

AGENDA

Meeting: **CABINET CAPITAL ASSETS COMMITTEE**
Place: **The Kennet Room - County Hall, Trowbridge BA14 8JN**
Date: **Tuesday 13 September 2016**
Time: **11.00 am or on the rising of Cabinet whichever is the later**

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

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

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

Membership:

Cllr Fleur de Rhé-Philippe	Cabinet Member for Economic Development, Skills, Strategic Transport and Strategic Property
Cllr Baroness Scott of Bybrook OBE	Leader of the Council
Cllr Toby Sturgis	Cabinet Member for Strategic Planning, Development Management, Strategic Housing, Operational Property and Waste
Cllr John Thomson	Deputy Leader and Cabinet Member for Communities, Campuses, Area Boards and Broadband
Cllr Dick Tonge	Cabinet Member for Finance

Substitutes:

Cllr Laura Mayes	Cabinet Member for Children's Services
Cllr Jonathon Seed	Cabinet Member for Housing, Leisure, Libraries and Flooding
Cllr Stuart Wheeler	Cabinet Member for Hubs, Heritage and Arts, Governance and Support Services
Cllr Philip Whitehead	Cabinet Member for Highways and Transport
Cllr Jerry Wickham	Cabinet Member for Health (including Public Health) and Adult Social Care

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AGENDA

Part I

Items to be considered while the meeting is open to the public

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

1 **Apologies and Substitutions**

2 **Minutes of the previous meeting** (*Pages 7 - 10*)

To confirm and sign as a correct record the minutes of the Cabinet (Capital Assets) Committee meeting held on 19 July 2016.

3 **Leader's Announcements**

4 **Declarations of interest**

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

5 **Public Participation and Questions from Councillors**

The Council welcomes contributions from members of the public. This meeting is open to the public, who may ask a question or make a statement. Questions can also be asked by members of the Council. Written notice of questions or statements should be given to Will Oulton of Democratic Services by 12.00 noon on Wednesday 7 September 2016. Anyone wishing to ask a question or make a statement should contact the officer named above.

6 **Capital Budget Monitoring** (*Pages 11 - 24*)

Report by Carolyn Godfrey, Corporate Director.

7 **Wiltshire Growth Deal - Update and Funding Implications** (*Pages 25 - 44*)

 Report by Dr Carlton Brand, Corporate Director..

8 **Urgent items**

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

9 **Exclusion of the Press and Public**

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

To consider passing the following resolution:

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Items Number 10 and 11 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

Reason for taking item in private:

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

Part II

Items during consideration of which it is recommended that the public should be excluded because of the likelihood that exempt information would be disclosed

10 **Wiltshire Growth Deal - Update and Funding Implications (Part ii)** (Pages 45 - 48)

11 **Hampton Park Country Park (Part ii)** (Pages 49 - 60)

 Report by Dr Carlton Brand, Corporate Director.

Our vision is to create stronger and more resilient communities. Our priorities are: To protect those who are most vulnerable; to boost the local economy - creating and safeguarding jobs; and to support and empower communities to do more themselves.

a)

b)

CABINET CAPITAL ASSETS COMMITTEE

DRAFT MINUTES of a MEETING held at THE KENNET ROOM - COUNTY HALL, TROWBRIDGE BA14 8JN on Tuesday, 19 July 2016.

Cllr Fleur de Rhé-Philipe	Cabinet Member for Economic Development, Skills, Strategic Transport and Strategic Property
Cllr John Thomson	Deputy Leader and Cabinet Member for Communities, Campuses, Area Boards and Broadband
Cllr Dick Tonge	Cabinet Member for Finance
Cllr Laura Mayes	Cabinet Member for Children's Services
Cllr Stuart Wheeler	Cabinet Member for Hubs, Heritage and Arts, Governance and Support Services

Also in Attendance: Cllr Jonathon Seed, Cllr Philip Whitehead and Cllr Jerry Wickham

33 Apologies and Substitutions

Apologies were received from Cllr Toby Sturgis and Cllr Baroness Scott of Bybrook OBE
Cllr Baroness Scott of Bybrook OBE was substituted by Cllr Laura Mayes; and Cllr Tony Sturgis was substituted by Cllr Stuart Wheeler.

34 Minutes of the previous meeting

The minutes of the meeting held on the 17 May 2016 were presented and considered.

Resolved

To approve as a correct record and sign the minutes of the meeting held on the 17 May 2016

35 Leader's Announcements

There were no leaders announcements.

36 Declarations of interest

There were no declarations of interest.

37 Public Participation and Questions from Councillors

It was noted that no requests for public participation had been received. The Leader did however explain that, as usual at meetings of Cabinet, she would be

more than happy to hear from any member of the public present on any of the items on the agenda.

38 ICT Capital Funding Bid

Councillor Dick Tonge, Cabinet Member for Finance, presented the report which sought the approval of capital funding for the re-procurement and implementation of case management systems in Children's Services.

When considering the proposals, the meeting took account of the information in the appendices exempt from publication.

After a short debate, the meeting;

Resolved

- 1. To release from the ICT capital budget, an additional amount, as specified in the part II appendix, over the next 3 years to research, procure and implement replacement Children's Services support solutions.**
- 2. It is proposed that the revenue element is funded from either grant fund bids or if that is unsuccessful the Children's Service. When the procurement process is complete and the providers selected, a full evaluation will be carried out, to assess the requirements around staffing levels in both Children's Social Care and ICT. Future staffing levels and savings will depend on the future system selected.**
- 3. To delegate powers to enter into resulting contract(s) for these solutions, to the Associate Director, People and Business Services in conjunction with the Section 151 Officer.**

Reason for Decision

Systems that support Children's Services need to be fit for purpose and give the opportunity to streamline working practices and keep pace with change. The current systems are limited in what they can offer to the changing needs of the council and Children's Services. The renewal of contracts offer an opportunity to enable the aims of the council and the Children's Services to offer an improved and mobile solution as well as reducing existing IT solutions and support and maintenance costs.

39 Urgent items

There were no urgent items.

40 **Exclusion of the Press and Public**

Resolved

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

Reason for taking the item in private:

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

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

41 **ICT Capital Fund (Part ii)**

The meeting noted the information in the appendices to the report.

(Duration of meeting: 11.15 - 11.37 am)

These decisions were published on the 22 July 2016 and will come into force on 1 August 2016
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The Officer who has produced these minutes is Will Oulton, of Democratic & Members' Services, direct line 01225 713935 or e-mail

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Wiltshire Council

Cabinet

13 September 2016

Subject: **Capital Monitoring Period 4 2016/2017 (as at 31 July 2016)**

Cabinet member: **Councillor Dick Tonge - Finance**

Key Decision: **No**

Executive Summary

The report details changes to the budget made since the 2016/2017 budget was set in February 2016.

The report reflects the position of the 2016/2017 spend against budget as at Period 4 (as at 31 July 2016).

Proposal

To note the budget movements undertaken to the capital programme shown in appendices A and B.

To also note the reprogramming of £0.278 million between 2016/2017 and 2017/2018.

Reason for Proposals

To inform Cabinet of the position of the 2016/2017 capital programme as at Period 4 (31 July 2016), including highlighting any budget changes.

Michael Hudson Associate Director Finance

Wiltshire Council

Cabinet

13 September 2016

Subject: **Capital Monitoring Period 4 2016/2017 (as at 31 July 2016)**

Cabinet member: **Councillor Dick Tonge - Finance**

Key Decision: **No**

Purpose of Report

1. To inform Cabinet on the position of the 2016/2017 Capital Programme, as at Period 4 (31 July 2016), including highlighting budget changes. A budget monitoring report to members is taken to Cabinet Capital Assets Committee quarterly in September, December, February and June. This report focuses on major variations in budget.

