

AGENDA

Meeting: CABINET CAPITAL ASSETS COMMITTEE
Place: Kennet Room - County Hall, Trowbridge BA14 8JN
Date: Tuesday 16 September 2014
Time: 2.00 pm

Please direct any enquiries on this Agenda to Will Oulton, of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line 01225 713935 or email william.oulton@wiltshire.gov.uk

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

This Agenda and all the documents referred to within it are available on the Council's website at www.wiltshire.gov.uk

Membership:

Cllr Fleur de Rhé-Philipe	Cabinet Member for Economic Development, Skills and Strategic Transport
Cllr Jane Scott OBE	Leader of the Council
Cllr Toby Sturgis	Cabinet Member for Strategic Planning, Development Management, Strategic Housing, Property, Waste
Cllr John Thomson	Deputy Leader and Cabinet Member for Highways and Streetscene and Broadband
Cllr Dick Tonge	Cabinet Member for Finance, Performance, Risk, Procurement and Welfare Reform


Substitutes:

Cllr Keith Humphries	Cabinet Member for Public Health, Protection Services, Adult Care and Housing (exc strategic housing)
Cllr Laura Mayes	Cabinet Member for Children's Services
Cllr Jonathon Seed	Cabinet Member for Communities, Campuses, Area Boards, Leisure, Libraries and Flooding
Cllr Stuart Wheeler	Cabinet Member for Hubs, Heritage & Arts, Governance (including information management), Support Services (HR, Legal, ICT, Business Services, Democratic Services)

AGENDA

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 and Substitutions**

2 **Minutes of the previous meeting (Pages 1 - 6)**

To confirm and sign as a correct record the minutes of the Cabinet (Capital Assets) Committee meeting held on 22 July 2014.

3 **Leader's Announcements**

4 **Declarations of interest**

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

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 can also be asked by members of the Council. Written notice of questions or statements should be given to Will Oulton of Democratic Services by 12.00 noon on Thursday 11 September 2014. Anyone wishing to ask a question or make a statement should contact the officer named above.

6 **Capital Monitoring Period 4 2014/2015 (as at 31 July 2014) (Pages 7 - 20)**

To receive a report by Michael Hudson, Associate Director - Finance, Revenues & Benefits and Pensions (Section 151 Officer). The purpose of the report is to inform Cabinet on the position of the 2014/2015 Capital Programme as at Period 4 (31 July 2014), including highlighting budget changes. A budget monitoring report to members will now be taken to Members quarterly in September, December, February and June. This report focuses on major variations in budget.

7 **Council House Building Programme** (Pages 21 - 36)

🔑 To receive a report by Janet O'Brien – Head of New Housing. The purpose of the report is to gain delegated approval to deliver a programme of around 240 new council homes across Wiltshire to meet identified need using council owned land and funding from a range of sources including housing revenue account (HRA) reserves and borrowing, right to buy receipts, commuted sum funding and grant funding secured from the Homes and Communities Agency (HCA), Department of Health (DoH) and other funding bodies.

8 **Urgent items**

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

9 **Exclusion of the Press and Public**

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

To consider passing the following resolution:

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Item Number 10 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

Reason for taking item in private:

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

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

10 **Council Housing Building Programme** (Pages 37 - 38)

🔑 To consider the attached appendices (exempt from publication) in relation

to item 7 above.

The items on this agenda reflect the key goals of Wiltshire Council, namely 'Work together to support Wiltshire's Communities', 'Deliver high quality, low cost, customer focused services and 'Ensure local, open, honest decision making'.


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CABINET CAPITAL ASSETS COMMITTEE

MINUTES of a MEETING held in KENNET ROOM - COUNTY HALL, TROWBRIDGE BA14 8JN on Tuesday, 22 July 2014.

Cllr Fleur de Rhé-Philippe	Cabinet Member for Economic Development, Skills and Strategic Transport
Cllr Jonathon Seed	Cabinet Member for Communities, Campuses, Area Boards, Leisure, Libraries and Flooding
Cllr Toby Sturgis	Cabinet Member for Strategic Planning, Development Management, Strategic Housing, Property, Waste
Cllr John Thomson	Deputy Leader and Cabinet Member for Highways and Streetscene and Broadband
Cllr Dick Tonge	Cabinet Member for Finance, Performance, Risk, Procurement and Welfare Reform

Also in Attendance: Cllr Keith Humphries, Cllr Laura Mayes, Cllr Stuart Wheeler

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

Councillor John Thomson, Deputy Leader in the Chair

17 Apologies and Substitutions

An apology for absence was received from Cllr Jane Scott.

Cllr Scott was substituted by Cllr Jonathan Seed.

18 Minutes of the previous meeting

The minutes of the meeting of the Capital Assets Committee held on 20 May 2014 were presented.

Resolved:

To approve as a correct record and sign the minutes of the meeting held on 20 May 2014 subject to the inclusion of Cllr Fleur de Rhé-Philippe's name in the list of those who had tendered an apology.

19 **Leader's Announcements**

There were no announcements.

20 **Declarations of interest**

There were no declarations of interest.

21 **Public Participation and Questions from Councillors**

The Deputy Leader explained that, as usual, any public present were welcome to address the meeting on any of the items on the agenda.

The Deputy Leader reported receipt of a question from Mr Andrew Hall, of Martingate Centre Ltd of Devizes concerning the disposal of the Corsham Mansion House and Library at Corsham, a copy of which is attached to the signed copy of these minutes and available online with these minutes.

Cllr Sturgis responded to the question by explaining that the bids in respect of Corsham Mansion House and Library would be discussed by Cabinet Members on the rising of this meeting. When asked, Cllr Sturgis confirmed that it was hoped that a decision could be made by the end of the month (July 2014).

22 **Urgent items**

There were no urgent items.

23 **Gypsy and Traveller Development Plan Document (DPD): Site Allocations**

 Cllr Toby Sturgis presented a report which informed members of the outcome of an assessment of council owned land for inclusion as potential new traveller sites in the Gypsy and Traveller Development Plan Document (DPD) and sought agreement to include these sites in the development plan process through to potential allocation in the draft plan.

Resolved:

That the Capital Assets Committee endorse the inclusion of the Council owned land listed at Appendix 3 of the report for further assessment as part of the Gypsy and Traveller DPD process to help maintain a five year supply of sites throughout out the proposed plan period in accordance with national policy.

Reasons for decision:

There are a number of drivers for pursuing the opportunity to include public land in the proposed Gypsy and Traveller DPD. These include:

- (i) The requirement to maintain a five year supply of traveller pitches included in national policy.
- (ii) The need to provide a choice in the size, type and location of traveller sites in Wiltshire.
- (iii) The legal requirement in the Housing Acts for councils to provide for the accommodation needs of Gypsies and Travellers in their area.
- (iv) The requirement in national policy for councils to respond positively to the accommodation needs of travellers, a commitment the Council has also made to the Wiltshire Core Strategy Inspector.
- (v) The benefits of reducing unauthorised encampments / developments.

24 Exclusion of the Press and Public

Resolved

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

Reason for taking the item in private:

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


No representations had been received as to why this item should not be held in private.

