

POLICY & RESOURCES COMMITTEE

MINUTES of a MEETING held at COUNTY HALL, TROWBRIDGE on TUESDAY, 25th JULY, 2000.

PRESENT: Mr. P.F. Chalke (Chairman), Mr. P.G. Allnatt, Mr. R.G. Catton, Mr. P.C.B. Coleman, Mr. J.N.B. Irving, Mr. J.P. Johnson, Mr. P.W.L. Sample, Mrs. J.A. Scott, Mrs. J.H. Seager, Mrs. C.A. Soden, Mr. N.S.E. Westbrook, Mr. K.C. Wren.

Mrs. C. Crisp, Mrs. M.E.M. Groom and Mr. D. Lay also attended in accordance with Standing Order No.25.

105. **Membership** The Director of Corporate Services reported the membership of the Committee, incorporating any changes since the previous meeting.

106. **Minutes of Previous Meeting**

Resolved: To note the summary version of the minutes of the meeting held on 7th July, 2000.

107. **Chairman's Announcement**

- (1) **Mr. David Lay** The Chairman welcomed Mr. Lay, the newly elected member for Bedwyn and Pewsey and congratulated him upon his success in the by-election on 20th July, 2000.
- (2) **Her Majesty Queen Elizabeth the Queen Mother** The Chairman informed the Committee that the County Council would be sending its best wishes and congratulations to Her Majesty Queen Elizabeth the Queen Mother on the occasion of her 100th birthday.
- (3) **Mr. R. Lander** The Chairman congratulated Mr. Lander on his recent appointment as Chairman of the Regional Economy Group of the South West Regional Assembly.
- (4) **The Local Government Bill** The Chairman reported that following the debate and vote in the House of Lords yesterday, it now seemed that the County Council's preferred political structure was no longer an option. The County Council would now have to assess its options after the Bill has received Royal Assent.

108. **Audit of the Best Value Performance Plan 2000/01** The Committee considered a report by the Chief Executive and the District Auditor's unqualified audit report.

Resolved: To note the District Auditor's reports and the response to the statutory recommendations.

109. **The Government's Invest to Save Budget : Round 3** On considering a report by the Chief Executive,

Resolved:

- (1) To welcome the Government's Invest to Save Budget, Round 3 – as an opportunity to seek to increase the amount of government funding drawn into Wiltshire.*
- (2) To endorse the three Expressions of Interest submitted by the lead partners in Wiltshire.*
- (3) To note the amount of ISB funding sought and the possible financial implications for the County Council, subject to approval in due course by the Committee.*
- (4) To note that lessons will be drawn for future external funding bids.*

110. **Corporate Capital Strategy** The County Treasurer presented a report following guidance from the Department of the Environment, Transport and the Regions (DETR) about the production of the Authority's Corporate Capital Strategy. The Chairman reported that this Committee's joint Scrutiny Sub-Committee was also considering the County Treasurer's report as part of its review of the capital programme and may have views and recommendations on the process.

Resolved:

- (1) To approve the Corporate Capital Strategy as attached to the County Treasurer's report for submission to the DETR as a dry run;*
- (2) To note that the Corporate Capital Strategy will be updated next year following feedback from the DETR; and*
- (3) To delegate to the Deputy County Treasurer, as Chairman of the Corporate Capital Group authority to approve changes in cashflows on schemes that are already in the capital programme.*

111. **Policy & Resources Committee Revenue Outturn 1999-2000** On considering a joint report,

Resolved:

- (1) To note the service underspendings of £565,000 and CSS overspendings of £45,000 for 1999/2000;*

- (2) *To approve a rollover of £231,000 to 2000/01;*
- (3) *To note the transfer of £334,000 to general balances;*
- (4) *To approve the retention of CSS and other earmarked reserves of £111,000; and*
- (5) *To approve the retention of the Walker and FM holding account reserves of £14,000 and -£2,000 respectively.*

112. **Final Outturn 1999-2000** On considering a report by the County Treasurer,

Resolved:

- (1) *To note the revenue outturn and the position on balances at 31st March, 2000;*
- (2) *To approve the revenue rollover of a net overspending of £0.054 million, as detailed in Appendix B of the report to 2000-01;*
- (3) *To note the financing decisions taken by the County Treasurer in respect of 1999-2000 capital expenditure.*
- (4) *To approve a supplementary capital estimate of £3.744 million in respect of slippage from 1999-2000.*
- (5) *To approve a supplementary capital estimate of £0.250 million in respect of professional fees for the North Wiltshire Schools PFI scheme;*
- (6) *To note that the overspending on the Warminster Kingdown scheme has been covered by underspendings on Education Committee capital schemes in 1998-99 and 2000-01; and*
- (7) *To release the Salisbury Bishopdown Primary School capital scheme from the reserve list of capital projects.*

113. **Interim Treasury Report – 2000/01 (Period 1)** On considering a report by the County Treasurer,

Resolved: *To note the report.*

114. **Budgetary Control Statement for May 2000** On considering a report by the County Treasurer,

Resolved: *To note the report.*

115. **Magistrates' Courts Committee** The County Treasurer reported that, under his delegated powers, he had approved a supplementary capital estimate of £7,675 in 2000/01 for the County Council's share of the Magistrates' Courts Committee capital expenditure on computers and related equipment.

