3 Inherent Likelihood	Q3 Inh Risk Rating	Q3 DoT	Appetite check Q3	Q3 Mitigation Actions	Q3 Actions Confidence	Q3 Residual Impact	Q3 Residual Likelihood	Q3 Res Risk Rating
13 [Composite] Budget management	New unfunded project, unforeseen demand or failure to make planned savings	Inability to deliver key statutory services within the service-level budget envelope	Increased financial pressure on other service areas in order to deliver a balanced budget across the authority as a whole which results in cuts to those other services spend.	Financial	Reputation	Lizzie Watkin	Treat	2	3	6	▶	Within	New planned savings delivery work	High	2	2	4
14 [Composite] Not on track for the Council to be carbon neutral by 2030	Lack of prioritisation for carbon reduction by other council departments	Financial considerations mean decisions are made not to undertake carbon reduction activity	Wiltshire Council fails to be carbon neutral by 2030	Service Delivery	Reputation	Parvis Khansari	Tolerate	2	3	6	▶	Within	Large scale carbon reduction projects have been delivered on council buildings, in particular two large leisure centres now run exclusively on electricity and are carbon neutral.	High	2	2	4

Emerging Risks

Events that have the potential to interrupt the work of the Council but of which not enough is yet known to quantify the risk to the delivery of our services.

Continuing financial impact of global events	International capital and energy markets remain impacted by conflict and speculative investment are likely to sustain additional inflationary pressure in the UK. Disruption to global supply chains causing shortages, more inflation and potentially more demand for support of council services. A more uncertain world could mean a more insular economy and lower UK market sentiment meaning less investment in Wiltshire.
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Change of Government approach in the UK	Again this quarter, the commitments of the new PM and Cabinet can impact our programmes of work, expenditure and taxation. Already, consumer policies and protections (for example on energy costs) is being reviewed and could present new pressures. A further change may be the review of the Bank of England mandate and the setting of interest rates becoming politicised. Finally, a change in commitment (including a deferral) to locally planned and delivered social services may present challenge.
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Wiltshire Council

Cabinet

29 November 2022

Subject: Socially Responsible Procurement Policy

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

Key Decision: Key

Executive Summary

This report outlines a Socially Responsible Procurement Policy and recommends its adoption by the Council.

The policy is in response to the Public Services (Social Value) Act 2012 which came into force on 31 January 2013 and requires public authorities to have regard to economic, social, and environmental well-being in connection with public services contracts; and for connected purposes. Consideration to the Act is embedded in our procurement and commissioning processes at Wiltshire Council, however, this policy enables the Council to adopt a formal approach to social value.

The policy places a particular focus on the three National Procurement Policy drivers; creating new business, new jobs, and new skills; tackling climate change and reducing waste; improving supplier diversity, innovation, and resilience.

The policy aims to provide an overarching framework to ensure a joined up consistent approach to the delivery of socially responsible procurement that encapsulates national and Wiltshire policy drivers.

The policy identifies the following five priorities that represent the Council's values and beliefs:

1. A Wiltshire first approach
2. Local training and employment
3. Partners in the community
4. Green economy and sustainable environment
5. Ethical procurement and well-being focus

The policy sets out the Council's ambition and commitment in respect of these key priorities. To support its delivery the Council will:

- Oversee the implementation of the policy through the Commercial Board

- Develop and maintain a Social Responsibility Toolkit to support both suppliers and commissioners to maximise the delivery of social value
- Publicise and raise awareness of the Council's social responsibility objectives to ensure that suppliers and contractors are clear about what we want them to deliver
- Develop and implement a Socially Responsible Procurement Delivery Plan for inclusion in tender documents so that suppliers, providers, and contractors can set out how they will support implementation of the policy

This policy has been developed to ensure that Wiltshire Council maximises the social, economic, environmental, and cultural well-being that it delivers through its procurement activity.

Proposal(s)

This report recommends Cabinet agree the following proposals:

- a) To support the introduction and adoption of a Socially Responsible Procurement Policy in our procurement processes
- b) To endorse the five key priorities identified in the Policy, which include:
 - A Wiltshire first approach
 - Local training and employment
 - Partners in the community
 - Green economy and sustainable environment
 - Ethical procurement and well-being focus
- c) Note the proposed governance arrangements within Appendix 1
- d) Endorse that the Director of Procurement, in consultation with the Corporate Director Resources/Deputy Chief Executive, can make appropriate amendments to ensure smooth implementation of the policy in line with changes in business needs
- e) Agree that the Portfolio Holder for Finance – Commissioning and Procurement acts as the Council's social value champion
- f) Note the development of a Social Responsibility Toolkit to support both suppliers and commissioners to maximise the delivery of social value
- g) Endorse awareness of the Council's social responsibility objectives to ensure that suppliers and contractors are clear about what we want them to deliver
- h) Support the development and implementation of a Socially Responsible Procurement Delivery Plan for inclusion in tender documents so that

suppliers, providers, and contractors can set out how they will support implementation of the policy

- i) Endorse the adoption of a social value impact reporting system to measure and evaluate the qualitative and quantitative benefits delivered through procurement activity

Reason for Proposal(s)

The policy is in response to the Public Services (Social Value) Act 2012 which came into force on 31 January 2013 and requires public authorities to have regard to economic, social, and environmental well-being in connection with public services contracts; and for connected purposes. Consideration to the Act is embedded in our procurement and commissioning processes at Wiltshire Council, however, this policy will ensure a formal approach to social value.