25 Gypsy and Traveller Development Plan Document (DPD): Site Allocations

Resolved:

That the Committee note the confidential appendix presented and in so doing, confirm its decision taken under minute no. 23 above.

26 Gypsy, Roma and Traveller Project

 Cllr Toby Sturgis presented a confidential report which asked members to note the update to the project costs and timescales involved and to consider the options open to the Council.

Resolved:

That the Committee adopt the proposals as set out in the confidential report presented.

Reason for decision:

To advise cabinet of the factors involved and options available with a view to arriving at an appropriate decision.

Appendix

Question from Mr Hall (signed minutes and online)

(Duration of meeting: 2.00 - 2.20 pm)

These decisions were published on the 25 July 2014 and will come into force on 4 August 2014
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The Officer who has produced these minutes is Yamina Rhouati, of Democratic Services, direct line 01225 713948 or e-mail Yamina.Rhouati@wiltshire.gov.uk
Press enquiries to Communications, direct line (01225) 713114/713115

MARTINGATE CENTRE LIMITED

CLYFFE HALL MEWS

MARKET LAVINGTON

NR DEVIZES, WILTS

SN10 4EB

Tel: 01380 812017

Fax: 01380 812098

✉ martingate@clyffe.com

Question to Cabinet Capital Assets Committee

Tuesday 22nd July, 2014

Good afternoon. I am a Director of Martingate Centre Limited. My company purchased the Centre from North Wiltshire Council in 2002 and our track record of refurbishing and managing the Centre clearly demonstrates our long term support for the town.

The Mansion House and Library site is also important to the future vibrancy of Corsham town centre, given its potential role in retail, job creation and education. The Committee will recall that the Council no longer needs the site and has sought to sell it for some years. Most recently, it offered the site for sale with a deadline for bids of 27 November 2013, some eight months ago.

In 2011, this Committee was informed that the cost to the tax payer to retain the site would exceed £850,000 for the Mansion House alone with a risk of increased costs due to its Listed status. The site is now effectively empty and our consultants have told us that urgent work is needed to protect the site not only from significant weather damage this winter, but also from possible public liability costs from youths breaking in. We have previously advised the Council of specific incidents in this regard.

There is now significant local interest in seeing the building reinstated, particularly in light of the heavy cost and liability to the tax payer if delayed further.

As one of the bidders in the process in a position to proceed with the purchase with immediate effect, could the Committee please confirm to us when it expects to select its preferred bidder? We understand the Committee has all of the necessary information it needs to make an informed final decision, but we are very willing to provide any additional information the Committee requires to expedite the decision process and bring about the regeneration of this important asset to the town.

Thank you.

By email

Andrew Hall

Martingate Centre Ltd

16th July 2014

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Wiltshire Council

Cabinet Capital Asset Committee

16 September 2014

Subject: Capital Monitoring Period 4 2014/2015 (as at 31 July 2014)

Cabinet member: Cllr Dick Tonge - Finance, Performance, Risk, Procurement & Welfare Reform

Key Decision: No

Executive Summary

The report details changes to the budget made since the 2014/2015 budget was set in February 2014.

The report reflects the position of the 2014/2015 spend against budget as at Period 4 (as at 31 July 2014).

Proposal

To note:

a) The general budget additions for grants, revenue contributions and other contributions of £10.824 million as per Appendix B and to note the Period 4 position of the Capital Programme in Appendix A.

b) The reprogramming of £13.801 million between 2014/2015 and 2015/2016.

Reasons for Proposals

To inform Cabinet of the position of the 2014/2015 capital programme as at Period 4 (31 July 2014), including highlighting of budget changes.

**Carolyn Godfrey
Corporate Director**

Wiltshire Council

Cabinet Capital Asset Committee

16 September 2014

Subject: Capital Monitoring Period 4 2014/2015 (as at 31 July 2014)

Cabinet member: Cllr Dick Tonge - Finance, Performance, Risk, Procurement & Welfare Reform

Key Decision: No

Purpose of Report

1. To inform Cabinet on the position of the 2014/2015 Capital Programme as at Period 4 (31 July 2014), including highlighting budget changes. A budget monitoring report to members will now be taken to Members quarterly in September, December, February and June. This report focuses on major variations in budget.

Budget Movements

2. The Original budget for 2014/2015 was presented to the Council as part of the budget meeting on 25 February 2014. Since then there have been a number of changes to the budget for 2014/2015, largely due to reprogramming of budget from 2013/2014, but also to reflect additional funding being available, and changes in budget where grant funding has been announced. These changes are summarised in the table below, a fuller breakdown of the changes made at a scheme by scheme level is attached as Appendix A.

Breakdown of Budget Amendments from Original Budget to Period 4 Budget (as at 31 July)

	£m	Notes
Original Capital Programme Budget (reported to Council 25 February 2014)	141.800	
Additions/amendments to the Capital Programme 2014/2015 since Original Budget setting		
Period 9 (to December 2014) 2013/2014 budgets reprogrammed into 2014/2015	16.248	See Appendix A for further details
Outturn 2013/2014 budgets reprogrammed into 2014/2015	24.743	See Appendix A for further details
Government Grant Amendments	0.253	See Appendix A for further details
Additional Budgets added to Programme	10.824	See Appendix A and B section 1 for further details
Budgets returned to Central Funding	(0.124)	See appendix A for further details
Budgets reprogrammed from 2014/2015 into 2015/2016	(13.801)	See Appendix A and B section 2 for further details
Current Budget Period 4 2014/2015	179.943	

3. The budget additions shown above largely reflect increases in funding being available and brought into the programme under the Chief Financial Officer delegated authority. They largely comprise of additional grants from Central government, Section 106 contributions, revenue contributions towards capital expenditure and other contributions used to finance capital spend within the capital programme. Further information on the budget movements at an individual scheme level is shown in Appendix A and in further detail in Appendix B.

4. As part of this report £0.124 million has been returned to central funding for schemes that has now completed. This budget can be reallocated to other schemes in the future.
5. The budgets that have been reprogrammed into 2015/2016 are shown in further detail in Appendix A and B, and are also explained in the narrative for schemes in Appendix C.

Summary of Position as at 31 July 2014

6. The current budget for the year 2014/2015 is £179.943 million. Actual spend on schemes as at 31 July 2014 was £14.750 million. A full breakdown of these figures is attached in Appendix A.
7. At present there are no anticipated significantly overspending schemes.
8. There are a number of schemes in the capital programme where the majority of work will take place next financial year or later, this will require budgets to be reprogrammed into 2015/2016. Some reprogramming has already taken place as part of this report; however more is anticipated, particularly in the Campus and Operational Delivery and Housing areas. Figures to be reprogrammed will be examined with budget holders and reprogramming for these areas actioned as part of the next monitoring report in December. These variances are mainly caused by project delays leading to differences in the profile of payments.
9. The planned reprogramming has been factored into the estimates for the Capital Financing budgets. This revenue budget is now currently estimated to be £1.0 million underspent at the year end mainly due to the reprogramming of budgets from 2014/2015 into later years.
10. Further information on the movements undertaken and the forecast position of some of the larger schemes is set out in Appendix C, along with updates on the capital receipts received during 2014/2015.

