

AGENDA

Meeting: Cabinet
Place: [Online Meeting](#)
Date: Tuesday 3 November 2020
Time: 10.00 am

Please direct any enquiries on this Agenda to Kieran Elliott, of Democratic Services, County Hall, Trowbridge, direct line 01225 718594 or email kieran.elliott@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 Philip Whitehead	Leader of the Council and Cabinet Member for Economic Development, MCI and Communications
Cllr Richard Clewer	Deputy Leader and Cabinet Member for Corporate Services, Heritage, Arts & Tourism, Housing and Communities
Cllr Ian Blair-Pilling	Cabinet Member for ICT, Digitalisation, Operational Assets, Leisure and Libraries
Cllr Pauline Church	Cabinet Member for Finance, Procurement and Commercial Investment
Cllr Simon Jacobs	Cabinet Member for Adult Social Care, Public Health and Public Protection
Cllr Laura Mayes	Cabinet Member for Children, Education and Skills
Cllr Toby Sturgis	Cabinet Member for Spatial Planning, Development Management and Property
Cllr Bridget Wayman	Cabinet Member for Highways, Transport and Waste

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

The full constitution can be found at [this link](#). Cabinet Procedure rules are found at Part 7.

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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**

To receive any apologies for absence.

2 **Minutes of the Previous Meeting** (*Pages 5 - 16*)

To confirm and sign the minutes of the Cabinet meeting held on 13 October 2020.

3 **Declarations of Interest**

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

4 **Leader's Announcements**

To receive any announcements through the Leader.

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 Kieran Elliott of Democratic Services kieran.elliott@wiltshire.gov.uk 01225 718504 by 12.00 noon on Wednesday 28 October 2020. Anyone wishing to ask a question or make a statement should contact the officer named above.

6 **Covid-19 Update** (*Pages 17 - 32*)

Report of the Chief Executive

7 **Financial Year 2020/21: Q2 Budget Monitoring** (*Pages 33 - 84*)

Report of the Chief Executive

8 **Medium Term Financial Strategy 2021/22: Budget Assumptions** (*Pages 85 - 94*)

Report of the Chief Executive

9 **Housing Revenue Account Business Plan and Revised Capital Programme** (*Pages 95 - 104*)

Report of the Chief Executive

10 **The Maltings and Central Car Park, Salisbury: Regeneration Update and River Park Scheme** *(Pages 105 - 116)*

🔑 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 13 OCTOBER 2020 AT ONLINE MEETING.

Present:

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

Also Present:

Cllr Jose Green, Cllr Phil Alford, Cllr Ben Anderson, Cllr Chuck Berry, Cllr Richard Britton, Cllr Andrew Bryant, Cllr Allison Bucknell, Cllr Clare Cape, Cllr Trevor Carbin, Cllr Christine Crisp, Cllr Brian Dalton, Cllr Jane Davies, Cllr Peter Evans, Cllr Sue Evans, Cllr Peter Fuller, Cllr Richard Gamble, Cllr Bob Jones MBE, Cllr David Halik, Cllr Russell Hawker, Cllr Alan Hill, Cllr Sven Hocking, Cllr Ruth Hopkinson, Cllr Atiquel Hoque, Cllr Chris Hurst, Cllr Peter Hutton, Cllr Tony Jackson, Cllr Carole King, Cllr Gordon King, Cllr Jerry Kunkler, Cllr Ashley O'Neill, Cllr Paul Oatway QPM, Cllr Steve Oldrieve, Cllr Stewart Palmen, Cllr Horace Prickett, Cllr Fleur de Rhé-Philippe MBE, Cllr Tom Rounds, Cllr Jonathon Seed, Cllr James Sheppard, Cllr John Thomson, Cllr Ian Thorn, Cllr Jo Trigg, Cllr Philip Whalley, Cllr Suzanne Wickham, Cllr Christopher Williams, Cllr Graham Wright and Cllr Robert Yuill

109 **Apologies**

There were no apologies.

110 **Minutes of the previous meeting**

The minutes of the meeting held on 18 August 2020 were presented.

Resolved:

To approve as a correct record and sign the minutes of the meeting held on 8 September 2020.

111 **Declarations of Interest**

There were no declarations of interest.

112 **Leader's announcements**

There were no Leaders announcements.

113 **Public participation and Questions from Councillors**

The Chairman reported that a late statement of a general nature was received from Colin Gale which referred to responses to questions submitted for the Cabinet meeting on 14 July 2020 and their publication.

114 **COVID-19 Update**

Councillor Philip Whitehead, Leader of the Council and Cabinet member for Economic Development, MCI and Communications presented the report which provided an update on activities to mitigate the impact of the coronavirus in Wiltshire since the last update to Cabinet in September 2020.

Questions had been received from Chris Caswill in relation to the COVID-19 update.

Cllr Whitehead acknowledged that the questions had received written responses which had been published on the Council's website prior to the meeting. Chris Caswill then asked a supplementary question about deadlines being met in Care Homes in relation to the receipt of test results. Cllr Whitehead confirmed that a written response would be provided.

The Leader thanked the residents of Wiltshire for their adherence to the COVID-19 guidelines. Officers provided updates of their service areas, as detailed in the report, covering the following areas - Test and Trace, outbreak management, events, safe spaces, care homes, social care, education and the economy. It was noted that in the main, the majority of Wiltshire residents maintained social distancing, washed their hands on a regular basis and had a face covering. This had helped Wiltshire to remain at level 1 – medium with continued low transmission and transfer rates.

In response to questions from Cllr Ian Thorn, Leader of the Liberal Democrats about (i) extending the number of newspaper publications taking 'wraparound' adverts; (ii) the levels of support provided to unemployed residents especially young people; (iii) the expansion and upgrade of emergency departments and increases in the numbers of staff managing the facilities; (iv) the criteria for appointing the approved contractor to provide regional testing sites and mobile testing facilities; (v) the delivery of PPE and digital devices; Cllr Whitehead and Officers explained that (i) the Communications Recovery Group would be asked to consider extending 'wraparound' adverts to other publications; (ii) Measures to support employed people have been in place since March 2020; (iii) The CCG would be asked to comment on any increase in staffing levels at emergency departments; (iv) The contractor providing testing sites was chosen nationally and would have to meet strict criteria to provide the service; (v) Officers were thanked for their incredible work and also the Cabinet for their work supporting the activities undertaken.

Comments arising from the general discussion included:

- Deadlines for the implementation of the Test and Trace Support Payment of £500 had been met.

- The work of the COVID secure marshals to provide guidance and help, with the help of Government funding of £202,000.
- Expansion of a local test and trace system and high compliance of Wiltshire residents.

Resolved:

- i) Note the current impact of COVID-19 in Wiltshire and encourage all residents to download the NHS Test and Trace app on their phone.**
- ii) Note changes in national policy and the work underway within the four Recovery Coordinating Group themes and on Organisation Recovery.**
- iii) Endorse the proposed approach of the council towards events in the county to ensure protection of population health and reduce the risk of increasing viral transmission (paras 19-22).**

Reason for Decision

Wiltshire Council continues to work closely with partners to deliver in a rapidly changing environment.

While Wiltshire Council and Government have new powers to prohibit events if they present a risk to public health, it is necessary for event organisers to take responsibility. It is regrettable that the council is unable to support events at this time, but this recommendation has been made to protect the health of Wiltshire residents.

115 Financial Year 2020/2021 - Month 5 Budget Monitoring

Cllr Pauline Church, Cabinet member Finance, Procurement and Commercial Investment presented the report (i) advising the Cabinet of the Budget Monitoring position 2020/21 Month 5 (31 August 2020) for revenue; and (ii) providing an update on the financial impact on the Council of responding to COVID-19 pandemic and details on Government support.

Questions were received from Ian James about the Council's finances.

Cllr Whitehead acknowledged that the questions had received written responses which had been published on the Council's website prior to the meeting. There were no requests for supplementary questions.

Cllr Church reported that the Month 5 budget monitoring forecasts are based on information as at 31 August 2020. Due to the current COVID-19 situation, a degree of uncertainty remained around some of the forecasts, however the report transparently estimated the most realistic overall financial position, and confirmed the position that has been previously reported to Cabinet that the Council is facing significant financial pressure.

The Cabinet noted that after receiving £29m of emergency funding this financial year from Government, the month 5 position still forecast an overspend of £25.644m which is an improvement of £1.362m on the Quarter 1 forecast overspend of £27.006m. With an estimate of further anticipated funding from Government to offset income losses as well as the spreading of collection fund losses over three years the forecast for this financial year is reduced to a £4.569m overspend as at period 5.

Cllr Wayman thanked all officers for their hard work during these testing times and expressed a concern about the effect on the collection fund and impact on Town and Parish Councils once the furlough scheme had ended.

In response to questions from Cllr Ian Thorn, Leader of the Liberal Democrats about (i) Interpretation differences between the Government and the Council for grant claims to compensate for Council losses; (ii) Impact of COVID-19 on Planning income; and (iii) the spread of collection fund losses over 3 years and the impact on the Council; Cllr Church and Officers explained that (i) officers have great experience of how to interpret government guidance and make accurate assumptions and estimates accordingly; (ii) Planning applications had reduced during the early stages of the pandemic, with a knock on effect on income, however, applications were now increasing; and (iii) The Council were working on base budget assumption in advance of the Comprehensive Spending Review which was expected in December 2020, and receipt of operation guidance about the three year deferral of collection fund losses.

Comments arising from the general discussion included:

- The dissemination of information to Town and Parish about the impact of COVID-19 on funding streams.
- Funding arrangements for hospital discharges and the impact on Council finances.
- The level of lobbying government about the increasing deficit of the Dedicated Schools Grant and how the deficit could be addressed.

Resolved:

To note:

- i) the Section 151 officer's summary of the impact of COVID-19 on the Council's 2020/21 budget;**
- ii) the current revenue budget is forecast to overspend by £4.569m by the end of the financial year and forecast level of General Fund reserve;**
- iii) the current savings delivery performance for the year;**

Reason for Decision:

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

To inform Cabinet on the forecast impact upon the financial position of the Council due to COVID-19 and of the Councils overall position on the 2020/21 revenue as at Month 5 (31 August 2020), including delivery of approved savings and highlighting any budget changes.

116 **A350 Melksham Bypass**

Cllr Bridget Wayman, Cabinet member Highways, Transport and Waste presented the report seeking approval to undertake public consultation on the options for the A350 Melksham Bypass Scheme, and to carry out the options appraisal to inform the adoption of a preferred option for the scheme.

Questions were received from Anne Henshaw, Diana Evans, Janet Giles, and Janey Wilks about the A350 Melksham Bypass. Further questions were received from Andrew Nicolson and Patrick Kinnersly and statements from Richard Kendall and Bill Jarvis after the deadline for the receipt of questions and statements.

Cllr Whitehead acknowledged that the questions had received written responses which had been published on the Council's website prior to the meeting. There were no requests for supplementary questions.

Cllr Wayman highlighted the importance of the A350 to the local economy and the road being one of the busiest major roads in Wiltshire. She reported that funding has been received from the Department of Transport (DfT) to develop a Large Local Major improvement scheme for the A350 at Melksham and for the preparation of an Outline Business Case. It was noted that a range of options had been developed and that the options would be the subject of public consultation to gauge opinion on the preferred option and enable the Outline Business Case to be developed for the DfT.

Cllr Whitehead indicated that, similar to Melksham, the DfT would be funding future schemes along routes running from the south coast to the M4, this would incorporate proposals for Westbury.

In response to questions from Cllr Ian Thorn, Leader of the Liberal Democrats about (i) the critical need for public consultation and information about environmental impacts; (ii) the emerging carbon impacts of the scheme; and (iii) The inclusion of climate emergency in references to the Council's business plan; Cllr Wayman explained that (i) public consultation and information about environmental impacts would be an integral part of the scheme process; (ii) improvements to traffic flows would result in lower emissions, along with the move to lower emission vehicles and continued rise in the use of electric vehicles; and (iii) References to climate emergency would be included in this section of future reports.

Comments arising from the general discussion included:

- The consultation is welcomed and the opportunity for local residents' views to be taken into account is of high importance, alongside all comments received;
- Air pollution issues would be taken into account as part of the scheme;
- Previous works to the A350 between Semington and Melksham roundabouts had been prepared with future dualling of the road included;
- The importance of Area Board involvement;
- Reporting of the schemes progress to the public;
- The impact of the clean air zone in Bath on surrounding roads through west Wiltshire.

Resolved:

- i) To undertake public consultation on the options for the A350 Melksham Bypass scheme, which would take the form of a predominantly on-line consultation.**
- ii) To obtain the views of the Town and Parish Councils, Area Board and other organisations in order to inform the future development of the scheme.**
- iii) Report the outcome of the consultation and the options appraisal to a future Cabinet meeting in order to consider the adoption of a Preferred Option for the scheme, the submission of an Outline Business Case to the Department of Transport, and the submission of a planning application for the scheme.**

Reason for Decision:

The A350 Melksham Bypass is a Large Local Major scheme which has been awarded development funding by the DfT to take it to OBC stage. It will be a major improvement to the important A350 route which provides vital transport links between the M4 and the towns of western Wiltshire.

As part of the development of the scheme various options have been identified and, in order to inform assessment of these options, it is proposed to undertake consultations with the public, town and parish councils, the Area Board and other organisations.

In order to progress the development of the proposals it will be necessary to adopt a preferred option, prepare an Outline Business Case to submit to the DfT, and prepare a planning application for the scheme.

117 Consultation on scope of Gypsies and Travellers Development Plan Document

Cllr Toby Sturgis, Cabinet Member for Spatial Planning, Development Management and Property presented the report seeking approval for the first stage of consultation on the Gypsies and Travellers Development Plan

Document and provision to be made for the funding of emergency stopping place sites.

Cllr Sturgis explained that the Plan would address the accommodation needs of Wiltshire's travelling communities and update Core Policy 47 'Meeting the needs of Gypsies and Travellers' of the Wiltshire Core Strategy. In line with legislation, the first formal stage in preparing the Plan is to consult on its scope with the local community and other stakeholders. The report detailed the proposed content for the initial consultation on the Plan and the arrangements for consultation.

Cllr Bob Jones, Vice-Chairman of the Environment Select Committee reported that he and the Chair of the Environment Select Committee had viewed the Plan, were happy with progress and supportive of the proposals.

Cllr Sturgis in response to a question about travelling showpeople confirmed that their accommodation needs would be addressed through the plan and formed part of the consultation documents.

Resolved:

- i) Note the content and findings of the Gypsies and Travellers Accommodation Assessment;**
- ii) Approves Appendix 1 for the purposes of consultation on the scope and content of the Gypsies and Travellers Plan subject to amendment at (iii);**
- iii) Authorises the Director for Economic Development and Planning in consultation with the Cabinet Member for Spatial Planning, Development Management and Investment to: make any necessary changes to the consultation documents in the interest of clarity and accuracy before they are finalised for publication; and make arrangements for and undertake statutory consultation;**
- iv) Approves a capital budget of £1.3 million from the 'Other Capital Schemes to be approved' budget to fund the delivery of three Emergency Stopping Place sites; and**
- v) Note that the Emergency Stopping Places will have revenue implications of circa £0.030 million per year, which will need to be addressed in future Revenue budget setting.**

Reason for Decision:

To ensure progress continues to be made in updating the Local Plan for Wiltshire in line with the Local Development Scheme and statutory requirements; and the housing needs of Wiltshire's travelling communities can be met.

118 **Chippenham Housing Infrastructure Fund (HIF)**

Cllr Philip Whitehead, Leader of the Council and Cabinet member for Economic Development, MCI and Communications presented the report seeking approval to enter into a Grant Determination Agreement (GDA) with Homes England for

the acceptance of a £75m grant contribution towards the cost of delivering the strategic infrastructure in and around Chippenham.

Questions were received from Anne Henshaw, Austen Espeut, Chris Caswill, Cllr Nick Murry, Helen Stuckey, Isabel McCord, Kim Stuckey and Myla Watts about the Chippenham Housing Infrastructure Fund. A further question was received from Andrew Nicolson and a statement from Adrian Temple-Brown after the deadline for the receipt of questions and statements.

Cllr Whitehead acknowledged that the questions had received written responses which had been published on the Council's website prior to the meeting. Supplementary questions were asked by Helen Stuckey and Kim Stuckey about the HIF bid criteria and HIF bid process. Verbal responses to the supplementary questions were provided at the meeting.

Cllr Whitehead reminded the Cabinet that the Council had successfully bid for funding from the Ministry of Housing, Communities and Local Government for a £75m Housing Infrastructure Fund grant as a contribution towards funding strategic road infrastructure, which would enable the delivery of housing in Chippenham, subject to the statutory planning process. He commented generally on the main elements of the GDA that had been negotiated with Homes England to secure the £75m of HIF grant funding and sought approval to enter into the GDA with Homes England.

Cllr Clewer reiterated that there was no question of predetermination in relation to any planning issues as the planning process would be followed in due course. Cllr Clewer also indicated that the current COVID-19 situation may impact the timescales for consultation.

The Cabinet noted that the Chair and Vice-Chair of the Environment Select Committee and Overview and Scrutiny Management Committee had received a briefing on the proposals on 6 October 2020 and members were supportive of the proposals.

In response to questions from Cllr Ian Thorn, Leader of the Liberal Democrats about (i) the condition to spend the £75m by the end of March 2024; (ii) recovery of costs; (iii) Sale of land receipts; (iv) engagement strategy; and (v) master plan and master planning with other interested parties; Cllr Whitehead and officers explained that (i) funding is available until March 2024 and is to be used for infrastructure expenditure only; (ii) the recovery of costs would be through planning conditions placed on future development sites; (iii) Receipts for the sale of Council land would be placed in the general fund subject to requirements from Homes England via the GDA, however other options would be available for the use of income; (iv) there would be a combination of consultation and engagement throughout the process; and (v) Master Planning would aim to equalise costs of the infrastructure between the parties involved.

Comments arising from the general discussion included:

- The inclusion and consideration of environmental and climate change legislation and requirements would be part of future reports and tied to future planning permissions, the subject at hand was securing HIF funding for infrastructure if development came forward.
- Local Area Board meetings would be a key point of contact for consultation and engagement with local communities.
- The regular release of information about the scheme was key to keep communities informed of progress.

The Chairman explained that the appendix to the report, attached to the agenda in Part II, contained financial and legal implications of the Grant Determination Agreement and the proposals would be considered and decision made later in the meeting, once all available information had been taken into account.

119 **Urgent Items**

There were no urgent items.

120 **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 13 and 14 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraphs 3 and 4 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.

121 **Chippenham Housing Infrastructure Fund (HIF)**

Cllr Philip Whitehead, Leader of the Council and Cabinet member for Economic Development, MCI and Communications presented the appendix to the report at minute number 118 to enter into a Grant Determination Agreement (GDA) with Homes England for the acceptance of a £75m grant contribution towards the cost of delivering the strategic infrastructure in and around Chippenham.

The appendix detailed the financial and legal implications of the Grant Determination Agreement.

Resolved:

To agree that the Council enters into the Grant Determination Agreement, subject to Homes England confirming that the Wiltshire HIF recovery strategy is approved and subject to the terms of the GDA being finalised by the Chief Executive in consultation with the Leader of the Council, Interim Corporate Director of Resources (S.151 Officer) and Director of Legal and Governance.

Reason for Decision:

The proposals seek consideration of the Grant Determination Agreement negotiated with Homes England to secure housing infrastructure funding so as to ensure funding is available to support infrastructure led development coming forward at Chippenham, which is subject to determination by the Local Planning Authority.

Development has already started through the planning permission granted at Rawlings Green site and the Council, through this funding, will be in a position to secure infrastructure led development is achieved rather than being market led. These proposals will ensure that the Council can access Government funding to support delivery of strategic infrastructure should development come forward around Chippenham over the next Local Plan period and beyond.

122 **City Hall Salisbury**

Cllr Richard Clewer, Deputy Leader and Cabinet Member for Corporate Services, Heritage, Arts & Tourism, Housing and Communities presented the report which sought a decision about the future of City Hall, Salisbury during the COVID 19 pandemic.

Cllr Clewer highlighted 3 options for Cabinet to consider, as detailed below and proposed that option 2 be supported:

- Option 1: Maintain current staffing and mobilise when the government allows performance events to take place again.
- Option 2: Temporarily close the venue and reopen once the government deems it safe to operate such a venue again and it is financially viable to do so.
- Option 3: Close the City Hall and potentially dispose of the asset.

Resolved:

To approve Option 2 - Temporarily close the venue and reopen once the government deems it safe to operate such a venue again and it is financially viable to do so.

Reason for Decision: To establish a way forward for City Hall in Salisbury during the COVID19 pandemic.

City Hall in Salisbury was closed in March 2020 following government guidance due to the spread of COVID19. Government announcements, following a national rise in COVID19 in September 2020, have paused plans to move to partial reopening with social distancing for events venues from November. With increasing cases of COVID19 nationally it is now unlikely that City Hall will be able to reopen as an indoor events venue until Spring / Summer 2021 at the earliest.

(Duration of meeting: 10.00 am - 1.50 pm)

The Officer who has produced these minutes is Stuart Figini of Democratic Services,
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Wiltshire Council

Cabinet

3 November 2020

Subject: COVID-19 Update

Cabinet Member: Cllr Philip Whitehead, Leader of the Council and Cabinet Member for Economic Development, Military Civilian Integration and Communications

Key Decision: Non-Key

Executive Summary

This report provides a summary of activity to mitigate the impact of the coronavirus in Wiltshire since the last detailed update to Cabinet in October. There is work underway on preparing a local model for enhanced contact tracing to improve compliance locally and to identify other local testing sites, support for businesses, work to secure investment as part of the public sector green energy scheme, preparations to deliver the Adult Social Care Winter Plan, support for vulnerable groups and care homes and close working with schools and transport providers continues.

Proposals

Cabinet are asked to:

- Continue to encourage all residents to download the NHS Test and Trace app on their phone.
- Note changes in national policy and the work underway within the four Recovery Coordinating Group themes and on Organisation Recovery.

Reason for Proposal(s)

Wiltshire Council continues to work closely with partners to deliver in a rapidly changing environment.

**Terence Herbert
Chief Executive**

Wiltshire Council

Cabinet

3 November 2020

Subject: COVID-19 Update

Cabinet Member: Cllr Philip Whitehead, Leader of the Council and Cabinet Member for Economic Development, Military Civilian Integration and Communications

Key Decision: Non-Key

Purpose of Report

1. A brief summary of the key activity to mitigate the impact of the coronavirus in Wiltshire since the last detailed update to Cabinet in October.

Background

2. As of Sunday 25 October 2020, 873,800 people in the England had tested positive for COVID-19. Further information is available [online](#). The [ONS](#) suggest that as of 9 October there were 53,030 registered COVID-19 deaths across England and Wales. In Wiltshire, there have now been 2,729 people who have tested positive for COVID-19. The rate of cases per 100,000 in Wiltshire in the last 7 days is 71.2. Up to the 9 October, 368 registered deaths involving COVID-19 in all settings in Wiltshire had occurred (208 in care homes, 135 in hospital, 22 at home and 3 in hospices). Further information on weekly mortality is available from [ONS](#).

Main Considerations for the Council

3. Since the last update to Cabinet the Prime Minister announced on 12 October a [three tier level alert system](#). Wiltshire is in Tier 1.
4. Funding has been allocated to Wiltshire Council for COVID-19 compliance activity. The funding will be used to aid public and business awareness and understanding of regulations and guidance. Government have confirmed £201,770 funding to Wiltshire local authority under the Local Authority Compliance and Enforcement Grant. The data for Wiltshire currently shows strong compliance from residents, communities and businesses once they understand what they are required to do; but we do have a significant level of queries coming into both our Public Health and Public Protection teams seeking guidance and support. Proposals are to adopt an engagement and education approach, with an additional focus on behaviour-change within groups where infection rates remain high.
5. Under the Contain Outbreak Management Fund Local Authorities will be eligible for a series of payments to support proactive containment and intervention

measures, ranging from £1 per head of population to £8 per head depending on which alert level a Local Authority is placed within.