Budget Movements

2. The original budget for 2016/2017 was presented to the Council as part of the budget meeting on 23 February 2016. Since that date there have been a number of changes to the budget for 2016/2017, largely due to reprogramming of budget from 2015/2016 and to 2017/2018; but also to reflect additional funding being available. The changes to the budget since it was last amended in the Budget Setting report are summarised in the table that follows, a fuller breakdown of the changes made at a scheme by scheme level is attached as Appendix A.

Breakdown of Budget Amendments from Original Budget to Period 4 Budget (as at 31 July 2016)

	£m	Notes
Original Capital Programme Budget (reported to Council 23 Feb 2016)	154.252	
Additions/amendments to the Capital Programme 2016/2017 since Original Budget Setting		
Outturn 2015/16 Budgets reprogrammed into 2016/2017	9.760	See Appendix A for further details
Additional Budgets added to Programme	8.351	See Appendix A and B section 1 for further details
Grant Amendments	0.074	See Appendix A for further details
Reduced Budgets	(1.570)	See Appendix A for further details
Budgets reprogrammed from 2016/2017 into 2017/2018	0.278	See Appendices A and B section 2 for further details
Current Budget 2016/2017	171.145	

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

4. As part of this report the programme has been reduced by £1.570 million to reflect changes to the approved capital budgets within the revenue provision (interest and capital repayment) of £23.999 million; commentary on these amounts is given in Appendix C.

5. The budgets that have been reprogrammed into 2017/2018 are shown in further detail in Appendices A and B, with the higher value amounts also explained in the narrative for schemes in Appendix C.

Summary of Position as at 31 July 2016

6. The current budget for the year 2016/2017 is £171.145 million. Actual spend on schemes as at 31 July 2016 was £22.644 million. A full breakdown of these figures is attached in Appendix A.
7. At present there are no anticipated significantly overspending schemes.
8. The £9.760 million of reprogramming from 2015/2016 to 2016/2017 includes a draw forward of £4.000 million of Structural Maintenance funding to cover spend incurred completing works in advance of schedule.
9. The capital financing revenue budget at Month 4, 31 July 2016 shows an overspend of £2 million. The Corporate Leadership Team are reviewing the capital programme over the next four years focusing on the areas funded by our own resources to bring the programme back into affordability.
10. In line with this review some larger programmes have been slowed down to allow the review to take place. This is to ensure that decisions can be taken to address the affordability issues and is in part why the Actual spend to date is low.
11. Included within the programme are also significant schemes that are programmed for the latter part of the year, these include ICT Schemes which includes funding for Windows 10 laptop refresh, Schools Basic Need and Maintenance and Modernisation schemes, Local Growth Fund Scheme Porton Science Park.
12. The budget currently shown for the Council House Build Programme is the original budget for 2016/2017 and the slippage from 2015/2016. Following the decision to seek re-approval for the programme in 2015-16 Housing Services are currently reviewing the profile over the whole programme and this will be amended in the next report. This programme does not impact on the capital financing revenue budget as it is financed by HRA and grants and contributions.
13. Further information on the movements undertaken and the final position of some of the larger schemes is set out in Appendix C, along with updates on the capital receipts received during 2016/2017.

Risks Assessment

14. The capital budget for 2016/2017, as detailed in this report, has been revised to £171.145 million. Within any capital programme there are a number of potential risks such as from cost overruns or lower than expected levels of capital receipts. Such issues will be highlighted as soon as they establish themselves through the quarterly reporting process. Members may wish to bear in mind that the capital programme has been set for four years and therefore risks will be appraised over the whole period.

Equality and Diversity Impact of the Proposal

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

Financial Implications

16. This is a report from the Chief Finance Officer and the financial implications are discussed in the detail of this report.

Legal Implications

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

Public Health Implications

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

Environmental Implications

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

Safeguarding Implications

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

Proposals

21. To note the budget movements undertaken to the capital programme shown in Appendices A and B.

To also note the reprogramming of £0.278 million between 2016/2017 and 2017/2018.

Background Papers and Consultation

None

Contact Name:

Michael Hudson, Associate Director Finance, ext 13601
Michael.hudson@wiltshire.gov.uk

Report Author: Leanne Sykes, Accountancy Services Manager.

Appendices:

Appendix A – 2016/2017 Capital Programme Budget Movements and spend to 31 July 2016

Appendix B – Delegated authority for budget movements

Appendix C – Narrative on specific schemes

Capital Programme Budget Movements and Spend to 31 July 2016/2017

Scheme Name	2016/2017 Budget Breakdown											
	Original Capital Programme Budget (reported to Council 23 Feb 2016)	Budgets reprogrammed from 2016/2017 into 2015/2016	Outturn 2015/2016 Budgets Reprogrammed into 2016/2017	Outturn Budget Transfer 2015/2016 into 2016/2017	Budget Movements between Schemes	Additional Budgets added to Programme (Section 1 Appendix B)	Grant Amendments	Reduced Budgets	Budgets reprogrammed from 2016/2017 into 2017/2018 (Section 2 Appendix B)	Current Budget Period 4 2016/2017	Spend to 31 July 2016	Spend to 31 July 2016
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Economy												
Carbon Reduction Schemes			0.078	0.123						0.201	0.122	60.70%
Oil to Biomass Schemes				0.921						0.921	0.001	0.11%
Other Economic Development Schemes				0.074						0.074	0.000	0.00%
Strategic Economic Plan	1.582			0.866						2.448	0.000	0.00%
Corsham Mansion House				0.228		2.302		(0.061)	(0.600)	1.869	0.015	0.80%
A350 West Ashton/Yarnbrook Junction Improvements										0.000	0.000	0.00%
Chippenham Station HUB	0.100	(0.100)		0.072					1.900	1.972	0.032	1.62%
LTB Scheme A350 North of Chippenham Bypass Improvements	1.177	0.500	(1.677)	0.085				(0.085)		0.000	0.000	0.00%
A350 Dualling Chippenham Bypass			(0.097)						0.097	0.000	0.086	0.00%
M4 Junction 17										0.000	0.003	0.00%
Porton Science Park	4.900			0.007		0.983				2.867	8.757	0.15%
Other Local Growth Fund Schemes										0.000	0.000	0.00%
Salisbury Marketplace Churchfields & The Maltings										0.000	0.015	0.00%
Bowerhill Portal Way Improvement Works				0.079						0.079	0.000	0.00%
Integrated Transport	3.238			(0.051)		0.033				3.220	0.582	18.07%
Structural Maintenance (Grant & Council Funded)	18.000		(4.000)	0.710	1.500					16.210	9.082	56.03%
Pothole Fund Grant						0.866				0.866	0.093	10.74%
A350 Chippenham (Pinch Point)										0.000	0.000	0.00%
Local Sustainable Transport Fund										0.000	0.000	0.00%
Wiltshire Online	7.039		(2.500)	0.051					0.420	5.010	0.000	0.00%
Farmers Roundabout				0.448					(0.430)	0.018	0.000	0.00%
Total Economy	36.036	0.400	(8.196)	3.613	1.500	4.184	0.000	(0.146)	4.254	41.645	10.046	24.12%
Community												
Health and Wellbeing Centres - Live Schemes	19.734			1.053		0.161				20.948	3.222	15.38%
Health and Wellbeing Centres - In Development										0.000	0.000	0.00%
Area Boards and LPSA PRG Reward Grants	0.900		0.008	0.141						1.049	0.035	3.34%
Fitness Equipment for Leisure Centres			0.470	0.001				(0.013)		0.458	0.001	0.22%
Churchyards & Cemeteries	0.557			0.052						0.609	0.002	0.33%
Start up units in Market Hall Devides										0.000	0.000	0.00%
Upgrade Facilities at City Hall										0.000	0.000	0.00%
Highway flooding prevention and Land Drainage schemes	0.500			(0.004)	0.500	0.260				1.256	0.268	21.34%
Aldbourne Flood Alleviation Scheme										0.000	0.000	0.00%
Bridges	3.500			0.021	(2.000)					1.521	0.052	3.42%
Salisbury Marketplace Highways Works										0.000	0.001	0.00%
Passenger Transport Capital										0.000	0.000	0.00%
Waste Services	0.566		(0.010)	0.063						0.619	0.096	15.51%
Fleet Vehicles	(0.500)			(0.154)					0.654	0.000	0.000	0.00%
Sarum Academy Salisbury				0.310						0.310	0.000	0.00%
Basic Need	13.996			0.864		2.465			(1.233)	16.092	2.217	13.78%
Schools Maintenance & Modernisation	9.564		0.008	0.803	(0.013)	0.058	(0.442)		(2.173)	7.805	0.285	3.65%
Devolved Formula Capital	0.800			0.012			(0.035)			0.777	0.254	32.69%
Access and Inclusion	0.250			0.053						0.303	0.010	3.30%
New Schools	1.050			0.423					(0.441)	1.032	0.077	7.46%
School Expansions & Replacements	0.441			0.242	0.013	1.010				1.706	0.218	12.78%
Early Years & Childcare				0.057						0.057	0.054	94.74%
Other Education Schemes				0.026				(0.026)		0.000	0.000	0.00%
Army Rebasing				0.051						0.051	0.059	115.69%
Salisbury CCTV	0.500	(0.100)		0.090						0.490	0.000	0.00%
Total Community	51.858	(0.100)	0.476	4.104	(1.500)	3.954	(0.477)	(0.026)	(3.206)	55.083	6.881	12.44%