The policy places a particular focus on the three National Procurement Policy drivers; creating new business, new jobs, and new skills; tackling climate change and reducing waste; improving supplier diversity, innovation, and resilience.

By delivering this Socially Responsible Procurement Policy, Wiltshire Council intends to meet its requirements of the Public Services (Social Value) Act 2012 and the National Procurement Policy Statement by setting out Wiltshire Council's overarching framework for the delivery of the policy, taking into consideration the wider associated legislative and policy driven requirements and importantly, delivery of the Council's own commitments set out in the Business Plan Principles 2022 - 2032.

Wiltshire Council's vision is to create strong communities. Social Value is how we, the council, in collaboration with our supply chain partners, can actively add benefits to our community and measure the positive impacts on the well-being of our economic, social and environmental activities, in order for the county of Wiltshire to thrive and prosper.

This policy ensures that Wiltshire Council maximises the social, economic, environmental, and cultural well-being that it delivers through its procurement activity.

Terence Herbert
Chief Executive

Wiltshire Council

Cabinet

29 November 2022

Subject: Socially Responsible Procurement Policy

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

Key Decision: Key

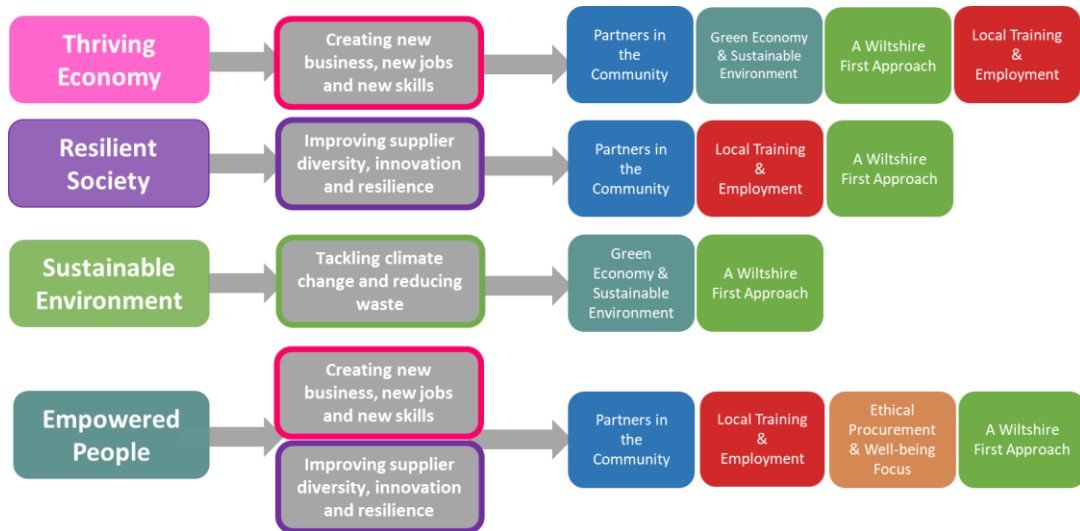
Purpose of Report

1. This report makes proposals to support the introduction and adoption of a Socially Responsible Procurement Policy in our procurement processes.
2. The Policy is in response to the Public Services (Social Value) Act 2012 which came into force on 31 January 2013 and requires public authorities to have regard to economic, social, and environmental well-being in connection with public services contracts; and for connected purposes. Consideration to the Act is embedded in our procurement and commissioning processes at Wiltshire Council, however, the policy enables a formal approach to social value.
3. The policy places a particular focus on the three National Procurement Policy drivers; creating new business, new jobs, and new skills; tackling climate change and reducing waste; improving supplier diversity, innovation, and resilience.
4. By delivering this Socially Responsible Procurement Policy, Wiltshire Council intends to meet its requirements of the Public Services (Social Value) Act 2012 and the National Procurement Policy Statement by setting out Wiltshire Council's overarching framework for the delivery of the policy, taking into consideration the wider associated legislative and policy driven requirements and importantly, delivery of the Council's own commitments set out in the Business Plan Principles 2022 – 2032.
5. This policy will ensure that Wiltshire Council maximises the social, economic, environmental, and cultural well-being that it delivers through its procurement activity.
6. A wide range of services across the Council have been consulted in the development of this policy.

Relevance to the Council's Business Plan

- The policy supports the Council's commitment to social, economic, environmental, and cultural well-being reflected in the Wiltshire policy drivers, which align with Wiltshire Council's Business Plan Principles 2022 to 2032:

The policy focuses its efforts on delivering social value via the three outcomes set in the National Procurement Policy Statement 2021. Linking these outcomes to the Wiltshire Council Business Plan, below is how the procurement function would apply this practically. Individual ways to achieve this is detailed within the delivery aims of the policy.



- Wiltshire Council's vision is to create strong communities. Social Value is how we, the council, in collaboration with our supply chain partners, can actively add benefits to our community and measure the positive impacts on the well-being of our economic, social and environmental activities, in order for the county of Wiltshire to thrive and prosper.
- This Socially Responsible Procurement Policy sets out the overarching framework for the delivery of the policy, taking into consideration the wider associated legislative and policy driven requirements and importantly, delivery of the Council's own commitments set out in the Business Plan Principles 2022 – 2032.