6. An additional £1b has recently been announced to support Local Authorities over winter and we are awaiting details on the amount to be made available to Wiltshire along with requirements of its allocation.
7. The [Adult Social Care Winter Plan](#) has been published with the aim of curbing the spread of COVID-19 infections in care settings. It outlines the actions every local area (Local Authorities and NHS partners) and every care provider must take in order to manage the challenges the sector will face this winter.
8. The Recovery Coordinating Group continues to meet in Wiltshire, with work continuing under the four themes –Health and Wellbeing; Care, Safeguarding and Education; Community Resilience and Economy. Significant developments since the last report are summarised under the sub-headings below; with additional detail in **Appendix 1**.

Test and Trace

9. Concerns from local residents over booking tests local to them have decreased since September, with anecdotal evidence confirming national intelligence that pillar 2 community testing access is improving. The return of schools has proved challenging with additional demand placed on testing, however, the provision of 10 test kits per school (as a minimum and replaced every 21 days) has assisted with testing accessibility.
10. Work is ongoing to identify LTS (Local Testing Sites) across more specific local settings within communities that allow for walk-in testing and are housed inside, usually at community centres and local halls.
11. Following two successful pilots in the South West trialling locally enhanced contact tracing, Wiltshire is developing its local model for enhanced contact tracing to improve compliance locally, reduce viral transmission and support residents through a number of initiatives such as the wellbeing hub and the self-isolation payments, to self-isolate.
12. The local contact tracing team will receive training from the national team in the use of the online recording system, and will primarily follow up individuals by telephone, text and by door knocking, who the national call handlers have been unable to engage with.

Outbreak Management

13. We are continuing to exercise the Local Outbreak Management Plan, and have to date exercised with partners five scenarios, with the next taking place in November. Following the feedback and learning from these, the plan will be updated accordingly.
14. We have initiated a weekly tactical group to review our system response to rising case numbers, events and outbreaks which complements the fortnightly

COVID19 health protection board which sets the strategic direction for outbreak management.

Safe Spaces

15. We continue to work closely with our partners in town councils to evaluate the effectiveness of social distancing schemes that have been implemented and have a clear structure in place with weekly meetings overseeing all schemes for creating safe space for walking and cycling.

Community Spaces

16. From Tuesday 20 October 2020 all staffed libraries and mobiles will be open and operating a COVID safe model. All hybrid (Level 3) libraries will be open by mid-November and the (Level 2) volunteer run libraries (infection rates, volunteer availability and space permitting) will be open by the end of the year.

Care Homes

17. Ongoing support to care homes via a dedicated helpline and fortnightly webinars with providers is continuing to be provided as well as some additional thematic webinars, for example on infection control.
18. The Government has recently announced that PPE will be provided free to care providers via the national portal, although some supply chain issues have been recently reported.
19. Wiltshire has witnessed an increase in care homes reporting positive COVID-19 tests for staff and residents from mid-September 2020. In the week ending 9 October, 13 care homes reported positive COVID cases. The total was 24 cases, with half of those being staff members.
20. Multiple cases in a single setting continues to be a rare occurrence, showing how infection control measures supported by regular testing continue to be effective measures preventing widespread transmission in these settings. Stringent adherence to infection prevention and control guidance reinforced with testing for individuals on admission into care homes from hospital have meant there remains no association of this movement and risk of transmission of COVID-19.
21. The Council continues to work closely with Wiltshire Care Partnership, Public Health England, CQC and BSW CCG to ensure action is taken in a timely manner.

Social Care

22. We are continuing to see increasing demand in terms of discharges from acute and community hospitals. The majority of people leaving hospital are returning home which is a positive picture. We are working closely with our community health partners to maximise our community resource in order to support flow.
23. We are also moving towards a new Discharge to Assess model for people who need to receive support or rehabilitation in a care home bed after their stay in

hospital. We are working with care home providers to deliver a model of care based on rehabilitation and reablement that improves outcomes for individuals.

24. In terms of PPE, we will shortly begin to take delivery of PPE on behalf of DfE for education and childcare settings within our area. The education/childcare settings would only request PPE from us if their source were to fail/delay and the arrangements would be for them to collect from our supplies at Five Rivers as it is with the other sectors.

Education

25. Attendance continues to be monitored daily via the DfE register. To achieve full attendance the Education Welfare Service (EWS) and a 'team around the school' approach remains in place. The numbers of families opting to home-educate (elective home education EHE) has continued to increase across term 1 and is being monitored.

26. We continue to fully support education establishments in the event of a member of the school community being confirmed to have Covid-19.

27. On the 12 October 2020 the Government announced that the summer exams will take place and, in most cases, these will be held 3 weeks later to help address the disruption caused by the pandemic. Further detail will be published later in the autumn, to ensure students have confidence that they will be treated fairly in terms of assessment in 2021. Results days are Tuesday 24 August 2021 for A and AS levels and Friday 27 August for GCSEs so students can start the following academic year as normal. We anticipate further guidance to cover contingency plans for all possible scenarios.

28. All schools will be receiving £650 million of universal catch-up premium funding in addition to their usual pupil premium funding. In addition there is funding to be used for the most disadvantaged learners to receive 1:1 tuition through the national tutoring programme or national coaching programme. School catch up plans were focused on 3 tiers (1 for full return to school, tier 2 for where some pupils are taught via online learning due to self-isolation with other pupils in school and tier 3 for where all pupils are again learning at home) and are now required to plan for a fourth tier where bubbles may be on a 2 week rotation of in school and online learning. The organisation recovery programme continues to make progress and all activities are now defined within five workstreams

29. There is no requirement for social distancing on home to school transport as per government guidance, so we have introduced:

- Additional cleaning of vehicles with particular attention being paid to frequently touched areas such as door handles, bells pushes, arm rest etc
- Good ventilation should be maintained at all times
- Face coverings should be worn, where pupils can wear them (government guidance is only a recommendation to wear them)
- Worked with public health to determine a process should a school bubble be closed down

Organisation Recovery Programme

30. The organisation recovery programme continues to make progress and all activities are now defined within five workstreams:
- Workspaces & Workplaces
 - High Performing Culture
 - Agile Workforce
 - Wellbeing and Engagement
 - Commercial
31. One example of work that has is being progressed by the Agile Workforce workstream are new approaches to support the more flexible deployment of staff, which aligns with two of the agreed outcomes of the programme to deploy our staff and resources to meet business need and ensure the council is financially viable. These new approaches include:
- Flexible use of upskilling apprenticeships
 - Career step roles
 - Deployment talent pools
 - Generic business support roles
 - Extending internal opportunities to Wiltshire care leavers
32. A further example of work being progressed is the pilot of a desk booking app in Monkton Park as part of the work of the Workspaces and Workplaces workstream.
33. Further information about some of the work of the recovery programme is outlined in Appendix 1.

Safeguarding Implications

34. Adult and Children's social care continue to maintain all statutory requirements. The Council is continuing to see an increase in demand for both children's support and safeguarding services and we still expect this to accelerate through late October and to continue at least until the end of the financial year with a significant increase in the number of children who become subject to child protection plans or looked after. A significant increase in referrals is forecast through November and December 2020 into Adult social care. Planning is underway to ensure statutory social care demand can be met and demand modelling is continuing to draw data and intelligence from a wide range of providers and partner organisations to enable a system wide response.
35. The number of vulnerable pupils (those with social workers) is closely monitored, attendance averages around 90% for these groups, families of individual children who are not attending school receive support and supervision from social care.
36. Work is underway to understand the recent government announcements for MHCLG funding being made available (in-year) to support the local authority's response to domestic abuse and support to victims and their families and it's preparedness of the new Domestic Abuse Bill coming into effect in April 2021.

Economy

37. As of September 2020, Wiltshire has 12,605 individuals claiming unemployment benefits, of which 2660 are under the age of 24. This is slightly higher than the peak of the financial recession, where 2400 young people were unemployed in Wiltshire. A Task and Finish Group has been set up to oversee a coordinated, multi-agency approach to the Kickstart Programme. The Kickstart Fund is a £2bn programme offering 16-24 year olds 6 month work placements from November. Details of how Kickstart is helping our young people back into employment and training will continue to be provided in these regular updates
38. Ongoing support is being provided to Wiltshire's larger businesses through the Wiltshire 100 programme, especially on providing support for redundancy and training where there are redundancies being planned and announced. The Economy Theme is working with partners through the Education, Employment and Skills Advisory Group (EESAG) in developing and rolling out redundancy support mechanisms and an approach to using data to map job vacancies with the skill sets of those seeking re-employment
39. The Business Grants schemes awarded a total of £95m to 8000 Wiltshire businesses under the Small Business; Retail, Hospitality and Leisure; and Discretionary grant schemes. The Task and Finish Group that was set up to deliver this work has now been de-commissioned, with a small number of staff continuing to undertake the reconciliation process. Government guidance is expected on the reconciliation process and this will be completed by 30th October.
40. The guidance on the self-isolation payment scheme was launched recently and will enable £500 one-off payments from 28th September to January 2021 to support low income families with Covid-19 symptoms needing to self-isolate. A governance structure has been put in place to oversee this work and a team has now been mobilised to process these payments. An IT package has been procured at short notice to enable the necessary data to be handled, ensuring payments can now be processed.
41. The Local Restrictions Support Grant has been expanded to cover businesses that, as a result of restrictions set by government, are legally required to close their premises (due to either local or national restrictions). The scheme has increased payments, up to £3,000 per month, rather than up to £1,500 per three weeks, and they are eligible for payment sooner, after only two weeks of closure rather than three.
42. The scheme is subject to eligibility criteria. We are now awaiting the formal guidance on the LRSG to be updated, and we have asked colleagues at BEIS to provide further information on whether this grant will be available for Wiltshire businesses. A team has been set up in readiness to administer this grant if required due to any future local restrictions.
43. Following the announcement of a £1bn public sector green energy scheme the Recovery Coordinating Group is working on a multi-agency bid to secure

investment in Wiltshire, and is also encouraging Wiltshire businesses to register with 'Trustmark' to provide the Green Home Grants Scheme.

Overview and Scrutiny Engagement

44. This report will be considered by the Wiltshire Covid-19 Response Task Group on 28 October 2020, with members of the Executive and senior officers in attendance to answer members' questions. Updates on the Task Group's work are brought to Overview and Scrutiny Management Committee, which next meets on 18 November 2020.
45. The report will also be considered by the Children's, Environment and Health Select Committee in November, with each receiving further updates within their committee remits.

Procurement Implications

46. A sequential approach to supplier relief was agreed earlier on in the response phase of the pandemic, ensuring that suppliers were pointed to central Government support where possible first and work with us on an open book basis when necessary. The Council has established an internal Commercial Board to provide oversight and assurance on the end to end procurement process around future contract activity and management.

Equalities Impact of the Proposal

47. Work continues to understand the impact of the pandemic on those with protected characteristics. Equality implications are being considered in the Council's decision making and any changes to service provision. Recovery theme leads have embedded the use of a Health Equality Assessment Tool. The Community Resilience theme working with partners is leading on work to enable Wiltshire's communities to be cohesive places where difference is celebrated.

Environmental and Climate Change Considerations

48. A new Climate Strategy will be developed in the coming year to set out how the council is going to meet its challenging targets to become carbon neutral by 2030. As part of developing the strategy, each Recovery Theme will need to consider the environmental impact of its activities and identify opportunities to contribute to a green recovery. Given that green jobs are a key element of the recovery, the Economy theme group has been promoting the Green Homes Grant to residents and encouraging local businesses to register for the scheme.

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

49. A new partnership risk register is in place and owned by the RCG. This comprises risks identified by each of the themes and risks being managed in the workstreams. Recovery partnership risks are managed in themes on separate registers with an escalation procedure for significant risks to be reviewed by the RCG. Wiltshire Council specific risks around recovery are managed with in the Organisational Recovery programme on a separate register. That register will

feed into the Council's Strategic Risk Register. Wiltshire Council's Performance and Risk Management reporting will resume for quarter two 2020/21.

Financial Implications

50. An update on the financial implications for the council and latest outturn will be provided to cabinet in a separate report as part of the regular schedule of updates.

Legal Implications

51. The Council's legal team continues to provide advice on the application of new Covid-19 legislation and all aspects of recovery.

Workforce Implications

52. Government guidance about employment matters affected by the pandemic continues to be applied. The COVID-19 policy implemented in March 2020 sets out information for staff, including the application of policies and procedures to support response and during recovery, and will continue to be reviewed and updated following consultation with the trade unions.
53. The organisation recovery programme is taking steps to assess, evaluate and review the way in which the workforce operated during lockdown so that we can embed some of the positive changes and identify new opportunities to deliver services differently. The organisation recovery programme is taking steps to assess, evaluate and review the way in which the workforce operated during lockdown so that we can embed some of the positive changes and identify new opportunities to deliver services differently. Further details on the steps taken towards organisation recovery are provided in **Appendix 1**.

Conclusions

54. Wiltshire Council continues to play a critical role with its partners and the local community in responding to the impact of the coronavirus in the county.

Terence Herbert, Chief Executive

Report Author: Layla Bridger, Recovery Project Support Officer
22 October 2020.

Appendices: Appendix 1: Additional detail on work under themes and on Organisation Recovery

Appendix 1

Health and Wellbeing – additional information

Homelessness Form

- The forum will concentrate on delivering the action plan of the recently agreed Homeless strategy. The response to the pandemic has accelerated the action plan work.
- Due to Court closure homeless approaches have reduced over the last couple of months and those that have been made are in the main a consequence of relationship breakdown. However, prevention work and the demand for social housing has nearly doubled since July. This demand has been met from existing resources due to the re prioritisation of work, the introduction of direct lets during lockdown and agreement on areas of work that we have been able to stop. The area of homeless demand that has required particular focus is rough sleeping.
- Our response to 'getting all rough sleepers off the streets' during Covid was outstanding and with the support of the rough sleeper team and other partners we have managed to find long term accommodation for 71 rough sleepers and currently only have 2 rough sleepers left from the original cohort to find longer term accommodation for.
- The homeless strategy action plan set out developing an accommodation pathway for rough sleepers, with our intensive support accommodation followed by both a housing led and housing 1st model. This has been supported by Government in our recent bid to assist rough sleepers in getting the support they need at the time they need it by the allocations of £47,456.40. Although some of our rough sleepers have been provided with supported accommodation there is evidence that they are gravitating back to areas such as the Maltings car park which was raised at the last homeless forum. A co-ordinated approach to tackling anti-social behaviour in such areas has now been developed up as part of a task and finish group with multi agency support.
- Support for prison leavers was an area of concern during the height of the pandemic so two new posts were established who are dedicated to working specifically with offenders funded by the RSI year 3 funding, the CRC and OPCC. Both are based at Wiltshire Council, however one is a jointly funded with Swindon and focuses on prison release cases. In addition an offender navigator post is working with rough sleepers in Wiltshire with a history of offending or who are managed by MAPPA and in need of suitable accommodation
- As we approach winter we are working with partners to consider our response to (SWEP) severe weather emergency provision. Government guidelines has restricted the type of accommodation that can be offered so plans are currently being developed and we have recently been successful in obtaining £2,600 funding to assist with this.

Upcoming mental health work

- Partners from the VCSE, statutory and health organisation came together for the first reconvening of the THRIVE meetings on Monday 19th October to discuss MH service design. The intention will be to provide a comprehensive model of mental health support ranging from preventative models for low level mental health issues to supporting people with serious mental illness living in the community. The new model will also address mental health issues which have been exacerbated by Covid.

Anti-social behaviour

- The first task and finish group bringing together relevant partners and agencies to agree a shared approach to effectively and appropriately engage with communities and individuals around the issues of anti-social behaviour was held on the 22 September. The multi-agency group identified key issues and agreed a shared approach, to effectively and appropriately engage with communities and individuals, around the issues of anti-social behaviour, county wide. The task and finish group is now progressing the development of the outcomes, mapping and action plans.

Health Inequalities

- Data from the JSNA is being used to support a public health informed approach to addressing inequality across all themes of recovery, and within wider system partners key strategic policy setting. The Chair of the HWB recovery cell is responsible for ensuring that all elements of recovery have a good understanding of how inequality is impacting upon the Wiltshire population and what steps as a partnership we can all take to reduce this. This work will be informed and collated through the health and wellbeing recovery cell but will be delivered across the workstreams within all recovery theme areas as appropriate to the relevant service/partners.

Care, Safeguarding and Education Theme – additional information

Education

- The weekly attendance data survey of early years providers indicates that of the 94% of settings that respond 89% are open. There is sufficient childcare provision currently, some new providers have opened and some existing providers have extended their provision. The DfE have advised that settings should be funded '*broadly in line with 2019*' to maintain sufficiency. As some settings have more children this year whilst other have fewer, a funding solution has been developed with the Early Years Reference Group's agreement. This is to ensure that sufficiency is maintained and that all settings receive some funding

Safeguarding implications

- The Vulnerable People's Stakeholder Group (continues to meet fortnightly) for further discussion and to develop a system wide response. This includes the National Probation Service, Wiltshire Council and the Police and Crime Commissioner's office who are developing a greater understanding of how the backlog in the Courts and wider criminal justice system is impacting on the safeguarding of the most vulnerable across Wiltshire.

Families and Children Transformation Programme (FACT)

FACT

- The FACT Executive and Operational Boards continue to oversee the delivery of the revised programme structure focussing on the following 6 priority projects;
 - Early Support Assessment - implementation plan
 - Inclusive approaches - alternative education provision
 - Young People's Service - multi agency staffing
 - School Readiness - speech, language and communication in the early years
 - Integrated Working - MH/LD/ASD
 - Transitional Safeguarding - older adolescents and young adults

The projects are at varied stages of development and operating to different timescales in terms of their predicted end dates. The current focus is on ensuring each project has an effective multi-agency project board driving its progress and a clear set of objectives and milestones. Refined versions of the project plans will be considered by the FACT Executive Board in November.

Community Resilience Theme

Wiltshire Wellbeing Hub

- While calls into the Wellbeing hub have continued to remain low during September and early October plans are underway to prepare for a second wave of COVID cases. We are working to ensure support is available to the increasing numbers of people having to self-isolate with a focus on those without existing support networks.

Community Engagement

- Wiltshire Together community digital platform set-up by Wessex Community Action enables communities to post their activities and share information on volunteering. COVID19 community support groups are now using this platform.
- Virtual partner engagement events are being hosted by each Area Board focusing on the local impact of COVID19.
- Local Recovery Plans will be developed and delivered in partnership with local communities, using data from various sources, including partners, to

understand emerging trends and gaps, which will inform priorities moving forward.

Community Spaces

- Working with Community First and our strategic arts partners we are pulling together support to community groups and village halls struggling to open in a COVID19 safe way. Guidance and advice will be provided to seek to ensure our communities are able to engage in COVID19 safe activity through the winter months.

Inequalities workstream

- COVID19 has impacted the arts and cultural sector significantly, with some large venues still unable to open and those that are having to operate in completely different resource intensive ways. It is therefore very good news that the Culture Recovery Fund investment administered by Arts Council England has confirmed over £1.2 million funding to Wiltshire organisations, including Chalke Valley History Festivals, Pound Arts, Wiltshire Music Centre and Wiltshire Creative.
- The BAME inequality project has so far focused on language and culture as barriers to engagement and understanding key public health messages. Communications materials have been produced in a range of languages and community and religious leaders have been identified to act as a trusted source of information to disseminate messages into communities.
- Potential impacts on LGBTQ people were identified early in the pandemic. An impact survey carried out in April 2020 by the Intercom Trust has identified: being restricted to homes where other family members are not accepting of their sexuality/gender identity (in some cases leading to domestic violence), harassment from neighbours, difficulty accessing medication (especially for trans*), gender reassignment being put on hold, being statistically more likely to be estranged from family and friends or having a less traditional “chosen family” who they may not live with, leading to loneliness during lockdown as some of the impacts
- An LGBTQ project is gathering further data on this specific to Wiltshire, with a defined purpose of: strengthen opportunities for LGBT+ residents of Wiltshire to lead safe, active and healthy lives, and to be part of a strong, vibrant and engaged community.

Organisation Recovery

Below are some examples of the work being progressed by two of the organisation recovery programme workstreams: Agile Workforce and Workspaces & Workplaces.

- The experience of the councils response the pandemic which demonstrated that there is strength in having confident, skilled people who are willing to work in an agile and flexible way, and enabled us to deploy staff from across the organisation into critical service areas with a specific business need and support our most vulnerable residents.
- Whilst the existing HR policies supported this response the current freeze on external recruitment as part of the spending control measures in place has meant that wherever possible vacancies are being filled through the identification of resource from within our existing workforce. This, together with the outcomes of the recovery programme have resulted in the Agile Workforce workstream developing new approaches to further support a more agile workforce. These new approaches include:
 - Flexible use of upskilling apprenticeships, to support staff to complete a qualification in a new service area/profession as part of a secondment, utilising the apprenticeship levy an enabling these staff to progress along an otherwise unavailable career path. In these scenarios staff can complete an apprenticeship in a lower graded role, with their pay protected for the duration of the apprenticeship and with the aim of moving into a role permanently on completion of the qualification.
 - Career step roles, to support staff to develop into a role where they do not currently meet the essential criteria and would otherwise not be considered as suitable. In this scenario the employee would be developed to meet the essential criteria in a lower graded career step role with a portfolio of knowledge, skills and experience that would need to be gained before progressing.
 - Deployment talent pools, this builds on the positive feedback from staff who were deployed during the Covid response to undertake new roles in different services, which provided opportunities to develop skills, increase resilience and confidence and opened potential careers paths that they may not have previously considered. To maintain this as part of the agile workforce aims talent pools are being developed that will enable staff to be quickly identified when there is a need to deploy suitable skilled and experienced staff quickly in response to business priorities.
 - Generic business support roles, there are current 149 individual role description for business administration roles in the business support job family and this means staff in these roles are working in line with the specific tasks and duties described in their role description. To support for efficient deployment and the development of multi skilled staff in these roles we are taking steps to introduce a single role description for each of the business administration grades that will apply to all new recruits in these posts, and will be introduced for all roles as part of service redesign. A model template to advertise these roles will also be used so that staff recruited understand that there is a requirement for flexibility and that they could be moved between directorates, both to support service delivery and for their own development. This will support more efficient deployment of staff in these roles.

- Extending internal opportunities to Wiltshire care leavers, due to the limited number of roles which are being made available for external recruitment, and in line with our Corporate Parenting responsibility, we have extended the criteria of who can apply for roles advertised as “internal only” to enable applications from Wiltshire Care Leavers to be considered.
- As part of planning for a return to the workplaces the Workspaces & Workplaces workstream are progressing a pilot of a desk booking App that will support efficient and effective use of our workspaces in the future. The App will enable desk spaces to be set up and show as ‘available/occupied’. The desk will be in an area of desks, rather than a specific desk (such as when booking a train seat). Staff will be able to load the App onto their phone or laptop and book a desk for a day, up to 5 days at a time. There will also be an option for a manager to approve if necessary and staff will be able ‘check in’ by telling the App they have arrived at the office. If they do not, then the booking would be cancelled.
- The App has been developed using PowerApps, a free tool. It is likely that the development can also be used for other purposes as we consider more Apps in the future. We will also be able to extract management information about booking and attendance to produce reports.
- The pilot will take place in Monkton Park, and will commence in mid-November.
- A series of manager workshops has taken place, and this has focused on understanding on the impact of the way in which service have been delivered and the way in which staff have worked since March. The feedback from these workshops will inform the work of the recovery programme but some key themes from these workshops were:
 - Employee wellbeing and engagement
 - Acceptance that increased working from home will be part of future ways of working
 - Partnership working and opportunity to share resources and space
 - The leveraging of technology to improve efficiency and support new ways of working, and better suite of tools/devices to support this
 - Need for simple, intuitive processes that trust and empower
- An employee wellbeing & engagement survey has been carried out following the same survey in May that saw an engagement score of 88 but also highlighted some issues about home working. Action’s to ensure staff have access to support for home working have been taken since then, including additional wellbeing support via the Flourish (employee wellbeing website), a series of webinars and a process to support ad hoc return to the workplace. The recent survey included some additional questions about the impact of working at home on employee well being and on the future ways of working so that we can understand the impact of being able to sustain working at home and to the extent this will be possible without impacting on engagement

and wellbeing. The results of this survey will also inform the work of the recovery programme and the results will be available later in November.