Environmental Impact of the Proposal

11. Wiltshire Council is now included in the Carbon Reduction Commitment (CRC); the UK's mandatory climate change and energy saving scheme. The objectives of the scheme are to improve energy efficiency and reduce carbon dioxide emissions. It is calculated that 79% of the Council's carbon footprint comes from energy use in buildings. Capital schemes therefore have the potential to greatly increase or decrease carbon emissions, for example schemes making council buildings more energy efficient will reduce the Council's carbon footprint. There are no direct impacts of this report, however there are a number of schemes in the capital programme that are planned to enable energy efficiency benefits for the council.

Equality and Diversity Impact of the Proposal

12. No equality and diversity issues have been identified arising from this report

Risk Assessment

13. The capital budget for 2014/2015, as detailed in this report, has been revised to approximately £180 million. Within any capital programme there are a number of potential risks such as from cost overruns or lower than expected levels of capital receipts. Such issues will be highlighted as soon as they establish themselves through the quarterly reporting process. Members may wish to bear in mind that the capital programme has been set for four years and therefore risks will be appraised over the whole period.

Financial Implications

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

Legal Implications

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

Safeguarding Considerations and Public Health Implications

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

Michael Hudson

Associate Director Finance

Report Author: Stuart Donnelly, Principal Accountant.

Unpublished documents relied upon in the preparation of this report: NONE
Environmental impact of the recommendations contained in this report: NONE

Appendices

Appendix A – 2014/2015 budget movements and spend to 31 July

Appendix B – Delegated authority for budget movements

Appendix C – Narrative on specific schemes

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Capital Programme Budget Movements and Spend to 31 July 2014/2015

Scheme Name	2014/2015 Budget Breakdown										
	Original Capital Programme Budget (reported to Council 25 Feb 2014)	Period 9 (to December 2013) 2013/2014 Budgets Reprogrammed into 2014/2015	Outturn 2013/2014 Budgets Reprogrammed into 2014/2015	Outturn Budget Transfer 2013/2014 into 2014/2015	Government Grant Amendments	Budget Movements between Schemes	Additional Budgets added to Programme (Section 1 Appendix B)	Budgets returned to Central Funding	Budgets reprogrammed from 2014/2015 into 2015/2016 (Section 2 Appendix B)	Current Budget Period 4 2014/2015	Spend to 31 July 2014
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Education Schemes											
Sarum Academy Salisbury				1.924						1.924	0.293
Basic Need	8.991	2.372	(0.030)	0.881	1.246	(0.401)	0.382		(2.204)	11.237	0.378
Schools Maintenance & Modernisation	10.158	0.423		1.894	(0.953)	(0.974)	0.010		(2.689)	7.869	0.807
Devolved Formula Capital	0.921			0.016	(0.040)					0.897	0.226
Access and Inclusion	0.100	0.150		0.482		(0.075)				0.657	0.155
DCSF Targeted Capital 14-19 SEN	0.647	0.275	(0.536)	0.061						0.447	0.190
New Schools	2.384	0.218	1.500	2.244		1.350	2.595		(0.838)	9.453	2.055
School Expansions & Replacements		1.444		0.026						1.470	0.008
Early Years & Childcare		0.157	0.187	0.019		(0.075)				0.288	0.000
Other Education Schemes			0.012	0.047			0.061			0.120	0.009
Universal Infant Free School Meals Capital 2014-15	0.786					0.175	0.052			1.013	0.869
Total Education Schemes	23.987	5.039	1.133	7.594	0.253	0.000	3.100	0.000	(5.731)	35.375	4.990
Highways Schemes											
Integrated Transport	4.002	0.380		0.336					(0.637)	4.081	0.000
Structural Maintenance (Grant & Council Funded)	21.000			0.503		(0.500)				21.003	0.000
Highways Severe Weather Recovery Scheme							1.105			1.105	0.000
Pothole Fund Grant							3.063			3.063	0.000
Bowerhill Portal Way Improvement Works							1.100			1.100	0.000
Highway flooding prevention and Land Drainage schemes	0.500					0.500				1.000	0.003
Aldbourne Flood Alleviation Scheme							0.150			0.150	0.000
Flooding Repair & Renewal							0.024			0.024	0.043
Additional Highway Works										0.000	0.000
A350 Chippenham (Pinch Point)							1.905			1.905	0.055
Bridges	3.000									3.000	0.016
Local Sustainable Transport Fund		0.726		0.095						0.821	0.037
Street Lighting	0.500	0.877		(0.071)						1.306	0.018
Total Highways Schemes	29.002	1.983	0.000	0.863	0.000	0.000	7.347	0.000	(0.637)	38.558	0.172
Campus and Operational Delivery Schemes											
Hub Programme Office Rationalisation & ICT				(0.340)		0.340				0.000	1.321
Operational Estate		3.500		1.081						4.581	0.227
Depot & Office Strategy	5.000	2.000		0.464					(6.964)	0.500	0.002
Libraries, Heritage and Art				0.042						0.042	0.000
Campus	35.814	1.000		3.291		(0.340)				39.765	3.239
Salisbury Market Place (inc New Canal and Blue Boar Row)		0.016								0.016	0.076
Total CAOD Schemes	40.814	6.516	0.000	4.538	0.000	0.000	0.000	0.000	(6.964)	44.904	4.865
Other Property Schemes											
Buildings Repair & Maintenance	2.500			0.756						3.256	0.323
Total Property Schemes	2.500	0.000	0.000	0.756	0.000	0.000	0.000	0.000	0.000	3.256	0.323
Housing Schemes											
Disabled Facilities Grants	2.431			0.129						2.560	0.722
Other Housing Grants	1.103			0.845						1.948	0.001
Affordable Housing including Commuted Sums	0.700			0.237						0.937	0.000
Gypsies and Travellers Projects (inc H&S Works)	0.917			1.992						2.909	0.327
New Housing				0.454						0.454	0.037
HRA - Refurbishment of Council Stock	13.662	0.500		0.876						15.038	1.268
Total Housing Schemes	18.813	0.500	0.000	4.533	0.000	0.000	0.000	0.000	0.000	23.846	2.355

