

Swindon Borough Council

Cabinet

Wednesday, 3 February 2021

Teams Meeting - Teams Meeting

At 6.00 p.m.

Conservative Councillors

David Renard (Chair)

Brian Ford

Dale Heenan

Russell Holland

Robert Jandy

Mary Martin

Cathy Martyn

Maureen Penny

Gary Sumner

Keith Williams

Committee Officer: Douglas Campbell (Telephone 07779 413886)

email: committeeservices@swindon.gov.uk

Swindon Borough Council can be contacted at the Civic Offices, Euclid Street, Swindon, SN1 2JH (Telephone 01793 445500)

AGENDA

NOTE:

There is no Cabinet Open Forum at this time but members of the public are invited to submit public questions as set out on this agenda.

To watch the meeting, follow this link from 18:00 on [Cabinet Meeting \(press and public\)](#). You do not need to register.

PART 1 - MEETING IN PUBLIC

All items on this agenda are scheduled to be debated in the presence of the press and public.

1. Apologies for Absence.

2. Declarations of Interest.

Members are reminded that at the start of the meeting they should declare any known interests in any matter to be considered, and during the meeting if it becomes apparent that they have an interest in the matters being discussed.

- 3. Minutes.** (Pages 5 - 12)
To receive the minutes of the meeting held on 2nd December 2020.
- 4. Public Question Time.**
See the explanatory note on the full agenda pack (pdf). Please contact the Committee Officer whose details appear at the top of this agenda if you need further guidance.

During Covid-19, questions must be submitted to CommitteeServices@swindon.gov.uk by 15:00 on [TWO DAYS BEFORE THE MEETING].
- 5. Budget Management Update (February)/Draft Budget 2021/22** CDFA (CM: RH) **All Wards** (Pages 13 - 48)
- 6. Capital Programme to 2025/26** CDFA (CM: RH) **All Wards** (Pages 49 - 82)
- 7. Treasury management strategy statement 2021/22** CDFA (CM: RH) **All Wards** (Pages 83 - 120)
- 8. Housing Revenue Account (HRA) - Rents and Charges 2021/22** DH (CM: CM, MP) **All Wards** (Pages 121 - 142)
- 9. Pay Policy Statement: April 2021 (Minute for Confirmation)** DHRD (CM: RJ) **All Wards** (Pages 143 - 164)
- 10. Introduction of a Permit Scheme for Roadworks** DSD (CM: MP) **All Wards** (Pages 165 - 238)
- 11. School Admission Arrangements and Home to School Transport Policies 2022-23** CEPPA (CM: RH) **All Wards** (Pages 239 - 320)
- 12. Carbon Reduction Strategy** DEGP (CM: KW) **All Wards** (Pages 321 - 364)
- 13. Apprenticeships** HSEP (CM: RH) **All Wards** (Pages 365 - 392)
- 14. Proposed Transfer of land for Residential Development Proposal** DH (CM: RH) **SM** (Pages 393 - 414)

Date of Despatch: 03 February 2021

Key:

Officers:

| | |
|-------|--|
| CDFA | Corporate Director of Finance and Assets (Section 151 Officer) |
| CEPPA | Commissioner Education Place Planning and Admissions |
| DEGP | Director of Economy, Growth and Place |
| DH | - Director of Housing |
| DHRD | Director of Human Resources and Organisational Development |
| DSD | Director of Strategic Development |
| HSEP | Head of Skills and Education Partnerships |

Wards

| | |
|----|-------------------------------|
| SM | St Margaret and South Marston |
|----|-------------------------------|

Cabinet Members Responsible for the Service Area concerned:

| | | | |
|----|---|-----------------|--|
| DR | - | David Renard | Leader of the Council and Chair of Cabinet |
| RH | - | Russell Holland | Deputy Leader of the Council, Vice-Chair of Cabinet, and Cabinet Member for Commercialisation, Education and Skills |
| BF | - | Brian Ford | Cabinet Member for Adults and Health |
| DH | - | Dale Heenan | Cabinet Member for the Town Centre, Culture and Heritage |
| RJ | | Robert Jandy | Cabinet Member for Organisational Excellence |
| MM | - | Mary Martin | Cabinet Member for Children's Services |
| CM | | Cathy Martyn | Cabinet Member for Housing and Public Safety |
| MP | - | Maureen Penny | Cabinet Member for Highways, Maintenance and Waste Services |
| GS | | Gary Sumner | Cabinet Member for Strategic Infrastructure, Transport & Planning |
| KW | | Keith Williams | Cabinet Member for Climate Change |

Quorum: The quorum for this meeting is 3 (one of whom shall be the Leader, the Deputy Leader, or a person nominated by the Leader to deputise in her/his absence).