Resolved: To note the action of the County Treasurer.

116. **The Local Government Pension Fund : Power to Admit Employees of Other Bodies : Transfer of Phase Two of Elderly Persons' Homes to Orders of St. John Trust Care Homes** On considering a report by the County Treasurer,

Resolved:

- (1) *To admit the Orders of St. John Trust Care Homes to the County Pension Fund with effect from an agreed date, with membership restricted to the newly transferred staff.*
- (2) *To ask the Director of Corporate Services to draw up an admission agreement.*
- (3) *To ask the County Treasurer to report back on the implications of extending the admission agreement to all of the Trust's employees in the transferred homes.*

117. **Capital Budget : Virement** The County Treasurer reported that under his delegated powers he had vired £20,000 to the Chippenham Hardenhuish School Project from the Advanced Design Fees budget from 1998/99. This action had allowed the purchase of essential furniture, apparatus and equipment for the Chippenham Abbeyfield School, ready for its opening in September 2000.

Resolved: To note the action of the County Treasurer.

118. **Corporate Services Sub-Committee** The minutes of the meetings of the Sub-Committee held on 13th June and 18th July, 2000 were received.

Arising from the meeting on 18th July, 2000,

County Farms Estate : Capital Receipts On considering the following recommendation of the Sub-Committee:

“To ask Policy & Resources Committee, as a matter of principle, to consider favourably allowing a proportion of receipts arising from farm sales being returned to the County Farms Estate budget.”

Resolved: To continue the existing County Council policy on the use of capital receipts and to inform the Corporate Services Sub-Committee that individual cases will be considered on their merits.

119. **Policy & Resources and Environment & Transport Joint Scrutiny Sub-Committee** The minutes of the meetings held on 8th and 21st June, 2000 were received.

120. **Primary Care Groups and Primary Care Trusts** The Committee received a report by the Director of Social Services.

Resolved:

- (1) *To support the proposals for a reconfiguration of PCG boundaries based on Local Government boundaries as noted in paragraph 15 of the report.*
- (2) *To support the proposals that South Wiltshire and West Wiltshire PCGs should become PCTs from April 2001.*
- (3) *To support the proposal to establish a "Partnership Board" for West Wiltshire and to nominate Mr. W. Spiers and one Liberal Democrat member (to be advised).*

121. **Procedure for Electing Chairman and Vice-Chairman of the County Council** On considering a report by the Chief Executive,

Resolved: *To recommend the County Council to abolish the secret nomination process for the election of Chairman and Vice-Chairman of the County Council and to revise Standing Order 6 of Part 1 Standing Orders as follows:-*

Delete

Standing Order 6.2.1 and 6.2.2

Insert

- 6.2.1 *The person presiding at the meeting shall invite nominations for chairman or vice-chairman from those present at the meeting.*
- 6.2.2 *A member's name must be proposed and seconded to be eligible.*
- 6.2.3 *A member shall not be nominated in his or her absence for the office of chairman or vice-chairman without his or her written consent.*

122. **Stepping Stones Opportunity Group, Trowbridge** On considering the following recommendation of the Education Committee on 23rd June, 2000 and a report by the Chief Education Officer:-

- “(1) To grant a lease at less than market rent of the land indicated on the map (attached as Appendix A to the report) to Stepping Stones Opportunity Group for a period of thirty years, or longer, subject to the agreement of all parties, and otherwise on terms to be agreed by the Director of Environmental Services;
- (2) To grant a lease (on similar terms to those negotiated in the case of Longmeadow Primary School), on the land indicated on the map (attached as Appendix B to the report), at Walwayne Court Community Primary School for

the development of a play area, as previously proposed by Trowbridge Town Council.”

Resolved: To approve the recommendations.

123. Exclusion of the Public

Resolved: In accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Minute Nos. 124 and 125 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 9 of Part I of Schedule 12A to the Act.

124. Minutes of Previous Meeting

Resolved: To confirm and sign the minutes of the meeting held on 7th July, 2000.

125. North Wiltshire Schools PPP/PFI Project The Committee received a confidential joint report about the funding arrangements for this project. Also circulated was a copy of a letter from the Chief Executive to District Audit dated 21st July, 2000, responding to a number of financial matters that he had raised. The Chief Executive reported that the District Auditor was satisfied with the response and had no further financial observations.

Resolved:

- (1) To note the report of the Chief Executive, the Director of Environmental Services, the County Treasurer and the Chief Education Officer as to the current position reached in negotiations in respect of the proposed Private Finance Initiative ("PFI") transaction in respect of the North Wiltshire Schools at Wootton Bassett, Corn Gastons (Malmesbury) and Chippenham.*
- (2) To note the cost of the project, as expressed in paragraphs 9 and 10 of the report.*
- (3) To note the anticipated PFI Credit as set out in paragraph 21 of the report.*
- (4) To accept, as a result of the figures in (2) and (3) that the affordability gap will be as set out in paragraph 19 of the report.*
- (5) To agree that these figures represent value for money.*
- (6) To confirm that the net funding gap on the PFI contract will be a charge against the Education Committee budget, to allow the Education Committee to retain the sum specified in paragraph 56(f) to meet the funding gap, and to consider the Committee's overall budget in the context of the Council's financial plan in the autumn.*
- (7) To authorise the Director of Environmental Services to promote the development of the Filands site at Malmesbury through the North Wiltshire*

Local Plan in co-operation with Persimmon Homes Ltd. on terms to be agreed.