Wiltshire Council

Cabinet

3 November 2020

Subject: Financial Year 2020/21 – Quarter 2 Budget Monitoring

Cabinet Member: Cllr Pauline Church – Cabinet Member for Finance and Procurement, and Commercial Investment

Key Decision: Non Key

Executive Summary

This report informs members of the second quarterly budget monitoring forecast position (as at 30 September 2020) for the financial year 2020/21 for revenue and capital as well as an update on the forecast financial impact of COVID-19 and update on the Treasury Management performance for the first half of the year.

COVID-19 Financial Impact

The report continues to provide details on the estimated financial impact to the Council of responding to the COVID-19 pandemic and the anticipated impact for the remainder of the 2020/21 financial year. It gives detail on the Councils latest submission to the Government that sets out the forecast impact on the Councils finances.

Quarter 2 Revenue Budget Monitoring

Quarter 2 budget monitoring forecasts are based on information as at 30 September 2020. Given the current circumstances and the impact of COVID-19 and the steady rise in confirmed positive COVID-19 tests a degree of uncertainty still remains around some of the forecasts, however this report transparently estimates the most realistic overall financial position, given what is currently known, for the Council at this time, and confirms the position that has been previously reported to Cabinet that the Council is facing significant financial pressure.

After receiving £29m of emergency funding already this financial year the Government recently announced a further £3m taking the total emergency funding support up to £32m. The quarter 2 position is forecasting an overspend of £20.467m which is an improvement of £5.177m on the period 5 forecast overspend of £25.644m.

Crucially, with the estimate of anticipated funding from Government to offset income losses as well as the confirmation of additional section 31 grants to cover the mandatory Business Rates reliefs applied during this financial year the forecast is reduced to a £0.467m overspend as at quarter 2, a reduction of £4.102m from £4.569m in quarter 1.

This improved position also means that rather than defer the collection fund deficit over three years that sufficient provision is put into this financial year to deal with any losses now rather burden future financial years.

Lastly, the underspends arising from the unallocated pay award budget and the tranche 4 emergency funding received from Government is prudently transferred to a new earmarked reserve with the purpose of utilising the funds to equalise the budget in 2021/22.

Quarter 2 Capital Budget Monitoring

Quarter 2 budget monitoring forecasts are based on information as at 30 September 2020. The report confirms the current forecast movement of approvals between years as schemes have been assessed and the spend profile recast.

Update Report on Treasury Management

Lastly the report provides an interim Treasury Management update, setting out the activity and performance for the year to date based on information as at 30 September 2020.

Proposal

Cabinet is asked to note:

- a) the Section 151 officer's summary of the impact of COVID-19 on the Council's 2020/21 budget;
- b) the current revenue budget is forecast to overspend by £0.467m by the end of the financial year and forecast level of General Fund reserve;
- c) the current savings delivery performance for the year;
- d) the forecast level of reserves;
- e) the current capital budget movements and spend as at 30 September 2020
- f) the update report on Treasury Management Strategy 2020/21

Cabinet are asked to approve:

- g) the transfer to a new Budget Equalisation Reserve of the balance on the 2020-21 pay award budget and the tranche 4 emergency funding received from Government.
- h) the budget virements in the capital programme, as per Appendix B.
- i) a recommendation on to Full Council to approve the revised lending criteria, in that the Council uses the counterparty list provided by Link Asset Services, without any adjustment (Appendix D, paragraph 32 – 35).

Reason for Proposal

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

To inform Cabinet on the forecast impact upon the financial position of the Council due to COVID-19 and of the Councils overall position on the 2020/21 revenue as at Quarter 2 (30 September 2020), including delivery of approved savings and highlighting any budget changes.

Terence Herbert – Chief Executive

Andy Brown – Interim Corporate Director Resources (S.151 Officer)

Wiltshire Council

Cabinet

3 November 2020

Subject: Financial Year 2020/21 – Quarter 2 Budget Monitoring

Cabinet Member: Cllr Pauline Church – Cabinet Member for Finance and Procurement, and Commercial Investment

Key Decision: Non Key

Purpose of Report

1. To advise Members of the Budget Monitoring position 2020/21 Quarter 2 (30 September 2020) for revenue and capital for the financial year 2020/21 with suggested actions as appropriate.
2. To provide an update on the financial impact on the Council of responding to the COVID-19 pandemic and details on Government support.
3. To provide an update on the Treasury Management performance for the year to date (30 September 2020).

FINANCIAL IMPACT OF THE COVID-19 EMERGENCY

Government Funding for the COVID-19 Emergency

4. The total level of emergency funding received by Wiltshire from government to support the council in the financial impact of the emergency response to COVID-19 is £29.009m. This includes the amount announced and paid in the previous financial year as well as the announcement made by the Secretary of State on 2 July 2020.
5. On 22 October 2020 the Secretary of State confirmed allocations from a further £1bn additional emergency funding for councils, split between £900m of general emergency funding and £100m for a new fund to support leisure centres most in need. Wiltshire has been allocated £2.933m from the general emergency funding, which has been included in the figures within this report. Further details on the new fund for leisure centres will be set out shortly and will be included in future reports when the financial impact for the council is understood.
6. Also announced on 2 July 2020 was a scheme to compensate Councils for an element of lost income from services such as Car Parking. The income loss scheme involves a 5% deductible rate, whereby Councils will pay the first 5% of all lost planned sales, fees and charges income, with the Government compensating at a rate of 75p in every pound of loss thereafter, following the netting off of any furlough grant and in-service savings such as savings arising from vacancies.

7. The first grant claim was submitted in September and will compensate the council for just over £3m of losses incurred in the first 4 months of this financial year. As lockdown measures have eased and elements of services re-mobilised the income losses are reducing, broadly in line with forecasts, and it is anticipated that the estimate included in the last financial report to Cabinet of £6m from this scheme remains an appropriate forecast. The second grant claim is expected towards the end of the calendar year.
8. Following on from the recent announcement of a grant for £0.450m to support additional home to school and college transport costs an additional amount of £0.220m has been awarded. This grant is to cover the additional costs for the Autumn term.
9. As part of the government response to the economic impact of COVID-19 and lockdown restrictions additional business rates mandatory reliefs were announced for some business sectors. These mandatory reliefs are usually fully funded by government by way of a section 31 grant and are then paid in the following year. At the beginning of year £67m new reliefs had been applied to Business Rates accounts, with confirmation that £53m of section 31 grant would be payable, resulting in a forecast pressure of £14m.
10. Owing to the emergency response and the speed in which the emergency reliefs were issued in April there was a level of uncertainty around whether Government would fully reimburse and if so the timing of the reimbursement. Government recognised the scale of additional reliefs that had been applied due to the change in their policy as a response to the emergency and as a result they have confirmed that section 31 grants will now be payable for these exceptional additional reliefs in this financial year. A data capture process was completed in early October and an estimated £14m of section 31 grants is now included within the forecast.
11. As previously reported further revenue funding has been received for hardship funding (£3.2m), rough sleepers (£0.015m), bus subsidy (£0.161m) and active travel (£1.135m), with the latter being a capital grant allocation. Allocations of the funding for the 'test and trace' service have now been confirmed, and for the Council the amount is £1.587m alongside the allocation for an Emergency Assistance grant with the specific allocation confirmed as £0.410m for the Council.
12. The Council has also submitted claims to HMRC against the furlough scheme and continue to estimate the full claims for the period March-October 2020 to be in the region of £1.5m excluding Wiltshire maintained schools. Claims against the scheme for Wiltshire maintained schools are estimated to be in region of £0.050m per month while schools were supporting Key Worker children. This funding has been passed directly to those schools. Final figures will be reported when the scheme closes at the end of October and will be included in a later report.
13. More recently a scheme to support people who will face financial hardship as a result of having to quarantine (either through a positive test or track and trace notification) has been announced. This scheme will be administered by the council. It is not clear on the cost of administering this scheme for the council and whether the full

cost pressure will be reimbursed through new burdens grant funding so therefore no additional costs have been included in the estimates at this stage.

14. Two additional grants have also been announced recently, £0.202m for Contain Outbreak Management, and an estimated £0.490m for Compliance and Enforcement (Covid Marshalls). These grants will be used to cover additional costs that are not currently included in the forecasts.
15. The Council has received funding from the Government for which it will act as the paymaster; passporting the funding through to those that it has been intended. The latest announcement (1 October) was confirmation of £546m nationally for tranche two of the Infection Control Fund, with £5.4m confirmed for Wiltshire Council to distribute. This is included in the figures below.
16. An analysis of the total funding for Wiltshire, broken down between that which the Council has utilised to fund specific service provision and the overall financial impact as well as that funding which has been passported on e.g. to businesses is detailed in table 1 below.

Table 1 – Funding Received from Government

Fund Description & National Funding	Wiltshire Allocation	Wiltshire Council	To be Passported
Business Grants (£12.3bn)	£108m	-	£108m
Business Rate Reliefs (£9.7bn)	£52m	-	£52m*
Emergency Funding (£4.7bn)	£32m	£32m	-
Infection Control Fund (tranche 1 & 2 - £1.1bn)	£11.7m	-	£11.7m*
Hardship Funding (£0.5bn)	£3.2m	-	£3.2m*
Test and Trace (£0.3bn)	£1.6m	£1.6m	-
Bus Subsidy (£0.2bn)	£0.2m	-	£0.2m*
Business Support New Burdens Grants	£0.2m	£0.2m	-
Emergency Assistance Grant (£63m)	£0.4m	£0.4m	-
Dedicated Home to School and College Transport Funding	£0.7m	-	£0.7m*
Contain Outbreak Management Fund	£0.2m		£0.2m*
Compliance & Enforcement Grant	£0.5m		£0.5m*
Total Revenue Funding	£210.7m	£34.2m	£176.5m

* the asterisk grant figures, together with the £34.2m funding for Wiltshire Council, and the £8.2m contribution from CCG provides the total £125m funding used to offset the financial impact reported to Government, as detailed in table 3 below.

Estimated Impact and Return to Government

17. To date five returns have been made to MHCLG and a sixth is due by 6 November. Government continue to develop the return requirements to support a more

consistent approach across all local authorities, however the basis of lockdown easing, assumptions on social distancing requirements remaining in some form and allowing Councils to judge and estimate impacts for the rest of the financial year remain.

18. The Council has continued to refine the modelling however the drivers of the financial pressures facing the Council continue to be additional spend, lost income e.g. car parking, council tax and changes to Council plans that can no longer be delivered e.g. saving plans.
19. A significant element of the financial pressure remains attributable to the losses forecast for Council Tax and Business Rates and more detail of those forecast losses are included in the overview section of the budget monitoring paragraphs.
20. It should be noted that estimates at this stage remain caveated, and whilst some are known and can be more confidently estimated e.g. lost income, others are assumptions and much depends on timescales as well as the uncertainty on the fullness and timing impact on the economy, for businesses and individuals. Additional uncertainty remains as the number of positive cases is increasing nationally and the impact of moving into the winter months on the virus spread and additional lockdown measures that may be required either nationally or locally is not known.
21. The underlying assumptions around income losses within the return have not changed significantly and the actual losses of income for September are in line with the estimates.
22. At this stage the estimated total gross financial impact of COVID-19 for the Council is £140m, which is a decrease of £2m on the estimate provided to Government in September.
23. Table 2 below provides a high-level summary of the fourth submission to Government.

Table 2 – October Submission to MHCLG on impact of COVID-19

	MHCLG SEPTEMBER 2020						MHCLG AUG 2020	
	2019/20 FY TOTAL	Qtr 1	Qtr 2	Qtr 3	Qtr 4	FY TOTAL	TOTAL IMPACT	TOTAL IMPACT
Additional Spend	£m	£m	£m	£m	£m	£m	£m	£m
Adult Social Care	0.000	4.117	3.397	3.210	3.210	13.933	13.933	14.588
Children's Social Care	0.000	0.060	0.076	0.401	0.816	1.354	1.354	1.779
Education / Home to School Transport	0.000	0.000	0.154	0.463	0.463	1.080	1.080	1.080
Housing/Cultural/Environmental	0.101	1.995	1.636	1.401	1.356	6.388	6.489	6.444
Other (e.g. contracted relief)	0.065	1.436	0.658	0.313	0.312	2.719	2.784	3.336
Saving Plans	0.000	1.985	1.975	1.938	1.940	7.837	7.837	8.835
Test & Trace/Infection Control	0.000	2.360	3.933	6.193	0.793	13.279	13.279	13.279
Estimated Spend	0.166	11.952	11.828	13.919	8.890	46.590	46.756	49.341
Income Lost								
Council Tax / Business Rates	0.000	27.330	16.223	17.058	17.475	78.086	78.086	78.086
Highways & Transport (inc car parking)	0.081	2.092	0.980	1.025	1.025	5.123	5.204	5.289
Cultural & Related (inc Lesiure)	0.095	1.383	1.529	1.212	1.216	5.341	5.436	5.438
Planning	0.000	0.297	-0.023	0.269	0.254	0.798	0.798	0.903
Other Sales, Fees and Charges	0.000	1.130	0.366	0.181	0.182	1.859	1.859	1.969
Commercial	0.000	0.110	0.071	0.050	0.048	0.279	0.279	0.284
Other (bad debt, returns)	0.000	0.075	0.075	0.174	1.176	1.500	1.500	1.150
Estimated Lost Income	0.176	32.418	19.222	19.969	21.377	92.986	93.163	93.119
Total Financial Impact	0.342	44.370	31.050	33.889	30.267	139.576	139.918	142.460

24. Additional further emergency funding has been announced as detailed in paragraph 5 above. An element of this announcement was a fund to support council leisure most in need and we await details of this fund and the process for submitting claims.
25. With £100m of grants from Government, an estimated £8.2m contribution from the CCG relating to hospital discharges Table 3 shows that the estimated shortfall in Council finances, related to COVID-19, is estimated be £15m.
26. However, this is before the £6m estimated receipt of funding expected through the income loss scheme. This will reduce the financial impact in this financial year further and is reported later in the report in terms of the Councils overall bottom line.

Table 3 – Net Financial Impact of COVID-19

NET FINANCIAL IMPACT	£m
Total Financial Impact	139.918
COVID Grants & income receiveable	
Passported	
Rough Sleepers	-0.015
Bus Subsidy	-0.161
Infection Control	-11.692
Hardship Grant	-3.222
Additional Dedicated Home to School and College Transport Funding	-0.670
Contain Outbreak Management Fund	-0.490
Compliance & Enforcement	-0.202
Business Rates S31 Grant	-66.251
Wiltshire Council	
Covid 19 Grant	-31.942
Test & Trace	-1.587
Business Grants Support Grant	-0.225
Emergency Food Grant	-0.410
CCG	-8.235
Grants & income	-125.101
NET FINANCIAL IMPACT	14.817

27. The return to Government continues to show the worst case scenario, and part of the budget monitoring exercise has reviewed some of the assumptions on cost forecasts and then the potential mitigations that could be applied. There is a level of risk around these areas of mitigations.

REVENUE BUDGET MONITORING 2020/21 – QUARTER 2

28. The Council approved a net budget for 2020/21 of £344.023m at its meeting on 25 February 2020. The following paragraphs focuses on forecast outturn variances against the approved budget based on information as at 30 September 2020. These variances are subject to a level of uncertainty as described in the returns on the estimated financial impact to Government.

29. The forecasts include the previously reported financial impact of COVID-19 as per the return to Government adjusted for any proposed mitigations, and then include other variances from within the Council to provide an overall position for the Council.

Revenue Budget

30. The following elements of this report reflect the management responsibility in line with the interim management hierarchy. The breakdown of the projected year end position is set out in table 4 below.

Table 4 – Quarter 2 2020/21 Summary Position

Summary Position	2020/21 Budget	Profiled Budget to date	Actual to date	Projected Position for Year (before mitigation)	Variance due to Covid-19	Variances Other	Overall Projected Variance
	£ m	£ m	£ m	£ m	£ m	£ m	£ m
Corporate Director - People	220.363	77.381	41.113	222.219	6.633	(4.777)	1.856
Corporate Director - Resources	34.632	23.561	21.984	35.493	1.816	(0.955)	0.861
Chief Executive Directorates	101.002	43.604	39.182	113.889	15.756	(2.870)	12.887
Corporate	(11.974)	(9.790)	(10.896)	0.044	12.225	(0.207)	12.018
General Fund Total	344.023	134.756	91.383	371.645	36.430	(8.809)	27.622
COVID-19 Emergency Grant Funding	0.000	0.000	(35.803)	(31.668)	(31.668)	0.000	(31.668)
General Fund Total	344.023	134.756	55.580	339.977	4.762	(8.809)	(4.046)
Collection Fund					22.613	1.900	24.513
Total General Fund inc. Collection Fund	344.023	134.756	55.580	339.977	27.375	(6.909)	20.467
Estimates on Government Funding / Schemes still to be confirmed							
s31 Grant funding for Business Rates reliefs					(14.000)	0.000	(14.000)
Income Losses Scheme					(6.000)	0.000	(6.000)
Total General Fund impact on 2020/21	344.023	134.756	55.580	339.977	7.375	(6.909)	0.467

Overview of Quarter 2 Monitoring

31. Overall the Quarter 2 report identifies a potential net year end forecast overspend of £20.467m. This includes the variance forecast on Council Tax and Business Rates (the Collection Fund), although this would normally arise as a deficit in the following financial year. It is of course prudent to provide for this overspend from resources within the current year if possible, allowing for recovery of the losses in any given year as soon as practicably possible.
32. When reflecting the section 31 grant to cover the additional Business Rates, plus the expected funding on the income loss scheme for which we have estimated a figure of £6m to be received, the overall financial forecast is reduced to £0.467m for the 2020/21 financial year.
33. At present the collection fund losses are not being proposed to be met or shared by Government, although this may change in the forthcoming comprehensive spending

review (CSR). The element of deficit that is attributable to Business Rates is forecast to be funded by additional section 31 grants. The remaining deficit is therefore wholly attributable to the forecast loss of Council Tax.

34. The Collection Fund losses are based on assumptions of losses to the Council Tax base, additional reliefs for both Council Tax and Business Rates and losses through non-payment and recoverability. Government is allowing councils to spread the Collection Fund deficits over three years, however due to the continuing improving financial forecasts in this financial year it is proposed to set monies aside this year to fund the deficit. The assumption included within this report is therefore to meet the in year pressure from within the current financial year and clear the deficit so that this pressure is not a burden in future financial years.
35. Collection rates for council tax continue to remain lower than originally expected, currently down by around 0.6% on those last year and 0.9% down on the expected collection rate, although a relatively small percentage, it equates to around £3m against the size of the total expected council tax income. The expectation is that losses will increase further during the year.
36. Following the deferral of 5,600 Council Tax instalment plans at the beginning of the financial year and with the re-start of active debt collection (some 13,000 reminders were sent) there has been an increase in requests to further make amendments to these plans to pay. This is alongside a significant increase in numbers of households that are now eligible for Council Tax Reduction, from an original estimate of 18,300 at this point of the year to actual numbers of 28,600.
37. These issues result in significantly less Council Tax income and will not only impact on the council's cashflow but will also reduce the base on which Council Tax is calculated for future years if these numbers stay higher than originally expected.
38. It remains unclear how these impacts will be included in the CSR and the overall impact in the final grant settlement figures we may see for 2021/22 and future years.
39. As part of other mitigations additional spending controls have been implemented. The largest financial impact currently included within the forecast is associated with the external recruitment freeze, details of which are provided in the individual service details.
40. Details of significant variances within service areas are included below. Directors and Heads of Service continue to identify compensating actions in order to offset the current forecast year end position.

CORPORATE DIRECTOR - PEOPLE

Table 5

Summary Position	2020/21 Budget	Profiled Budget to date	Actual to date	Projected Position for Year (before mitigation)	Variance due to Covid-19	Variances Other	Overall Projected Variance
	£ m	£ m	£ m	£ m	£ m	£ m	£ m
Family & Childrens	52.619	25.644	26.690	54.364	2.386	(0.641)	1.745
Education & Skills	17.351	(23.022)	(50.945)	18.094	0.294	0.449	0.743
Learning Disabilities & Mental Health	73.905	37.575	37.189	70.298	0.600	(4.207)	(3.607)
Access & Reablement	48.121	22.824	22.240	50.505	3.186	(0.802)	2.384
Commissioning - Adults	23.410	11.806	4.939	24.186	0.167	0.609	0.776
Commissioning - Childrens	4.957	2.554	1.000	4.772	0.000	(0.185)	(0.185)
General Fund Total	220.363	77.381	41.113	222.219	6.633	(4.777)	1.856

Children & Young People with Social Care Needs: Budget £52.619m – £1.745m overspend

41. This is a demand driven area. The Looked After Children (LAC) external placement budget is forecasting additional budget pressure due to several factors including increased reliance on external legal fees in care proceedings and numbers of children in our care and those with special educational needs and disability. A number of savings to fund schemes were delayed due to the response to COVID-19 taking priority, there are however mitigations in place to reduce these. We anticipate the number of new entrants into care increasing throughout the year as a consequence of the pandemic. Demand modelling undertaken jointly with Police and CCG shows a significant increase in safeguarding work as a result of latent and new demand following COVID-19 related pressure including extended periods of relative isolation for children and families throughout 'lockdown'. Forecasts suggest children in care numbers may exceed 500 by March 2021, this is an increase of approximately 10%. The forecast overspend includes the impact of the higher level of scenario costing - an assessment of latent demand on services and ongoing, full year impact of this will create pressure in future financial years. Wiltshire's increase is in line with the national increase in social care activity and expenditure.
42. Work is ongoing in an effort to reduce the overspend, good progress is now being made with the Fostering Excellence project which has continued throughout the COVID-19 period. We anticipate reaching the Fostering Excellence end of year target with net growth in excess of 20 foster carers.

Education & Skills (School Effectiveness, SEN & Inclusion): Budget £17.351m – £0.743m overspend

43. The impact of the pandemic on schools not functioning as they would normally do extends to the amount of service being purchased from the local authority. The current estimate of reduced income is £0.179m. This is mitigated by holding vacancies and delaying expenditure to offset costs.
44. A number of savings to find schemes were delayed due to the response to COVID-19 taking priority, there are however mitigations in place to reduce these.

45. All children with an education care and health plan (EHCP) are entitled to free school transport. The budget was increased significantly in 2020-21 to keep pace with demand, however the current forecast overspend is based around all children returning to school in September with the social distancing measures from the DfE in place. Additional costs attributed to COVID are estimated at £0.116m, this does not include cost pressures in schools.

Learning Disabilities and Mental Health: Budget £73.905m – (£3.607m) underspend

46. Overall Learning Disabilities and Mental Health budgets are projecting a variance of £3.607m underspend. Without COVID-19 pressures there would be an underspend of £4.207m.

47. The overspends (£0.600m) in the Learning Disabilities and Mental Health budgets are entirely due to the impact that COVID-19 has had on the ability of the service to deliver its savings for the year.

48. Collectively across adult social care, direct care budgets are contributing a £3.181m underspend. The Learning Disabilities and Mental Health directorate share of that is a £1.525m underspend. Underspends on Domiciliary Care (£0.617m) Nursing Care (£1.288m), Residential Care (£1.576m) and Shared Lives (£0.496m) are partly offset by an overspend on Supported Living of £2.374m. Some of this is representative of a shift from Care Homes support to Supported Living support, and budgets will be adjusted in future months to reflect this.

Access and Reablement: Budget £48.121m – £2.384m overspend

49. Access and Reablement budgets are projecting a variance of £2.384m overspend. Without COVID-19 pressures there would be an underspend of £0.802m, although the picture is very much complicated by current funding arrangements for hospital discharges.

50. Since March, hospital discharges have been funded through the NHS, but what was not clear was how long this would continue, and for how long people already discharged would have their costs met. The arrangements for the rest of the financial year are now clear, and everyone will, after a period of 6 weeks, transfer to their normal funding arrangements. However, there is a significant backlog of demand and it is unclear to what extent these funding arrangements fall on the Council. The forecasts assume 50% of the costs of supporting the current cohort will fall on the Council (£1.619m) however there are a number of unknowns and the figure is subject to considerable uncertainty. This figure has reduced from last month's figure of £1.895m and will reduce as each month passes and costs become absorbed within the overall budget forecast.

51. The overspends in the 18+ service area are due to current additional staffing requirements in the Reablement service to help with the Council's COVID-19 response which amount to £0.367m. In addition, there were the costs of supporting the market with COVID extraordinary costs, which, subject to final scrutiny of some outstanding claims, totalled £2.712m. Finally, we have seen COVID-19 impact on the ability of Adult Social Care to deliver its savings for the year.