Capital Programme Budget Movements and Spend to 31 July 2016/2017

Scheme Name	2016/2017 Budget Breakdown											
	Original Capital Programme Budget (reported to Council 23 Feb 2016)	Budgets reprogrammed from 2016/2017 into 2015/2016	Outturn 2015/2016 Budgets Reprogrammed into 2016/2017	Outturn Budget Transfer 2015/2016 into 2016/2017	Budget Movements between Schemes	Additional Budgets added to Programme (Section 1 Appendix B)	Grant Amendments	Reduced Budgets	Budgets reprogrammed from 2016/2017 into 2017/2018 (Section 2 Appendix B)	Current Budget Period 4 2016/2017	Spend to 31 July 2016	Spend to 31 July 2016
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Supporting People												
Disabled Facilities Grants	1.000		(0.005)			0.011	1.551			2.557	0.938	36.68%
Other Housing Grants	0.500									0.500	0.000	0.00%
Gypsies and Travellers Projects	3.180			0.177	0.004					3.361	0.022	0.65%
Council House Build Programme	30.556			1.120						31.676	1.583	5.00%
Extra Care Programme										0.000	0.001	0.00%
Sheltered Housing	0.055			0.313				(0.055)		0.313	0.313	100.00%
Affordable Housing including Commuted Sums	0.937				(0.004)	0.131		(0.330)		0.734	0.035	4.77%
Social Care Infrastructure & Strategy	3.866			0.076			(1.000)			2.942	0.000	0.00%
Complex Needs Bungalows				0.085						0.085	0.000	0.00%
HRA - Refurbishment of Council Stock	11.938			1.182				(1.013)		12.107	2.331	19.25%
Universal Infant Free School Meals Capital				0.060						0.060	0.007	11.67%
Public Health Schemes	0.319			0.062						0.381	0.000	0.00%
Total Supporting People	52.351	0.000	(0.005)	3.075	0.000	0.142	0.551	(1.398)	0.000	54.716	5.230	9.56%
Changing The Way We Do Business												
Buildings Repair & Maintenance	2.715		0.330	0.701						3.746	0.326	8.70%
Whole Life Building & Equipment Refresh	1.000									1.000	0.000	0.00%
Rural Estates				0.045						0.045	0.000	0.00%
Leisure Centres & Libraries - Capital Works Requirement	0.400									0.400	0.000	0.00%
Hub Programme Office Rationalisation					0.026					0.026	0.026	100.00%
Operational Estate				0.143	(0.026)					0.117	0.000	0.00%
Depot & Office Strategy				0.519						0.519	0.000	0.00%
ICT Schemes	2.892			4.424					(0.770)	6.546	0.053	0.81%
Other Schemes including cross cutting systems	1.000			0.198		0.071				1.269	0.112	8.83%
Learning Management System				0.033						0.033	0.000	0.00%
Organisational Change	5.000									5.000	0.000	0.00%
Digitisation	1.000									1.000	0.000	0.00%
Total Changing The Way We Do Business	14.007	0.000	0.330	6.063	0.000	0.071	0.000	0.000	(0.770)	19.701	0.517	2.62%
Total 2016/2017 Programme	154.252	0.300	(7.395)	16.855	0.000	8.351	0.074	(1.570)	0.278	171.145	22.644	13.23%

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

Cabinet Meeting
Financial Year:

13 September 2016

2016/2017

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: Corsham Mansion House

Budget Change:

2016/2017	2017/2018	2018/2019
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2,302,000

Funding Source: Local Growth Fund grant towards digital technologies business incubation and learning centre

Project Name: Porton Science Park

Budget Change:

2016/2017	2017/2018	2018/2019
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983,011

Funding Source: Local Growth Fund grant towards Porton Science Park

Project Name: Integrated Transport

Budget Change:

2016/2017	2017/2018	2018/2019
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32,908

Funding Source: Section 106, Parish & Town Council contributions towards Integrated Transport & CATG schemes

Project Name: Pothole Fund Grant

Budget Change:

2016/2017	2017/2018	2018/2019
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866,000

Funding Source: Pothole grant received from DFT

Project Name: Health and Well Being Centres - Live Schemes

Budget Change:

2016/2017	2017/2018	2018/2019
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161,320

Funding Source: Grant from the football foundation for football pitches at Woolmore Farm site

Project Name: Highway flooding prevention and Land Drainage schemes

Budget Change:

2016/2017	2017/2018	2018/2019
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260,000

Funding Source: Grant received from the Environment Agency towards drainage work at Great Bedwyn

Project Name: Basic Need

Budget Change:

2016/2017	2017/2018	2018/2019
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2,464,898

Funding Source: Section 106 developer funds received towards school place extension projects

Project Name: Schools Maintenance & Modernisation

Budget Change:

2016/2017	2017/2018	2018/2019
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58,119

Funding Source: Section 106 developer funds received towards school modernisation projects

Project Name: School Expansions & Replacements

Budget Change:

2016/2017	2017/2018	2018/2019
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1,009,819

Funding Source: Section 106 developer funds received towards school expansion works

Project Name: Disabled Facilities Grants

Budget Change:

2016/2017	2017/2018	2018/2019
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11,288

Funding Source: Refunded private sector housing grant

Project Name: Affordable Housing including Commuted Sums

Budget Change:

2016/2017	2017/2018	2018/2019
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131,081

Funding Source: Commuted sums received towards Affordable Housing Schemes

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

Cabinet Meeting 13 September 2016
Financial Year: 2016/2017

Project Name: Other Schemes including cross cutting systems
Budget Change: 2016/2017 2017/2018 2018/2019
70,789
Funding Source: Income received from schools to cover leasing of equipment

8,351,233 Total Delegated Changes Approved by Section 151 Officer

SECTION 2 - DELEGATED CFO POWERS

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

Project Name: Corsham Mansion House
Budget Change: 2016/2017 2017/2018 2018/2019
(600,000) 600,000
Funding Source: Local Growth Fund Grant