Capital Programme Budget Movements and Spend to 31 July 2014/2015

Scheme Name	2014/2015 Budget Breakdown										
	Original Capital Programme Budget (reported to Council 25 Feb 2014)	Period 9 (to December 2013) 2013/2014 Budgets Reprogrammed into 2014/2015	Outturn 2013/2014 Budgets Reprogrammed into 2014/2015	Outturn Budget Transfer 2013/2014 into 2014/2015	Government Grant Amendments	Budget Movements between Schemes	Additional Budgets added to Programme (Section 1 Appendix B)	Budgets returned to Central Funding	Budgets reprogrammed from 2014/2015 into 2015/2016 (Section 2 Appendix B)	Current Budget Period 4 2014/2015	Spend to 31 July 2014
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Waste Schemes											
Waste Transformation	0.183	0.115	0.400	0.022					0.200	0.920	0.506
Waste Management	0.060			(0.003)						0.057	0.000
Total Waste Schemes	0.243	0.115	0.400	0.019	0.000	0.000	0.000	0.000	0.200	0.977	0.506
Other Schemes											
Carbon Reduction Schemes	1.500	0.500		0.752				(0.070)	(0.500)	2.182	0.153
Oil to Biomass Schemes		0.750		0.813						1.563	0.178
Social Care Infrastructure & Strategy	2.672			0.518						3.190	0.305
Area Boards and LPSA PRG Reward Grants	1.027			(0.189)						0.838	0.000
Other Economic Development Schemes				0.270						0.270	0.024
Porton Science Park				0.246						0.246	0.001
Rural Estates	0.400	0.057		0.149						0.606	0.008
Wiltshire Online	11.643	0.375	(0.079)	0.012		0.004		(0.169)		11.786	0.000
ICT Schemes	5.292	0.306		0.200						5.798	0.000
Fleet Vehicles	2.500			1.279						3.779	0.292
Clean Bus Technology - Passenger Transport Unit		0.020		0.032			0.361			0.413	0.364
Other Schemes including cross cutting systems		0.087		0.787			0.012	(0.054)		0.832	0.214
Public Health Schemes				0.117						0.117	0.000
Learning Management System	0.200									0.200	0.000
Fitness Equipment for Leisure Centres	0.707									0.707	0.000
Salisbury CCTV	0.500									0.500	0.000
Total Other Schemes	26.441	2.095	(0.079)	4.986	0.000	0.000	0.377	(0.124)	(0.669)	33.027	1.539
Total 2014/2015 Programme	141.800	16.248	1.454	23.289	0.253	0.000	10.824	(0.124)	(13.801)	179.943	14.750

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

CCAC Meeting
Financial Year:

16 September 2014

2014/2015

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:	Basic Need		
Budget Change:	2014/2015	2015/2016	2016/2017
	382,317		
Funding Source:	Section 106 contributions towards schemes at Paxcroft, Ivy Lane & Sutton Benger Primary Schools		
Project Name:	Schools Maintenance & Modernisation		
Budget Change:	2014/2015	2015/2016	2016/2017
	10,000		
Funding Source:	Revenue contribution towards equipment costs at Matravers School		
Project Name:	New Schools		
Budget Change:	2014/2015	2015/2016	2016/2017
	2,594,806		
Funding Source:	Section 106 contributions towards schemes at East Trowbridge (Castlemead) & Tidworth NEQ (Wellington) Primary Schools		
Project Name:	Other Education Schemes		
Budget Change:	2014/2015	2015/2016	2016/2017
	60,881		
Funding Source:	Revenue contributions towards ICT at the Aspire Centre, and capital projects at Braeside Outdoor Education Centre		
Project Name:	Universal Infant Free School Meals Capital 2014-15		
Budget Change:	2014/2015	2015/2016	2016/2017
	51,950		
Funding Source:	Section 106 contributions towards schemes at Westbury Leigh & The Grove Primary Schools		
Project Name:	Highways Severe Weather Recovery Scheme		
Budget Change:	2014/2015	2015/2016	2016/2017
	1,104,596		
Funding Source:	Grant received from the Department of Transport for severe weather recovery schemes		
Project Name:	Pothole Fund Grant		
Budget Change:	2014/2015	2015/2016	2016/2017
	3,063,471		
Funding Source:	Grant received from the Department of Transport for pothole schemes		
Project Name:	Bowerhill Portal Way Improvement Works		
Budget Change:	2014/2015	2015/2016	2016/2017
	1,100,000		
Funding Source:	Capital receipt and borrowing to fund capital improvement works at Portal Way, Melksham		
Project Name:	Aldbourn Flood Alleviation Scheme		
Budget Change:	2014/2015	2015/2016	2016/2017
	150,000		
Funding Source:	Environment Agency capital grant received towards alleviating flooding in Aldbourn		
Project Name:	Flooding Repair & Renewal		
Budget Change:	2014/2015	2015/2016	2016/2017
	24,189		
Funding Source:	Grant received from DEFRA towards capital flooding repairs and renewal		
Project Name:	A350 Chippenham (Pinch Point)		
Budget Change:	2014/2015	2015/2016	2016/2017
	1,905,000		
Funding Source:	Pinch point grant funding for the A350 Chippenham from the Department of Transport		
Project Name:	Wiltshire Online		
Budget Change:	2014/2015	2015/2016	2016/2017
	3,563		
Funding Source:	Receipts received from sales of reconditioned laptops		

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

CCAC Meeting 16 September 2014
Financial Year: 2014/2015

Project Name:	Passenger Transport Unit		
Budget Change:	2014/2015	2015/2016	2016/2017
	361,000		
Funding Source:	Grant received towards clean Bus Technology		
Project Name:	Other Schemes including Cross Cutting Systems - Cotswold Water Park		
Budget Change:	2014/2015	2015/2016	2016/2017
	12,154		
Funding Source:	Grant received towards capital projects within the Cotswold Water Park		
<hr/>			
	10,823,927		
	Total Delegated Changes Approved by Section 151 Officer		

SECTION 2 - DELEGATED CFO POWERS

"Schemes within the capital programme which require the reprogramming of expenditure between years due to scheme not progressing as originally anticipated or other circumstances"

Project Name:	Basic Need		
Budget Change:	2014/2015	2015/2016	2016/2017
	(2,203,833)	2,203,833	
Notes:	Reprogramming of Schemes to match anticipated expenditure between financial years		
Project Name:	Schools Maintenance & Modernisation		
Budget Change:	2014/2015	2015/2016	2016/2017
	(2,688,708)	2,688,708	
Notes:			
Project Name:	New Schools		
Budget Change:	2014/2015	2015/2016	2016/2017
	(838,366)	838,366	
Notes:			
Project Name:	Integrated Transport		
Budget Change:	2014/2015	2015/2016	2016/2017
	(637,000)	637,000	
Notes:			
Project Name:	Depot & Office Strategy		
Budget Change:	2014/2015	2015/2016	2016/2017
	(6,964,095)	6,964,095	
Notes:			
Project Name:	Waste Transformation		
Budget Change:	2014/2015	2015/2016	2016/2017
	200,000	(200,000)	
Notes:			
Project Name:	Carbon Reduction Schemes		
Budget Change:	2014/2015	2015/2016	2016/2017
	(500,000)	500,000	
Notes:			
Project Name:	Wiltshire Online		
Budget Change:	2014/2015	2015/2016	2016/2017
	(169,441)	169,441	
Notes:			
<hr/>			
	13,801,443		
	Total Re-programming between years		

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

CCAC Meeting
Financial Year:

16 September 2014

2014/2015

SECTION 3 - REQUESTS TO CABINET FOR ADDITIONAL RESOURCES

"Adjustment/addition of scheme to the capital programme which places an additional funding requirement on the programme"

Project Name:

Budget Change:

2014/2015

2015/2016

2016/2017

Funding Source:

There are no requests for additional resources detailed within this report

0

Total requests for additional resources

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:

Michael Hudson

DATE:

September 2014

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Further Period 4 information on schemes in the Capital Programme and funding sources

Education schemes

1. Basic Need Schemes are being undertaken across the county with work at varying stages at the different sites. A total of £2.204 million has been reprogrammed into 2015/2016 in this report to reflect the planned profile of expenditure. £1.761 million of this relates to the phase 2 build at Bulford Kiwi which is still in the design stage with work due to take place next year. Feasibility studies are also being requested for school expansions in specific areas which will enable further allocations to be made.
2. The programme of scheduled schools maintenance projects continues whilst modernisation schemes are again at varying stages from near completion to the early design stages. A total of £2.689 million has been reprogrammed into 2015/2016 in this report with £1.434 million relating to the rebuild project at Figheldean which is now on hold and £1.000 million for works at the Minster where a design team has been appointed and work is to begin later in the year.
3. A total of £0.838 million of reprogramming into 2015/2016 has taken place in this report in the New Schools programme. Construction is complete at East Trowbridge with the final invoice expected soon whilst work is nearly complete at Tidworth NEQ with the new school due to open in September 2014.