Background

- The Public Services (Social Value) Act 2012, an Act requiring public authorities to have regard to economic, social, and environmental well-being in connection with public services contracts, came into force on 31 January 2013. Since its introduction, consideration to the Act has been embedded in our procurement and commissioning processes at Wiltshire Council. The introduction of this policy enables the Council to adopt a formal approach to social value and provide an overarching framework to ensure a joined up consistent approach to the delivery of socially responsible procurement.
- By delivering this Socially Responsible Procurement Policy, Wiltshire Council intends to meet its requirements of the Public Services (Social Value) Act 2012 and the National Procurement Policy Statement by setting out Wiltshire

Council's overarching framework for the delivery of the policy, taking into consideration the wider associated legislative and policy driven requirements and, importantly, delivery of the Council's own commitments set out in the Business Plan Principles 2022 – 2032.

12. It is a statutory requirement for Local Authorities to consider social value in their procurement processes on how what is proposed to be procured might improve the economic, social, and environmental well-being of the relevant area, and how, in conducting the process of procurement, it might act with a view to securing that improvement. The introduction of this Policy sets out how the Council seeking to achieve this.
13. Social value is defined as 'the additional benefit to the community from a commissioning / procurement process over and above the direct purchasing of goods, services and outcomes.' Its focus is on how we secure wider benefits to society as well as financial value from our contracts.
14. Social value focuses on maximising the value of public expenditure through appropriate consideration of wider societal impacts such as social, economic and/or environmental benefits.
15. The National Procurement Policy Statement June 2021 (which applies to all government agencies) states that the Council should have due regard to the following national priorities in respect of Social Value:
 - creating new businesses, new jobs and new skills
 - tackling climate change and reducing waste
 - improving supplier diversity, innovation, and resilience

Main Considerations for the Council

16. The introduction of a Socially Responsible Procurement Policy will mean that Wiltshire Council will meet its statutory obligation in line with the Public Services (Social Value) Act 2012.
17. The Wiltshire policy in Appendix 1 outlines the National Priorities in Social Value as set out by central Government and draws upon the Wiltshire Council Business Plan to outline the local priorities in terms of Social Value and considers the procurement priorities for Social Value.
18. The policy outlines the key outcomes for the Council as well as the community and addresses how these outcomes can be delivered and measured.

Overview and Scrutiny Engagement

19. The report and Policy will be considered by the Overview and Scrutiny Management Committee on 15 November 2022 and the Committee's comments will be reported to Cabinet.

Safeguarding Implications

20. The policy considers objectives around safeguarding and promotion of the rights of children, young people, vulnerable adults, and care leavers and to practice ethical procurement.

21. The policy considers early interventions and preventative measures.

22. The policy aims to:

- Undertake initiatives to tackle modern slavery, human rights abuses, block listing, false self-employment, unfair use of umbrella schemes and zero hours contracts
- Encourage contractors to promote and sponsor opportunities for vulnerable children, care leavers and adults who are in need of care and support
- Support the provision of safeguarding advice and guidance and take preventative measures/early intervention into consideration for the vulnerable
- Ensure contractors are able to identify abuse or exploitation and take responsibility for reporting concerns in an appropriate and timely way
- Ensure that all suppliers that the Council purchases for its service users must have the necessary safeguarding policies, procedures and training in place and, where required, be registered with the appropriate registration body
- Help to support the health and well-being of communities in which the business operates by, for example, linking with local schools and colleges, other local businesses, and residents' groups to help run or sponsor activities / events, which will directly benefit those living there
- Encourage our suppliers to make a local impact by supporting initiatives to improve local facilities and to operate paid staff volunteering schemes to support local community groups and initiatives
- Make opportunities (both directly from the Council and through our contractors) accessible to a diverse supply base including the third sector, social enterprises, and local suppliers. Also provide mentoring and support to assist these organisations to tender for and deliver these supply opportunities where necessary
- Promote diversity, inclusion, equality, and fairness targeting effort towards those in greatest disadvantage and tackle deprivation across the county (and that the diversity is representative of our community)

Public Health Implications

23. The policy considers local training and employment, to create inclusive employment and training opportunities for local people in order to reduce unemployment and raise the skills level of our local workforce, especially in target groups such as the long term unemployed and care leavers.
24. The policy considers Partners in the Community and demonstrates how we want to play an active role in local community and voluntary organisations, especially in those areas and communities with the greatest need.
25. The policy sets out a Wiltshire First approach, to take account of the social and economic impacts of buying locally when commissioning and contracting and want our suppliers and contractors to do the same.
26. The policy also focuses on ethical procurement and well-being so together with the support of entire community including local businesses, to safeguard and promote the rights of children, young people and vulnerable adults and to practice ethical procurement.

Procurement Implications

27. The policy aligns with the 12 commercial drivers which the Procurement Strategy has set out to deliver.
28. The Commercial & Procurement team will be responsible for the implementation of the policy through the Commercial Board, which in turn will oversee the delivery of the Socially Responsible Procurement Policy.
29. The Commercial & Procurement team will, within 6 months of the adoption of the policy, develop and maintain a Social Responsibility Toolkit to support both suppliers and commissioners to maximise the delivery of social value.
30. Once the Social Responsibility Toolkit has been developed, the Commercial & Procurement team will publicise and raise awareness of the Council's social responsibility objectives to ensure that suppliers and contractors are clear about what we want them to deliver.
31. In conjunction with the development of the toolkit, the Commercial & Procurement team will develop and implement a Socially Responsible Procurement Delivery Plan for inclusion in tender documents so that suppliers, providers, and contractors can set out how they will support implementation of the policy.
32. The Procurement and Commissioning team will be responsible for reviewing the Social Value information and submitting regular reports to Commercial Board.
33. The Commercial Board will review the Social Value register on a regular basis, providing challenge, scrutinising contractors' performance where necessary and make recommendations to the Chief Executive and Corporate Directors and/or Cabinet as required.