52. For the latter, the shortfall amounts to £1.200m for Access and Reablement, the most significant of which is Reablement. As the service has moved into a recovery phase there has been some improvement in delivery of savings - last month this figure was £1.381m. In addition, a new process set up in Commissioning to ensure greater vigour in awarding domiciliary care packages to preferred (“Tier 1”) providers has given £0.289 of offsetting savings in Access & Reablement budgets.
53. Collectively across adult social care, direct care budgets are contributing a £3.382m underspend. The Access and Reablement directorate share of that is a £0.081m underspend. This is made up of an overspend on Domiciliary Care of £5.248m, which is offset by large underspends on Nursing Care of £2.014m, Direct Payments of £1.630m and Residential Care of £1.567m, largely make up the overall £0.081m.
54. The Domiciliary care budget overspend will in part be due to there being a significant savings target build into the budget for delivery of savings from Reablement. Whilst the picture on expected savings is starting to improve the main focus in the early months of the year has been on the emergency response to COVID-19, impacting on the delivery of savings.

Adults Commissioning: Budget £23.410m – £0.776m overspend

55. In the Adults Commissioning budget the significant variances have been reported on in previous months, and are now stable, with little movement month to month. Note that within Adults Commissioning, undelivered savings due to COVID-19 amount to £0.167m.
56. The Adults Commissioning budget also holds the budgets for the large block contracts for Residential and Nursing care. After taking account of client contributions this budget shows a very minor overspend of £0.005m.

Children’s Commissioning: Budget £4.957m – (£0.185m) underspend

57. Children’s Commissioning have put mitigation plans in place to delay expenditure and hold vacant posts where safe and practical to do so. The forecast as a result is an underspend of £0.185m.

CORPORATE DIRECTOR – RESOURCES

Table 6

Summary Position	2020/21 Budget	Profiled Budget to date	Actual to date	Projected Position for Year (before mitigation)	Variance due to Covid-19	Variances Other	Overall Projected Variance
	£ m	£ m	£ m	£ m	£ m	£ m	£ m
Finance	6.565	5.938	4.261	7.465	0.150	0.750	0.900
Programme Office & Systems Thinking	1.279	0.583	0.835	1.453	0.300	(0.126)	0.174
Housing & Commercial Development	15.988	9.982	8.436	15.540	0.880	(1.328)	(0.448)
Digital & Information	10.800	7.058	8.452	11.035	0.486	(0.251)	0.235
General Fund Total	34.632	23.561	21.984	35.493	1.816	(0.955)	0.861

Finance & Procurement: Budget £6.565m – Variance £0.900m overspend

58. The forecast overspend is made up of an estimated decrease in Housing Benefit overpayment income of £1.3m offset by an underspend due to the number of vacancies being held and not currently recruited to.

Programme Office & Systems Thinking: Budget £1.279m – £0.174m overspend

59. Following the decision to defer £100m of capital programmes, these corporate services are unable to recharge staff to internal programmes of work and alternative funding streams as originally anticipated when setting the budget. In addition, internal restructures have been paused due to COVID-19 and therefore savings have not been made as anticipated, the cost impact of COVID-19 is currently estimated at £0.300m.

Housing Services and Commercial Development: Budget £15.988m – (£0.448m) underspend

60. Housing Services are projecting an underspend of £0.344m, this is due to a one off saving in relation to how the Council delivers Handyperson and HIA service while it is mobilised in 2020/2021 and by maximising the use of Grant Income to deliver services.
61. Strategic Asset & Facilities Management is projecting an overspend of £0.782m as a result of COVID-19 however this has been mitigated by savings, spend control measures and one off income totalling £0.886m.
62. The service is forecasting additional costs of £0.245m for cleaning and materials for additional measures to reopen building and return to work.
63. Savings targets in relation to additional income from occupation of Council Buildings are forecast not to be achieved at £0.250m, Libraries review £0.157 and operational costs for Highways Depots £0.050m.
64. In addition, it is forecast that there will be loss of income of £0.113m on the commercial estate, this has been reforecast based on performance to date.
65. These pressures are being mitigated by one off income for minerals extraction and savings associated with spend controls, forecast maintenance saving of £0.291m and a utilities saving of £0.300m from buildings being closed.

Digital and Information: Budget £10.800m – Variance £0.235m overspend

66. Digital and Information Services are forecasting an overspend of £0.486m due to the impact of COVID-19. This is largely due to £0.290m of undeliverable savings and £0.175m of increased pressures as a direct result of enabling and maintaining home working.
67. These pressures are being mitigated by savings and efficiencies within the service totalling £0.250m

68. In addition, £0.106m of IT costs are being recorded against the COVID codes for initial response costs.

CHIEF EXECUTIVE DIRECTORS

Table 7

Summary Position	2020/21 Budget	Profiled Budget to date	Actual to date	Projected Position for Year (before mitigation)	Variance due to Covid-19	Variances Other	Overall Projected Variance
	£ m	£ m	£ m	£ m	£ m	£ m	£ m
Legal & Governance	6.177	3.228	4.633	6.487	0.567	(0.257)	0.310
Human Resources & Org Development	3.229	1.608	1.684	3.037	0.140	(0.333)	(0.192)
Public Health	0.484	(0.347)	(1.090)	0.880	1.004	(0.608)	0.396
Highways & Environment	50.320	19.116	12.802	55.984	5.219	0.445	5.664
Communities & Neighbourhood	33.772	16.223	18.096	39.706	7.576	(1.642)	5.934
Economic Development & Planning	3.682	2.102	0.970	4.457	1.250	(0.475)	0.775
Directors & Members	3.338	1.674	2.087	3.338	0.000	0.000	0.000
General Fund Total	101.002	43.604	39.182	113.889	15.756	(2.870)	12.887

Legal, Electoral and Registration: Budget £6.177m – £0.310m overspend

69. Legal, Electoral and Registration are forecasting an overspend of £0.310m. Forecast loss of trading income and undeliverable savings due to the impact of COVID-19 remains at £0.567m.

70. In addition, there is a £0.100m pressure in Coroner service due to the retender of the contract.

71. These pressures are being mitigated by savings in salaries and supplies and services as a result of the recruitment freeze and spend control measures and by maximising non COVID grant income.

Human Resources & Organisational Development Services: Budget £3.229m – (£0.192m) underspend

72. The impact of the pandemic has resulted in a reduction in the services being delivered to external organisations and therefore a reduction in trading income is forecast. The current estimate of reduced income is £0.140m however, this is mitigated by holding vacancies.

Public Health: Budget £0.411m – £0.396m overspend

73. There is no change to the forecasts for Public Health from the last reporting period (period 5). There are favourable variances amounting to £0.346m in the staffing budgets for Public Health management due to several vacancies being carried here.

74. There is an adverse variance of £1m which reflects that the savings target built into the budget for this year is unlikely to be met because of focusing resources on responding to the COVID-19 pandemic.

Highways and Environment: Budget £50.320m - £5.664m overspend

75. Highways are reporting £0.008m underspend, this is an improved position of £0.100m and is from forecast savings in fuel for the Councils fleet. The forecast loss of Income and pressures as a result of COVID-19 totals £0.366m this is being offset by spend control mitigations, savings in fuel and holding vacancies that total £0.374m.

76. The total income budget for Development Control £0.820m, the majority of this income is received from developers for inspection and supervision works for new developments, due to COVID many development sites closed down or were delayed which has had a significant impact on income. Like Planning this budget is difficult to forecast, there was a 82% loss of income for the period April to September for Development Control fees compared to prorated budget. The service is forecasting a total loss of income for the year of £0.228m.

77. Highways Operations impacted Income budgets have been revised, mainly due to markets forecast being amended for the Community Asset Transfer and Service Delegation programme, income budgets total £0.585 million and covers Taxi Licencing, Fleet, Markets & Fairs (still operated by Wiltshire Council) and Environment and Enforcement. For the period April to September there was an average loss of 21% compared to prorated budget. Overall, the service is forecasting a total loss of income of £0.105m for the year.

78. Car Parking is forecasting a £4.577m overspend, this is an improved position of £0.096m from period 5. This position is the forecast loss of income after netting off spend control mitigations due to the impact of COVID-19.

79. On the 25 March 2020 the Government gave critical key workers the use of all council parking without time restriction or charge. On the 27th March 2020 Wiltshire Council went further, suspending all parking charges for parking including residential areas. All valid parking permits and season tickets were frozen at that time.

80. Charges were reintroduced from the 1st June 2020. However due to lockdown and the easing of social distancing it is forecast that income will continue to be affected. There was a 70% loss of income for the period April to September, totalling £2.956 million, and projecting forward it is assumed there will be a 50% loss of income over the remainder of the year in parking and a 25% loss of income on season tickets.

81. Waste is forecasting a £1.098m overspend, £0.214m of this this is predominantly due to a forecast underachievement of income as a result of COVID-19 the remainder £0.884m is made up of several non COVID-19 related variances as discussed below.

82. The Council receives a share of the income from the sale of recyclable materials managed under the waste contracts. Though often volatile, UK and worldwide

markets for key materials such as paper and cardboard have been in decline for several months. The continued reduction in material prices has prompted a significant re-assessment of the level of income forecast for 2020/2021 and this is now forecast to be £0.591m underachieved. Although the overall tonnage of recyclables at the kerbside has increased during the lockdown period, the low materials value has had a detrimental effect on the forecast income. The closure of two HRCs due to COVID-19 has also reduced the overall tonnage recyclable materials managed and sold on for reprocessing under the Lot 1 contract, this is the element that can be attributed directly to COVID-19 and account for £0.130m of the variance.

83. A forecast underachievement of £0.215m for the loss of income through the HRC sites, sites were closed in April and May, £0.084m is forecast to be directly attributable to the closures in response to COVID-19.
84. The Waste contract financial models for Waste Collection, the Management of Recycling and Transfer and Household Recycling Centres are still to be finalised and prior year interim solution accounts reconciled. There is therefore a risk that forecasts could change because of these updates. The Budget is based on the Councils contractual and anticipated update position. A variance of £0.445m has been forecast on Lot 5 Waste Collections, this reflects the Councils assesment of contract model update and the number of Vehicles required to run the service. Round optimisation work on residual and garden waste rounds are due to be undertaken by the contractor and implemented in October 2020.
85. Waste contractors are having to manage the impacts of COVID-19 which has seen increased tonnages and operational issues as staff have been shielding or self-isolating, indicative figures suggest this could be circa £2.822m. HRCs have had to implement new measures to re-open which has meant increased costs for traffic management and new processes forecast at £0.068m. These costs are reported in the COVID-19 section of Budget monitoring.

Communities and Neighbourhood: Budget £33.772m – Variance £5.934m overspend

86. Overall, the position has improved by £0.384m from the position reported in period 5 for August.
87. Libraries Heritage and Arts are forecasting a £0.468m overspend, this is an improvement of £0.143m. This overspend is predominantly from loss of income from Libraries and City Hall. The forecast assumes that City Hall will remain closed this financial year and that Libraries will follow the mobilisation plan presented to Cabinet. This forecast is after accounting for Furlough grant. Savings targets in relation to review of Libraries £0.157m are forecast not to be delivered due COVID-19 causing a delay to planning and consultation.
88. Leisure Services are forecasting a £5.129 million overspend. Council run Leisure centres are forecasting a £4.035 million overspend, this is predominantly from loss of income from the Leisure centres being closed in April, May, June and July. The forecast assumes that Leisure will follow the mobilisation plan presented to Cabinet with sites mobilising from August 2020 with social distancing restrictions.

89. The forecast loss of income for the financial year is £5.803m in line with the mobilisation plan and is based on activity in August. There is an assumption going forward that income will be underachieved by 60% once centres are reopened due to following social distancing measures and loss of memberships.
90. In addition, £0.420m has been included in the forecast for the loss of earnings implications for Places Leisure as a result of Clarendon Leisure Centre closure.
91. The forecast assumes non-delivery of savings targets totalling £0.540m as a result of delay due to COVID-19.
92. This forecast is after accounting for estimated Furlough grant of £1.492m, savings from service not operating and includes estimated costs for additional measures around cleaning and hygiene supplies required to reopen. The forecast Government grant for Loss of Income is being shown centrally and is not included in the service forecast.
93. Transport are forecasting £0.129m overspend, this is an improvement of £0.145m to the position reported in period 5 of £0.275m. For School transport the pressure remains as forecast at £1.080 million but has been reduced by the grant awarded to date and the commitment for the Autumn term, this has been forecast to be £0.652m, bringing the net reported pressure down to £0.428 million. This position could improve further if Government support continues beyond the Autumn term or instructions change.
94. The service is forecasting loss of income totalling £0.220 million as a result of COVID-19.
95. These pressures are being offset in part by efficiency's and spend control measures totalling £0.518m.
96. Public Protection are forecasting £0.195m overspend, this is an improvement of £0.190m from the previously reported position. This is predominantly from loss of income from traded services as a result of COVID-19, forecasts have been revised based on activity level.

Economic Development & Planning: Budget £3.682m - £0.775m overspend

97. Economic Development & Planning is forecasting a £0.775m overspend, this is an improvement of £0.234m from the position reported in period 3 and is due to holding staff vacancies. The variance is predominantly due to forecast underachievement on income in the Enterprise Centres, Development Management, Building Control and Local Land Charges from the impact of COVID-19.
98. The total Income Budget across these areas total £7.314m and the forecast loss is £1.273 million, so this equates to an average loss of income of 17% for the year. The Income loss is being offset by spend control mitigations, including holding vacancies that total £0.476m.

99. The Enterprise Centres offered businesses a two month rental holiday in April and May and a one month rent deferral in June in response to COVID-19.
100. Development Management, Building Control and Local Land Charges are more difficult to forecast, across the board there was a 15% loss of income for the period April to September compared to prorated budget. The service are forecasting a full year loss of £1.085m which would be a 16% loss overall and is based on the assumption that there will be no further lockdowns. This will be monitored closely as the impact of the furlough scheme, further restrictions and business failures come to light over time.

CORPORATE EXPENDITURE

Table 8

Summary Position	2020/21 Budget	Profiled Budget to date	Actual to date	Projected Position for Year (before mitigation)	Variance due to Covid-19	Variances Other	Overall Projected Variance
	£ m	£ m	£ m	£ m	£ m	£ m	£ m
Movement on Reserves	(0.674)	(0.674)	0.000	4.165	2.933	1.906	4.839
Capital Financing	23.148	4.570	5.773	21.179	(1.969)	0.000	(1.969)
Restructure & Contingency	0.956	3.024	0.229	1.915	2.091	(1.132)	0.959
General Government Grants	(41.029)	(20.515)	(34.152)	(42.110)	0.000	(1.081)	(1.081)
Corporate Levies	5.625	3.805	6.816	6.725	1.000	0.100	1.100
Covid	0.000	0.000	10.438	8.170	8.170	0.000	8.170
General Fund Total	(11.974)	(9.790)	(10.896)	0.044	12.225	(0.207)	12.018

Movement on Reserves: Budget (£0.674m) – £4.839m overspend

101. During the budget setting process it was anticipated that £0.674m would be drawn from earmarked reserves to support revenue spend. To protect the level of reserves held and provide more resilience this draw will now not be processed. It is also requested that a new earmarked Budget Equalisation reserve is created and the £1.232m balance remaining on the pay award budget (see Restructure & Contingency paragraphs below) and the tranche 4 COVID-19 emergency grant of £2.933m are both transferred into it. This will set aside some capacity in reserves to help support with the budget setting process for 2021/22, affording some time to implement any changes to services as part of recovery and the timing and delivery of savings required in the 2021/22 financial year.

Capital Financing: Budget £23.148m – (£1.969m) underspend

102. With a significant movement in the forecast capital programme for Q3 2019/20 (when the budget was set) and the outturn position for financial year 2019/20 the amount of Minimum Revenue Provision required to be charged in this financial year has reduced. This results in an underspend of £2.619m. This is off-set by a loss in interest income forecast at £0.650m due to the COVID-19 impact on the financial markets and the lowering of interest rates.

Restructure & Contingency: Budget £0.956m – £0.959m overspend

103. Provision was made within the Restructure and Contingency budget for the cost of the pay award for 2020-21 whilst national negotiations proceeded. The pay award has now been confirmed and the amount required to fund the agreed pay award for

individual services has been calculated and distributed from this centrally held funding.

104. The current level of vacancies, including those from the external recruitment freeze, has generated savings and the pay award has only been applied to roles that are being actively filled and undertaken. As a result, not all of the original provision is required resulting in a £1.232m underspend.
105. It is requested that this underspend is transferred in to a new earmarked Budget Equalisation reserve, with the purpose to provide increased financial resilience and the ability to enable greater flexibility in the management of the Councils future budget.
106. Overall the restructure and contingency budget is forecast to overspend, due to the current assessment of risk of undeliverability of some cross-cutting savings from both 2019/20 and 2020/21 such as the Procurement / Contractual and Digital savings.

General Government Grants: Budget (£41.029m) – (£1.081m) underspend

107. During the budget setting process not all government grants had been confirmed. After the budget had been set it was confirmed that the Independent Living Fund would continue into 2020/21, which for the council is £1.081m.

Corporate Levies: Budget £5.625m – £1.100m overspend

108. The current forecast overspend on Corporate Levies is due to the assessment of losses on aged debt becoming irrecoverable due to the COVID-19 impact on the economy and financial impact across the residents and customers of the Council. As the year progresses, recovery begins to be embedded and debt recovery action restarts it will become clearer whether the basis of the estimation reflects the debt recovery performance.

COVID-19 Direct costs: Budget £0 – £8.107m overspend

109. The costs reported under the COVID-19 line are costs incurred as a direct result of COVID-19 and where actuals or forecasts can be assessed directly as previous reported. They include the costs of PPE, additional cleaning to open Buildings safely, additional IT costs to improve and facilitate working from home, the setting up of a temporary morgue, the direct additional costs of reopening HRC's for example traffic management and new processes, Waste collection contractor costs in relation to increased agency and overtime in managing operations while staff are self-isolating/shielding and increased tonnages, setting up and supplies for the Wiltshire Wellbeing Hub providing emergency food parcels and supplies to the most vulnerable, supporting adult care providers. The forecast of these costs has reduced by £0.455m since the last period mainly due mainly to the assumptions on hospital discharge costs. The emergency COVID-19 grant funding is shown separately as this funding will support the direct costs pressure explained within this paragraph and the additional pressures forecast in services.

Dedicated Schools Grant – Total Grant £375.437m - £8.618m net overspend

110. The forecast variance for dedicated schools grant (DSG) is a £8.618m overspend. This is driven by demand from parents and schools for support for vulnerable children with SEN & disability. This is reflected in increased numbers of education health and care plans (EHCP) which, unless demand changes, are forecast to rise by 11.12% from April 2020 to March 2021.
111. The overspend is aligned with the national picture for many other local authorities and the Government's acknowledgement of this is the additional funding for the 2020/21 high needs block of £780m. The 2021-22 allocations have been published during the summer which includes a further £5.5m increase. This will come some way to alleviating the pressure for future years it will not however, assist with current or previous years overspends. Lobbying continues to request support and additional funding at national level.
112. The DSG is ringfenced and is separate to local authority budget. Any underspend or overspend is also ringfenced. At the end of the financial year, the DSG reserve balance will have a deficit of £19.429m following a positive prior year early years adjustment. The local authority has a 10-year 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.

DSG Reserve (held in the council's balance sheet)

Balance brought forward from 2019-20	£11.376m
Early Years previous year adjustment	(£0.539m)
Forecast Variance (all blocks) for 2020-21	£8.618m
Forecast DSG Deficit carried forward 2020-21	£19.429m

113. School Leaders have raised the profile of the funding challenges with Wiltshire's MPs who have been supportive and raised with central government.
114. Officers are taking part in national and south west comparator research which when available, will show the extent of the national issue. Best practice and savings approaches are being shared with peers.
115. Wiltshire has in place a 10 year recovery plan which takes into account 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. Our local authority position is that we simply cannot sustain the DSG deficit.

116. The DfE guidance has been updated and published which includes a DSG Management Plan which Officers are in the process of completing and will share once Schools Forum have signed it off when they set the 21-22 budget. 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. In addition, fifty percent (50%) of the high needs block funding formula is largely based on historical data from 2014 and in Wiltshire, the significant rise in the numbers of children the funding is supporting since this date is driving much of this overspend. The DfE have confirmed this will be considered as part of the SEN review. In addition, the DfE have confirmed that Wiltshire is ranked 66th from 149 local authorities on the list of proportional ranked deficits and therefore our deficit is not sufficient to benefit from the “additional dedicated schools grant funding” being used to support those six with the largest proportionate deficits this financial year.

SAVINGS DELIVERY 2020/21

117. The Council has a savings requirement of £14.682m within its 2020/21 budget which were approved by Council in February 2020. The deliverability of these proposals were being monitored through a newly formed savings delivery board, however the COVID-19 response has seen resource focused away from savings delivery and, quite rightly, on service delivery during the response phase. With recent interim changes to management reporting, and now a greater focus on savings delivery moving into recovery, this will now be reported direct to CLT.

118. The assessment on the deliverability of the savings at the end of Quarter 2 (September 2020) can be seen in Appendix A. These assessments are included in the General Fund figures set out in this report.

119. Of the £14.682m savings proposals £8.124m (55.3%) are assessed as either being delivered (blue) or on track to be delivered (green) or have alternative replacement savings identified (grey), and £2.059m are assessed as amber rated. This means that they are deemed to be deliverable in 2020/21, but with some risks associated with them.

120. £4.499m (30.6%) of savings targets are currently assessed as red. This means they are deemed unlikely to be delivered as planned and to the timescales required i.e. in this financial year. Officers will continue to try and identify compensating savings and corresponding mitigating actions, as well as identifying where the savings will now no longer be able to be delivered at all as originally approved.

121. Some of the savings that were agreed as part of the 2019/20 budget to be delivered in 2019/20 remain undelivered along with an amount from 2018/19 (£0.657m). Of a total of £5.590m that was deemed undelivered at the beginning of the financial year £2.958m has now been delivered or is on track to be delivered and £0.181m of alternative replacement savings have been or are on track to be delivered, which leaves £2.451m (43.8%) remaining undelivered.

122. The delivery of savings remains a focus for the Council and the status of the undelivered savings will be considered as part of the financial recovery and future year financial planning processes to ensure the budget remains robust and deliverable.

CAPITAL BUDGET MONITORING 2020/21 – QUARTER 2

123. In February 2020, Council approved a capital programme totalling £261.535m. At its meeting on 9 June 2020 Cabinet approved the deferral of £101.684m of schemes and on 14 July 2020 Cabinet approved the Area Board Grants be brought back into the 2020/21 programme, resulting in an approved programme of £160.733m.
124. Since the beginning of the year there have been a number of other changes to the capital programme for 2020/21, largely due to reprogramming of budget from 2019/20 to 2020/21 and 2020/21 to 2021/22; but also, to reflect additional funding being available.
125. The changes to the capital programme since it was last amended in the Budget setting report are summarised in table 10 below, a fuller breakdown of the changes made at a scheme by scheme level is attached as Appendix B. Including all these changes results in an approved programme of £128.843m.

Breakdown of Budget Amendments from Quarter 1 Budget to Quarter 2 Budget (as at 30 September 2020)

Table 9

Summary of Movements in Capital Programme	£m	Further information
Capital Programme Budget as at Quarter 1 (reported to Council 18 Aug 2020)	176.747	Appendix B
Amendments to Capital Programme 2020/21 Since Quarter 1:		
Additional Budgets added to Programme	6.512	Appendix B & C
Reduced Budgets	(8.970)	Appendix B
Budgets Reprogrammed from 2020/21 to 2021/22	(45.446)	Appendix B & C
Quarter 2 Budget 2020/21	128.843	

126. 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 comprise of additional grants from Central Government and Section 106 contributions 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 B.
127. As requested by the leader a greater focus on ensuring the Council spends the capital programme it has approved in the year has been undertaken. The capital programme has been impacted in its ability to deliver the investments as a result of the pandemic, however the focus has therefore been on ensuring the projects in the capital programme of phased realistically to reflect when the timing of when they will be delivered. As a result the reprogramming of approved capital budgets into future

years totals £45.446m during Quarter 2 and the detail of the scheme this relates to can be seen in Appendix B.

