

## Wiltshire Council

### Full Council

21 February 2023

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**Subject:** Cabinet Capital Recommendations 2022/23 Financial Year

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

**Key Decision:** Key

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#### Executive Summary

Capital Receipts and borrowing are Council funding streams and any increases to schemes funded by borrowing or Capital Receipts are a draw on Council resources and therefore, required to be approved by Full Council. In November and December 2022, Cabinet recommended three additional increases to the Capital programme for approval by Full Council. They are as follows:

As part of the quarterly budget monitoring reporting to Cabinet changes to the Capital Programme and funding are reported. The Financial Year 2022/23 Quarter Two Capital Budget Monitoring Report presented to Cabinet at their meeting on 29 November 2022 included a recommendation for an increase in the Capital Enhancements budget to be funded by Capital Receipts.

The Future Chippenham Update report presented to Cabinet at their meeting on 13 December 2022 included a recommendation that the unfinanced costs for the programme resulting from the withdrawal of the HIF grant with Homes England were funded through future Capital Receipts.

To continue to work with adjoining landowners to the South of Chippenham to masterplan and promote the sites as part of the Local Plan review process, Cabinet, at the same December 2022 meeting, recommended an increase to the Capital Programme to be funded from borrowing.

#### Proposals

Cabinet recommends to Full Council:

- i. to approve an increase in the Capital Enhancement budget of £0.516m to enable the refurbishment of an existing Family Contact Centre to be funded by increased Capital Receipts.
- ii. to approve a sum of £1.848m to be funded by future Capital Receipts to cover the unfinanced costs of the Future Chippenham programme as a result of the withdrawal of HIF grant.

- iii. to approve a sum of £0.500m to be included in the Capital Programme 2023/24 to support the necessary work with the landowners to the South of Chippenham to masterplan and promote the sites as part of the Local Plan review.

**Reason for Proposal(s)**

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

Terence Herbert

**Chief Executive Officer**

Andy Brown

**Corporate Director of Resources and Deputy Chief Executive (S151 Officer)**

## **Wiltshire Council**

### **Full Council**

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

**Key Decision: Key**

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### **Purpose of Report**

1. To receive three recommendations from Cabinet approved at their meetings on 29 November 2022 and 13 December 2022 respectively.

### **Relevance to the Council's Business Plan**

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

### **Background – Family Contact Centre**

3. The Financial Year 2022/23 Quarter Two Capital Budget Monitoring Report presented to Cabinet at their meeting on 29 November 2022 included a recommendation for an increase in the Capital Enhancements budget for the refurbishment of an existing Family Contact Centre. To enable this to take place, Cabinet recommended to Full Council to approve an increase in the Capital Enhancement budget of £0.516m to be funded from Capital Receipts.

### **Main Considerations for the Council**

4. The enhancement and improvement of the provision in one of the Family Contact Centres will enable the number of centres to be reduced from three to two, releasing one property for sale, the forecast capital receipt is £0.990m.

### **Background – Future Chippenham**

5. Following Cabinet's decision of July 2022 to conclude a mutually agreed exit from the Grant Determination Agreement (GDA) with Homes England, delegation was sought at Cabinet on 13 December 2022 to allow the Council to finalise and enter into any documentation to give effect to the exit agreement.
6. Homes England confirmed that, subject to the Council requesting a withdrawal from the GDA and HIF programme, the Council would not be required to repay the HIF funding of £6.413m (including capacity funding) claimed to October 2021. In addition, the Council can claim £2.569m of the £5.139m that the Council incurred to continue working on the southern only scheme post July 2021.

7. As a result, the Council has a balance forecast at £1.848m that will need to be financed due to withdrawing from the HIF programme. These costs reflect the internal project costs and external fees for the road and masterplan design, internal salary costs, legal fees (licences, landowner costs, compulsory purchase order), road ground investigations, communications and engagement and venue hire that took place over the last year that are over and above the approved £1.000m borrowing budget and Grant received and forecast to be received from Homes England.
8. Cabinet recommended to Full Council that these costs were funded from future Capital Receipts.
9. The December 2022 Cabinet report also set out an appraisal of the options available to the Council solely in its capacity as a landowner and recommended that the Council continues to work with adjoining landowners to the South of Chippenham to masterplan and promote the sites as part of the Local Plan review process.
10. To develop this option to the next stage Cabinet recommended a budget allocation of £0.500m in 2023/24 to be funded by borrowing to support the work to promote the Council sites in the Local Plan review as part of the Council's Capital Programme budget setting process.
11. Capital Receipts and borrowing are Council funding streams and any increases to schemes funded by borrowing or Capital Receipts are a draw on Council resources and therefore, required to be approved by Council.