34. The Commercial & Procurement team will be responsible for the development of an annual Social Value Report to Commercial Board, which is chaired by the Corporate Director Resources/Deputy Chief Executive.

Equalities Impact of the Proposal

35. An Equalities Impact assessment has not been undertaken on this proposal. Equality Impact assessments will be undertaken, where necessary, as part of individual agreements and processes. However, it should be noted that the policy does consider the following:

36. This policy focuses on ethical procurement and well-being, together with safeguarding and promoting the rights of children, young people, and vulnerable adults.

37. It promotes diversity, inclusion, equality, and fairness, targeting effort towards those in greatest disadvantage and tackling deprivation.

38. The Commercial & Procurement team aim to undertake initiatives to tackle modern slavery, human rights abuses, block listing, false self-employment, unfair use of umbrella schemes and zero hours contracts

39. The Commercial & Procurement team will encourage contractors to promote and sponsor opportunities for vulnerable children, care leavers and adults who are in need of care and support through procurement activity

40. The policy considers creating inclusive employment and training opportunities for local people in order to reduce unemployment and raise the skills level of our local workforce, especially in target groups such as long term unemployed and care leavers of Wiltshire

41. The policy is designed to help to support the health and well-being of communities in which the business operates by, for example, linking with local schools and colleges, other local businesses, and residents' groups to help run or sponsor activities / events, which will directly benefit those living there

42. The policy encourages our suppliers to make a local impact by supporting initiatives to improve local facilities and by encouraging them to operate paid staff volunteering schemes to support local community groups and initiatives.

43. The Commercial & Procurement Team will continue to make opportunities accessible to a diverse supply base including the third sector, social enterprises, and local suppliers. It will also provide support and training to assist these organisations to tender for opportunities.

44. The performance of the Socially Responsible Procurement Policy will be monitored by Commercial Board. The Providers will report on Key Performance Indicators and lead contract managers and Commercial & Procurement team will be responsible for monitoring and reviewing reports and ensuring any improvement actions are completed by providers.

45. The Commercial and Procurement Team will work with commissioners and suppliers/contractors to identify and implement opportunities for improvements in service delivery for the duration of the contract.

Environmental and Climate Change Considerations

46. One of the five key priorities considers environmental and climate change and sets out how procurement will address these issues.

47. Officers have worked closely to develop and align the priorities of Green Economy & Sustainable Environment to reflect the Council's long-term strategies.

48. The priority sets out how the Council will protect the natural environment, minimise waste, reduce energy consumption, use other resources efficiently and address our impact on the Climate emergence by adopting the following within our approach to our procurement activity:

- Ensure that we follow sustainable procurement policies and processes which will exploit the opportunity to reduce emissions in line with national proprieties in order to reduce our carbon footprint, minimise energy consumption, waste, pollution, production of greenhouse gas emissions and detrimental natural environmental impacts while encouraging others to do likewise
- Seek, in partnership with suppliers and contractors, to minimise any negative natural environmental impacts of goods, services and works purchased across their life cycle from raw material extraction to end of life
- Eliminate unnecessary waste by adopting the "reduce, reuse, recycle" philosophy and supporting circular economy and sharing economy through 'Think before you purchase – do you really need it, could something else be used, or could we hire or borrow it?'
- Introduce an informed assessment tools into our procurement decision making process to increase the Council's delivery of social and natural environmental value by demonstrating achievable co-benefits from the goods and services which we procure

49. Officers will develop and introduce a Procurement Plan for a Sustainable Environment which will form part of the Socially Responsibility Toolkit to support both suppliers and buyers to maximise the delivery of social value.

50. Reporting of this information will form part of the regular monitoring information outlining Social Value delivery progress, to ensure that the supplier/contractor is meeting their social value obligations. The reports will be provided to the Commercial Board on a quarterly basis and be included in the annual Social Value Report.

51. Work will continue with the Climate team and Environmental team to adapt our procurement processes and policies.

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

52. We are at risk of not meeting our statutory obligations, in line with The Public Services (Social Value) Act 2012, if we do not introduce this Socially Responsible Procurement Policy, which acts as an overarching framework setting out how the Council will seek to address our obligations to the Act.
53. Wiltshire Council has a responsibility to manage public money with probity to ensure that value for money is achieved. Social value is defined as ‘the additional benefit to the community from a commissioning / procurement process over and above the direct purchasing of goods, services and outcomes.’ Failure to have a policy could result in the Council being at risk of not focusing on how it secures wider benefits to society, as well as financial value, from our contracts.
54. The Socially Responsible Procurement Policy focuses on maximising the value of public expenditure through appropriate consideration of wider societal impacts such as, social benefits, economic benefits, and environmental benefits. The Council’s Business Plan Principles 2022 – 2032 set an increased focus on the delivery of social, economic, environmental, and cultural well-being, including through the way in which it manages its procurement activity. By not adopting the Policy, we are at risk of not supporting the wider Council objectives.
55. Not having a policy increases the risk of not addressing our Scope 3 carbon emissions within our supply chain.
56. The Commercial & Procurement team are at risk of not delivering on the 12 commercial divers which are set out in the Procurement Strategy.