Highways schemes

4. The structural maintenance budget has been allocated and works are progressing. Orders have been raised on Exor to BBLP and Atkins for works up to £21.000 million with the majority allocated to surfacing and carriageway repair work. At present spend is significantly lower than expected on highways due to an invoicing issue at BBLP. BBLP have deployed additional staff dedicated to finalising invoicing so payments can be made.
5. Significant extra grant funding has been received from the Department of Transport with £1.105 million received for severe weather recovery schemes, £3.063 million for pothole repairs, and £1.905 million pinch point funding for expanding the A350 at Chippenham.

Campus and Operational Delivery (CAOD) schemes

6. £6.964 million of Depot & Office Strategy has been slipped to future years to reflect scheme reprofiling. A full review of other budget in this area is being undertaken and will be reflected in the next monitoring report.

7. Corsham Campus is now opened. All next 6 funded Campuses are at different stages of design/planning, but none are anticipated to be completed before 2015.

Housing schemes

8. The works on Gypsy and Travellers sites are progressing well with phase 2 underway at Fairhaven, Thingley and Lode Hill. Works at Oaktree Field and Dairyhouse Farm sites are due to begin in October 2014 with all work due for completion by March 2015.
9. HRA refurbishment of Council Stock as at 31 July 2014 has expenditure and commitments of £1.268 million against the current budget of £15.038 million. It is currently envisaged that there will be reprogramming of expenditure to future years and reflected in the next monitoring report in December.

Other schemes

10. The Wiltshire Online project is well underway with deployment on track. Quarterly payments are now being made to BT and grant funds being received from BDUK. Significant expenditure will be incurred during 2014/2015 as the majority of the work takes place and infrastructure is put in place across Wiltshire.

Funding of Capital Programme

11. The capital programme is funded by 3 principal sources; grants and contributions, capital receipts and borrowing.
12. Grants and Contributions fund the largest proportion of the programme, the total received in these areas as at 31 July 2014 is £16.420 million combined, In total it is estimated that around £51.145 million of grants will be used to finance the capital programme in 2014/2015.
13. As at the end of July 2014 a total of £3.385 million of income has been received from Capital Receipts from the proceeds of fixed asset sales. These include general asset disposals such as the sale of Coombe End Court in Marlborough plus a further 13 sales under the Council Housing Right to Buy (RTB) scheme. The amount required for the year to balance the capital programme is around £17.477 million. This will be monitored closely during the year.
14. Borrowing makes up the final element of financing the capital programme, and before any major reprogramming is factored in during later periods, a total of around £78 million is currently required to be borrowed to fund the budget. It is however envisaged that this will drop considerably over the coming months as further budgets are reprogrammed into 2015/2016.

Wiltshire Council

Cabinet Capital Assets Committee

16th September 2014

Subject: Council house building programme

Cabinet members: Cllr Keith Humphries – Public Health, Protection Services, Adult Care and Housing (excluding strategic housing)

Cllr Toby Sturgis – Strategic Planning, Development Management, Strategic Housing, Property and Waste

Key Decision: Yes

Executive Summary

The council has the opportunity to invest in a programme to deliver new council owned and managed homes. Land has been identified within both the council's asset base and the housing revenue account (HRA) and funding has been identified to support the programme. The proposal is to deliver around 240 new council homes between 2015 and 2020.

This report seeks approval to use council land and funding for the delivery of 240 new affordable council homes and delegated approval to enter contracts and legal agreements as required.

Proposal(s)

Members are recommended to delegate authority to the Associate Directors responsible for housing and finance and the Corporate Director responsible for assets in consultation with the Cabinet Member for Public Health, Protection Services, Adult Care and Housing (excluding strategic housing), the Cabinet Member for Strategic Planning, Development Management, Strategic Housing, Property and Waste and the Cabinet Member for Finance, Performance, Risk, Procurement and Welfare Reform to approve:

- a) The use of sites in Appendix 1 for affordable housing with delegated authority to substitute alternative sites of similar value as appropriate**
- b) Any appropriations necessary pursuant to s122 LGA 1972 to ensure that the sites in a) are held by the Council for housing purposes.**
- c) Use of funding for affordable housing as detailed in Appendix 1 with delegated authority to substitute different funding streams as required**
- d) Entering contracts for consultants, construction and other elements**

- of the project to enable the delivery of around 240 new homes within the funding parameters identified in Appendix 1**
- e) Entering funding agreements with HCA/CLG/DOH as required to secure the grant funding and borrowing approval required.**

Reason for Proposal

There are more than 20,000 households on the council's housing register of which 11,000 households are assessed as in housing need. There is also a growing older population within Wiltshire and demands on health and social care services are increasing. In line with the council's business plan, it is a priority to enable people to remain living independently within their communities.

The council has the opportunity to assist with addressing these needs through the delivery of new council housing suitable for use as a home for life in communities across Wiltshire. These homes will add to the affordable homes delivered through planning agreements and with our Housing Association partners.

Housing revenue account (HRA) funding and land is restricted to use for affordable homes. This funding and land can be used to lever in additional resources, such as grant funding, to enable the delivery of approximately 240 new council homes to meet identified need between 2015 and 2020.

Maggie Rae
Corporate Director

Subject: Council house building programme

**Cabinet members: Cllr Keith Humphries – Public Health, Protection Services, Adult Care and Housing (excluding strategic housing)
Cllr Toby Sturgis – Strategic Planning, Development Management, Strategic Housing, Property and Waste**

Key Decision: Yes

Purpose of Report

1. To gain delegated approval to deliver a programme of around 240 new council homes across Wiltshire to meet identified need using council owned land and funding from a range of sources including housing revenue account (HRA) reserves and borrowing, right to buy receipts, commuted sum funding and grant funding secured from the Homes and Communities Agency (HCA), Department of Health (DoH) and other funding bodies.

Relevance to the Council's Business Plan

2. The delivery of 240 new affordable council homes across Wiltshire including homes for older people and adapted homes will meet the following priorities, objectives and outcomes in the council's business plan;
- a) Priority – protect those who are most vulnerable
 - b) Key Action 6 – invest to refurbish council housing and encourage the development of new affordable homes, including supported living in rural areas
 - c) Outcome 3 – Everyone in Wiltshire lives in a high quality environment
 - d) Outcome 4 – Wiltshire has inclusive communities where everyone can achieve their potential
 - e) Outcome 5 – People in Wiltshire have healthy, active and high quality lives
 - f) Outcome 6 – People are as protected from harm as possible and feel safe.