128. A number of budget transfers have been requested since Quarter 1. These transfers between schemes are shown in Appendix B. The Council House Build Programme has been split out into four separate reporting lines for visibility of progress over each build phase. Cabinet is asked to approve these other budget transfers as shown in 'Budget Movement between Schemes' column in Appendix B.

Summary of Capital Position as at 30 September 2020

129. The current budget for the year 2020/21 is £128.843m. The profiled budget to 30 September 2020 is £41.040m. Actual spend on schemes as at 30 September 2020 was £39.892m. A full breakdown of these figures is attached in Appendix B.
130. Work over the next couple of reporting periods will be focussed and targeted to more accurately represent the profile of the spend planned across the year into the correct period, will be reprogrammed into later years or an assessment made whether the approvals are still required, and if not will be removed from the programme.

Significant movements in Quarter 2

131. The Local Growth Fund Scheme Budgets for Chippenham Hub and A350 Yarnbrook have been aligned with decisions and funding awarded by the SWLEP Board. Chippenham Hub Budget was reduced by £3m as the Station Square was unable to progress, this decision was taken in 19/20 but the budget was held in 20/21. The Yarnbrook/West Ashton project will not use any further Local Growth Fund grant and the balance of £4.633m grant will be reallocated by the SWLEP.
132. Porton Science Park Phase two; £7.100m budget has been reprogrammed into later years, £6.600m into 2021/22 and £0.5m to match the anticipated spend profile of the build project.
133. £9.590m Commercial Investment budget has been reprogrammed from 20/21 into 21/22 as no investments are proceeding this year.
134. £2.040m budget has been reprogrammed from 20/21 to 21/22 across the Council House Build Programme phases to align the budget to the current programme of works and reflect known slippage.
135. £3.475m of budget has been reprogrammed into 2021/22 on Disabled Facilities Grants to match the forecast spend for this year following difficulties accessing properties.
136. £0.500m of budget has been moved back from 21/22 to 20/21 for Facilities Management Works due to an increased requirement for unplanned maintenance works across the estate and the requirement for prioritised planned works such as Clarendon Swimming Pool and Warminster Leisure Centre.

137. A total of £8.915m has been reprogrammed from 20/21 to 21/22 across the ICT Budgets to realign budgets to the current programme of works and reflect programme slippage.
138. £5.369m budget has been reprogrammed from 20/21 to 21/22 for the Health and Wellbeing Centres – Live Schemes to reflect the programme slippage on Melksham, Cricklade and Calne.
139. £5.454m of budget has been reprogrammed from 2020/2021 into 2021/2022 in this quarter on Basic Need schemes. This reflects the expected build progress on various schemes across the county. £1m of this total relates to an expansion project at Bitham Brook. £4.754m of budget has also been reprogrammed from 2021/2022 into 2022/2023 on a large construction project taking place at Warminster Kingdown.
140. £2.728m of budget has been reprogrammed from 2020/2021 into 2021/2022 in this quarter on The Schools Maintenance and Modernisation schemes budget. This all relates Modernisation schemes with £0.850m allocated to a modernisation scheme at Holbrook Primary.
141. £0.610m of budget has been removed from Early Years & Childcare following the return of EFA grant on a scheme no longer proceeding due to funding not being secured from developers within the timescale available of the grant.
142. £0.505m budget has been removed from the Wiltshire Online project. This relates to the allocated contingency agreed for the phase one and two superfast broadband projects. With Phase one complete and phase two undergoing contract closure the contingency is not required.

RESERVES POSITION AND FORECAST

143. 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.
144. The level of both general fund reserves and earmarked reserves currently held by the Council are low in comparison to other local authorities and this exposes the Council to a reduced ability to manage financial shocks. It is planned to report on the forecast balance of reserves on a quarterly basis, to increase the visibility of reserve balances, and further reports will continue to include forecasts and track changes to those forecasts.
145. As part of the outturn reporting for 2019/20 reserves balances were reported and the balances for General Fund Reserve stood at £15.456m and the balance for Earmarked Reserves excluding Dedicated Schools Grant Reserves was £27.202m.
146. During the year there was no plan to contribute to or draw from the General Fund Reserve, except for the final outturn position. The in-year financial forecasts continue to improve with a small overspend now forecast, leaving the forecast for General Fund Reserve at just under £15m. This will provide some additional

capacity and resilience within this reserve to support the financial position in the forthcoming year, to allow lead in time for recovery.

Table 10 – Forecast Impact on the Councils General Fund Reserve

General Fund Reserve Forecast	£m
Opening balance	(15.456)
Forecast overspend	0.467
Forecast balance 31 March 2021	(14.989)

147. There is a planned small contribution of £0.037m to Earmarked Reserves for the gainshare arrangement with BT. As detailed above, within the report there is a request to create a new earmarked Budget Equalisation reserve and contribute £4.165m, made up of the £1.232m balance remaining on the pay award budget and the tranche 4 COVID-19 emergency grant of £2.933m.
148. Included within the figures reported is an assumed draw on the remaining balance of COVID-19 funding that was received in March 2020. The full balance of £11m will be drawn down to offset the impact of COVID-19 in 2021/22, but this will leave earmarked reserves at around £20m.
149. When setting the budget for 2021/22 an assessment on the level of risk and therefore the level of general fund reserves will need to be made, together with any plans on how to rectify and increase the councils financial resilience over time. This will have to be pragmatically balanced off against the needs of service provision during Wiltshire’s recovery.

MID YEAR REVIEW TREASURY MANAGEMENT UPDATE 2020/21

150. The Treasury Management Strategy was approved by Council at its meeting on 25 February 2020, with a requirement to provide a mid-year update report detailing the treasury management activities and performance of year to date. This detail can be found in Appendix D.
151. The council has not taken out any new external borrowing during the first half of 2020/21, nor have any performance indicators been breached.
152. Budgets assumptions for interest receivable were based on market interest rates, prior to the Covid-19 impact on the economy. This significant market decline has resulted in the current forecast for interest income being £0.650m lower than budget.

Overview & Scrutiny Engagement

153. Regular reports are taken to Overview & Scrutiny relating to the Council’s financial position.

Safeguarding Implications

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

Public Health Implications

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

Procurement Implications

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

Equalities and diversity impact of the proposals

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

Environmental and Climate Change Considerations

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

Risks Assessment

159. 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.

160. 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 – Section 151 Officer Commentary

161. Without the emergency funding provided by the Government the Council would be facing an insurmountable £56m overspend. The emergency funding of £32m reduces this down to a £24.4m overspend, and then when taking into consideration an estimate of £6m from the Governments proposed income loss scheme, and additional £14m section 31 grants to cover mandatory Business Rates reliefs reduces the forecast overspend for 2020/21 to £0.5m.

162. This continues to follow an improved position on the forecasts previously reported. At the Cabinet meeting in May an overspend range of between £18m to £51m was estimated, this was consolidated to £50m in June and then reduced to £36m in the first overall budget monitor reported to Cabinet in July.

163. The forecasts have been refined over time as the impacts of the dynamic position on the Councils services are understood. In addition, the announcements by Government on emergency funding and other schemes have undoubtedly recovered the financial position of the authority for this 2020/21 compared to that which was forecast in earlier in the year.

164. Changes to the forecast are predominantly around the level of support the Council anticipates from Government, but also underlines the volatility and uncertainty still being faced in the second half of the financial year, particularly when trying to

forecast into the future based on current guidance and thinking. Uncertainty still exists and rising number of positive cases and local lockdown restrictions being applied elsewhere in the country adds further concern and uncertainty to the underlying assumptions on which the current forecasts are based. It is also not clear exactly how the new Job Support Scheme will support the economy as the Furlough Scheme finishes at the end of October.

165. Although the combination of emergency funding and the additional schemes from Government will on the whole mitigate the overspend, it is without doubt that the quick action taken to introduce tight controls on spending, a freeze on external recruitment has had a positive impact on the Councils financial position. This, together with the way Council is conducting its current operations and service delivery, has led to an overall underspend on general fund services of £8.8m.
166. In addition, we have also been able to prudently put aside the funding received from Government in the fourth tranche of emergency funding as well as the balance remaining on the pay award budget, after applying the pay award to all posts for which there is an active employee.
167. This sees the forecast balance on earmarked reserves increase from £16m to £20m in addition to the £15m balance on the general fund reserve, putting the Council in a stronger financial position to be able to deal with the uncertainty and challenges that 2021/22 will undoubtedly bring.
168. Although the Council is now broadly balanced, given the uncertainty within the second half of the financial year the spending control measures will still continue until the situation becomes clearer and to ensure we continue to protect the General Fund Reserve and where possible bolster earmarked reserves for future resilience.
169. Whilst this forecast position continues to present some breathing space in the current financial year, we should be under no illusion at the tough times and difficult decisions ahead. The erosion to the Councils base level of funding for council tax and business rates, as well as the ongoing impact to its income streams combined with the almost inevitable latent demand for services that will come through, will further compound the financial pressures being estimated and faced.
170. We continue to work closely with Government on the Councils financial position, as well as working with colleagues in the sector to put the case forward to Government on further funding and specific support.
171. The Council made representation on funding for Local Government in response to the Comprehensive Spending Review consultation and an announcement in response to the consultation representations is now expected in late November.

Legal Implications

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

Proposals

173. Cabinet is asked to note:

- a) the Section 151 officer's summary of the impact of COVID-19 on the Council's 2020/21 budget;
- b) the current revenue budget is forecast to overspend by £0.467m by the end of the financial year and forecast level of General Fund reserve;
- c) the current savings delivery performance for the year;
- d) the forecast level of reserves;
- e) the current capital budget movements and spend as at 30 September 2020
- f) the Update Report on Treasury Management Strategy 2020/21

174. Cabinet is asked to approve:

- g) a transfer to a new Budget Equalisation Reserve of the balance of the 2020-21 pay award budget not required in year and the tranche 4 emergency funding received from Government.
- h) a recommendation to Full Council to approve the revised lending criteria, in that the Council uses the counterparty list provided by Link Asset Services, without any adjustment (Appendix D, paragraph 32 – 35).

Reasons for Proposals

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

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Appendices:

Appendix A: Savings Delivery 2020/21
Appendix B: Capital Budget Monitoring Q2 2020/21
Appendix C: Capital Budget Movements Q2 2020/21
Appendix D: Update Report on Treasury Management Strategy 2020/21

Background Papers and Consultation

None

APPENDIX A - SAVINGS DELIVERY 2020/21 (page 1)

2020/21 Savings Delivery							
Service Area		Total Saving (£ m)	Delivered (£m)	Green (£ m)	Amber (£ m)	Red (£ m)	Alternative Savings (£m)
Corporate Director People							
Family & Childrens	Prior Years	-1.333	-0.812	0	0	-0.351	-0.170
	2020/21	-1.357	-0.040	-0.036	-0.874	-0.364	-0.043
	Total	-2.690	-0.852	-0.036	-0.874	-0.715	-0.213
Education & Skills	Prior Years	0	0	0	0	0	0
	2020/21	-0.065	-0.045	0	0	-0.020	0
	Total	-0.065	-0.045	0	0	-0.020	0
Learning Disabilities & Mental Health	Prior Years	-0.527	-0.527	0	0	0	0
	2020/21	-0.991	-0.020	0	-0.100	-0.871	0
	Total	-1.518	-0.547	0.000	0	-0.871	0
Access & Reablement	Prior Years	0	0	0	0	0	0
	2020/21	-6.000	-4.037	-0.167	-0.596	-0.911	-0.289
	Total	-6.000	-4.037	-0.167	-0.596	-0.911	-0.289
Commissioning - Adults	Prior Years	0	0	0	0	0	0
	2020/21	-0.487	-0.020	0	-0.200	-0.167	0
	Total	-0.487	-0.020	0	-0.200	-0.167	0
TOTAL		-10.759	-5.501	-0.303	-1.77	-2.683	-0.502
Corporate Director Resources							
Finance	Prior Years	0	0	0	0	0	0
	2020/21	-0.100	-0.100	0	0	0	0
	Total	-0.100	-0.100	0	0	0	0
Housing & Commercial Development	Prior Years	0	0	0	0	0	0
	2020/21	-0.754	0.100	-0.604	0	-0.250	0
	Total	-0.754	0.100	-0.604	0	-0.250	0
Digital & Information	Prior Years	0	0	0	0	0	0
	2020/21	-0.647	-0.249	-0.108	0	-0.290	0
	Total	-0.647	-0.249	-0.108	0	-0.290	0
TOTAL		-1.501	-0.249	-0.712	0	-0.540	0
Chief Executive Directorates							
Legal & Governance	Prior Years	0	0	0	0	0	0
	2020/21	-0.002	0	0	0	-0.002	0
	Total	-0.002	0	0	0	-0.002	0
Human Resources & Org Development	Prior Years	0.000	0	0	0	0	0
	2020/21	-0.123	-0.073	-0.050	0	0	0
	Total	-0.123	-0.073	-0.050	0	0	0
Public Health	Prior Years	0	0	0	0	0	0
	2020/21	-1.004	0	0	0	-1.004	0
	Total	-1.004	0	0	0	-1.004	0
Highways & Environment	Prior Years	0	0	0	0	0	0
	2020/21	-0.088	-0.088	0	0	0	0
	Total	-0.088	-0.088	0	0	0	0
Communities & Neighbourhood	Prior Years	-0.380	-0.050	-0.048	0	-0.271	-0.011
	2020/21	-0.560	0	0	-0.032	-0.528	0.000
	Total	-0.940	-0.050	-0.048	-0.032	-0.799	-0.011
Economic Development & Planning	Prior Years	0	0	0	0	0	0
	2020/21	-0.025	0	-0.025	0	0	0
	Total	-0.025	0	-0.025	0	0	0
Directors & Members	Prior Years	-0.500	0	-0.500	0	0	0
	2020/21	-0.025	-0.025	0	0	0	0
	Total	-0.525	-0.025	-0.500	0	0	0
TOTAL		-2.707	-0.236	-0.623	-0.032	-1.805	-0.011
Corporate / Cross Cutting							
Corporate / Cross Cutting	Prior Years	-2.850	0	-1.021	0	-1.829	0
	2020/21	-2.455	-0.900	-1.205	-0.257	-0.093	0
	Total	-5.305	-0.900	-2.226	-0.257	-1.922	0

APPENDIX A - SAVINGS DELIVERY 2020/21 (page 2)

GRAND TOTAL	Prior Years	-5.590	-1.389	-1.569	0	-2.451	-0.181
	2020/21	-14.682	-5.497	-2.295	-2.059	-4.499	-0.332
	Total	-20.272	-6.886	-3.864	-2.059	-6.950	-0.513
		Prior Year %	24.8%	28.1%	0.0%	43.8%	3.2%
		2020/21 %	37.4%	15.6%	14.0%	30.6%	2.3%
		Total %	34.0%	19.1%	10.2%	34.3%	2.5%

APPENDIX B – CAPITAL BUDGET MOVEMENTS AND SPEND Q2 2020/21 (page 1)

Scheme Name	2020/2021 Budget Breakdown										
	Quarter 1 Budget 2020/2021	Budget Movements between Schemes	Additional Budgets added to the Programme (Section 1 Appendix E)	Grant Amendments	Reduced Budgets	Budgets reprogrammed from 2020/2021 into 2021/2022 (Section 2 Appendix E)	Current Budget Quarter 2 2020/2021	Profiled Current Budget to 30 September 2020	Spend to 30 September 2020	Variance to Profiled Budget	Current Budget Remaining Quarter 2 2020/2021
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Economic Development & Planning											
A350 West Ashton/Yarnbrook Junction Improvements	4.750				(4.633)		0.117	0.093	0.093	0.000	0.024
Chippenham Station HUB	9.872				(3.210)		6.662	4.936	2.601	2.335	4.061
Corsham Mansion House	0.072						0.072	0.036	(0.002)	0.038	0.074
Porton Science Park	7.500					(7.100)	0.400	0.075	0.082	(0.007)	0.318
Salisbury LGF Schemes	0.026						0.026	0.000	0.084	(0.084)	(0.058)
Wiltshire Ultrafast Broadband	1.747						1.747	0.103	0.103	0.000	1.644
Economic Development & Planning Total	23.967	0.000	0.000	0.000	(7.843)	(7.100)	9.024	5.243	2.961	2.282	6.063
Housing & Commercial Development											
Affordable Housing including Commuted Sums	0.000		0.960				0.960	0.960	0.960	0.000	0.000
Capital Receipt Enhancement	0.150						0.150	0.000	0.000	0.000	0.150
Carbon Reduction	0.000						0.000	0.000	0.000	0.000	0.000
Commercial - Commercial Investment	9.602				(0.012)	(9.590)	0.000	0.031	(0.125)	0.156	0.125
Commercial - Housing Company	5.000						5.000	0.000	0.000	0.000	5.000
Commercial - Local Development Company	0.990						0.990	0.000	0.000	0.000	0.990
Council House Build Programme	4.412	(4.698)				0.706	0.420	0.164	0.167	(0.003)	0.253
Council House Build Programme (Phase 2)	0.000	3.900				(0.348)	3.552	1.405	2.081	(0.676)	1.471
Council House Build Programme (Phase 3.1)	3.582	0.798				(2.398)	1.982	0.010	(0.357)	0.367	2.339
Depot & Office Strategy	1.205						1.205	0.054	0.052	0.002	1.153
Disabled Facilities Grants	6.174					(3.475)	2.699	0.611	0.611	0.000	2.088
Facilities Management Works (including Leisure & Libraries and Refresh)	3.109					0.500	3.609	1.624	1.554	0.070	2.055
Housing Infrastructure Fund (HIF)	5.219						5.219	0.998	1.110	(0.112)	4.109
HRA - Refurbishment of Council Stock	9.782					(0.150)	9.632	1.350	1.629	(0.279)	8.003
Non-Commercial Property Purchases	0.331						0.331	0.036	0.036	0.000	0.295
Operational Property Energy Efficiency and Generation	1.800					(0.500)	1.300	0.152	0.152	0.000	1.148
Park & Ride Solar Panel Canopys	0.200						0.200	0.000	0.000	0.000	0.200
Salisbury Central Car Park & Maltings	5.383						5.383	2.691	0.004	2.687	5.379
Housing & Commercial Development Total	56.939	0.000	0.960	0.000	(0.012)	(15.255)	42.632	10.086	7.874	2.212	34.758
Highways & Environment											
Churchyards & Cemeteries	0.050		0.004				0.054	0.000	0.000	0.000	0.054
CIL Funded Schemes	0.053						0.053	0.000	0.000	0.000	0.053
Farmers Roundabout	0.000						0.000	0.000	0.025	(0.025)	(0.025)
Fleet Vehicles	0.750						0.750	0.015	0.013	0.002	0.737
Highway flooding prevention and Land Drainage schemes	0.000		0.015				0.015	0.015	0.439	(0.424)	(0.424)
Integrated Transport	2.454		0.009				2.463	0.106	0.898	(0.792)	1.565
LED Street Lighting	6.968						6.968	2.208	2.208	0.000	4.760
Major Road Network (MRN)	2.350						2.350	0.085	0.238	(0.153)	2.112
Pothole Fund Grant	10.930						10.930	0.000	0.000	0.000	10.930
Structural Maintenance & Bridges	12.894		0.020				12.914	5.903	9.495	(3.592)	3.419
Waste Services	0.768						0.768	0.195	0.195	0.000	0.573
Highways & Environment Total	37.217	0.000	0.048	0.000	0.000	0.000	37.265	8.527	13.511	(4.984)	23.754

APPENDIX B – CAPITAL BUDGET MOVEMENTS AND SPEND Q2 2020/21 (page 2)

Scheme Name	Quarter 1 Budget 2020/2021	Budget Movements between Schemes	Additional Budgets added to the Programme (Section 1 Appendix E)	Grant Amendments	Reduced Budgets	Budgets reprogrammed from 2020/2021 into 2021/2022 (Section 2 Appendix E)	Current Budget Quarter 2 2020/2021	Profiled Current Budget to 30 September 2020	Spend to 30 September 2020	Variance to Profiled Budget	Current Budget Remaining Quarter 2 2020/2021
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Digital & Information											
ICT Applications	8.641					(4.698)	3.943	1.749	0.936	0.813	3.007
ICT Business as Usual	1.439					(0.633)	0.806	0.589	0.370	0.219	0.436
ICT Other Infrastructure	1.653					(1.523)	0.130	0.448	0.055	0.393	0.075
ICT Get Well	6.236					(2.061)	4.175	1.197	1.022	0.175	3.153
Microsoft Cloud Navigator	1.579						1.579	0.501	0.501	0.000	1.078
Digital & Information Total	19.548	0.000	0.000	0.000	0.000	(8.915)	10.633	4.484	2.884	1.600	7.749
Communities & Neighbourhood											
Area Boards and LPSA PRG Reward Grants	0.881						0.881	0.000	(0.018)	0.018	0.899
Health and Wellbeing Centres - Live Schemes	10.425					(5.369)	5.056	2.444	2.446	(0.002)	2.610
Libraries - Self Service	0.000						0.000	0.000	0.000	0.000	0.000
Other Schemes including Cross Cutting Systems	0.019						0.019	0.000	0.000	0.000	0.019
Communities & Neighbourhood Total	11.325	0.000	0.000	0.000	0.000	(5.369)	5.956	2.444	2.428	0.016	3.528
Education & Skills											
Access and Inclusion	0.090						0.090	0.030	0.029	0.001	0.061
Army Rebasing	2.471	0.500					2.971	2.476	2.575	(0.099)	0.396
Basic Need	11.015	(1.406)	4.064			(5.454)	8.219	2.942	2.857	0.085	5.362
Devolved Formula Capital	0.642		0.002				0.644	0.643	0.643	0.000	0.001
Schools Maintenance & Modernisation	5.985	0.906	1.438			(2.728)	5.601	3.270	3.234	0.036	2.367
Education & Skills Total	20.203	0.000	5.504	0.000	0.000	(8.182)	17.525	9.361	9.338	0.023	8.187
Joint Commissioning											
Early Years & Childcare	1.702				(0.610)	(0.270)	0.822	0.076	0.076	0.000	0.746
SEND Capital	0.763						0.763	0.076	0.076	0.000	0.687
Special Schools	1.682						1.682	0.637	0.637	0.000	1.045
Joint Commissioning Total	4.147	0.000	0.000	0.000	(0.610)	(0.270)	3.267	0.789	0.789	0.000	2.478
Resources											
Wiltshire Online	3.285				(0.505)	(0.355)	2.425	0.023	0.023	0.000	2.402
Resources Total	3.285	0.000	0.000	0.000	(0.505)	(0.355)	2.425	0.023	0.023	0.000	2.402
Learning Disabilities & Mental Health											
Sensory Stimulation & Development Play Equipment	0.116						0.116	0.083	0.084	(0.001)	0.032
Learning Disabilities & Mental Health Total	0.116	0.000	0.000	0.000	0.000	0.000	0.116	0.083	0.084	(0.001)	0.032
Total 2020/2021 Programme	176.747	0.000	6.512	0.000	(8.970)	(45.446)	128.843	41.040	39.892	1.148	88.951

APPENDIX C – CAPITAL BUDGET MOVEMENTS Q2 2020/21 (page 1)

CHIEF FINANCE OFFICER (CFO) - EXERCISE OF DELEGATED POWERS & REQUESTS FOR ADDITIONAL RESOURCES WITHIN THE CAPITAL PROGRAMME						
Cabinet Meeting	November 2020					
Financial Year:		2020/2021				
SECTION 1 - DELEGATED CFO POWERS						
"Adjustment/addition of scheme in the capital programme which has no effect on the net funding position of the programme i.e. Additional resources available in the form of Grant, Section 106 contributions etc which fund the addition, "						
Project Name:	Affordable Housing					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	960,000					
Funding Source:	RTB Housing Capital Receipts					
Project Name:	Churchyards & Cemeteries					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	4,327					
Funding Source:	Contribution from SLR					
Project Name:	Highway flooding prevention and Land Drainage schemes					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	14,754					
Funding Source:	Highways England Contribution					
Project Name:	Integrated Transport					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	9,210					
Funding Source:	Contributions from Town & Parish Councils					
Project Name:	Structural Maintenance & Bridges					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	20,000					
Funding Source:	Contribution from Aldi					
Project Name:	Basic Need					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	4,064,354					
Funding Source:	Developer Section 106 Deposits					
Project Name:	Devolved Formula Capital					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	1,500					
Funding Source:	DFE Grant					
Project Name:	Schools Maintenance & Modernisation					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	1,437,787					
Funding Source:	Developer Section 106 Deposits & DFE Grant					
6,511,932	Total Delegated Changes Approved by Section 151 Officer					