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

57. The Commercial & Procurement team will develop and maintain a Social Responsibility Toolkit to support both suppliers and commissioners to maximise the delivery of social value and to reduce the risk of any misunderstanding how we are approaching Social Value in our procurement activity.
58. The policy will be widely publicised to raise awareness of the Council’s social responsibility objectives to eliminate the risk of suppliers and contractors being unclear about what we want them to deliver.
59. The Commercial & Procurement team will develop and implement a Socially Responsible Procurement Delivery Plan for inclusion in tender documents so that suppliers, providers, and contractors can set out how they will support implementation of the policy to reduce the risk of misunderstanding and ensuring that the approach is aligned on all of our procurement activity.
60. To eliminate the risk of the policy not being adopted effectively, the Commercial Board will review the Social Value register on a regular basis, providing challenge, scrutinising contractors’ performance where necessary

and make recommendations to the Chief Executive and Corporate Directors and/or Cabinet as required.

Financial Implications

61. It is very likely that there will be additional cost implications in introducing the Socially Responsible Procurement Policy. The costs and social benefits will need to be assessed as part of each individual tender exercise or other procurement process.

Legal Implications

62. The Public Services (Social Value) Act 2012, an Act to require public authorities to have regard to economic, social, and environmental well-being in connection with public services contracts in its relevant area and to consider when conducting procurement processes how it may secure that improvement where it is proportionate in all the circumstances to do so came into force on 31 January 2013.

63. The Socially Responsible Procurement Policy has been designed to address not only the Council's statutory obligations in line with The Public Services (Social Value) Act 2012, but also the considerations set out within the National Procurement Policy Statement June 2021.

64. Legal advice will be sought on any individual project and Social Value considerations will be incorporated within the specific tender documentation and terms and conditions of business.

65. All procurement activity will be undertaken in accordance with the Constitution and Procurement Law and legal advice will be sought throughout the procurement process.

Workforce Implications

66. This proposal has no direct impact on Council employed staff.

Options Considered

67. A number of options have been considered during the development of the policy:

68. **Option One** – Create a Social Value Policy which meets minimum requirements of the Public Services (Social Value) Act 2012. This option was discounted as our aim is to go above the minimum standards of the Public Services (Social Value) Act 2012 by setting out Wiltshire Council's overarching framework for the delivery of the initiatives, taking into consideration the wider associated legislative and policy driven requirements and importantly, delivery of the Council's own commitments set out in the Business Plan Principles 2022 – 2032.

69. **Option Two** – Go above the minimum requirements of the Public Services (Social Value) Act 2012 and the National Procurement Policy Statement June 2021 and create a Socially Responsible Procurement Policy which sets out Wiltshire Council's overarching framework for the delivery of the three key initiatives from the National Procurement Policy Statement, taking into consideration the wider associated legislative and policy driven requirements and importantly, delivery of the Council's own commitments set out in the Business Plan Principles 2022 - 2032. Develop and maintain a Social Responsibility Toolkit to support both suppliers and buyers to maximise the delivery of social value and develop and implement a Socially Responsible Procurement Delivery Plan for inclusion in tender documents so that suppliers, providers, and contractors can set out how they will support implementation of the policy. The Policy will ensure that Wiltshire Council maximises the social, economic, environmental, and cultural well-being that it delivers through its procurement activity. This option was selected as the most viable solution to meet our requirements.
70. **Options Three** – Create separate policies for each strand of the requirements under the Public Services (Social Value) Act 2012 and the National Procurement Policy Statement June 2021. This option was discounted as the development of an overarching framework was considered a more practical approach.

Conclusions

71. Wiltshire Council spends over £450m annually on goods, works, services and projects, accounting for over half its running costs. The Council delivers its services directly through its own workforce and through private and third sector organisations. The introduction of a Socially Responsible Procurement Policy can make a significant contribution on how we manage our annual spend with our suppliers and contractors in line with our commitments set out in the Business Plan Principles 2022-2032, to prioritising social, economic, and environmental well-being for the county of Wiltshire.

This report recommends Cabinet agree the following proposals:

- a) To support the introduction and adoption of a Socially Responsible Procurement Policy in our procurement processes.
- b) To endorse the five key priorities identified in the policy, which include:
 - A Wiltshire first approach
 - Local training and employment
 - Partners in the community
 - Green economy and sustainable environment
 - Ethical procurement and well-being focus
- c) Note the proposed governance arrangements within Appendix 1
- d) Endorse that the Director of Procurement, in consultation with the Corporate Director Resources/Deputy Chief Executive, can make appropriate amendments to ensure smooth implementation of the Policy in line with changes in business needs

- e) Agree that the Portfolio Holder for Finance – Commissioning and Procurement acts as the Council’s social value champion
- f) Note the development of a Social Responsibility Toolkit to support both suppliers and commissioners to maximise the delivery of social value
- g) Endorse awareness of the Council’s social responsibility objectives to ensure that suppliers and contractors are clear about what we want them to deliver
- h) Support the development and implementation of a Socially Responsible Procurement Delivery Plan for inclusion in tender documents so that suppliers, providers, and contractors can set out how they will support implementation of the policy
- i) Endorse the adoption of a social value impact reporting system to measure and evaluate the qualitative and quantitative benefits delivered through procurement activity