Main Considerations for the Council

3.1 Through HRA self-financing, the council is able to retain all rental income from homes it owns to invest in existing stock and to consider investment in new affordable homes.

3.2 Through the development of the HRA Business plan, £34m has been identified in reserves and projected surpluses that can be used to support the delivery of new homes up to 2020.

3.3 In addition the council successfully bid for a further £2.7m HRA borrowing approval through the Local Growth Fund to invest in new affordable homes in Wiltshire.

3.4 There are a range of other funding streams that the council has been successful in securing to support affordable housing delivery including Homes and Communities Agency (HCA) grant, Department of Health (DoH) grant, Right to Buy (RTB) receipts and commuted sum funding secured through planning gain.

3.5 Some of this funding could be used to support delivery by Registered Providers. However, the HRA funding can only be used for council homes.

3.6 There are a number of parcels of land in the council's ownership both within the HRA and within the council's asset portfolio that can be made available to enable affordable housing delivery while the council continues to retain the value of the asset and enhances it through the provision of homes generating a rental income.

3.7 There are significant pressures on affordable housing supply. There are currently 20,000 households on the council's housing register, with 11,000 of those identified as having a housing need.

3.8 In line with the council's business plan it is a priority to enable Wiltshire's residents to live independently within their communities for as long as possible. Together with reshaping the way health and social care services are provided to people, the delivery of suitable affordable accommodation within both towns and rural communities enables people to be able to continue to live in their local areas. This in turn enables them to be supported through networks of family and friends as well as care and health services to maintain their independence and well-being at home.

3.9 It is proposed that the investment in new homes is targeted at;

- a) Delivery of bungalows in rural communities to enable older people to downsize from family accommodation to ground floor accommodation built to lifetime homes standards. This will enable older people both to remain living independently for longer and to remain in their local community so that they can continue to receive support from friends, family and neighbours. It will also free up affordable family accommodation both owned by the council and our Housing Association partners across the county.
- b) Delivery of extra care schemes in towns. Extra care schemes enable older people to live in a safe and secure environment with 24 hour, 7 days a week care and support services available on site. This type of accommodation can be an option of choice for older people who will benefit from a 24/7 service. This can also enable people to downsize from family accommodation and to remain living independently for longer. A

target of the Better Care Plan is to reduce the number of placements into residential care. The provision of this type of accommodation, that can support older people with high care needs including dementia, will enable people to have the option of independent living that meets their needs rather than only having the option of moving into residential care.

- c) Where possible, and where a need has been identified, specialist adapted properties will be built as part of the programme. This also enables households to remain living independently in their communities and avoids the need for residential care placements.

Background

Funding

4.1 The proposal to invest capital resources in the delivery of new council accommodation is included as part of the development of the HRA Business Plan alongside investment in existing council stock. Both the Business Plan and the proposal for investment of new homes have been considered by the Housing Board. There is £34m in HRA reserves and projected surpluses to 2020 available to invest in new council homes.

4.2 The council has also been successful in securing £2.7m HRA borrowing approval through the Local Growth Fund to deliver additional council housing.

4.3 There are a number of funding streams that will be used in conjunction with the HRA funding to stretch the funding further and maximise the delivery of new homes. These funding streams have time constraints and schemes will need to be progressed quickly in order to meet these funding timescales.

4.4 The council has been successful in securing an allocation of £5.885m grant funding from the Homes and Communities Agency (HCA) for their 2015-18 programme to deliver 5 new extra care schemes and to support the bungalow programme. It is proposed to use £1.385m of the £5.885m to support the delivery of one extra care scheme and the bungalow programme. The remaining funding will be used to support Registered Providers (RPs) to deliver four further extra care housing schemes.

4.5 The council also secured £2.5m Department of Health (DoH) funding to support the delivery of extra care and adapted housing in Wiltshire. It is proposed to use £1.1m of this funding to support the council house building programme. It will be used to deliver one extra care scheme and a number of adapted properties. The remaining funding will be used to support the delivery of a further extra care scheme in Malmesbury by Abbeyfield and adapted properties on sites across Wiltshire by RPs.

4.6 Other funding streams include commuted sum funding secured for affordable housing through planning gain and retained Right To Buy (RTB) receipts. It is proposed that £0.47m of RTB receipts and £0.37m of commuted sum funding are used to support this programme. There are conditions around the use of both these funding streams that will need to be met. RTB receipts can only represent

30% of total scheme costs and cannot be used in conjunction with any other funding streams. There are also time limits on spending. Commuted sum funding can be restricted to geographical locations and also has to be spent within a specified timescale. The proposed use of these funding streams ensures these conditions can be met.

4.7 The council will need to enter into funding agreements with the HCA, DoH and possibly the CLG to agree to the conditions around the grant funding and HRA borrowing approval. This report requests authority be delegated to the relevant directors in consultation with key Cabinet Members to approve those agreements.

Land

4.8 There are a number of council owned rural sites on the edge of villages that have been identified for potential affordable housing development. The majority of these sites are currently used as farmland and therefore have agricultural value. Details of the current use values of these sites are attached in Appendix 1. These sites would not have potential for open market housing but do have potential for affordable housing through the council's exception site policy.

4.9 There are also a number of sites currently used as residential care home sites. Through the council's adopted Older People's Accommodation Development Strategy, the council is working with partners to decommission these residential care homes and develop new specialist nursing and dementia care homes alongside new extra care housing and other independent living options for older people, such as bungalows in rural communities. It is proposed that three of the sites currently used as care homes, when vacated, are developed as new council-owned extra care schemes through this programme. The value of these sites is detailed in the attached appendix.

4.10 The Coombe Bissett site was approved for development of affordable housing by Cabinet Capital Assets Committee on 19th March 2013. It is anticipated that this site will achieve planning permission in September and will start on site in January 2015.

4.11 The Southview sites are four parcels of land that were transferred to the council for the Housing PFI scheme in 2008. The intention was that these sites would be developed for affordable housing using PFI funding. Cabinet Capital Assets Committee gave approval to use these sites for affordable housing as part of the approval of the Final Business Case for the Housing PFI project in December 2011. However, these sites were not used to deliver the housing PFI project and they remain vacant and the use of the land is not restricted to affordable housing. It is proposed that these parcels of land are developed by the council as part of this programme to deliver a range of new affordable homes, including housing suitable for older people, adapted properties and some general needs homes for households in Trowbridge in housing need. The value of these sites is also detailed in Appendix 1.

Procurement

4.12 The procurement of the consultants for the bungalow programme and the first extra care scheme is underway using the council's framework. It is proposed that the procurement of the build contractors will be carried out through a range of methods to ensure best value is achieved and may include the use of existing constructor frameworks. Procurement decisions will also be scrutinised through the Corporate Procurement Board as required. This report seeks authority for directors in consultation with Cabinet Members to agree the appropriate procurement routes and to enter into contracts as required within the funding parameters identified in Appendix 1.