APPENDIX C – CAPITAL BUDGET MOVEMENTS Q2 2020/21 (page 2)

CHIEF FINANCE OFFICER (CFO) - EXERCISE OF DELEGATED POWERS & REQUESTS FOR ADDITIONAL RESOURCES WITHIN THE CAPITAL PROGRAMME						
Cabinet Meeting	November 2020					
Financial Year:		2020/2021				
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:	Porton Science Park					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	(7,100,000)	6,600,000	500,000			
Funding Source:	Wiltshire Council Resources (Borrowing & Capital Receipts) & EU Grant					
Project Name:	Council House Build Programme					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	706,000	(706,000)				
Funding Source:	HRA Borrowing, RTB Receipts, HE Grant, Commuted Sums					
Project Name:	Council House Build Programme (Phase 2)					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	(348,000)	348,000				
Funding Source:	HRA Borrowing, RTB Receipts, HE Grant, Commuted Sums					
Project Name:	Council House Build Programme (Phase 3.1)					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	(2,398,000)	2,398,000				
Funding Source:	HRA Borrowing, RTB Receipts, HE Grant, Commuted Sums					
Project Name:	Disabled Facilities Grants					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	(3,474,516)	3,474,516				
Funding Source:	MHCLG Grant					
Project Name:	Facilities Management Works (including Leisure & Libraries and Refresh)					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	500,000	(500,000)				
Funding Source:	Wiltshire Council Resources (Borrowing & Capital Receipts)					
Project Name:	HRA - Refurbishment of Council Stock					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	(150,000)	150,000				
Funding Source:	HRA					
Project Name:	Park & Ride Solar Panel Canopys					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	(500,000)	500,000				
Funding Source:	Wiltshire Council Resources (Borrowing & Capital Receipts)					
Project Name:	ICT Applications					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	(4,698,402)	4,698,402				
Funding Source:	Wiltshire Council Resources (Borrowing & Capital Receipts)					
Project Name:	ICT Business As Usual					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	(632,660)	632,660				
Funding Source:	Wiltshire Council Resources (Borrowing & Capital Receipts)					
Project Name:	ICT Get Well					
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	(2,061,162)	2,061,162				
Funding Source:	Wiltshire Council Resources (Borrowing & Capital Receipts)					

APPENDIX C – CAPITAL BUDGET MOVEMENTS Q2 2020/21 (page 3)

CHIEF FINANCE OFFICER (CFO) - EXERCISE OF DELEGATED POWERS & REQUESTS FOR ADDITIONAL RESOURCES WITHIN THE CAPITAL PROGRAMME							
Cabinet Meeting	November 2020						
Financial Year:		2020/2021					
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:	ICT Other Infrastructure						
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	
	(1,522,995)	1,522,995					
Funding Source:	Wiltshire Council Resources (Borrowing & Capital Receipts)						
Project Name:	Basic Need						
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	
	(5,454,300)	699,886	4,754,414				
Funding Source:	DFE Grant						
Project Name:	Schools Maintenance & Modernisation						
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	
	(2,728,160)	2,728,160					
Funding Source:	DFE Grant						
Project Name:	Early Years & Childcare						
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	
	(270,204)	270,204					
Funding Source:	Developer Section 106 Contributions						
Project Name:	Health and Wellbeing Centres - Live Schemes						
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	
	(5,368,870)	5,368,870					
Funding Source:	Developer Section 106 Contributions						
Project Name:	Commercial Investmnet						
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	
	(9,589,603)	9,589,603					
Funding Source:	Wiltshire Council Resources (Borrowing & Capital Receipts) funded by Revenue Savings/Project Income						
Project Name:	Wiltshire Online						
Budget Change:	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	
	(355,000)	(33,000)	97,000	97,000	97,000	97,000	
Funding Source:	Wiltshire Council Resources (Borrowing & Capital Receipts)						
	-45,445,872	Total Re-programming between years					
In the exercise of my delegated powers (Section 1 and 2), I hereby authorise the amendments to the Capital Programme summarised above.							
CHIEF FINANCE OFFICER:	Andy Brown						
DATE:	3rd November 2020						

APPENDIX D – MID YEAR TREASURY REVIEW REPORT 2020/21

Wiltshire Council

Cabinet

3 November 2020

Subject: Update Report on Treasury Management Strategy 2020/2021
Half Year ended 30 September 2020

Cabinet member: Cllr Pauline Church
Cabinet Member for Finance, Procurement and Commercial
Investment

Key Decision: Non Key

Executive Summary

The Council adopted a Treasury Management Strategy and an Annual Investment Strategy for 2020/2021 at its meeting on 25 February 2020.

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 2020 to 30 September 2020.

The Council has not taken out any new external borrowing (loans) during 2020/2021.

Against budget, there is a projected net overspend in respect of interest receivable/payable of £0.650m.

The Council has not breached any of its performance indicators for the half year 1 April 2020 to 30 September 2020.

Proposals

Cabinet is asked to note:

- a) that the contents of this report are in line with the Treasury Management Strategy 2020/2021.
- b) the performance of the Council's investments and borrowings against the parameters set out in the approved Treasury Management Strategy for 2020/2021.
- c) the investment limits for the money market funds have been increased to £30m, in line with an Officer Decision made on 1 April 2020 (see paragraphs 40 - 44).
- d) the investment limit for Handelsbanken was breached by £0.005m during August 2020 (see paragraph 36 - 39).

Cabinet is asked to approve:

- e) a recommendation to Full Council to approve the revised lending criteria, in that the Council uses the counterparty list provided by Link Asset Services, without any adjustment (paragraph 32 – 35).

Reasons for Proposals

To give members an opportunity to consider the performance of the Council in the period to 30 September 2020 against the parameters set out in the approved Treasury Management Strategy for 2020/2021.

To improve the operational framework within which officers can place external investments.

Andy Brown
Interim Corporate Director - Resources

Subject: Report on Treasury Management Strategy 2020/2021
Half Year ended 30 September 2020

Cabinet member: Cllr Pauline Church
Cabinet Member for Finance, Procurement and Commercial Investment

Key Decision: Non Key

Purpose of Report

1. The Council adopted a Treasury Management Strategy for 2020/2021 at its meeting on 25 February 2020, 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, therefore, ensures Wiltshire Council is implementing best practice in accordance with the Code.

Economic Background and Interest Rate Forecast

3. The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March to cut bank rate to 0.25%, and then to 0.10%, it left Bank Rate unchanged in August, and the subsequent September meeting; although some forecasters had suggested that a cut into negative territory could happen.
4. The Monetary Policy Committee have suggested that although negative interest rates can work in some circumstances, it would be less effective as a tool to stimulate the economy, at this time when banks are worried about future loan losses. It also has other instruments available, including quantitative easing and the use of forward guidance.
5. The Council's treasury advisor, Link Asset Services, has provided the following forecast. No increase in Bank Rate is expected within the forecast horizon ending in March 2023, as economic recovery is expected to be only gradual and drawn out.

	2020/2021		2021/2022				2022/2023			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Bank Rate	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 Month Average	0.05	0.05	0.05	0.05	0.05	-	-	-	-	-
6 Month Average	0.10	0.10	0.10	0.10	0.10	-	-	-	-	-

6. Gilt yields had been on a generally falling trend up until the coronavirus outbreak in March. They then spiked during the initial phase of the health crisis, but have since

fallen sharply to unprecedented lows, as major western central banks took rapid action to deal with stress in financial markets and started massive quantitative easing purchases of government bonds.

7. From a local authority borrowing perspective, the current PWLB certainty rate (the rate at which the Council can borrow) is 180 basis points (1.80%) over gilt yields. This is reduced to 80 basis points over gilt yields for HRA borrowing.
8. Below is an interest forecast table for PWLB certainty rates, provided by Link Asset Services. This shows that there is likely to be little upward movement in PWLB rates over the next two years as it will take the UK economy a prolonged period to recover all the momentum they have lost in the sharp recession caused during the coronavirus shut down period.

	2020/2021		2021/2022				2022/2023			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
25yr PWLB Rate	2.50	2.50	2.50	2.60	2.60	2.60	2.70	2.70	2.70	2.70
50yr PWLB Rate	2.30	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.50	2.50

9. Inflation is also likely to be very low during this period and could even turn negative in some major western economies during 2020/2021.
10. The overall balance of risks to UK economic growth is relatively even; but is subject to major uncertainty due to the virus. There is relatively little domestic risk of increases or decreases in Bank Rate and significant changes in short term PWLB rates.

Treasury Management Strategy Statement and Annual Investment Strategy Update 2020/2021

11. The Treasury Management Strategy Statement (TMSS) 2020/2021, which includes the Annual Investment Strategy, was approved by Full Council on 25 February 2020.

The Council's Capital Position (Prudential Indicators)

12. 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

13. The following table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed by Full Council on 25 February 2020.

Capital Expenditure	2020/2021 Original Budget £m	2020/2021 Revised Budget £m	Current Position £m
General Fund	192.352	131.549	35.496
Housing Revenue Account (HRA)	40.482	18.323	3.520
Commercial Activities/Non-	28.700	15.580	(0.125)

financial investments *			
Total	261.534	165.452	38.891

* 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

14. 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. 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	2020/2021 Original Budget £m	2020/2021 Revised Budget £m
Total Capital Expenditure	261.534	165.452
Financed by:		
Capital Receipts	13.802	1.545
Capital Grants	55.302	65.375
Capital Reserves	0.000	0.000
Revenue	0.000	0.000
HRA	29.843	18.130
Total Financing	98.947	85.050
Borrowing Funded by Revenue Saving in Service	66.047	22.878
External Borrowing	96.540	57.524
Total Borrowing Requirement	162.587	80.402

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

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

Prudential Indicator – Capital Financing Requirement	2020/2021 Original Estimate £m	2020/2021 Revised Estimate £m
CFR – General Fund	581.433	502.267
CFR – HRA	126.558	116.070
Total CFR	707.991	618.337

16. 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 2020/2021, which was approved by Full Council on 25 February 2020 and does not change throughout the year.

Prudential Indicator - Operational Boundary for External Debt	2020/2021 Original Estimate £m
Borrowing	731.572
Other Long Term Liabilities	0.200
Operational Boundary	731.772

Limits to Borrowing Activity

17. 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.
18. 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 2020/2021 and the next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to.

	2020/2021 Original Estimate £m	2020/2021 Current Position £m	2020/2021 Revised Estimate £m
Borrowing	561.560	335.123	379.530
Other Long Term Liabilities	0.200	0.200	0.200
Salix Borrowing	0.000	2.204	2.204
Total Debt	561.760	337.527	381.934
CFR	707.991	618.337	618.337

19. 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 2020/2021, which was approved by Full Council on 25 February 2020 and does not change throughout the year.

Authorised Limit for External Debt	2020/2021 Original Estimate £m
Borrowing	746.697
Other Long Term Liabilities	0.200
Total Authorised Limit	746.897

Borrowing

20. The Council's Capital Financing Requirement (CFR) for 2020/2021 is £618.337m. 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.

21. The table in paragraph 18 shows the Council has borrowings of £337.527m and has utilised £280.810m of cash flow funds in lieu of borrowing. This figure includes £68.816m PFI liability, which when accounted for, results in a net internal borrowing position of £211.994m. This is a prudent and cost effective approach in the current economic climate will be continually reviewed in order to achieve optimum value and risk exposure in the long-term.
22. Due to the overall financial position and the increasing underlying need to borrow for capital purposes, it is anticipated that further external borrowing may be undertaken at the end of the financial year.
23. A summary of the Council's borrowing position as at 30 September 2020 is detailed at Appendix 1.

Debt Rescheduling

24. 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 in the current financial year.

Compliance with Treasury and Prudential Limits

25. 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 2020, the Council has operated within the treasury and prudential indicators set out in the Council's TMSS 2020/2021.
26. No future difficulties are envisaged for the current or future years in complying with these indicators.
27. All treasury management operations have been conducted in full compliance with the Council's Treasury Management Practices.

Annual Investment Strategy

28. In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is 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.
29. As shown by the interest forecast in paragraph 8, it is now impossible to earn the level of interest commonly seen in previous decades. Now that Bank Rate is 0.1%, all investment rates are barely above zero. This has seen a number of counterparties, including the HSBC overnight account, offer nil or negative rates for very short-term maturities. However, Money Market Funds are still offering a marginally positive return.
30. Inter-local authority lending and borrowing rates have also declined due to the surge in the levels of cash seeking a short-term home at a time when many local authorities are having difficulties with accurate forecasting. This is due to uncertainty around when disbursements of funds received will occur or when further large receipts will be received from the Government.

31. Given the risk environment and the fact that Bank Rate increases are unlikely to occur before the end of the current forecast horizon, investment returns are expected to remain low.

Investment Counterparty Criteria

32. The Council applies the creditworthiness service provided by Link Asset Services. 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.
33. In addition to the above, the TMSS states that; typically, the minimum credit ratings the Council use, will be a short-term rating (Fitch or equivalent) of F1 and a long-term rating of A-, and these are strictly applied by Council. However, Link Asset Services state that there may be occasions when the counterparty ratings are marginally lower than this, but the counterparty may still be used.
34. This means that the application of the F1 and A- ratings by the Council are an unnecessary layer, as a wide variety of information and expertise, other than just primary ratings, have already been used by Link Asset Services to produce the counterparty list.
35. Therefore, it is proposed that,
- a. the Council uses the counterparty list provided by Link Asset Services, without the strict application of the additional credit ratings (F1 and A-)

Approved Limits – Breach

36. The Council operates a 35-day notice account with Handelsbanken, with a counterparty limit of £15.000m. In August 2020, the balance held was £14.992m. At the end of this month, notification was received from the bank that they had applied quarterly interest of £0.013m, which resulted in the balance on the account being £15.005m; which is £0.005m over the limit.
37. The balances on the liquid investments, such as the money market funds and call account are regularly monitored, so that they do not breach counterparty limits. However, on this occasion, due to Covid-19 restrictions, the notification of the quarterly investment was not received by the treasury team, until such time that it was too late to adjust the balance.
38. As soon as the breach was identified, funds were recalled, to bring the Handelsbanken investment balance back to within the prescribed limit.
39. Processes have been reviewed and revised, to ensure that a similar breach does not occur in the future.

Approved Limits – Counterparty Criteria

40. The following criteria has been changed since the TMSS was agreed at Full Council on 25 February 2020.
- a. Due to operational requirements, mainly as a result of the significant value of grants paid to the council as paymaster, as a result of the Covid-19 pandemic,

the monetary limit for each money market fund was increased from £15m to £30m.

41. This decision would in other circumstances be taken by Council. However, in circumstances where the Council is unable to meet to expedite its functions in a timely manner during the Covid-19 pandemic, this decision was taken in accordance with the appropriate power, in consultation with the Chief Executive Officers and other statutory officers of the Council.
42. The above Officer Decision was taken by Interim Corporate Director of Resources, Andy Brown, on 1 April 2020.
43. The decision was taken to enable the treasury team to place larger amounts of very short-term liquid funds on the money market following the announcement by Central Government that the Council was going to be in receipt of £106m of funding in respect of the Covid-19 Business Grant Scheme. Payments were starting to be made to businesses the following week, so general fixed term deposits would not have been appropriate.
44. Holding this increased level of cash, in excess of any normal business holdings the council would expect to manage over this short space of time. Given the structure of the portfolio, the current limits of £15m per money market fund, were not sufficient to place the level of funds necessary.

Investment Portfolio 2020/2021

45. As at 30/09/2020, the Council held £119.467m of investments (£79.525m as at 31/03/2020). The average level of funds available for investments over the first six months of the year was £128.131m.
46. A summary of the Council's investments as at 30 September 2020 are detailed at Appendix 2

Investment Performance 2020/2021

47. The investment portfolio yield for the first six months of the year was 0.41% against a benchmark of 0.21% (Six month LIBID rate). Therefore, the Council outperformed the benchmark by 20 bps (basis points).
48. The current forecast for interest expenditure for 2020/2021 is in line with the budget.
49. Budgets assumptions for interest receivable were based on market interest rates, prior to the Covid-19 impact on the economy. Interest rates were previously 0.75% and on a rising trend and are currently 0.10%. This significant market decline has resulted in the current forecast for interest income being £0.650m lower than budget.
50. These forecasts have been included within the figures reported in the period 6 revenue budget monitoring report to Cabinet.

Overview & Scrutiny Engagement

51. Financial Planning Task Group will consider this report on ** November 2020. Any comments from the Task Group will be reported verbally at the meeting of Cabinet.

Safeguarding Implications

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

Public Health Implications

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

Procurement Implications

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

Equalities Impact of the Proposal

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

Environmental and Climate Change Considerations

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

Risk Assessment

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

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

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

Financial Implications

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

Legal Implications

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

Proposals

62. Cabinet is asked to note:

a) that the contents of this report are in line with the Treasury Management Strategy 2020/2021.

b) the performance of the Council's investments and borrowings against the parameters set out in the approved Treasury Management Strategy for 2020/2021.

c) the investment limits for the money market funds have been increased to £30m, in line with an Officer Decision made on 1 April 2020 (see paragraphs 40 - 44).

d) the investment limit for Handelsbanken was breached by £0.005m during August 2020 (see paragraph 36 - 39).

63. Cabinet is asked to approve:

e) a recommendation to Full Council to approve the revised lending criteria, in that the Council uses the counterparty list provided by Link Asset Services, without any adjustment (paragraphs 32 – 35).

Andy Brown

Interim Corporate Director – Resources (Section 151 Officer)

Report Author:

Debbie Price, Finance Business Analyst

Appendices:

Appendix 1 Borrowing Portfolio

Appendix 2 Investment Portfolio

Borrowing Portfolio as at 30 September 2020

Lender	Start Date	Maturity Date	Amount £m	Rate %	Annual Interest £m
Public Works Loan Board (PWLB)					
PWLB	28/03/2012	28/03/2021	4.000	2.21	0.088
PWLB	15/02/2010	01/06/2021	2.000	4.33	0.087
PWLB	28/03/2012	28/03/2022	8.000	2.40	0.192
PWLB	28/03/2012	28/03/2023	8.000	2.56	0.205
PWLB	15/02/2010	01/06/2023	2.000	4.45	0.089
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
TOTAL PWLB LOANS			274.123		10.002

Lender	Start Date	Maturity Date	Amount £m	Rate %	Annual Interest £m
LOBO Loans					
Barclays Bank	03/12/2004	03/12/2054	10.000	4.45	0.445
FMS Wermanagement	07/12/2004	08/12/2053	10.000	4.45	0.445
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
Barclays Bank	31/08/2005	31/08/2055	5.000	3.99	0.199
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
Barclays Bank	31/07/2007	01/08/2067	6.000	4.21	0.253
TOTAL LOBO LOANS			61.000		2.667
Salix Loans					
Loan 1	01/11/2019	01/04/2025	1.034	0.00	0.000
Loan 2	01/03/2020	01/03/2026	1.170	0.00	0.000
TOTAL SALIX LOANS			2.204		0.000
TOTAL - ALL LOANS			337.327		12.669

Investment Portfolio as at 30 September 2020 (compared to the counterparty list)

Borrower	Amount (£m)	Interest Rate (%)	Start Date	Maturity	Link Credit Rating (see next page for explanatory key)
First Abu Dhabi Bank	8.000	0.91	09/10/2019	07/10/2020	Orange - 12 months
Qatar National Bank	10.000	0.38	20/07/2020	20/01/2021	Orange - 12 months
Thurrock Council	15.000	0.30	15/09/2020	15/03/2021	Local Authority - 60 months
DBS Bank Ltd.	10.000	0.10	25/09/2020	23/12/2020	Orange - 12 months
Handelsbanken Call Account	14.992	0.25	*	*	AAA
Black Rock Money Market Fund	0.002	0.01	*	*	AAA
JP Morgan Money Market Fund	20.900	0.08	*	*	AAA
Federated Money Market Fund	11.305	0.06	*	*	AAA
Goldman Sachs Money Market Fund	0.001	0.01	*	*	AAA
Aberdeen Investments Liquidity Fund	29.267	0.12	*	*	AAA
Total	119.467				

* 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.

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

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

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

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

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

Wiltshire Council

Cabinet

3 November 2020

Subject: Medium Term Financial Strategy - Budget 2021/22 Assumptions

Cabinet Member: Cllr Pauline Church – Cabinet member for Finance and Procurement, and Commercial Investment

Key Decision: Non Key

Executive Summary

This report provides members with the assumptions that are being used in setting the budget for 2021/22, reflecting the significant impacts that the COVID-19 pandemic has had on the Council's assumptions that were previously made in the approved MTFs for 2021/22, not only in its base budget but also its core funding e.g. council tax, business rates and government grant.

The assumptions and their outcome give rise to the current estimated budget gap that will need to be closed in order to set a balanced budget for financial year 2021/22.

Much rests and depends on the outcome of the spending review, which Government have recently confirmed will be a one year spending review for both revenue and capital and announced in late November 2020. Work will continue over the coming months to put together proposals to balance the Council's budget as well as refine and update assumptions to reflect the most recent evidence and forecasts.

Proposal

Cabinet is asked to approve the budget assumptions being used in the setting of the 2021/22 budget and the Medium Term Financial Strategy and note the current estimated budget gap.

Reason for Proposal

To inform effective, transparent decision making and ensure sound financial management as part of the Council's overall control environment.

To inform Cabinet on the assumptions being used to assess the growth, inflation, and demand for services, the estimated level of income from sales, fees and charges and the level of income estimated from core funding e.g. council tax, business rates and government grant and how all of these aspects have been impacted by COVID-19 pandemic.

Terence Herbert – Chief Executive

Andy Brown – Interim Corporate Director Resources (S.151 Officer)

Wiltshire Council

Cabinet

3 November 2020

Subject: Medium Term Financial Strategy -Budget 2021/22 Assumptions

Cabinet Member: Cllr Pauline Church – Cabinet member for Finance and Procurement, and Commercial Investment

Key Decision: Non Key

Purpose of Report

1. To inform Members of the assumptions being used for service expenditure and income as well as core funding (e.g. council tax, business rates and government grant) in order to set a balanced budget for 2021/22 budget and update the Medium Term Financial Strategy (MTFS).
2. At this stage of the budget setting process, this resets the Councils base assumptions ahead of the crucial spending review announcement and is also before any additional saving proposals have been proposed.
3. It therefore presents at this moment in time a 2021/22 budget gap that will over the coming months will need to be addressed. At this stage it is still difficult to ascertain that the budget gap in its totality will need to be balanced because of the current level of uncertainty and critically what Government will announce in the spending review.
4. However, it is prudent at this time to be make these assumptions and progress the budget 2021/22 setting process based on the current estimates.

Assumptions Review for Budget Setting 2021/22

5. As set out in the budget setting report to Cabinet in September a complete overhaul of the current MTFS base assumptions was needed to be undertaken.
6. Since that report all service lines have been reviewed and the forecasts around demand, inflation and other changes that were previously made in the MTFS that was approved in February 2020 have been updated, particularly to reflect the impact that COVID-19 has had on the ability to deliver savings, service delivery and activity.
7. The current forecasts around core funding, council tax and business rates, have also been reviewed and updated accordingly.
8. The Council currently receives no revenue support grant (RSG) from Government, however given the nature of the current financial impact on

Councils as a result of COVID-19, assumptions have also been made on the anticipated level of funding that may be received from Government.

9. Below is the table that was presented to Cabinet when the current budget and MTFs was approved, this estimated at the time the total budget pressures being faced, the required level of savings needed to achieve a balanced budget after taking into account the forecast increases in core funding.