Project Name: Chippenham Station HUB
Budget Change: 2016/2017 2017/2018 2018/2019
1,900,000 (1,900,000)
Funding Source: Local Growth Fund Grant

Project Name: A350 Dualling Chippenham Bypass
Budget Change: 2016/2017 2017/2018 2018/2019
97,429 (97,429)
Funding Source: Local Growth Fund Grant

Project Name: Porton Science Park
Budget Change: 2016/2017 2017/2018 2018/2019
2,867,000 (2,867,000)
Funding Source: Local Growth Fund Grant

Project Name: Wiltshire Online
Budget Change: 2016/2017 2017/2018 2018/2019
419,890 (419,890)
Funding Source: BDUK Superfast Broadband Grant (Phase 2)

Project Name: Farmers Roundabout
Budget Change: 2016/2017 2017/2018 2018/2019
(430,000) 430,000
Funding Source: DFT Structural Maintenance Grant

Project Name: Fitness Equipment for Leisure Centres
Budget Change: 2016/2017 2017/2018 2018/2019
(12,500) 12,500
Funding Source: Wiltshire Council Resources (Borrowing & Receipts)

Project Name: Fleet Vehicles
Budget Change: 2016/2017 2017/2018 2018/2019
654,000 (654,000)
Funding Source: Wiltshire Council Resources (Borrowing & Receipts)

Project Name: Basic Need
Budget Change: 2016/2017 2017/2018 2018/2019
(1,233,088) 1,233,088
Funding Source: DFE Basic Need Grant

Project Name: Schools Maintenance & Modernisation
Budget Change: 2016/2017 2017/2018 2018/2019
(2,172,647) 2,172,647
Funding Source: DFE School Condition Grant

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

Cabinet Meeting
Financial Year:

Project Name:	New Schools		
Budget Change:	2016/2017	2017/2018	2018/2019
	(441,177)	441,177	
Funding Source:	DFE Basic Need Grant		
Project Name:	ICT Schemes		
Budget Change:	2016/2017	2017/2018	2018/2019
	(770,000)	770,000	
Funding Source:	Wiltshire Council Resources (Borrowing & Receipts)		
	-278,907	Total Re-programming between years	

SECTION 3 - REQUESTS TO CABINET FOR ADDITIONAL RESOURCES

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

Project Name:
Budget Change:

2016/2017	2017/2018	2018/2019
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Funding Source: There are no requests for additional resources detailed within this report

0 **Total requests for additional resources**

In the exercise of my delegated powers (Section 1 and 2), I hereby authorise the amendments to the Capital Programme summarised above.

CHIEF FINANCE OFFICER: Michael Hudson

DATE: September 16

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Further Information on Schemes in the Capital Programme and Funding Sources as at Month 4 (31 July 2016)

Economy

1. Local Growth Fund Schemes are progressing; a re-profiling is required due to delays with Porton Science Park and Corsham Mansion House and acceleration proposals for A350 Chippenham Bypass Dualling (Badger, Brook and Chequers) and M4 Junction 17 Improvements. A separate report covering the implications of this has been prepared and is going to CCAC in September.
2. Structural Maintenance schemes have progressed quicker than originally planned leaving the roads in a much better condition. £4.000 million of budget has been drawn forward into 2015/2016 from 2016/2017 to complete schemes early.
3. Wiltshire Online; Phase 1 is now complete with the final position being examined in order to pay the final two milestone payments to BT and agree any underspend. Phase 2 is now underway with work progressing and the first grant amount received from BDUK.
4. Farmers Roundabout; £0.430 million of budget has been reprogrammed into 2017/2018 with the main works now delayed until next financial year.

Community

1. Tisbury Health and Wellbeing Centre opens to the public at the end of August 2016. Final accounts are being prepared, forecast total spend £8.146 million, against an original approved budget of £7.744 million. The overspend has been managed as part of the whole programme review. Calne Central, All Weather Pitch and Crossing completed in August 2016. Melksham Woolmore Farm is forecast for practical completion in Autumn 2016.
2. Basic Need schemes ensure every child has a school place in Wiltshire by providing enough school capacity. Schemes are at varying stages across the county from design and planning to construction. In this report £1.233 million of budget has been reprogrammed into 2017/2018 to match the expected spend profile.

Changing the Way We Do Business

3. Existing programmes of work such as Building Repairs and Maintenance and ICT schemes continue. They are joined by new programmes of work with budgets approved in February 2016 for Digitisation and Organisational Change schemes to modernise the way we work and interact with our customers.

Funding of the Capital Programme

4. The capital programme is funded by 3 principal sources; grants & contributions, capital receipts and borrowing.
5. Grants and Contributions fund the largest proportion of the programme, the total received in these areas in 2016/2017 as at 31 July 2016 is £13.742 million with a further £30.044 million to be received in 2016/2017 and used to finance the programme. As in previous years the largest grants received are for Highways and Education schemes.
6. As at the end of July 2016 a net total of £1.561 million of income has been received from Capital Receipts from the proceeds of fixed asset sales. These include general asset disposals such as the sale of airspace above London Road Park and Ride in Salisbury. 13 sales under the Council Housing Right to Buy (RTB) scheme have also been received. The target in the capital programme is £11.000 million. This will be monitored closely during the year.
7. Borrowing makes up the final element of financing the capital programme and currently a total of £45.722 million is required to be borrowed to fund the budget.

Wiltshire Council

Cabinet Capital Assets Committee

13 September 2016

Subject: Wiltshire Growth Deal – Update and Funding Implications

**Cabinet Member: Councillor Fleur de Rhé-Philippe
Economic Development, Skills and Strategic Transport**

Key Decision: Yes

Executive Summary

The Swindon and Wiltshire Growth Deal was agreed between Government and the Swindon and Wiltshire Local Enterprise Partnership (SWLEP) between July 2014 and January 2015. In total £140 million of devolved Government funds have been allocated to the SWLEP area to support delivery of major projects.

This report provides an update on delivery and the financial implications arising from proposed changes to the programme.

The report also provides an update on the Growth Deal round 3 bid.

Proposals

That Cabinet Capital Assets Committee agrees the recommended cash flow proposal for the delivery of projects that form part of the Swindon and Wiltshire Growth Deal.

That Cabinet Capital Assets Committee delegates authority to the Section 151 Officer, to negotiate and agree with the Associate Director of Economic Development and Planning, and the Associate Director of Highways and Transport to cashflow and deliver the schemes.

That Cabinet Capital Assets Committee agrees to cover the development costs for Chippenham Station Hub and those requested in Appendix C using the £0.5 million transition funding provided for Growth Deal project development (see para 50).

That Cabinet Capital Assets Committee notes the development and submission of the SWLEP Growth Deal round 3 bid.

Reason for Proposal

To ensure that Wiltshire Council maximizes the benefits and opportunities associated with the Growth Deal programme in terms of delivering key infrastructure projects and building Wiltshire's economy whilst managing the financial implications and associated risks to the organisation.

Accelerated delivery of projects sends a strong message to Government on Wiltshire Council's ability to deliver Growth deal projects to time, cost and quality. Accelerated delivery could also help realise potential time and cost efficiency savings.

Dr Carlton Brand
Corporate Director

Wiltshire Council

Cabinet Capital Assets Committee

13 September 2016

Subject: Wiltshire Growth Deal – Update and Funding Implications

**Cabinet Member: Councillor Fleur de Rhé Philippe
Economic Development, Skills and Strategic Transport**

Key Decision: Yes

Purpose of Report

1. That Cabinet Capital Assets Committee agrees the recommended cash flow proposal for the delivery of projects that form part of the Swindon and Wiltshire Growth Deal.
2. That Cabinet Capital Assets Committee delegates authority to the Section 151 Officer, to negotiate and agree with the Associate Director of Economic Development and Planning, and the Associate Director of Highways and Transport to cashflow and deliver the schemes.
3. That Cabinet Capital Assets Committee agrees to cover the development costs for Chippenham Station Hub and those requested in Appendix C using the £0.5 million transition funding provided for Growth Deal project development (see para 50).
4. That Cabinet Capital Assets Committee notes the development and submission of the SWLEP Growth Deal round 3 bid.