- (8) *To note the legal advice of the Solicitor to the Council & Monitoring Officer set out at paragraphs 42-55 of the report.*
- (9) *To agree that:*
 - (a) *the Council's standing orders in relation to land sales without tender have been satisfied.*
 - (b) *no further tender process for the sale of the surplus land is required and that to subject the transaction to further competitive tender is unnecessary.*
- (10) *To authorise the Chief Executive to conclude negotiations on the following documentation relating to the said PFI transaction:*
 - (a) *the Project Agreement to be entered into between the Council and the White Horse Education Partnership Limited ("the Provider") providing for matters including the construction, financing, operation and maintenance of premises for each of the above mentioned schools.*
 - (b) *the three Governors Agreements to be entered into between the Council and the Governing Body (or in the case of Chippenham, the temporary Governing Body) of each of the schools, including providing for the payment of a contribution to the sums due to the Provider from the Council under the Project Agreement and the transfer of control of the school premises outside school hours.*
 - (c) *the agreement ("the Lenders Direct Agreement") to be entered into between the Council and the Provider's funder or funding agent which includes provisions for certain rights of the funder or funding agent to avoid termination of the Project Agreement in the event of default by the Provider under the Project Agreement.*
 - (d) *an agreement ("the Direct Services Agreement") to be entered into between the Council and the company (namely Group 4 Management Services Ltd) to be appointed by the Provider to carry out the services required under the Project Agreement, which includes a direct warranty to the Council in respect of the skill and care to be exercised by Group 4 Management Services Ltd in carrying out the services.*
 - (e) *an agreement ("the Direct Building Agreement") to be entered into between the Council and the company (namely Bilfinger and Berger UK Limited) to be appointed by the Provider to carry out the construction of the school premises in accordance with the Provider's obligations under the Project Agreement, which includes a direct warranty to the Council in respect of the skill and care to be exercised by Bilfinger and Berger UK Limited in carrying out the works.*

- (f) *an agreement for the sale of land, which will be surplus to education requirements following completion of the construction of the new Wootton Bassett School to be entered into between the Council and a developer introduced by the Provider, proceeds from which are required to be utilised in connection with the payment to the Provider under the Project Agreement.*
- (g) *a lease and underlease in respect of each of the school premises to be entered into between the Council and the Provider and the Provider and the Council respectively whereby the school premises once completed will be leased to the Provider for a period of 30 years plus one day and the school premises will simultaneously be underleased back to the Council for a period of 30 years.*
- (h) *to declare the land which is subject to the agreement referred to in paragraph 39(ii) of the report surplus to educational requirements and to authorise it to be sold.*
- (i) *to authorise the Solicitor to the Council or the Chief Executive to enter into and sign on behalf of the Council the documents referred to in resolution number 10(a) to (g) following completion of the negotiations referred to in the report and all other necessary ancillary contracts and agreements to facilitate the PFI transaction relating to the North Wiltshire schools (and to submit any documents required to ensure that relevant PFI credits are obtained) provided that the authorisation hereby given shall not be exercised without the approval of the Solicitor to the Council and shall be subject to the following limitations:*
 - (i) *in respect of the Project Agreement, that subject to changes in interest rates up to financial close from the date of this report, the net present value of the annual payments to be made thereunder must not exceed the net present value of the annual payments identified in the Report;*
 - (ii) *in respect of the Governors Agreements, the value of the Governing Bodies contributions is not reduced from that identified in the Report;*
 - (iii) *in respect of the agreement for the sale of surplus land, the consideration is no less than that identified in the Report.*
- (11) *To approve the letter dated 18 July 2000 (Appendix F of the report) from the Council to White Horse Education Partnership Limited relating to early access to the Chippenham site in connection with the proposed North Wiltshire Schools PFI Scheme AND THAT the signature of the letter by Stephen Gerrard, the Solicitor to the Council, on behalf of the Council be approved and ratified.*

- (12) *To authorise hereby the Solicitor to the Council to execute on behalf of the Council all necessary leases and underleases.*
- (13) *Pursuant to the resolution of the Policy and Resources Committee of 14 December 1999 to authorise Dr Keith Robinson, Head of Paid Service of Wiltshire County Council, to issue certificates under the Local Government (Contracts) Act 1997 in relation to the PFI transaction including a certificate in relation to the Project Agreement and the certificate in relation to the Lender's Direct Agreement following conclusion of negotiations.*

(Duration of meeting : 10.30 a.m. to 12.00 noon)

The Officer who has produced these minutes is Stuart Smith, of the Committee Services Unit, direct line 713054.

Press enquiries to Communications, direct line (01225) 713114/713115.

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