4.13 Any procurement routes taken will be in line with the council's procurement rules and will be expedited in the appropriate timeframes to enable effective reporting and decision making.

Consultation

4.14 Consultation has been taking place with a range of parish councils where the council has land that could be used to deliver new rural homes. Consultation has also taken place with local working groups in relation to proposals for new extra care accommodation. Further consultation is planned to ensure communities are in support of the proposals and that there is local support for any proposed planning applications. Consultation has also been carried out with communities and organisations representing disabled and older people to ensure that the design guides for the new build properties meet the needs of those it's intending to target.

Timescales

4.15 The Coombe Bissett scheme was approved by Cabinet Capital Assets Committee in March 2013 and is due to achieve planning permission in September 2014 and start on site in January 2015.

4.16 The first of the remaining schemes are proposed to be submitted for planning by the end of 2014/early 2015 with an aim to start on site with the first new rural bungalows in Summer 2015 with the first completions in Spring 2016.

4.17 The programme has been structured to enable starts and completions to meet the funding deadlines of the various funding streams available, particularly the grant funding and the HRA borrowing approval.

Governance

4.18 A governance structure will be set up for the project including a Project Board and a project delivery group.

Safeguarding Implications

5. The provision of suitable accommodation for older people and people in need of adapted properties with care and support services provided at

home will contribute to ensuring vulnerable people are protected and able to live in a safe and secure environment.

Public Health Implications

- 6.1 The provision of suitable accommodation for older people and people in need of adapted properties will enable them to maintain both mental and physical health more easily. The older people's bungalows will have lifeline facilities installed and will be fully accessible. They will also be enabled for assistive technology to ensure that as the residents become more frail, they can be fully supported to live safely and healthily within their home.
- 6.2 The extra care accommodation will also have communal facilities and on-site 24/7 care and support services available to respond quickly and flexibly to the health and care needs of residents. The communal facilities and well-being suites will be available for health services and community groups to use to provide clinics and therapy sessions to benefit both residents and members of the wider community. The apartments and communal spaces will also be designed to be dementia-friendly. In addition, the ability to host social activities will help combat social isolation and thereby help to reduce the incidence of mental health issues such as depression.
- 6.3 Public Health will support the development of the programme by advising on Health Impact Assessments at an early stage and identifying what the scope and design of relevant HIAs would be.

Environmental and Climate Change Considerations

- 7.1 The sustainability of the new accommodation proposed is a key consideration in the development of the design briefs for the projects. The brief for the bungalow programme includes an aspiration to achieve standards equivalent to Passivhaus. This involves ensuring the walls and roof of the building are heavily insulated and airtight. This could reduce energy costs from a current household average of £1200 per year to around £120 per year. The aim is for all the new homes to meet code for sustainable homes level 4 and to be built to lifetime homes standards.
- 7.2 The extra care housing will also be built to a high standard to reduce energy consumption. Lower fuel bills will enable residents to manage their household bills more effectively. The aim is to achieve BREEAM very good standard.
- 7.3 As well as use of a highly insulated shell for the buildings, use of alternative technologies such as ground source and air source heating will be explored alongside use of solar panels, particularly in rural areas where there is no mains gas. Opportunities for combined heat and power systems are also being explored, particularly for the extra care housing.

7.4 Sustainable building standards link with the equalities and health impacts in terms of reducing the likelihood of fuel poverty and achieving a comfortable living temperature for residents.

Equalities Impact of the Proposal

8.1 The new affordable homes programme will promote equality, reduce social exclusion and enable personal independence particularly for older, disabled and vulnerable adults and their carers. This meets both the Council’s proactive duties under the Public Sector Equality Duty but also commitments under the Human Rights Act (1998). New affordable homes help to ensure that all members of the community have access to decent, affordable accommodation to meet their needs. Many of the health and well-being benefits (tackling health inequality) are outlined in section 6: It has been proven that good quality accommodation can contribute to overall health and wellbeing and that secure, safe and stable accommodation can enable households to contribute positively to their communities. .

8.2 Equality impacts will be monitored as the programme progresses and will be integrated throughout the life of the programme including the procurement processes. This is to ensure that the Council’s statutory commitments to promoting equality and inclusion and tackling inequality are maintained. The delivery of these homes will also support the delivery of the council’s vision to create stronger and more resilient communities

Risk Assessment

9.

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

- a) Affordable housing needs for Wiltshire residents are not met.
- b) Care costs increase
- c) Wider impact on health and wellbeing and therefore demands on health services
- d) Communities less able to support local people to remain in their community
- e) Individuals and households less able to contribute positively to their communities
- f) HRA funding is not spent
- g) Funding timescales are not met for external funding streams.

10.

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

	Risk	Mitigating Action
a)	Insufficient resources to deliver the projects	Project plans have been developed and multi-disciplinary project teams established to make best use of available resources. Funding has been allowed within the project feasibilities to manage the

		projects.
b)	Funding viability risks	Initial scheme feasibilities have been completed. However, these will be firmed up when more detailed cost appraisal work has been done. Contingencies have been allowed within the feasibilities to enable some flexibility.
c)	Planning	There is a risk that schemes will not achieve planning permission. Initial discussions have taken place with planning officers.
d)	Community support	Consultation with local parish and town councils has been undertaken to ensure in-principle approval. Further consultation will be undertaken with communities as the projects progress.
e)	Availability of land	Land has been identified for a number of schemes. However, to enable the delivery of a rolling programme, more sites will need to be identified and progressed. These will be identified through working with local communities.
f)	Meeting delivery timescales	A number of the funding streams are tied to delivery timescales. There is a risk of losing the funding if these timescales are not met. The projects will be viable with HRA funding alone. However, every effort will be made to secure the grant and other funding committed to this programme.
g)	Right to Buy	Council tenants will have the right to buy their property. However a new tenant will have to hold a tenancy for a minimum of 5 years before they can exercise this right. The council can also restrict the discount to ensure that the cost of building the home is covered by the receipt from the property to enable repayment of the capital.
h)	Reputational risk of using farm land for developments	Build up proposals with local communities in line with their needs and the feedback about affordable housing through the JSNA events

Financial Implications

- 11.1 Capital funding will be required to support the delivery of 240 new affordable council homes. Details of the proposed funding streams are outlined in Appendix 1.
- 11.2 There is an opportunity cost of using these assets as described in this report. For example some of these sites could be sold on the open market. However, there would be costs of acquiring land for the purposes of Council House building. These costs and income would depend on the individual schemes. The ongoing impact on revenue budgets on capital receipts foregone, due to represent the cost of additional borrowing, is taken as 10% of any amount not received.
- 11.3 The details of the sites proposed for the project and their estimated values are outlined in Appendix 1.