Relevance to the Council’s Business Plan

5. The following key actions and outcomes in the Council’s Business Plan are relevant to this report:

Key Action Two: Stimulate economic growth in partnership with the SWLEP

Outcome One: Wiltshire has a thriving and growing economy

Outcome Three: Everyone lives in a high quality environment

6. The Swindon and Wiltshire Growth Deal provides much needed capital investment towards a range of infrastructure projects that underpin our economy, including highways improvements, urban regeneration and business and economic development.
7. In addition, the Growth Deal provides an opportunity to bridge viability gaps that exist to bring forward strategic housing sites identified in the Wiltshire Core

Strategy as well as other housing sites that increase the availability of affordable housing in Wiltshire.

Background

8. The Swindon and Wiltshire Growth Deal was agreed between Government and the Swindon and Wiltshire Local Enterprise Partnership (SWLEP) between July 2014 and January 2015. In total £140 million of devolved Government funds have been allocated to the SWLEP area to support delivery of major infrastructure projects. In Wiltshire, over £38 million has been allocated to eight different projects (identified below), attracting additional local investment and supporting the creation of jobs locally. Two of these eight projects have already been completed (LTB A350 Chippenham Bypass Dualling (Bumpers Farm), and A429 Access Improvements).

Growth Deal Round 1

- A429 Access Improvements
- A350 Chippenham Bypass Dualling (Badger, Brook and Chequers)
- Chippenham Station Hub
- LTB A350 Chippenham Bypass Dualling (Bumpers Farm)
- Porton Science Park

Growth Deal Round 2

- Digital Corsham – Mansion House
- M4 Junction 17 Improvements
- Yarnbrook West Ashton Relief Road

9. The Swindon and Wiltshire Strategic Economic Plan (SEP), a comprehensive document detailing the strategic ambition to drive innovation and accelerate economic growth in Swindon and Wiltshire was approved by Government in April 2014. This Plan was an integral part of agreeing the aforementioned Growth Deal.
10. An exercise was undertaken in 2015 to refresh and revise the SEP, to build on the work achieved to date in bringing forward key developments approved through the Growth Deal. This refreshed Strategic Economic Plan therefore highlights the priorities and future opportunities for investment through to 2026.
11. In March 2016 the then Communities and Local Government Secretary Greg Clark announced the third round of Growth Deal funding, inviting the 39 LEPs to submit proposals for a share of the funds.
12. The SWLEP Board met on 16 June 2016 to finalise the strategy for this funding round. The discussion covered the rationale for the bid, what projects would be included and why, and an initial debate on prioritisation of the chosen projects. The chosen projects cover the SWLEP priorities of skills and talent, transport improvements, place-shaping and indirectly, business development.
13. At the SWLEP Board meeting on the 13 July 2016 the Board agreed an order of prioritisation for the projects that formed part of the bid. The bid was

submitted to Government on the 28 July 2016.

Main Considerations for the Council

Growth Deal Round 1 and 2 update

14. As stated previously the two Growth Deal projects identified below have already been completed earlier this year. Both projects were completed to time and budget (LTB A350 was completed 5 weeks early).
15. A429 Access Improvements - This scheme provided local road improvements at Malmesbury. It provided an opportunity to provide the local infrastructure improvements needed to accommodate the increased traffic movements required by the employment expansion at Dyson.
16. LTB A350 Chippenham Bypass Dualling (Bumpers Farm) - The scheme comprised capacity enhancements on the bypass, specifically in the vicinity of the Brook and Bumpers Farm Roundabouts. It is designed to increase highway capacity and act as one of the key enablers for unlocking urban expansion around Chippenham.
17. The remaining six Wiltshire projects (see paragraph 8) are currently scheduled for completion between 2017 and 2021.
18. Each of these remaining projects has an agreed drawdown profile of Growth Deal funds, meaning that tranches of funds are only available at certain agreed stages of the project (funds are provided annually by Government). However, delivery of projects can be accelerated or delayed depending on the individual circumstances of each scheme which therefore ultimately impacts on the overall funding drawdown profile.

A350 Chippenham Bypass Dualling (Badger, Brook and Chequers)

19. The A350 Chippenham Bypass Dualling (Badger, Brook and Chequers) scheme was successful in achieving an allocation (£7.1 million) as part of the first round of Growth Deal funding. The project was originally profiled to be delivered over three years, between 2017/18 and 2019/20.
20. Development of the scheme with the Council's transport consultant, Atkins, has resulted in changes to the scope enabling the project to be completed between 2017/18 and 2018/19. To realise this, delivery will require the Council to cash flow the scheme with the expectation that the Council will be reimbursed in April 2019 when the remaining Growth Deal funding is made available by Government.
21. The early delivery of the project would send a strong message to Government of Wiltshire Council's ability and reliability in relation to Growth Deal delivery.
22. Accelerating the delivery of the scheme can also save costs in relation to procurement and construction. The Outline Business Case approved by the SWLEP was based on the following inflation assumptions: construction

industry costs increasing by 3% per annum, and preparatory and site supervision costs increasing by 2% per annum. Given this, delivering the scheme over two years rather than three reduces the inflation cost by approximately £0.170 million. Furthermore, dualling of the section between Badger and Brook roundabouts will reduce safety risks (i.e. by reducing traffic merge points) and stem an increasing number of complaints from local residents, businesses and stakeholders about the current carriageway arrangements.

23. Cash-flowing this project so that it can be delivered and completed by 2018/19 will result in the Council cash-flowing £2.055 million in 2017/18 and £0.670 million in 2016/17. This is illustrated in the below table.

		16/17	17/18	18/19	19/20
A350 Chippenham Bypass Dualling (Badger, Brook, Chequers)	Forecast	670,000	4,062,000	2,368,000	0
	Grant	0	2,006,754	2,733,246	2,360,000
	Variance	670,000	2,055,246	-365,246	-2,360,000

24. In addition to the £7.1 million awarded to this project, the bid submission stated that a percentage of local contributions would also be provided to support delivery. The current total estimated project cost is £7.262 million (this will be further refined through the Full Business Case work currently being progressed), therefore £0.162 million of local contributions is currently required. It is proposed that this £0.162 million is provided using CIL funding (The scheme is on the Draft Regulation 123 list to be presented to Cabinet on the 13th September 2016).

25. The options considered for cash flowing this scheme are as follows:

- (i) Do not accelerate project delivery and instead commence in 2018/19 with completion in 2019/20 without realising potential time and cost efficiency savings and accepting any potential project cost increases and reputational damage that may occur.
- (ii) Seek delegated authority from Cabinet Capital Assets Committee to accelerate the delivery of the project to complete by 2018/19. To delegate authority to Section 151 Officer to negotiate and agree with the Associate Director of Economic Development and Planning, and the Associate Director of Highways and Transport to cashflow and deliver the scheme.

M4 Junction 17 Improvements

26. The M4 Junction 17 Improvements scheme was successful in achieving a Growth Deal allocation (£0.5 million) as part of the second round of Growth Deal funding. The project is currently profiled to be delivered in 2019/20.
27. The need for capacity and safety improvements at M4 Junction 17 had previously been established through the 'M4 Junction 16 and 17 PARAMICS: Wiltshire and Swindon Core Strategy Assessment' (March 2012) undertaken by the Highways Agency (now Highways England). More recently the Council commissioned Atkins to undertake additional assessment work which established that a part-signalisation scheme would be appropriate – Highways

England has agreed this scheme in principle.