Diversity Impact Assessments Diversity Impact Assessments (DIA's) are important to ensure the services we deliver are helping us to meet our vision to make Swindon an equal society ; we are also required by the Equality Act 2010 to demonstrate the equality analysis we have undertaken to support decision making, DIAs are our method of doing this.

Diversity Impact Assessments produced in respect of items to be considered at this meeting can be inspected via the following link: [Diversity impact assessments](#)

Public Question Time - Swindon Borough Council remains committed to increasing its accountability to the public and to promoting active citizenship. 15 minutes will be allowed at the start of all Council meetings for questions to the Chair from the public about the work of the Committee (except for confidential matters, and matters relating to planning and licensing applications). We will give priority to those who submit questions in writing at least two days before the meeting. Questions must be relevant, clear, and concise. You may not use Public Question Time as an opportunity to make speeches or statements.

The deadline for public questions is: 15:00 on 1st February 2021

Questions in writing should be sent to the Committee Officer whose contact details appear on the agenda above or to the Chief Legal Officer, we will publish it, along with the answer, alongside the Minutes. The process associated with asking a public question is set out in the [Public Question Time at Council Meetings Protocol and Guidance](#), which is available on the Council website or from the Committee Officer named above. A privacy note about how we record Public Questions is available here: [Publication of public questions and questioners](#)

This page is intentionally left blank

CABINET

WEDNESDAY, 2 DECEMBER 2020

PRESENT:- Councillors David Renard (Chair), Brian Ford, Dale Heenan, Russell Holland, Robert Jandy, Mary Martin, Cathy Martyn, Maureen Penny and Gary Sumner

Councillors Ray Ballman, Paul Dixon, Jim Grant, Vinay Manro, and Jane Milner Barry attended the meeting in respect of Minutes 33, 34, 35, 38 and 39.

30. Declarations of Interest.

The Chair reminded Members of the need to declare known interests in any matters to be considered at the meeting. No declarations were made.

31. Minutes.

Resolved – That the minutes of the meeting held on 21st October 2020 be confirmed and signed as a correct record.

32. Public Question Time

Mr Roy Worman submitted several questions to which written answers were provided. Mr Worman asked supplementary questions relating to the costs of recyclates, the payments to PPS Ltd and the future level of green waste subscriptions. Councillor Mary Martin, in her capacity as a director of PPS Ltd., Councillor Maureen Penny, Cabinet Member for Highways, Maintenance, and Waste Services; Councillor Keith Williams, Cabinet Member for Climate Change; and the Director of Operations responded at the meeting.

33. Swindon Borough Council Covid-19 Response Update

The Leader of the Council, along with the Chief Executive and the Director of Public Health submitted a joint to introduce an update to Cabinet about the reintroduction of lockdown measures in England on 5th November 2020.

The Director of Public Health provided an update at the meeting, which included an overview of the pandemic's progress in Swindon, the current infection rates in Swindon, and an outline of the steps the Council was taking to allow shops and other businesses to reopen safely, especially over the Christmas period.

Councillors Russell Holland (Deputy Leader and Cabinet Member for Commercialisation, Education and Skills) and Vinay Manro asked questions about core messages and the monitoring of the Orbital Shopping Centre. The Director of Public Health confirmed the core messages that everyone should wash their hands, wear a face covering, and maintain social distancing along with the arrangements for working with shops to ensure they adhered to the regulations.

Resolved: That the steps taken by the Council to respond to the ongoing Covid-19 pandemic and any additional briefing provided by the Director of Public Health be noted.

The reasons for the decision and alternative options are as set out in the report to the meeting.

34. Swindon's Country Parks Strategic Improvement Plan

Councillor Dale Heenan, Cabinet Member for the Town Centre, Culture, and Heritage along with the Director of Strategic Development submitted a joint report setting out Swindon's ambition for the Council-owned Country Parks, and seeking to create a sustainable operating model in order to provide long-term enjoyment of these facilities for the residents of and visitors to Swindon.

Councillor Heenan summarised the four-year plan on which permission to consult was being sought as well as stating why all the parks were of importance to the Borough. Councillor Jim Grant asked questions on the following issues, to which Councillor Heenan responded.