Helen Jones (Director - Procurement and Commissioning)

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03 November 2022

Appendices

Appendix 1 – Wiltshire Council’s Socially Responsible Procurement Policy

Background Papers

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

- The Public Services (Social Value) Act 2012
- National Procurement Policy Statement June 2021



Wiltshire Council's Socially Responsible Procurement Policy

Contents

Foreword

Introduction

National Policy Drivers

Wiltshire Council's Policy Drivers

Wiltshire Council's Commercial Drivers

Governance and Management

Reporting and Monitoring

Priorities & Delivery

1. Wiltshire First Approach
2. Local training and employment
3. Partners in the community
4. Green Economy and Sustainable Environment
5. Ethical Procurement and Well-being focus



Foreword

Wiltshire Council strives to be the highest performing council in the country. Our Business Plan principles set out our commitment to prioritising social, economic and environmental well-being for the county of Wiltshire. The Council recognises that the way in which we manage the £450 million we spend annually with suppliers and contractors can make a significant contribution to this plan.

The Council agenda demonstrates a commitment to take responsibility for our environment and we acknowledge a climate emergency by committing to become carbon neutral organisation by 2030. We are committed to take a socially responsible approach to our procurement processes of contracts and acknowledge it is an area that can make a substantial impact on the Council's agenda.

This policy will look to set out our commitment to consider the wider social value that can be delivered by drawing together a number of different legislative requirements, policy initiatives and aspirations into a single coherent framework underpinned by **five key priority themes**:



Introduction

Wiltshire Council spends over £450m annually on goods, works, services and projects, accounting for over half its running costs. The Council delivers its services directly through its own workforce and through private and third sector organisations.

The Council has a responsibility to manage public money with probity, to ensure that value for money is achieved and to manage it in such a way that wider Council objectives can be supported. The Council's Business Plan principles 2022 – 2032 set an increased focus on the delivery of social, economic, environmental and cultural well-being, including through the way in which it manages its procurement activity.

This policy places a particular focus on the three key National Procurement drivers:

- **Creating new business, new jobs and new skills** – drives the creation of employment and training opportunities including apprenticeships, support for small and medium sized enterprises and delivery of community and educational initiatives
- **Tackling climate change and reducing waste** – outlines the importance of climate emergency, by focusing on protecting the environment, minimising waste, reducing energy consumption, achieving Zero and using alternative resources effectively
- **Improving supplier diversity, innovation and resilience** – seeks to create a fair and open environment in which we can all do business together and address issues of particular concern to SMEs

Wiltshire Council's vision is to create strong communities. Social Value is how we, the council, in collaboration with our supply chain partners, can actively add benefits to our community and measure the positive impacts on the well-being of our economic, social and environmental activities, in order for the county of Wiltshire to thrive and prosper.

This Policy will ensure that Wiltshire Council maximises the social, economic, environmental and cultural well-being that it delivers through its procurement activity.



National Policy Drivers

National Procurement Policy Statement June 2021

Creating new business, new jobs and new skills

What can Wiltshire Council do to endorse this?

- Find opportunities for people with learning difficulties to participate in the community
- Support local business and increase the proportion of Wiltshire's wealth that is spent in the local economy
- Implement new strategies for regeneration, the visitor economy and cultural offers
- Provide effective and flexible support to young people as they enter adulthood

Tackling climate change and reducing waste

What can Wiltshire Council do to endorse this?

- Find and promote new opportunities for people and businesses to reuse and recycle
- Reduce the amount of waste going to landfill, increase recycling and keep Wiltshire looking beautiful
- Become a Carbon neutral organisation by 2030
- Encourage and, where necessary, enforce businesses to play their part
- Implement Carbon monitoring in new contracts the council enters into

Improving supplier diversity, innovation and resilience

What can Wiltshire Council do to endorse this?

- Implement an updated Local Plan as an effective policy framework for the sustainable growth of Wiltshire that addresses the strategic needs of the county
- Link communities to services provided by the council through volunteering
- Develop the care market in a way that promotes choice and diversity of supply, develops new care models and ensures best value for money and a fair cost for providers
- Strengthen Wiltshire's economy

Wiltshire Council's Policy Drivers



The Council's commitment to social, economic, environmental and cultural well-being is reflected in the Wiltshire policy drivers, which align with and support Wiltshire Council's Business Plan principles and the National Procurement Policy Statement. Wiltshire Council intends to go above and beyond the minimum obligations of the Social Value Act 2012 and the National Procurement Policy Statement by delivering this **Socially Responsible Procurement Policy**.

Business Plan Principles 2022 to 2032

The Business Plan 2022 to 2032 is the Council's ten year plan for the county, which outlines its vision for Wiltshire Council's drive to be the highest performing council in the country. To achieve this we will continue to operate as an efficient organisation and work ambitiously with our partners, have strong checks and balances in place and a workforce that thrives on its opportunities to innovate and conduct critical analyses.