### **Main Considerations for the Council**

12. To cover the unfunded costs of the Future Chippenham programme Cabinet recommends to Full Council to approve a sum of £1.848m to be funded by Future Capital Receipts. These costs will likely not be abortive subject to the use of the paid for work being used to support a scheme if allocated as part of the Local Plan review.
13. To continue to work with adjoining landowners to the South of Chippenham to masterplan and promote the sites as part of the Local Plan review process, Cabinet recommends an increase to the Capital Programme of £0.500m to be funded from borrowing.

### **Overview and Scrutiny Engagement**

14. The Financial Year 2022/23 Quarter Two Capital Budget Monitoring Report was considered by the Financial Planning Task Group on 25 November 2022.
15. The Future Chippenham Update paper was reviewed by Environment Select Committee on 12 December 2022.

### **Safeguarding Implications**

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

### **Public Health Implications**

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

## **Procurement Implications**

18. All procurement associated with the project will take place within the Council's procurement and commercial strategy and in conjunction with the Council's procurement team.

## **Equalities Impact of the Proposal**

19. There are no direct equality impacts from this report. However, should the Future Chippenham programme not proceed, there is a potential risk that a reduced level of affordable housing being available in Chippenham with a lack of connectivity to the town centre and community infrastructure within the development area.

## **Environmental and Climate Change Considerations**

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

## **Workforce Implications**

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

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

22. If the recommendation is not approved for the Family Contact Centre, works will not be able to take place and the enhancement and improvement of the provision in one of the centres will not enable the number of centres to be reduced from three to two.
23. If the Council continued the necessary work to progress the Future Chippenham programme without an agreed revised GDA and without agreeing a mutual exit from the GDA then it would expose itself to significant abortive work and financial risk, including the possible repayment of the entire HIF spend to date.
24. If the Council continued with the current GDA, the availability period for HIF funding to be defrayed by March 2025 would result in an unacceptable financial and programme risk in light of the Local Plan review timetable. The current GDA also commits the Council to delivering 7,500 homes, when Cabinet has already resolved to develop the South scheme due to land assembly and construction constraints.
25. If further design work on the scheme was halted, resulting updated representations to the Local Plan review may not have met the Local Plan timetable. Similarly, if design work on the proposed development ceased the Council's internal project costs and external fees that are subject to the use of that work to support a scheme if allocated as part of the Local Plan review may be abortive.

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

26. There is a risk that the proceeds from the sale of the surplus Family Contact Centre property is insufficient to cover the cost of the works, although this is extremely unlikely. If this were to arise, then other capital receipts would need to be allocated to fund this work from existing unallocated receipts or new capital receipts identified.

27. With regards to Future Chippenham, the southern site may not be allocated in the forthcoming Local Plan review. To mitigate this the Council has agreed to work collaboratively with the southern landowners to enable the site to be masterplanned holistically. If after collaboration with the southern landowners the allocation is not forthcoming, further mitigation for the Council would be to employ option 3 outlined in the December 2022 Cabinet report and sell part or all land holdings to the South of Chippenham.
28. Subject to further design work, if any infrastructure constraints or any planning conditions imposed on the southern allocation result in the scheme becoming unviable, mitigation for the Council would be to employ option 3 outlined in the December 2022 Cabinet report and sell part or all land holdings to the South of Chippenham.

### **Financial Implications**

29. The financial implications are implicit throughout the report.

### **Legal Implications**

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

### **Options Considered**

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

### **Conclusions**

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

### **Andy Brown, Corporate Director of Resources & Deputy Chief Executive (S151 Officer)**

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8 February 2023

### **Appendices**

None

### **Background Papers**

Financial Year 2022/23 – Quarter Two Capital Budget Monitoring, Cabinet 29

November 2022 - [Agenda for Cabinet on Tuesday 29 November 2022, 10.00 am | Wiltshire Council](#)

Future Chippenham Update:

<https://cms.wiltshire.gov.uk/documents/s209684/Future%20Chippenham%20Update.pdf>