28. Particular safety concerns have been identified, with queue lengths sometimes exceeding the length of the motorway off-slips, leading to queues blocking back onto the M4. Not only is this a safety concern, but also a potential inhibitor for growth along this part of the M4 corridor. Increased development across the West of England, Swindon and Wiltshire will increase the frequency and duration of blocking back occurring, as well as increasing the likelihood of accidents.
29. Delivering the M4 Junction 17 scheme is required to support accommodating planned growth as set out in the Wiltshire Core Strategy. Further information can be viewed via this link: <http://www.wiltshire.gov.uk/csocg-01-highways-england.pdf>
30. The M4 Junction 17 Capacity Improvement scheme seeks to address both the increasing congestion and safety issues at the junction. In turn, this will support housing and employment development in both the M4 and A350 corridors.
31. The scheme has been profiled for delivery and drawdown of funds in 2019/20; however, given the above issues and growth planned at Chippenham, delivery now needs to occur in 2017/18 with project development work taking place in 2016/17.
32. The early delivery of the project would send a strong message to Government of Wiltshire Council's ability and reliability in relation to Growth Deal delivery.
33. Accelerating the delivery of the scheme will also save costs, in relation to procurement and construction. Based on the inflation rates outlined in paragraph 22 and the current estimated scheme cost, inflation costs would be of the order of £30,000 per annum.
34. Cash-flowing this project so that it can be delivered and completed in 2017/18 will result in the Council cash-flowing £0.364 million in 2017/18 and £0.136 million in 2016/17. The expectation is that the Council will be reimbursed in April 2019 when the 19/20 Growth Deal funding is made available by Government. This is illustrated in the below table.

		16/17	17/18	18/19	19/20
A350 Chippenham Bypass Dualling (Badger, Brook, Chequers)	Forecast	136,000	364,000	0	0
	Grant	0		0	500,000
	Variance	136,000	364,000	0	-500,000

35. In addition to the £0.5 million awarded to this project, the bid submission stated that a percentage of local contributions would also be provided to support delivery. The current total estimated project cost is £0.934 million (this will be further refined through the Outline Business Case work currently being progressed), therefore £0.434 million of local contributions is currently required. Highways England is bidding for funding to cover this identified shortfall, however, if this bid is unsuccessful it is proposed that CIL funding is used (The scheme is on the Draft Regulation 123 list to be presented to

Cabinet on the 13th September 2016). Wiltshire Council wrote to Highways England in May 2016 agreeing to underwrite the funding of the scheme. The letter states that Wiltshire Council can bridge identified funding gaps, after the costs have been determined, through CIL. The letter also acknowledges that Highways England are currently seeking funding to augment the funding from the Growth Deal from two separate source. Should they be successful in this undertaking that funding will replace funding from the Council. (Further information regarding discussions with Highways England can be found via this link <http://www.wiltshire.gov.uk/csocg-01-highways-england.pdf>)

36. The options considered for cash flowing this scheme are as follows:
- (i) Continue with delivery of the project as per the original Growth Deal programme (completion in 2019/20) without realising potential time and cost efficiency savings and accept any project cost increases and reputational damage that may occur. Importantly, continuing delivery as per the original Growth Deal programme will not address the Wiltshire Core Strategy development concerns highlighted above.
 - (ii) Seek delegated authority from Cabinet Capital Assets Committee to accelerate the delivery of the project to complete by 2017/18. To delegate authority to the Section 151 Officer to negotiate and agree with the Associate Director of Economic Development and Planning, and the Associate Director of Highways and Transport to cashflow and deliver the scheme.

Growth Deal grant 2016/17

37. To enable A350 Chippenham Bypass Dualling (Badger, Brook and Chequers) and M4 Junction 17 Improvements to be completed earlier, scheme development is required in 2016/17. This is currently being financed through the 2016/17 profile underspend encountered on other Growth Deal projects.
38. When Growth Deal funding bids were submitted to Government each project included an indicative delivery profile. Some of Wiltshire's projects have since required their individual profiles to be updated due to changes to delivery timescales. This is not unique to Wiltshire as other authorities are experiencing the same issues.

Chippenham Station Hub

39. A funding bid for the Chippenham Station Hub project was submitted as part of the Swindon and Wiltshire Local Enterprise Partnership (SWLEP) Strategic Economic Plan (SEP) in March 2014. It received a conditional funding allocation from the Local Growth Fund (LGF) of £16 million in July 2014, with the project scheduled to start in 2016.
40. The project has since been designated as a 'Retained Scheme', which means that additional requirements and conditions have to be met in order for grant funding to be provided by the Department for Transport (DfT).
41. To date, £0.350 million from the DfT has been provided to Wiltshire Council for project development work. At the time of writing this report approximately

£0.125 million has been spent from this allocation. The project is progressing and key stakeholders (Network Rail, and Great Western Railway) are working with the Council to develop a scheme (a letter of support has recently been received from Network Rail – see appendix D). The first phase has now been completed with the production of a Strategic Outline Business Case, Appraisal Specification Table, and an Options Assessment Report.

42. As the project has been designated as a retained scheme certain conditions need to be adhered to, one of which is:

c) the Department for Transport reserves the right to seek reimbursement from the Council of any payments made relating in respect of this grant award in the event that the scheme is not constructed.

43. Therefore, if no scheme is delivered, the DfT may seek reimbursement of any payments already made to Wiltshire Council. This presents a risk for the Council in the event of non-delivery; however, the £0.350 million could be covered using the transition funding of £0.5 million provided for Growth Deal project development. This reserve was allocated to the development of projects for submission to Growth Deal round 3. To date, £0.070 million has been spent from this fund, therefore if reimbursement is required from the Chippenham Station Hub project it is proposed that costs are covered using this allocation (see paragraph 50 for further detail). As stated, the project is progressing and regular engagement is occurring with the DfT, therefore there is currently no intention of using this transition funding to cover costs incurred. The risk of non-delivery is understandably higher during the initial early stages of development as concepts/options are still being agreed by the Council and key stakeholders. This risk of non delivery should decrease as the project progresses, reducing the likelihood of requiring transition funding to cover initial project development costs.
44. Cabinet Capital Assets Committee is therefore requested to agree covering (if required) costs incurred in developing this project from the £0.5 million transition funding in the event the DfT seeks reimbursement.

Growth Deal Funding re-allocation

45. At the July 2016 SWLEP Board meeting it was recommended that the £3.7 million Growth Deal allocation awarded to the M4 Junction 15 Project would be provisionally reallocated to other projects. This reallocation is dependent on the M4 Junction 15 project achieving private sector match funding, which is anticipated to be confirmed in September 2016.
46. It was decided that the £3.7 million would be provisionally re-allocated as follows:
- £1 million to provide match-funding to the £2 million from central government to roll out ultrafast broadband to areas in Wiltshire. (This is a Wiltshire Council managed project.)
 - £1.35 million each conditionally awarded to two culture and heritage

schemes (total £2.7 million). These schemes are the Salisbury Plain Heritage Centre and the Swindon Museum and Art Gallery. (These are not Wiltshire Council managed projects.)

47. As a result of this potential reallocation the financial profiling for the overall Growth Deal programme will need amending. The implications of amending the funding profile to include these projects are outlined in Appendix A.