The plan focuses on four guiding missions to achieve the Council's vision:

Thriving Economy

- ▶ Having the right skills to prosper
- ▶ Having vibrant, well-connected communities

Resilient Society

- ▶ Living well together
- ▶ Ensuring decisions are evidence based
- ▶ Having the right housing

Sustainable Environment

- ▶ Taking responsibility for the environment
- ▶ Being on the path to Carbon Neutral

Empowered People

- ▶ Getting the best start in life
- ▶ Staying active
- ▶ Being safe



Wiltshire Council's Commercial Drivers

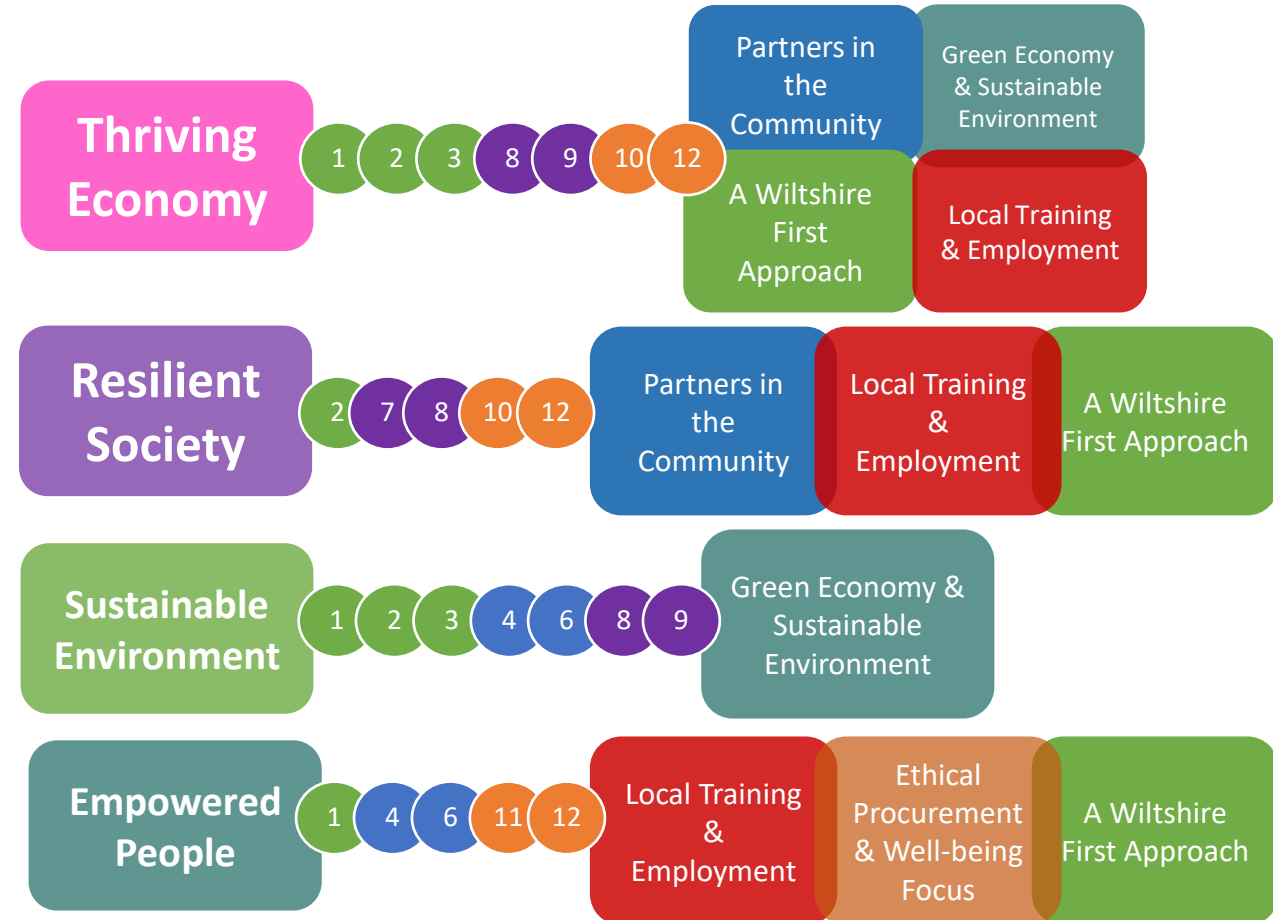
The 12 commercial drivers are what the Commercial & Procurement Strategy has set out to deliver.

Each driver has been broken down into four sub categories which stipulate their relevance to delivering the Council's ambitions:



The five key priorities of the Socially Responsible Procurement Policy are driven by the four guiding missions set out in Wiltshire Council's Business Plan 2022-2032.

By linking the most relevant commercial goals to the missions, we can clearly visualise the impact the five key priorities will have on achieving our procurement obligations, and more importantly, the Council's vision:



Priorities & Delivery

This policy aims to provide an overarching framework to ensure a joined up consistent approach to the delivery of 'Socially Responsible Procurement' that encapsulates national and Wiltshire policy drivers. To aid this the Council has identified the following five priorities that represent its values and beliefs. This policy sets out the Council's ambition and commitment in respect of these key priorities and to support its delivery the Council will:

- Oversee implementation of the policy through the Commercial Board.
- Develop and maintain a Social Responsibility Toolkit to support both suppliers and buyers to maximise the delivery of social value.
- Publicise and raise awareness of the Council's social responsibility objectives to ensure that suppliers and contractors are clear about what we want them to deliver.
- Develop and implement a Socially Responsible Procurement Delivery Plan for inclusion in tender documents so that suppliers, providers and contractors can set out how they will support implementation of the policy.