MTFS Approved February 2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	£m	£m	£m	£m	£m
Income / Funding					
Recurring Funding					
Council Tax Requirement	(260.830)	(269.288)	(278.055)	(287.084)	(296.382)
Adult Social Care Precept	(23.893)	(23.893)	(23.893)	(23.893)	(23.893)
Rates Retention	(56.600)	(60.255)	(62.063)	(63.925)	(65.843)
Collection Fund	(2.700)				
Total Funding (= A)	(344.023)	(353.436)	(364.011)	(374.902)	(386.118)
Total Projected Recurring Expenditure	£m	£m	£m	£m	£m
Base budget	332.378	344.023	377.937	402.296	428.001
Growth & Pressures	34.214	29.219	24.959	24.705	26.644
Savings	(14.683)	(1.695)	(1.600)	0.000	0.000
Other changes	(7.886)	6.390	1.000	1.000	1.000
Assume Balance Gap Delivered Year Before	0.000	0.000	(24.501)	(38.285)	(53.099)
Councils Projected Budget Requirement (= B)	344.023	377.937	377.795	389.716	402.546
Budget GAP (C = A-B)	0.000	24.501	13.784	14.814	16.428

Change in Budget Presentation

10. For 2021/22 there will be a change in how the budget will be presented, this is purely a change in the reporting presentation of how grant income is reported and has no impact on the resources available to fund services.
11. The change will see some grants form part of the base funding requirement, as these grants are received to fund the Councils overall delivery of services rather than service specific.
12. This will transfer £25m of grant funding (New Homes Bonus, Rural Services Delivery Grant, Section 31 Grants) and effectively increase the Councils budget requirement by the same amount.
13. This will bring the Councils reporting in line with other Councils reporting of their budget requirements and returns into Government. The table below shows the impact of the change in presentation and revised totals.

	2020/21 BUDGET Approved Feb-20 £m	2020/21 BUDGET New Presentation £m
Council Budget		
Service Budgets	355.486	355.486
Corporate	29.566	29.566
Specific Grants	-41.029	-15.557
Net Budget Requirement	344.023	369.495
Funding		
Council Tax	-260.830	-260.830
Adult Social Care Precept	-23.893	-23.893
Business Rates	-56.600	-56.600
Collection Fund Surplus	-2.700	-2.700
Government Grants	0.000	-25.472
Total Funding	-344.023	-369.495

Update on Assumptions for Service Expenditure and Income

14. The table in paragraph 9 sets out within the approved MTFs over £29m of growth and pressures had already been estimated. A proportion of this was to allow for core assumptions around pay and contractual inflation, with pay inflation at 2.5% (£4.9m) and contractual inflation on average around just over 2% (£7.7m) however there are some outliers with respect to inflation on contracts.
15. Inflation on some activities, most notably utilities and FM contracts are expected to be higher ranging between 2% and 5%.
16. Significant levels of Adult Social Care demand had also already been allowed for within the £29m, with a 2.1% increase in demographic growth across all adult social care services allowed for. Although some of this demand has now been amended to reflect current demand levels as a result of the current pandemic.
17. Demand for Looked After Children placements is increasing by an estimated 50 places, allowing for latent demand, and make up a significant increase in the level of extra demand over and above that which was included in the original £29m.
18. Savings that have not been delivered have also been reflected in the revised budget to ensure that the base assumption reflects the most up to date position. Where savings have been identified as not been delivered, and are forecast likely to remain undelivered, they have been factored in as a pressure i.e. a growth in the base budget.
19. Increase costs as a result of COVID-19 and the impact of safe distancing guidelines e.g. additional cleaning have been factored into the base budget for 2021/22.
20. A significant impact though is the assessment of reduced levels of income from services e.g. car parking, planning etc. Whilst the lost income is not forecast to be as high as the level seen in this financial year, an assessment of ongoing

behavioural changes going forward into 2021/22 will see income budgets reduced by 10% to 30% in some services, at a total impact of £4.4m.

21. A one off increase for Elections has been allowed for in 2021/22, with the election expected to cost around £1.2m in total.

Council Tax

22. The level of income the Council receives from Council Tax in future is based on two variables; council tax price increases and the number of properties charged, referred to as the tax base.
23. For 2021/22 the general increase up to the current referendum threshold is still anticipated. This is currently at 1.99% with the referendum threshold assumed at 2% although this will be confirmed by the Secretary of State likely in the new year.
24. A significant change in assumptions is the inclusion of the Adult Social Care precept, at 2% on top of the general increase. Although the last year of the precept should have been this year, it is believed that Government will make an announcement at the spending review. The money raised from the precept will be passported in full to Adult Social Care budget.
25. The tax base had been expected to increase in 2020/21 as new houses were either built or brought back into use. Largely in Wiltshire this has held as forecast, but this in part is due to Ministry of Defence properties. For 2021/22 the tax base attributable to new house building is anticipated to only increase by 0.5% as opposed to the previous 1%.
26. In addition, the increase in universal credit, from 17,500 before the pandemic to over 32,000 in September 2020, has the knock on result of reducing the tax base as residents can become eligible for the Councils Local Council Tax Support (LCTS) scheme and therefore only eligible to pay 20% of the council tax whereas previously they would have paid 100%. Those working age residents eligible for LCTS has increased from October 2019 to October 2020 by the equivalent of 1,802 band D properties, from 9,088 to 10,890.
27. As a result, the tax base this year has therefore reduced and the base needs to be amended for the reduction. The budget approved in February estimated a tax base of 187,936 band D properties during 2020/21. The table below shows the revised assumptions on the number of properties and the subsequent income raised in line with the price increases outlined above.

Council Tax Base				
Band D Properties	2021/22	2022/23	2023/24	2024/25
Original MTFS	190,379	192,283	194,206	196,148
Revised Assumption	185,389	187,243	189,115	191,006
Council Tax Raised				
£ Million	2021/22	2022/23	2023/24	2024/25
Original MTFS	269.288	278.055	287.084	296.382
Revised Assumption	262.560	271.237	280.347	289.911

28. The council tax base for 2021/22 and beyond will be kept as draft, with a further review at the end November and then finalised at the start of December after the impacts on the ending of the furlough scheme are known.
29. Parish and Town Councils will be communicated the draft tax base for their respective area during the first week of November and then communicated the final numbers in December, as there are likely to be a wide ranging impact on individual parish and town areas depending on their circumstances.
30. As per the Quarter 2 budget monitoring report it is anticipated that at this stage any deficit on the collection fund will be managed within the current financial year.

Business Rates

31. This area has been almost impossible to predict. Given the complexity of the scheme and the level of emergency reliefs issued, £68m were issued in April on top of the £90m+ business grants, it is hard to forecast what businesses will be trading come April 2021, as well as whether business rates will return to their previous billing level and mechanism.
32. Given the level of Government support this year, and the previous small business rate reliefs issued in the past it is inevitable that there will be some level of Government support in 2021/22, either universal or sector targeted.
33. Therefore, within the MTFs the previous level of business rates growth, at 3%, has been removed. Crucially though an assumption that either the Government will continue to support or that businesses in Wiltshire will be able to pay the business rates from April 2021.

Government Grants

34. In 2020/21 the Council budgeted to receive no Revenue Support Grant (RSG) the main support grant received by Councils from the Government. However, as a result of the COVID-19 pandemic the Council has received £32m in emergency funding as well as receiving other specific funding streams e.g. infection control fund.
35. In 2021/22 it is assumed the government grants that were received will remain and will continue cash flat/ although planned reductions in the new homes bonus grant will continue as previously forecast.
36. Two grants currently being received this year, the Rural Services Delivery Grant (£3.3m) and the Independent Living Fund (£1.1m), have been reinstated for 2021/22 as the previous MTFs had assumed they would cease.
37. Given the scale of financial impact on Councils there is a recognition that the Government will provide some level of financial support. As it is even with these assumptions there will still be a challenge to close the current budget gap.

38. It has therefore been assumed that the hardship grant that was received to offset the impact of residents moving on to universal credit and therefore not paying as much council tax as they would normally have been to has been included at £3m.
39. Also, the current income loss scheme being operated by the Government will continue in some manner during 2021/22, albeit at a lesser rate than the current scheme is operating. An assumption of £2m, to offset the anticipated reduction in income outlined in this report has been made.
40. Lastly it is also assumed that given the current circumstances that in 2021/22 there will be some level of emergency funding to support Councils providing vital services in the year. A level of £5m funding has been assumed in the assumptions for the 2021/22 budget.

Estimated Current Budget Gap

41. Before the revision of assumptions, the previous MTFs had already outlined a budget gap of £24.5m.
42. Normally this gap would have been proactively addressed during the Summer with proposals being considered and brought forward to close the budget gap, but the response and recovery to the COVID-19 pandemic has resulted in the Councils focus and resource, quite rightly, being elsewhere.
43. In addition the financial scale, uncertainty and volatility with a significant amount depending on the Governments spending review means that planning will be still be a challenge, however over the coming months plans will be formalised and together with the outcome of the spending review presented to Cabinet on 5 January 2021.
44. The revised assumptions, most significantly the impact on Council Tax, and then the new funding to be resumed from Government has seen the overall budget gap increase from £24.5m to £29.4m.
45. The current assumptions are however not fixed and will be continually amended and reflected with the latest evidence and forecasts before the budget proposals are presented to Cabinet in January.
46. The table below provides a high level summary of the movement in the budget gap from the £24.5m in February 2020 to the current estimated gap now.

Estimated Budget Gap	Budget 2021/2022 £m
Growth & Pressures	29.219
Savings	-1.695
Other Base Changes	6.390
Additional Core Funding (ctax, nndr)	-9.413
Previously Presented GAP	24.501
Demand/Inflation	5.888
Income Budget Adjustments - COVID	4.381
Income Budget Adjustments - Other	0.560
Savings Not Deliverable	3.247
Other Base Changes	4.131
New Government Grants	-14.397
Reduction in Assumed Council Tax	6.728
Adult Social Care Precept	-5.617
Revised Budget GAP	29.422

Implications

47. This report informs Members' future decision making and is part of the Councils budget setting process for 2021/22.

Overview & Scrutiny Engagement

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

Safeguarding Implications

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

Public Health Implications

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

Procurement Implications

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

Equalities and diversity impact of the proposals

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

Environmental and Climate Change Considerations

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

Risks Assessment

54. The risks around the financial implications of COVID-19 on the Council have been well documented and reported on a regularly basis and this will continue for the remainder of the current financial year.
55. This marks the start of the setting of the next financial year budget, part of that process will set out the risks facing the Council, quantify them financially and

then also advise on the level of reserves that should be held to deal with those risks.

56. Risks associated with service delivery will be raised as and when proposals are brought forward.

Legal Implications

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

Proposals

58. Cabinet is asked to approve the budget assumptions being used in the setting of the 2021/22 budget and the Medium Term Financial Strategy and note the current estimated budget gap.

Reasons for Proposals

59. To inform effective decision making and ensure the progression of the Council setting the 2021/22 budget.

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Appendices:

None

Background Papers and Consultation

None

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Wiltshire Council

Cabinet

3 November 2020

Subject: Housing revenue account business plan and revised capital programme

Cabinet Member: Cllr Richard Clewer Deputy Leader of the Council and Cabinet Member for Corporate Services, Heritage, Arts, Tourism, Housing and Communities

Key Decision: Key

Executive Summary

This report seeks consideration of a revision of the HRA business plan based on a capital programme that seeks to address the climate emergency. The proposed capital programme will support carbon zero development of new council housing where the Council is in control of development and a programme of investment of circa £ 50 m over the next 10 years so as to improve the energy performance of the Council's existing housing stock such that all units will achieve an Energy performance rating of at least B.

The report responds to the global warming and climate emergency task group recommendations.

Proposal(s)

Cabinet is asked to agree:

1. that the Council house new build programme will aim to deliver carbon zero new build where the Council is in control of development
2. the revised Council house build programme 2020 – 203/32 at an estimated cost of £ 195m
3. that the Council housing investment programme should aim to achieve energy performance rating of B for all its existing housing stock and
4. the revised Council house investment programme 2020 – 2031/32 totalling £ 289m

Reason for Proposal(s)

The proposals will significantly improve the energy efficiency of the Council's housing stock not only responding to the Council's climate emergency

commitment but delivering homes that are cheaper to run and thus healthier to live in.

Terence Herbert
Chief Executive

Wiltshire Council

Cabinet

3 November 2020

Subject: Housing revenue account business plan and revised capital programme

Cabinet Member: Cllr Richard Clewer Deputy Leader of the Council and Cabinet Member for Corporate Services, Heritage, Arts, Tourism, Housing and Communities.

Key Decision: Key

Purpose of Report

1. The purpose of this report is to seek consideration of a revised capital programme for both the Council's new build council house programme and also the investment into the Council's existing housing stock. The proposals will respond to the Global warming and climate emergency task group recommendations and if agreed will result in a revised Housing revenue account business plan

Relevance to the Council's Business Plan


2. The proposals will directly contribute to all three priorities in the Business Plan:
 - growing the economy
 - creating strong communities and
 - protecting the vulnerable

Background

3. The following table shows the proposed council house build programme contained in the 30 year HRA business plan with the total cost of the programme estimated to be £ 195 million.

Scheme Year	CHBP Ph		CHBP Ph		CHBP Ph		CHBP Ph		CHBP Ph		Total
	CHBP Ph 1- 2, rented	3.1-3.2, rented	CHBP Ph 1- 3.2, SO	3.3-3.4, rented	3.5-3.6, rented	CHBP Ph 3.3-3.6, SO	3.7-3.8, rented	3.9-3.10, rented	CHBP Ph 3.7-3.10, SO		
2019.20	19	0	0	0	0	0	0	0	0	19	
2020.21	23	6	2	0	0	0	0	0	0	31	
2021.22	5	26	13	0	0	0	0	0	0	44	
2022.23	0	69	25	6	0	0	0	0	0	100	
2023.24	0	40	20	37	0	10	0	0	0	107	
2024.25	0	0	0	57	6	32	0	0	0	95	
2025.26	0	0	0	41	29	29	0	0	0	99	
2026.27	0	0	0	0	64	29	6	0	0	99	
2027.28	0	0	0	0	41	19	29	0	10	99	
2028.29	0	0	0	0	0	0	64	6	29	99	
2029.30	0	0	0	0	0	0	41	35	29	105	
2030.31	0	0	0	0	0	0	0	68	29	97	
2031.32	0	0	0	0	0	0	0	38	19	57	
TOTAL	47	141	60	141	140	119	140	147	116	1051	

4. Where the Council is in control of development (i.e. not purchasing units provided by a developer in order to comply with an affordable housing obligation) it is the intention that the units will be at least zero carbon. The following graphic shows the elements that will be sought to achieve carbon zero and how that is different from other models,



Legacy	Low energy	Passivhaus	Zero Carbon	Carbon negative
Traditional build	Traditional build	Passivhaus standard build	Passivhaus standard as minimum	Passivhaus standard as minimum
Older style house	Current	Planned	Potential	Aspirational
Poor insulation	Good insulation	Very high levels of insulation	Insulation + generation of electricity and hot water	Insulation + extensive generation of electricity and hot water
Single glazed	Double glazed	Triple glazed	Triple glazed	Triple glazed
High heating, lighting and hot water bills	Significantly lower heating, lighting and hot water bills	Potential for no heating bills and low lighting and hot water bills	Very low bills offset by generation	Very low bills more than offset by generation ie generating more than is used
Older style appliances with high energy use	Modern appliances with low energy use	Modern appliances with low energy use	Modern appliance with low energy use run on generated electricity and/or carbon offsets	Modern appliance with low energy use run on generated electricity
High Carbon	Low carbon	Very low carbon	Net NIL carbon	Net NEGATIVE carbon

5. The Council House new build programme intends to procure through the South West Procurement Alliance Framework to engage Rollalong Offsite Construction to work with Wiltshire Council to deliver 20 new affordable homes. This will form a pilot over 3 sites, enabling the ability to fully test the Modern Method of Construction (MMC) product. The steel frame based design, will deliver a carbon zero product for our customers, taking a fabric first approach to maximise firstly the building envelope itself and then looking at complementing technologies to support the first all-electric homes.
6. Whilst the council house new build programme will deliver carbon zero homes it is also necessary to address the efficiency of the Council's existing housing stock. This will not only reduce the carbon generated from the running of those homes it will reduce the costs of heating and running the homes providing potential health benefits for the Council's customers many of who may be on low or modest incomes. The HRA business plan has been remodelled over the 30 year period based on 2019/20 out turn and revised estimated costs. In addition £ 20m of capital allocation has been removed where provision had been made for works which were not a priority. The following table shows the revised finance allocation to deliver a £ 50m climate change programme.

Type of spend	Total programme	Revised total	Net
	Previous model		Movement
	£m	£m	£m
External Works Programme	85.07	85.07	-0.00
Internal Works Programme	94.03	94.03	0.00
Environmental Works Programme	30.49	30.49	-0.00
Energy Works Programme	8.28	8.28	-0.00
Climate Change works	0.00	50.00	50.00
Other (inc. Housing Management)	41.08	21.45	-19.63
CAPITAL TOTAL	258.94	289.31	30.37

7. The estimated EPC rating of the Council's current housing stock is shown in the table below:

Energy performance certificate rating	Estimated number of properties	Percentage
A/B	222	4%
C	3074	58%
D	1816	34%
E	154	3%
F	32	0.5%
total	5,298	

8. The climate change work will aim to undertake work to customers' homes so that over a 10 year period all the Council's housing stock will achieve an EPC B rating. The programme will commence in April 2021.
9. To achieve an EPC B rating properties will receive the highest levels of loft insulation, and wall insulation which is achievable. Some properties with suspended timber floors will require floor insulation. Windows with A++ rating will be fitted. Energy efficient light bulbs will be fitted as standard. The best form of non-fossil fuel heating and hot water solution, which depending on varying factors will be either Air Source Heat Pumps or high heat retention Night Storage Heaters, both systems should be combined with the installation of efficient unvented hot water cylinders. The Council will also consider other technology that can be combined to enhance these solutions and further reduce customers energy bills, such as Photo Voltaic(PV) panels on roofs, battery storage, energy harvesting and the like. These will be tailored to suit different properties and EPC requirements.
10. It is intended to engage with architects and technical advisors (such as the South West Energy Hub SWEH) to draw-up a list of works that will form a 'menu building upgrades' that will add the most EPC points and provide the thermal comfort with reduced fuel bills for our customers. It is intended to pilot the approach by refurbishing two properties as exemplars having one as an all electric and one as Air source Heat Pump and PV. If this opportunity is realised, then the incoming customers could act as Energy champions to promote low energy homes.

11. The programme will aim:

- To achieve EPC B or better, including achieving carbon neutrality where possible.
- A significant reduction in the carbon emissions associated with heating the housing stock.
- A significant reduction in carbon emissions associated with electricity consumption in general.
- A reduction in the annual utility cost for each household
- A raising of environmental awareness and improved environmental behaviours from all tenants
- The phasing out of gas as a heating fuel.

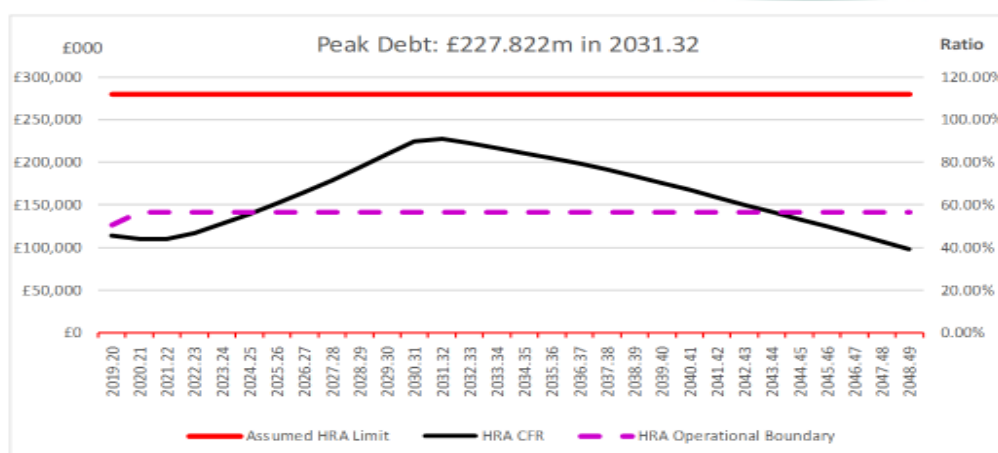
12. Accurately quantifying the carbon savings and potential reduction in energy bills is extremely challenging in the domestic environment. There is no data for the current energy consumption across our customers as the council does not pay their energy bills. Whatever the current EPC rating, customers' behaviour is a key factor in determining consumption e.g. what temperature is set on the central heating, whether the property is occupied during the day, how many electrical devices are in regular use and so on.

13. However, using average domestic carbon emissions data and average household energy costs, it is forecast that the total programme could deliver a reduction in carbon emissions of between 15,000 and 20,000 tonnes per annum, and residents could benefit from savings on energy bills up to £ 500-600 per annum, depending on their behaviour patterns and consumption levels.

14. The revised programme will lead to revised capital allocations each year compared to the current profile. The Council will pursue funding opportunities that may help finance the proposed works to mitigate the investment requirement from the Housing revenue account.

15. The Council's Housing revenue account business plan has been revised based on the above programmes. The graph below shows the debt position of the HRA business plan over the 30 year period,

Metrics



16. The debt position in 204/49 is estimated to be £ 99m, below the starting position in 2020/21 despite the inclusion of the climate change programme and new build council house programme. Debt peaks in 2031/32 at £ 227m.

Overview and Scrutiny Engagement

17. This report responds to the Global warming and climate emergency task group recommendations as set out in the report to the 29th September Overview and management scrutiny committee in relation to the Council's housing stock.
18. The Council's Housing board has received reports and helped shape the proposals contained within this report.

Safeguarding Implications

19. There are no safeguarding implications at this stage

Public Health Implications

20. The improvement in EPC rating of the Council's housing stock and development of carbon zero homes will address issues of fuel poverty for customers.

Procurement Implications

21. All procurement associated with the programmes will take place within the Council's procurement and commercial strategy.

Equalities Impact of the Proposal

22. There are no Equalities Impacts arising at this stage

Environmental and Climate Change Considerations

23. The proposals contained in this report directly respond to the Global warming and climate emergency task group recommendations to reduce the carbon footprint of the Council's housing stock. This building programme will help to develop the market for sustainable construction and domestic retrofitting in the county which along with the government's Green Homes Grant scheme for private sector housing will stimulate a green recovery.

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

24. If the proposed programmes are not implemented the carbon generated from the Council's housing stock will not be mitigated and customers will face increasingly higher energy bills risking them falling into fuel poverty.

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

25. The cost of the programme will require constant management to ensure that it can be accommodated within the HRA business plan. As has been shown above

the inclusion of the programmes in the HRA business plan still delivers a prudent plan with debt reducing over the 30 year period.

Financial Implications

26. The revised 30-year HRA business plan includes a capital maintenance program of £289m which includes climate change works of £50m. £20m works deemed non-essential have been removed from the program meaning that the revised plan has increased by a net total of £30m.
27. Spend on the climate change works was originally modelled over a 13-year period. Reducing the timeframe down to 10 years indicates a £0.5m lower closing debt position.
28. Current modelling indicates that HRA debt will peak at £227.8m in 2031/32 and will close at £99m at the end of the program in 2048/49 which is lower than debt level at the beginning of the program which was £113.9m.
29. Actual costs of the program will be monitored and evaluated by officers over time and the business model updated accordingly.
30. The assumptions that have been incorporated into the model mean that it is prudent and robust.

Legal Implications

31. There are no legal implications with regard to the proposals in respect of the Council new build programme.
32. With regard to the proposed works to the Council's current housing stock, whilst the local authority has a statutory power of management of its housing stock, the landlord's (Wiltshire Council's) right to carry out the programme of improvements to the Council's existing tenanted properties (excluding any former right to buy flats held on a long leasehold) is subject to a statutory duty consult on matters of housing management, including with respect to any new programme of improvement of dwelling-houses let under secure tenancies, where tenants or a class of tenants are likely to be substantially affected by those improvements (or other related matters of housing management).
33. It should be noted that where substantial improvements are made to a dwelling-house let under a secure tenancy, where the dwelling is subsequently purchased under the right to buy, the works may reduce the maximum amount to which a tenant may be entitled in respect of statutory discount for a period of 10 years following the date of completion of the works. Whilst that may allow the Council to recover some of the costs of the works via its Right to Buy receipts, the reduction of discount will have implications for tenants aspiring to purchase their properties by increasing the purchase price and therefore affecting the availability of a mortgage.
34. The Council's standard form of introductory or statutory secure tenancy reserves the Council a right of entry to carry out maintenance and repair, or to carry out works for which the Council has a statutory obligation, however there is no

general right of entry to effect general improvements. Accordingly, if improvements cannot be carried out by agreement with the tenant of an individual dwelling-house, the Housing Act 1985 provides a qualified ground for possession in order to carry out those works provided it is reasonable and suitable alternative (temporary) accommodation is available (with respect to the ongoing Covid-19 challenges, the minimum notice period for possession on this ground is increased to 6 months until at least 31 March 2021). Alternatively, the Council may be able to use the statutory procedure in the Housing Act 1985 to vary the tenancy to allow a right to carry out improvements on social, economic or environmental grounds and/or which are for the benefit of all or a class of tenants generally.