Growth Deal Round 3

48. As stated in the background section, the Growth Deal Round 3 funding bid was submitted by the SWLEP to Government on the 28 July 2016. The Wiltshire Council led projects included in the submission are identified below (these are not in a prioritised order).
- Chippenham Transport Package - supports the housing and economic growth planned for Chippenham.
 - Salisbury Transport Package - supports the housing and economic growth planned for Salisbury.
 - Trowbridge Transport Package - supports the housing and economic growth planned for Trowbridge.
 - Salisbury Station Interchange - creates a high quality, convenient transport hub for the city and addresses transport challenges at the railway station through improving accessibility for public transport.
 - A350 Chippenham Bypass Dualling (Chequers to Lackham) - will deliver an improved, more resilient and efficiently operating A350, complementing works delivered under Growth Deals 1 and 2.
 - Regeneration of the Maltings and Central Car Park – a city centre mixed use redevelopment scheme for an important 8.7 hectare brownfield site in Salisbury.
 - A350 Melksham Bypass - improve north-south connectivity through increasing journey time speed and reliability between the M4, the A303, and south coast ports.
49. Each of the above projects were subject to a sifting and appraisal process as set out in the SWLEP Assurance Framework.
50. To support development of these projects, measures were set out to and agreed by Cabinet Capital Assets Committee (CCAC) in March 2016. At this meeting CCAC approved the process for approving and funding development costs to enable projects to be developed to a level where they would stand a greater chance of securing funding through future anticipated rounds of Growth Deals with Government. It was agreed that transition funding of £0.5 million would be set aside to cover development costs for specified projects (to be capitalised where applicable if Growth Deal grant is secured).

51. Following the Cabinet Capital Assets Committee meeting, Wiltshire Council officers met to discuss and agree which projects should have business cases developed for inclusion in the Growth Deal Round 3 bid. Development of business cases for the agreed schemes incurred costs of approximately £0.070 million.
52. At the SWLEP Board meeting of 13 July 2016, an order of prioritisation for the projects was decided. In addition, it was agreed that the A350 Melksham Bypass project would be submitted to the DfT's Local Transport Majors Fund, with the aim of securing funding to develop an outline business case for the scheme.
53. As per the below timetable the projects in paragraph 48 were included in the submission to Government on 28 July.
- **Friday 24 June** – draft Growth Deal 3 snapshot submitted to government
 - **Wednesday 13 July** – LEP Board agree project prioritisation
 - **Tuesday 19 July** – Ministerial Challenge Session on the Growth Deal 3 proposal
 - **Thursday 28 July** – Final Growth Deal 3 proposal submitted to government
 - **August through to October** – Government will undertake assessments on the 39 LEP Growth Deal 3 submissions
 - **November** – Chancellor of the Exchequer announces Growth Deal awards in his Autumn Statement speech
54. Cabinet Capital Assets Committee is requested to note the submission of the Growth Deal 3 bid and the costs incurred developing the included Wiltshire Council led projects. The Committee is also asked to approve the provision of £0.080 million (from the £0.5m transition funding detailed in paragraph 50) to support the development of the project detailed in Appendix C.

Overview and Scrutiny Engagement

55. A Swindon and Wiltshire Local Enterprise Partnership Joint Task Group has been established. This Group acts as a critical friend, developing an overview of strategies and plans and providing independent scrutiny of the work of the SWLEP Board and Joint Strategic Economic Committee (JSEC) and comprises four elected Councillors from each of the two Unitary Authorities. It is an essential element of assuring democratic accountability for the use of public funds.
56. Although it is planning to monitor the implementation of projects in future, the Swindon and Wiltshire Local Enterprise Partnership Joint Task Group has not specifically considered this report therefore cannot offer any further comments.

Safeguarding Implications

57. There are no safeguarding issues related to this report.

Public Health Implications

58. The local economy is a known contributor to the wider determinants of health. A struggling local economy can lead to higher unemployment throughout the local population. This in turn can impact on the social, physical and mental health outcomes of the population. Getting people into work is therefore of critical importance for reducing health inequalities.
59. Work is good – and unemployment bad – for physical and mental health, but the quality of work matters. Being in good employment is protective of health, but insecure and poor quality employment is also associated with increased risks of poor physical and mental health. For optimum outcomes a focus on facilitating the delivery of secure employment opportunities which offer opportunities for development will be important. The work of the SWLEP delivered through nationally competitive Growth Deals, aims to deliver significant levels of new jobs in Wiltshire and attract significant private sector investment to our economy. This will help ensure that Wiltshire's economy remains strong and resilient and that employment figures remain high.
60. The proposed transport packages offer an opportunity to enhance utilisation of both public transport and active travel options which over time could lead to improved health outcomes. There may also be associated benefits in relation to both road safety and air quality.
61. Utilisation of CIL funding for programmes should be considered alongside the opportunity costs of alternative calls on this funding. CIL funding can be used for a range of infrastructure needed as a result of development including new or safer road schemes, flood defences, schools, hospitals and other health and social care facilities, park improvements, green spaces and leisure centres.

Procurement Implications

62. Growth Deal projects and development works associated will be procured in line with the Part 10 (Procurement and Contract Rules) of Wiltshire Council's Constitution and process pertaining to corporate procurement. Advice and guidance will be sought from the Corporate Procurement Unit prior to embarking on any procurement activities.

Equalities Impact of the Proposal

63. The Department for Business, Innovation and Skills published its Equality Impact Assessment (EQIA) for Growth Deals in July 2014. The report concludes that the Growth Deal programme has no adverse impact on any protected group and that the proposed funding decision is neutral in advancing equality of opportunity between persons who share the relevant protected characteristic and persons who do not share it.
64. As projects develop, Wiltshire Council officers will continue to consider the

equality implications locally and ensure that there are no negative impacts. This will be done throughout the life of their development and delivery.

Environmental and Climate Change Considerations

65. Through the development of the Growth Deal there will be an increase in demand for, and consumption of, energy in Wiltshire. However, these proposed developments also present opportunities for innovative and pioneering solutions in terms of meeting the challenges ahead of rising energy costs and disrupted supply.
66. The planned housing, transport improvements, and business growth and expansion, provide an opportunity to embed the development of a low carbon infrastructure and sustainable building practices. This in turn will also support the local skills agenda, offering opportunities for apprenticeships, up-skilling of the workforce and supporting emerging technologies and patent development.

Risk Assessment

67. The table below captures the risks together with impacts and probability assessments and mitigation suggestions.

Risk	Impact (0-4)	Prob (0-4)	Total	Mitigation
Approved grant funding is withdrawn causing the projects to be undeliverable and creating unbudgeted revenue costs for the Council.	4	1	4	<p>The Council is in receipt of a written provisional allocation of funding from Government outlining the extent of the Growth Deal grant. (see letter from CLG in Appendix B).</p> <p>The Council has been given no indication that LGF funding will be withdrawn, however the funding is only confirmed on a year by year basis. Therefore, there is a risk that government could pull future years funding. We are not aware of DCLG pulling such funding to date.</p> <p>As per comments in the financial implications section of the report this is currently considered to be a small risk. If funding is withdrawn the Council will have to borrow to cover the project costs (see paragraph 74).</p> <p>This risk will be monitored regularly and any changes will communicated to Cabinet Capital Assets Committee.</p>
Tendering, Full Business Case development and the production of detailed designs increases project costs due to discovery of additional	4	2	8	<p>Business Cases have been developed to Outline Business Case level using the HM Treasury 5 case model. If the Full Business Case development and tendering phase identify any significant required project changes, these will be reviewed by the SWLEP Board and Wiltshire Council</p>

requirements.			<p>Capital Assets Committee before proceeding to delivery.</p> <p>While the estimated scheme costs do include inflation uplifts and risk contingencies, there is the chance that costs could go up based on further business case work particularly in relation to tender prices.</p>
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Risks that may arise if the proposed decision and related work is not taken

68. Should the funds not be made available to accelerate the delivery of projects they will continue delivering as per the original programme without realising potential time and cost efficiency savings and have to accept any project cost increases that may arise. Continuing delivery against the original programme will also not address the issues and concerns highlighted in this report.