- 11.4 All of the projects have been modelled on the basis of borrowing the funding from the HRA and paying back over a period of 30 – 40 years with 5% interest. The model includes cost projections for management & maintenance (£1,000 per year per property increasing by RPI annually), bad debt and voids (2.5% of rental income). Models will be finalised as each project comes forward to ensure the rental income is sufficient and that there is a continued revenue stream to re-build the reserves, which can then be recycled for future investment. Full costings will be produced for each scheme that is approved
- 11.5 The use of the HRA reserves has been modelled to still enable repayment of the original debt and cover responsive and cyclical maintenance and repairs (Salisbury Gold). In line with HRA legislation the reserve will be kept in surplus, the HRA account will be monitored to ensure funds are only drawn down at a suitable level and time.
- 11.6 The scheme costs have been modelled using outturn costs from the 65 new council homes built between 2009-11 for the bungalows and tender costs received for the extra care housing to ensure they represent good value for money. The procurement process will ensure best value is achieved both for consultants and professional fees and for construction costs.
- 11.7 These new homes will generate new homes bonus and householders will be required to pay council tax. New homes bonus is higher for affordable homes than for open market homes. This funding will help to finance any additional costs to the public realm such as waste collection. In addition, the project costs have allowed for s.106 contributions where required through planning policy.
- 11.8 Tenants will have the right to buy for any general needs homes. The extra care housing will be protected as part of a scheme with communal space specifically for older people. In the event of the right to buy being exercised the discount can be restricted to ensure the level of debt is covered. This will ensure that although the council will no longer receive the rental income it will no longer have the debt or the costs modelled in relation to that property.

Legal Implications

- 12.1 Full title reports will be required for any land used as part of this project to ensure there are no covenants or other issues affecting the development of the sites.
- 12.2 Legal advice will be required for entering into both funding and legal agreements in relation to the programme.
- 12.3 Legal advice and support will also be required for entering into contracts with consultants and contractors.
- 12.4 Land will need to be appropriated to be held for housing purposes

12.5 EU Procurement rules will apply to those site where the value of the contracts exceed the EU thresholds set from time to time

Options Considered

13.1 Do not build new council homes.

- a) HRA funding and land can only be used to support investment in council stock. If the funding is not used to develop new homes it could be used to invest in existing stock or community activities. However a substantial programme of investment in existing stock is already proposed within the HRA business plan. The funding set aside for this project is in addition to requirements for investment in existing stock within the business plan.
- b) The council has also secured grant funding, commuted sum funding and right to buy (RTB) receipts. There is an option with these funding streams to passport them to Registered Providers for investment in affordable housing. However, by using these funding streams to invest in council homes the council retains the value of the asset and receives the rental income stream for those properties. The council also has more control over allocations and use of these homes. All of the new homes will be let in line with the council's allocations policy.
- c) Registered Provider partners are becoming more risk averse and there are cases where their business plans do not propose investment in the council's priority areas. These include areas such as rural housing and extra care housing provision. The council is able to fill these gaps through investment in council homes.

Conclusions

14. The delivery of new council homes targeted at meeting the needs of older people meets a range of objectives identified within the council's business plan and makes best use of capital funding and land resources.

James Cawley

Associate Director – Adult Care Commissioning, Safeguarding and Housing

Report Author:

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Email. Janet.obrien@wiltshire.gov.uk

22nd August 2014

Background Papers

None

Appendices:

Appendix 1 – Summary of proposed programme (CONFIDENTIAL)

Appendix 2 – Questions and Answers factsheet

Appendix 2 – Council House Building Programme Q&A

1. Where there is a build on Council owned land (non HRA) how much does the HRA pay for it?

The majority of the non HRA sites are rural farm sites. On the rural farm sites we are still assessing the amount of land required on each site to deliver the affordable housing but on the basis that the majority of the sites can accommodate between 2 and 10 units, the size of site required is likely to range from 0.5 – 1 acre. The Homes and Communities Agency (HCA) has allocated grant funding to support the delivery on the majority of the sites. To be able to bid for funding the council has to commit to providing the land at nil consideration. E.g. on one rural site we have bid for funding of £60K for 6 units with land at nil consideration. For the rural sites, the amount received in grant funding exceeds the value of the sites. If the HRA has to pay the general fund for the land, that would preclude the opportunity of bidding for grant funding to stretch the HRA funding further.

2. I assume that the bungalows are going to be fitted out for elderly residents at additional cost to the project. Can we restrict tenancies to older people?

As a landlord, the council is able to restrict tenancies to older people. The council has a range of properties where allocation is restricted e.g. sheltered accommodation, adapted accommodation. We are not anticipating a much higher cost as the properties will be built as accessible from design stage. Initial assessments suggest that if planned in from the outset the cost of building to suit older people will not necessarily be significantly higher than building standard general needs properties.

3. Can we prevent right to buy?

Under Schedule 5 to the 1985 Act, paragraph 10, the right to buy does not apply if the dwelling house -

- a) is part of a group of dwelling houses;
- b) which due to its location, size, design, heating system and other feature is particularly suitable for occupation by elderly persons; and
- c) in respect of which it is the practice of the landlord to let for occupation by elderly persons; AND
- d) which includes special facilities, including (as a minimum), an off- or on-site warden, a common room and a system for calling the warden.

Accordingly, any new build bungalows occupied by Wiltshire Council secure tenants would likely be subject to the RTB unless each of the criteria above are met. The extra care accommodation, due to the provision of on site communal facilities, will be excluded from the Right to Buy.

Should the RTB be exercised, the council is able to reduce the discount to ensure the capital cost of providing the property is repaid. That capital receipt can then be recycled to invest in a new affordable home.

4. What will be the average saving on adult care for these tenants?

It is intended that the properties will be targeted at older people in rural communities currently living in larger family homes and/or needing to move because their property is no longer suitable for them. It is difficult to estimate any potential savings as a result of enabling older people to live in more suitable accommodation.

The benefits are expected to include; less likelihood of falls and accidents, more support from friends, neighbours and relatives therefore less reliance on public sector, better health and wellbeing and quality of life. Any real savings for Adult Care will occur if we can support people to stay at home rather than going into residential care. There is an estimated savings figure of approximately £150 per week per person but it is dependent upon each individual circumstances

5. Is there a model that shows the income and costs including interest and capital repayment? A 30-40 year capital payback through rental income is shown in the presentation given on 7th April 2014.

Yes the initial feasibilities for each scheme are based on a model developed for the first council house building programme 2008-11. This model has been signed off by the finance team. The model estimates the total cost of building the homes including all on costs and project management time then calculates the annual rental income, less management, maintenance and voids/bad debt costs and calculates how long it will take with the surplus rental income to pay off the initial capital investment including interest.

6. As these bungalows will be distant from the Salisbury maintenance team has there been an assessment of an uplift that might be needed to cover these extra costs?

The team is already managing properties in Trowbridge built as part of the council housing built between 2009-11. Housing management and maintenance services are fully involved in the proposals and will work to enable services to tenants across Wiltshire in an efficient and effective way.

7. There is a drive by the government to encourage self-build. Is the land proposed at risk?

The Government is encouraging self-build but we are not aware that local authorities are required to provide land for this purpose.

8. Is there a role for Town and Parish Councils to manage these bungalows?

The funding restrictions of HRA require that the land and properties are owned within the HRA. However, it is possible for the Council to contract out the management and maintenance of council properties if this would be a function the town or parish councils would like to take on. This is not something we have considered as we are trying to develop and build the Council housing service.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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