35. Legal Services will liaise with the Director for Housing and Commercial Development with regard to obtaining such consents and/or orders as shall be necessary to enable the proposed works to be carried out to the Council's existing stock where there are existing statutory secure tenancies (or introductory tenancies).

Workforce Implications

36. There are no workforce implications .

Options considered

Continue with existing new build and investment programmes

37. The existing programmes did not address the recommendations of the Global warming and climate emergency task group and moreover would not have delivered energy efficient homes for the Council's customers. It is for that reason this option was not continued.

Conclusions

38. The inclusion of revised new build and investment programmes will enable the Council to respond to the Climate emergency agenda within the financial constraints of the 30 year Housing revenue Account business plan .

Simon Hendey – Director of Housing and Commercial Development

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Date of report 9 October 2020

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Wiltshire Council

Cabinet

3 November 2020

**Subject: The Maltings and Central Car Park, Salisbury –
Regeneration Update and River Park Scheme**

**Cabinet Member: Councillor Bridget Wayman, Cabinet Member for
Highways, Transport and Waste
Councillor Philip Whitehead, Leader of the Council and
Cabinet Member for Economic Development, Military-
Civilian Integration and Communications**

Key Decision: Yes

Executive Summary

Since the last report to cabinet on this subject made on 24 March 2020 (Item 42 “The Maltings – Phase 1 River Corridor Improvements”), the council has made significant progress in delivering its business plan objective to regenerate the Maltings and Central Car Park site in Salisbury, in line with the Masterplan endorsed by Strategic Planning Committee in June 2019.

As a consequence of this work, the council is now in a position to deliver on the first phase of the River Park (formerly referred to as “River Corridor Improvements”) scheme, which will

- a) Deliver significant flood risk mitigation for existing Salisbury residents and businesses in partnership with the Environment Agency.
- b) Enable redevelopment and regeneration to come forward on the Central Car Park and Maltings site and the wider city
- c) Enhance the local environment for residents, employees and visitors in the area, and encourage enhanced health and wellbeing outcomes including modal shift to more sustainable methods of transport

Proposal(s)

That cabinet agrees:

1. To increase the level of grant to be made available to the Environment Agency to a maximum of £6.06m after deduction of the council’s historic and ongoing costs towards the project, using Local Growth Fund grant approved by the Swindon and Wiltshire Local Enterprise Partnership. This funding is within the capital allocation which was approved by Full Council in November 2019.
2. To delegate authority to agree the terms of the Local Growth Fund grant agreement(s) with the Swindon and Wiltshire Local Enterprise

Partnership and the Environment Agency to the Director Highways and Environment in consultation with the Director of Finance and Procurement.

3. To agree undertake a public consultation on the River Park Masterplan in partnership with the Environment Agency to commence in November 2020 for a period of 7 weeks
4. To delegate to the Director of Highways and Environment authority to make changes to the consultation documents.
5. To agree the prerequisite changes in parking at the Maltings and Central Car Park during construction of the Phase 1 River Park scheme and following completion of the scheme.
6. To note the proposals being considered for provision of coach parking during construction of the Phase 1 River Park scheme.

Reason for Proposal(s)

- To enable redevelopment and regeneration to come forward on the Central Car Park and Maltings site and the wider city
- To allow future phases on the Maltings and Central Car Park site to come forward quickly following the major investment in flood attenuation and public realm being delivered by Environment Agency using an £18 million package of investment from the Environment Agency and Swindon and Wiltshire Local Enterprise Partnership
- To provide a positive response and deliver against the Council's recovery plans – both in response to the Novichok incident and latterly the impact of the Covid-19 crisis on Salisbury
- To ensure public and stakeholder engagement and support for the masterplan and the River Park.

Terence Herbert
Chief Executive Officer

Wiltshire Council

Cabinet

3 November 2020

**Subject: The Maltings and Central Car Park, Salisbury –
Regeneration Update and River Park Scheme**

**Cabinet Member: Councillor Bridget Wayman, Cabinet Member for
Highways, Transport and Waste
Councillor Philip Whitehead, Leader of the Council and
Cabinet Member for Economic Development, Military-
Civilian Integration and Communications**

Key Decision: Yes

Purpose of Report

1. To provide an update on the council's progress on the Regeneration of the Maltings and Central Car Park, Salisbury.
2. To request cabinet's approval to increase the amount of grant to be passed through to the Environment Agency ("EA") to deliver the River Park scheme to a maximum of £6.06 million after deduction of the council's historic and ongoing project and survey costs towards the scheme, in line with the Swindon and Wiltshire Local Enterprise Partnership's ("SWLEP") board approval to increase the Local Growth Funding allocated to it.
3. To delegate authority to agree the terms of the Local Growth Fund grant agreement(s) with the SWLEP and EA to the Director Highways and Environment in consultation with the Director of Finance and Procurement.
4. To delegate authority to the Director Highways and Environment to undertake a public consultation on the River Park Masterplan in partnership with the Environment Agency to commence in November 2020 for a period of 7 weeks and to make any necessary changes to the consultation documents in the interest of clarity and accuracy before they are finalised for publication.
5. To request cabinet's agreement to changes in parking provision at the Maltings and Central Car Park during construction of the Phase 1 River Park scheme, and following completion of the scheme, within the parameters set out in the report.
6. To provide an update on the proposals being considered for the provision of coach parking during construction of the Phase 1 River Park scheme.

Relevance to the Council's Business Plan

7. The regeneration of the Maltings and Central Car Park is a key objective in the council's business plan to create strong communities, grow the economy, and

protect vulnerable people. The proposals will also protect and enhance the natural environment to encourage sustainable tourism in the area.

8. Reducing the risk of flood is a key objective in helping people feel safe in the council's business plan to create safe communities and protect vulnerable people.

Background

9. This report builds on the previous report to cabinet as follows:
 - a. 24 March 2020 cabinet, where it was resolved that:
 - i. £1.9m be allocated to the Maltings Phase 1 River Corridor Improvements
 - ii. A grant of up to £2m be agreed as grant to the Environment Agency to deliver the Maltings Phase 1 River Corridor Improvements, using Local Growth Fund grant approved by the Swindon and Wiltshire Local Enterprise Partnership
 - iii. Cabinet noted that council officers would work collaboratively with the Environment Agency to secure additional funding required to deliver the whole scheme capital costs, the £1.9m allocation serving as a backstop reserve in case this could not be achieved from other available sources of funding
 - iv. Delegate authority to enter into contract with the Environment Agency to the Director Housing and Commercial, in consultation with the Director Highways and Environment and Director of Finance and Procurement
10. This report should be read in conjunction with the Maltings and Central Car Park Masterplan endorsed by Strategic Planning Committee in June 2019, the Salisbury Central Area Framework endorsed by Strategic Planning Committee in August 2020 and the Outline Business Case presented to the SWLEP in September 2020.

Main Considerations for the Council

11. Significant progress has been made since March 2020 on delivering regeneration proposals at the Maltings and Central Car Park, responding to the impacts that the Covid-19 pandemic have had on both implementation of the scheme and as part of the council's wider recovery plans for Salisbury both to recent challenges and the nerve agent attack of 2018.
12. The council has focussed on ensuring and reinforcing delivery of the Phase 1 of River Park (formerly referred to as "River Corridor Improvements") project, making sure that Local Growth Funding ("LGF") can be defrayed on the scheme prior to the end of its availability period at the end of March 2021. Combined with a significantly increased allocation from Flood Defence Grant in Aid ("FDGIA") which is being secured by the Environment Agency ("EA"), this will minimise the remaining funding to be found to deliver the whole life costs of the Phase 1 scheme. The council has been collaborating closely with the EA to achieve these outcomes. The project will significantly reduce flood risk to existing properties in Salisbury, enable new development to come forward on the

Maltings and Central Car Park site, and enhance the local environment for pedestrians, cyclists and visitors.

Public Consultation on River Park Master Plan

13. The next step for the River Park project is to conduct public consultation in accordance with the Council's adopted Statement of Community Involvement ("SCI"). This will ensure that the community has a genuine opportunity to influence the emerging River Park Masterplan. Once endorsed, the Masterplan will carry significantly more weight as a material planning consideration in future planning decisions. As part of the established partnership the consultation will be coordinated with the Environment Agency so that the preapplication consultation for Phase 1 planning application will be held as a joint event.
14. Due to current circumstances the consultation will be largely online, in accordance with the Council's SCI 'Temporary Arrangements', which detail the Council's approach to public consultation on planning matters in light of the Covid-19 pandemic. As well as online material, officers are also exploring the feasibility of using static displays (such as vinyl wraps) in empty shop frontages within the city centre.

Relocation of the coach park during construction

15. The coach park would require temporary relocation during construction of Phase 1 of the River Park to make space for a site compound. Following consultation with relevant officers it has been agreed that the existing coach park would be the most suitable location for the site compound. Various options have been considered for relocating the coach park during the works.
16. Through consultation with internal stakeholders the options have been narrowed down to the preferred option of relocating the coach park to the Central Car Park nearby. Appropriate facilities for passengers and drivers, and clear wayfinding routes to the city centre would be provided as part of the relocation. Operators and representatives from the tourism sector will be invited to comment during consultation and their requirements will be taken on board in the final design.
17. Following the Phase 1 River Park works the coach park will be improved and restored at its current location, in line with the Maltings and Central Car Park Masterplan.

Changes to parking spaces and potential loss of revenue

18. The Maltings and Central Car Park Masterplan, endorsed by Strategic Planning Committee, makes it clear that redevelopment of the site will mean some changes and reduction in existing parking facilities will be necessary. The implementation of Phase 1 of the River Park project will lead to impacts on parking during construction and following completion of the scheme.
19. The impacts during construction (December 2021 to December 2023) have been assessed against the **options** considered for relocation of the coach park. The options were developed with the aim to minimise the impact on parking and revenue income. The preferred option would result in a reduction of 347 car

parking spaces on the Central Car Park and Millstream Car Park during the construction period, although the exact number will vary throughout the construction period. These details will be developed by the contractor as part of their construction plan. This represents 37% of the total 926 car parking spaces across the long-stay component of the Central Car Park and Millstream car park.

20. Completion of the Phase 1 River Park works would result in a reduction of 154 car parking spaces on the Central Car Park and Millstream Car Park. This represents 17% of the total 926 car parking spaces across the site (excluding the further 219 spaces within the short stay car park and 586 on the Maltings shopping centre).
21. It should also be noted that the estimated reduction in parking is based on the best available information at this time and will be refined as the design is developed.
22. The financial implications of the reduction in long stay parking are set out under the Financial Implications section of this report, below.
23. In advance of the main construction works the Environment Agency will be undertaking ground investigations and surveys to inform their design, for which they will need to establish a small site compound with the Central Car Park from time to time. This is anticipated to have a negligible impact on parking availability and revenue.

Overview and Scrutiny Engagement

24. A briefing will be provided for the Chairman and Vice-chairman of Environment Select Committee on 27 October. The report will also be considered by the Wiltshire COVID-19 Response Task Group, which sits beneath the OS Management Committee, on 28 October. Comments from the relevant chairmen will be reported at the Cabinet meeting.

Safeguarding Implications

25. Delivery of the River Park scheme will bring about environmental improvements which will protect more vulnerable people from the risk of flood and improve the quality of life of children, young people and vulnerable adults in the city.

Public Health Implications

26. In a similar fashion, the River Park scheme will reduce flood risk for residents and workers in Salisbury, which otherwise would be a negative determinant on their health and wellbeing. The provision of an enhanced environment incorporating and improving upon the existing cycle and pedestrian route will further encourage shift to healthier modes of transport, and have beneficial impacts on physical and mental health generally, as well as contributing positively to air quality.

Procurement Implications

27. Support will be provided to the project to ensure any procurement activity arising will be delivered in line with Wiltshire Council Procurement Policy. The SPH are fully engaged in the Project.

Equalities Impact of the Proposal

28. The proposals do not give rise to any equalities impacts. The proposals will not result in any changes to the provision of disabled parking bays.

Environmental and Climate Change Considerations

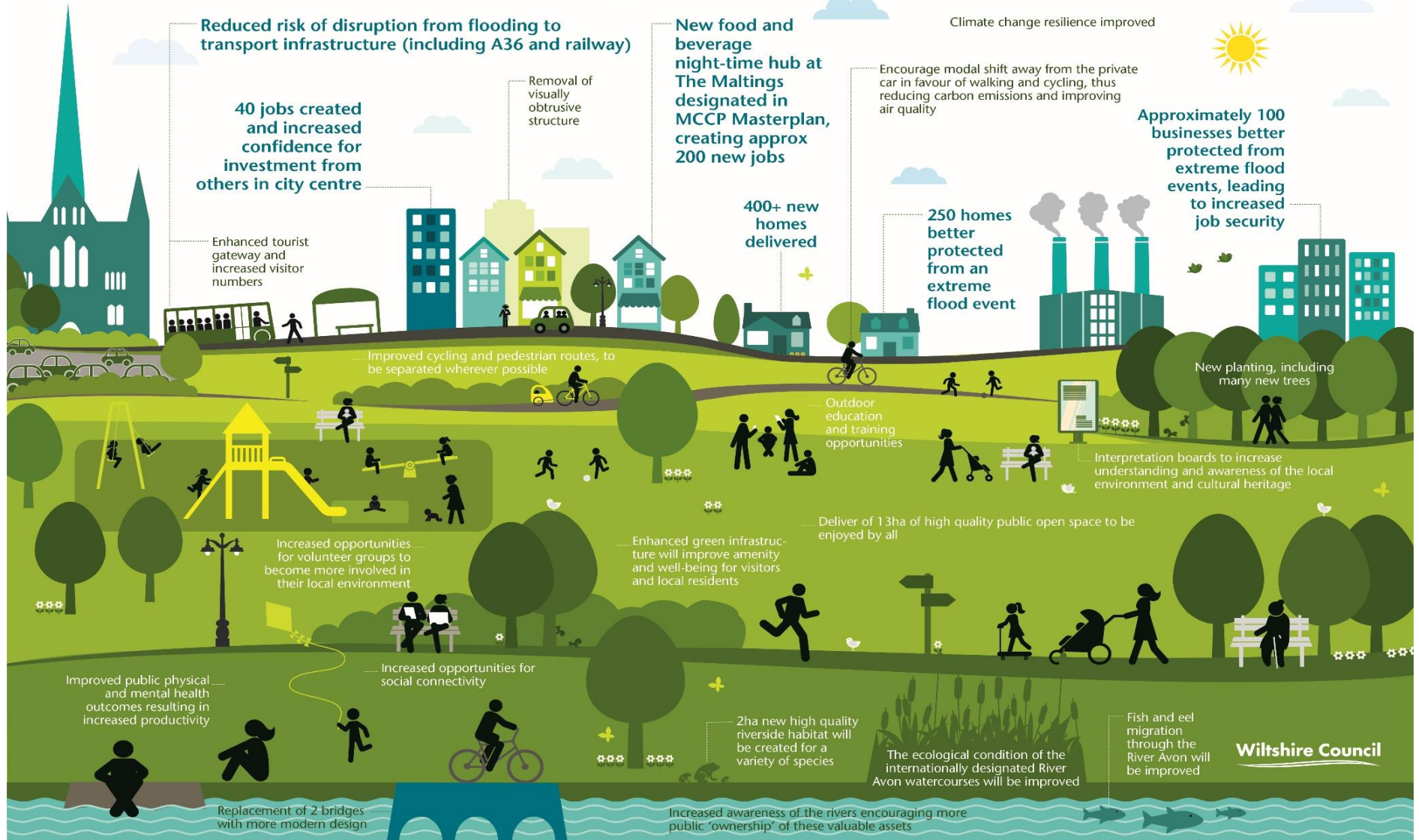
River Park

29. The emerging River Park Masterplan is set in the context of Wiltshire Council's declaration of a Climate Emergency. Proposals for the River Park have been designed to help support modal shift away from the private car, while also providing adaptation measures in response to the expected impacts of climate change through flood mitigation, aligning with the Wiltshire Core Strategy ("WCS") strategic priorities for tackling and adapting to climate change, and para 148 of the National Planning Policy Framework ("NPPF"). The proposals are also being drawn up to complement the parallel People Friendly Streets Salisbury project.
30. There is a high level of river flood risk in large parts of Salisbury city centre which is projected to increase due to climate change. Following the winter 2013/14 floods in Salisbury, the Environment Agency invested in new flood risk modelling for the city, which enabled a better understanding of how/when flooding is likely to occur across the city, including the Maltings and Central Car Park site. The Salisbury River Park project will deliver essential infrastructure, providing flood risk alleviation and environmental improvements on the Maltings and Central Car Park site to de-risk the site and enable higher value development.
31. In addition to providing critical flood risk alleviation, the Salisbury River Park also seeks to transform the River Avon and its margins through central Salisbury by enabling river corridor improvements that will naturalise the river channels, improve climate change resilience and remove barriers to fish passage, increase biodiversity, improve amenity value, provide health and well-being opportunities.

Salisbury River Park

Blueprint for future jointly promoted urban regeneration projects elsewhere in the region

91% of respondents to recent consultation in support of the River Park project



The Maltings and Central Car Park Masterplan

32. Wiltshire Council has a goal so seek to make the County carbon neutral by 2030 and planning applications will be supported by a statement clearly outlining the measures proposed to achieve sustainable development. Where possible and viable, development should be carbon neutral. The increase in green infrastructure and shift towards active, non-motorised transport and People Friendly Streets will also reduce carbon emissions.
33. New buildings will be designed to maximise energy efficiency and where design imperatives permit, buildings should be orientated to benefit from solar energy and passive solar gain.
34. Development of the site will incorporate onsite renewable energy generation that is appropriate to the setting. The inclusion of green roofs will be supported to maximise energy efficiency, slow down surface water runoff, and increase wildlife habitat area.

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

35. The Environment Agency will not receive the level of local commitment and funding for it to deliver Phase 1 of the River Park scheme as it has been configured with an accelerated timescale and enhanced environmental outputs. This will likely result in a significant delay in the delivery of flood risk mitigation in Salisbury, and a reduced scheme which will fail to unlock redevelopment of the Central Car Park site from a regeneration perspective. The opportunity to invest the Local Growth Fund allocation of £6.06 million in the Maltings and Central Car Park will also be lost because the deadline for defrayal is now too close to allow for alternative proposals to come forward.
36. It is important that public and stakeholder consultation is undertaken fully and in line with the council's Statement of Community Involvement (SCI). To comply with the Council's adopted SCI and to avoid the risk of any legal challenges in the future, it will be important to conduct a timely public consultation ahead of the any formal endorsement of the River Park Masterplan. This will provide businesses and members of the public to have early sight of the proposals and to have an opportunity to have their say in shaping the proposals. Due to the interdependencies between the masterplan, which sets the wider context for the scheme, and the detailed Phase 1 proposals which the EA are leading on, it is proposed that the public consultation on both elements of the project be carried out together. If this work is not undertaken the scheme will be put at risk from a planning perspective.

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

37. There are various delivery risks associated with implementing Phase 1 of the River Park scheme. While these risks will be in the principal ownership of the EA as the delivery agent of the scheme, the council will support the EA in mitigating their probability and impact under the auspices of the agreed Memorandum of Understanding between the two parties with respect to the project. Any obligations placed upon the council regarding the delivery of the project in its

grant funding agreement with the SWLEP will be passed through to the EA in the corresponding grant funding agreement between it and the council, such that the council is not placed under any financial risk as a consequence of providing the grant to the EA.

38. During delivery of the scheme there will be some disruption to coach parking as well as up to a 17% reduction in the number of long-stay car parking spaces on the Central Car Park. Risk of losing visitor numbers to the city as a consequence of this will be mitigated through early and ongoing consultation with coach operators and the tourism sector to ensure that their needs are well understood and provided for where it is appropriate. The reduction in the number of car parking spaces on the Central Car Park during the works is well mitigated through the number of car parking spaces available both at the car park itself and in the city generally as well as the availability of the Park and Ride services.
39. Funding agreement(s) between the EA and Wiltshire Council may potentially set out how financial risk will be shared between Wiltshire Council and the Environment Agency for Phase 1 of the River Park Scheme. The terms will be agreed in consultation with the Director of Finance and Procurement to limit the Council's exposure to financial risk as far as possible. Any significant change in risk or project costs will be reported to Cabinet if and as it may arise.

Financial Implications

Grant Funding Implications

40. The council has secured, working with the SWLEP, a Local Growth Fund grant of up to £6.06 million to deliver the River Park scheme. Prior to making grant(s) to the Environment Agency as capital contribution(s) to the scheme's delivery, the council will retain its historic and ongoing project and survey costs towards the project from the Local Growth Fund grant. As set out above, any obligations placed upon the council regarding the delivery of the project in its grant funding agreement with the SWLEP will be passed through to the EA in the corresponding grant funding agreement between it and the council, such that the council is not placed under any financial risk in that regard as a consequence of providing the grant to the EA.
41. As set out above, funding agreement(s) between Wiltshire Council and the EA may set out risk sharing provisions between the two parties in terms of project delivery. The terms will be agreed in consultation with the Director of Finance and Procurement to limit the Council's exposure to financial risk as far as possible. Any significant change in risk or project costs will be reported to Cabinet if and as it may arise.

Parking income implications

42. The average occupancy rate of the car park is 29% and displacement within the car park itself and to surrounding car parks is expected. The occupancy rate of 29% is evidenced by 2019/20 actual rates, which is outside of the period affected by the Novichok incident and is therefore a valid reference point. The temporary reduction of 37% and permanent reduction of 17% will be less than the 71% vacancy of the car park on average. It is therefore estimated that the financial

implications to the council of the reduction in long stay parking spaces will be negligible.

Legal Implications

43. Wiltshire Council's Legal Services have been engaged in the development of these proposals. The decisions being sought are in line with the Council's constitution and policy framework, including its Business Plan, and Maltings Masterplan.
44. The council will enter into two sets of Grant Agreements: one with the LEP, under which the funding is made available to the council, and the other with the Environment Agency (the "EA") under which the council will be passing the funding to the EA. The LEP agreement contains the standard State aid provisions requiring that the funding is State aid compliant. This requirement will be replicated in the EA agreement. It is confirmed that the state aid condition is met. There is also a general provision in both agreements for the funding to be used for the purpose for which it is provided, otherwise EA will be required to repay it to the council so that it can be clawed back by the LEP.

Workforce Implications

45. There are no workforce implications relating to these proposals.

Options Considered

Do Nothing

46. For the reasons set out under the Risks section on if the proposed decisions are not taken and the relevant work is not progressed, this option is rejected.

Grant the full amount of LGF allocation for the Maltings to the EA

47. This would leave the council unable to recover its own historic and ongoing costs towards delivery of the River Park scheme and therefore this option is rejected.

Relocation of the coach park during construction

48. As discussed above, a number of options have been considered to maintain provision of coach parking during the construction period.

Changes to parking and revenue income

49. As discussed above, a number of options have been considered to maintain provision of car parking and minimise the impact to council revenue income.

Conclusions

50. For the reasons set out in this report, it is recommended that cabinet agree to and approve the proposals made and that the relevant work should proceed.

Parvis Khansari (Director - Highways and Waste), Simon Hendey (Director - Housing and Commercial)

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23 October 2020

Appendices

None

Background Papers

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

Maltings and Central Car Park Masterplan June 2019
Salisbury Central Area Framework August 2020
River Park and Malting and Central Car Park Outline Business Case submission
to the SWLEP September 2020