Governance & Management

The Commercial Board will oversee the delivery of the Socially Responsible Procurement Policy. The Cabinet Member who acts as the Council's Social Value Champion will be representative of Social Value within the Commercial Board. This includes senior managers from across the council, with other key stakeholders invited to attend as required. This Board meets monthly.

Reporting & Monitoring

Successful contractors and suppliers will be required to provide regular monitoring information outlining Social Value delivery progress. The Contract Manager will be responsible for ensuring the supplier/contractor is meeting their Social Value obligations and providing information to the Procurement & Commissioning teams on a quarterly basis. The Procurement & Commissioning teams will be responsible for reviewing the Social Value information and submitting regular reports to Commercial Board.

The Commercial Board will review the Social Value register on a regular basis, providing challenge, scrutinising contractors' performance where necessary and make recommendations to the Chief Executive and Corporate Directors and/or Cabinet as required. The Board will also oversee the development of an annual Social Value Report so that progress is widely reported.

Priorities & Delivery

A Wiltshire First Approach

We want:

To take account of the social and economic impacts of buying locally when commissioning and contracting, and want our suppliers and contractors to do the same

We will:

- Work with enterprises and organisations such as the Federation of Small Businesses to build trust, provide transparency and visibility with local suppliers
- Work with partners and local SMEs to offer training to improve skills to access public sector business opportunities.
- Reserve specialism areas up to a certain value for local suppliers to have first opportunity to bid for
- Consider the use of lotting strategies and acceptance of consortia bids to improve access to higher value contracts.
- Encourage our suppliers and partners to buy locally and where appropriate make it a requirement for key contractors to advertise supply chain opportunities
- Continue to standardise and simplify our procedures and processes in line with national policy guidance

Local Training & Employment

We want:

To create inclusive employment and training opportunities for local people in order to reduce unemployment and raise the skills level of our local workforce, especially in target groups such as long term unemployed and care leavers

We will:

- Encourage our contractors to create more opportunities for apprenticeships, work placements and jobs
- Work in partnership with employers, training providers and employment services to promote and co-ordinate access to local employment and training opportunities
- Seek opportunities to work with primary and secondary schools to equip young people of Wiltshire with the right skills to match the requirements of the labour market
- Maximise benefits from major development opportunities to create employment and training, especially for vulnerable people and care leavers
- Encourage suppliers and contractors to work with schools and colleges, offering work experience and business awareness to students and care leavers, especially those from disadvantaged areas or communities

Partners in the Community

We want:

To play an active role in the local community and community support organisations, especially in those areas and communities with the greatest need

We will:

- Help to support the health and well-being of communities in which the business operates by, for example, linking with local schools and colleges, other local businesses and residents' groups to help run or sponsor activities / events, which will directly benefit those living there
- Encourage our suppliers to make a local impact by supporting initiatives to improve local facilities and by encouraging them to operate paid staff volunteering schemes to support local community groups and initiatives
- Make opportunities (both directly from the Council and through our contractors) accessible to a diverse supply base including the third sector, social enterprises and local suppliers. Also provide mentoring and support to assist these organisations to tender for and deliver these supply opportunities where necessary
- Promote diversity, inclusion, equality and fair targeting effort towards those in greatest disadvantage and tackle deprivation across the County (and that the diversity is representative of our community)

Priorities & Delivery

Green Economy & Sustainable Environment

We want:

To protect the natural environment, minimise waste, reduce energy consumption and use other resources efficiently. Address our impact on the Climate emergency by seeking to reduce our value chain emissions

We will:

- Ensure that we follow sustainable procurement policies and processes which will exploit the opportunity to reduce emissions in line with national proprieties in order to reduce our carbon footprint, minimise energy consumption, waste, pollution, production of greenhouse gas emissions and detrimental natural environmental impacts while encouraging others to do likewise
- Seek, in partnership with suppliers and contractors, to minimise any negative natural environmental impacts of goods, services and works purchased across their life cycle from raw material extraction to end of life
- Eliminate unnecessary waste by adopting the “reduce, reuse, recycle” philosophy and supporting circular economy and sharing economy through ‘Think before you purchase – do you really need it, could something else be used, or could we hire or borrow it?’
- Introduce an informed assessment tools into our procurement decision making process to increase the Council’s delivery of social and natural environmental value by demonstrating achievable co-benefits from the goods and services which we procure

Ethical Procurement and Well-being Focus

We want:

Together with the support of entire community including local businesses, to safeguard and promote the rights of children, young people and vulnerable adults and to practice ethical procurement

We will:

- Undertake initiatives to tackle modern slavery, human rights abuses, block listing, false self-employment, unfair use of umbrella schemes and zero hours contracts
- Encourage contractors to promote and sponsor opportunities for vulnerable children, care leavers and adults who are in need of care and support
- Support the provision of safeguarding advice and guidance and take preventative measures/early intervention into consideration for the vulnerable
- Ensure contractors are able to identify abuse or exploitation and take responsibility for reporting concerns in an appropriate and timely way
- Ensure that all suppliers that the Council purchases for its service users must have the necessary safeguarding policies, procedures and training in place and where required be registered with the appropriate registration body



Please contact us if you have any questions about this Policy



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