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

69. The risk is that if Wiltshire Council cashflows the projects and the grant is not received the Council will have to borrow to cover costs incurred (see paragraph 74).

Financial Implications

70. Appendix A provides a summary of the Growth Deal schemes grant allocation profile and proposed delivery profile which include the acceleration of A350 and J17.
71. Due to the delays on other Growth Deal projects the acceleration of A350 and J17 costs can be met in 2016/17 as LGF can be moved around. For 2016/17 Wiltshire Council profiles are currently showing an underspend against LGF grant allocation of £2.8 million.
72. This presents a problem in 2017/18 when all projects will be in delivery phase. In order to achieve the proposed delivery Wiltshire Council will need to cashflow £3.292 million in 2017/18, and £3.360 million in 2018/19. This is detailed in Appendix A.
73. The cashflow position would need to be assessed at the time, if short-term borrowing was required interest charges estimated at 1% would be incurred, this would be circa £0.066 million.
74. There is a small risk that future Local Growth Fund grants are withdrawn or grant allocations changed. In this event Wiltshire Council would have to borrow to fund these projects as they would be delivered. The cost of borrowing for the full scheme (A350 and J17) cost of £7.6 million would be £0.342 million per annum. This would require alternative savings to be found to fund this, but as this is not yet a risk no action is needed at this stage. Correspondence with the Department for Communities and Local Government regarding Growth Deal

funding is shown in Appendix B.

75. £0.5 million of Reserves has been ring-fenced to cover costs from LGF Development Costs which do not proceed. This has been allocated in the table below. If LGF round 3 bids are successful and if Chippenham Station Hub proceeds then costs will be funded from future LGF grant awards and will not have to come from the revenue reserve. It is hoped that progressing this work reduces the risk of any reserve draw down, and the need to challenge if money should be spent is still a pre-requisite of every decision taken regardless of the fact there is scope to look at reserves.

Scheme	Committed	Forecast	Total
LGF Round 3 Development Costs	£0.070m	£0.000m	£0.070m
Chippenham Station Hub – if scheme does not proceed LGF grant has to be repaid	£0.125m	£0.225m	£0.350m
Inward Investment Opportunity Development costs (appendix C)		£0.080m	£0.080m
Total	£0.195m	£0.305m	£0.500m

Legal Implications

76. Lead officers have been working closely with colleagues in Legal Services to ensure that Growth Deal projects comply with European State Aid Regulations and other legal requirements. Additional and future Growth Deal projects will follow the same process to ensure that legal issues are identified and discussed at the soonest opportunity in project development so that support and advice can be provided.
77. Legal advice will be taken in respect of the procurement exercise detailed in paragraph 62, and in respect of Wiltshire Council entering into any necessary contracts.
78. Officers at Wiltshire Council have been engaging with colleagues from SWLEP and Swindon Borough Council to ensure efficient and robust governance arrangements are in place to monitor Growth Deal delivery and development.

Options Considered

79. See Main Considerations section and Financial Implications.

Conclusions

80. Accelerated delivery of projects sends a strong message to Government regarding Wiltshire Council's ability to deliver Growth deal projects to time, cost and quality. Accelerated delivery could also help realise potential time and cost efficiency savings.

Alistair Cunningham

Associate Director Economic Development and Planning

Report Author:

Matthew Croston

Strategic Economic Programmes Manager

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The following unpublished documents have been relied on in the preparation of this Report: *None*

Appendices:

A – Growth Deal Financial Profile and Cash Flow (exempt)

B – Letter from CLG re: Growth Deal

C – Inward Investment Opportunity – Development costs request (exempt)

D – Letter of support from Network Rail – Chippenham Station Hub



Department for
Communities and
Local Government

Cities and Local Growth Unit
Department for Communities and Local
Government

1st Floor, Fry Building, 2 Marsham Street,
London SW1P 4DP

22 December 2015

Michael Hudson
Michael.Hudson@wiltshire.gov.uk

Dear Michael

Local Growth Fund Profiles

Following the recent Spending Review, I am writing to confirm your indicative Growth Deals funding profile between 2016-17 and 2020-21. This profile will, as agreed, be subject to the annual review conversation the Cities and Local Growth Unit has put in place to oversee the payments of Growth Deal funding. Funds will then be transferred in April.

For the sake of clarity, please find below the unchanged indicative profile of annual grant payments from 2016-17 onwards for the Swindon and Wiltshire LEP Growth Deal as presented in your previous letter:

2016-17	2017-18	2018-19	2019-20	2020-21
£10,214,948	£12,735,560	£10,028,520	£5,455,301	£3,095,301

Please note that these figures do not include funding related to Department for Transport 'portfolio schemes' or 'tail majors'. Funding profiles for these schemes are agreed with the Department for Transport as schemes are approved.

In addition, these figures do not include funding allocated to each LEP area under the separate arrangements for Housing Revenue Account, Local Infrastructure Funding, or the European Structural Investment Fund.

I can also confirm that we will continue to pay £250,000 of core funding to each LEP in 2016-17. We are confirming this now in response to LEPs' calls for certainty over future funding. It will be allocated and distributed as in previous years, with £250,000 going to each LEP at the start of the financial year via section 31 payment to accountable bodies. As previously, we will require LEPs to match this funding locally. Further details

on the separate capacity funding in 2016-17, and both core and capacity funding in subsequent years, will follow in the New Year.

I hope that this confirmation will equip you and the Local Enterprise Partnership to plan with greater confidence, including initiating work on projects due to start from 2016-17 onwards. If you would like to discuss this or any other aspect of this Spending Review further, please contact your LEP Relationship Manager or Alex Greaves on 0303 444 2938 or alex.greaves@communities.gsi.gov.uk.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Tom Walker', with a stylized, cursive script.

Tom Walker
Director, Cities and Local Growth Unit



Matthew Croston
Wiltshire Council
Bythesea Road
Wiltshire
BA14 8JN

Network Rail
Route Enhancement Manager
Western House
1, Holbrook Way
Swindon
SN1 1BD

10th August 2016

Dear Mr Croston,

Network Rail would like to express its support for Wiltshire Council's concept proposal for the Chippenham Station Redevelopment. As joint landowner of this site, we are pleased to be working with Wiltshire on this exciting scheme that will bring benefits to rail users and to the region as a whole.

Network Rail look forward to working with Wiltshire Council on developing the current proposal to find a solution which maximises the benefit to the region and the travelling public, minimises the impact on the operational railway; whilst demonstrating the best value for money for the taxpayer.

Network Rail is committed to working with partners who can assist with releasing publicly owned land for residential development and bringing third party investment into Network Rail; as supported through the recent Shaw review into future funding of Network Rail. From the meetings held to date Options 7 & 8 of the Strategic Outline Business Case appear to broadly meet the criteria required for Network Rail to support the progression of these options. For Network Rail's support to continue the criteria above must remain paramount in the progression of the Chippenham Station Redevelopment.

At this time and in the immediate future Network Rail does not have any funds identified to deliver enhancements to Chippenham Station and as such investment in the station will need to remain third party funded. Network Rail also have a requirement that a Basic Asset Protection Agreement (BAPA) will need to be signed prior to any further progression of Wiltshire Council's proposal.,

Network Rail are delivering the largest investment in the network since Victorian times with our Railway Upgrade Plan; including electrification of the Great Western Main Line. We support bringing more external funding into the railway to help deliver The Greater West; and look forward to seeing these exciting plans advanced. Key infrastructure investment helps support and drive much needed growth in the economy, jobs & housing for places including Chippenham and Wiltshire.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "W. Hod", written over a horizontal line.

Route Enhancement Manager, Western

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