- 1) Why were there some specific commitments to Coate before the consultation?
These were either beneficial now or were necessary to ensure long-term goals, such as the café, could be realised.
- 2) Could there be clarification of the s.106 funding exchanges between Badbury Park and Moredon? This was determined by an earlier Cabinet decision (Minute 77, 22nd April 2020) and Officers would provide a full written response.
- 3) Would Council-owned country parks remain Council-owned? The Cabinet confirmed that they would.

Resolved: (1) That the Director of Strategic Development be authorised:

- (a) In consultation with the Cabinet Member for Town Centre, Culture and Heritage, to develop a four year Strategic Improvement Plan for Swindon's Country Parks by summer 2021, which will, when approved, incorporate the priorities set out at recommendation 2(b) below, and which will preserve them as viable and financially sustainable assets that contribute to the health and wellbeing of residents and Swindon's overall recreational offer.
 - (b) In agreement with the Corporate Director of Finance and Assets, to allocate a budget of up to £50K from the Council's feasibility funding to secure investigative reports to support the development of the Parks Strategic Delivery Plan, business Country Parks.
 - (c) To hold a four-week consultation during spring 2021 to allow local residents to provide feedback on, and assist in identifying, the key improvements to be included within the Parks Strategic Improvement Plan.
- (2) That it be agreed that in addition to the Parks Strategic Improvement Plan consultation, the three priorities for the Council at Coate Water are:
- (a) the cleaning of the Diving Board,
 - (b) an exemplar inclusive and accessible play area and,
 - (c) a new waterside Restaurant and Café.
- (3) That it be agreed that Lydiard House and Hotel will focus on Events and Weddings, and will not reopen until further notice due to the operational cost incurred by current Covid-19 requirements.

(4) That it be agreed that income from Lydiard and Coate Water parking will be ring-fenced to those parklands for their future maintenance and improvements.

The reasons for the decision and alternative options are as set out in the report to the meeting.

35. Budget Management Update (December) and Draft Budget 2021/22

Councillor Russell Holland, Deputy Leader of the Council and Cabinet Member for Commercialisation, Education and Skills along with the Corporate Director of Finance and Assets submitted a joint report presenting the 2020/21 revenue budget forecast out-turn and the latest position regarding the budget for 2021/22. In addition, this report meets the requirement to publish initial proposals for the Budgetary and Policy Framework at least two months before the Framework must be adopted.

Councillor Holland summarised the government support the Council had received so far to cope with the extra expenditure and lost income owing to Covid-19. However, he warned Cabinet of the difficulties still to be faced in completing the draft 2021/222 budget, as there were already significant demand-led pressures before the pandemic. Councillor Holland proposed the following amendment, which the Leader of the Council seconded: 'To insert a new recommendation at 2.5 "Authorise the Cabinet Member for Commercialisation, Education and Skills, in consultation with the Corporate Director of Finance and Assets, to agree the Collection Fund Balance and draft Council Tax Base, following the receipt of the Necessary information from central government," and to renumber the subsequent recommendations.'

Councillor Jim Grant asked a series of questions relating to the level of government funding in general, the payment for adult social care and the response to Covid-19. The Leader of the Council and the Deputy Leader of the Council and Cabinet Member for Commercialisation, Education and Skills responded at the meeting. Councillor Holland emphasised that there was an urgent need for a wider debate in the country to determine what level of care should be provided and how it should be financed.

Resolved: (1) That the 2020/21 revenue budget forecast out-turn for each service area set out in Table 1 of the joint report and at Appendix 1 be noted;
(2) That the virements set out in Appendix 2 be approved;
(3) That £150,000 from the Hardship grant awarded in March 2020 be allocated to the Swindon Emergency Assistance Fund, in order to help those in financial hardship through provision of necessities or provide financial guidance to such individuals;
(4) That it be noted that the update on the financial outlook and that the Local Government Finance Settlement for 2021/22 has yet to be published and therefore the funding position for that year remains uncertain;
(5) That the Cabinet Member for Commercialisation, Education and Skills, in consultation with the Corporate Director of Finance and Assets, be authorised to agree the Collection Fund Balance and draft Council Tax Base, following the receipt of the necessary information from central government;
(6) That it be approved that consultation commences for budget proposals set out in Appendix 3 with the outcome of that consultation being reported to Cabinet in February

- 2021 prior to considering the final budget to be recommended to Council;
- (7) That the change to Empty Homes Premium for properties that are unoccupied or unfurnished for more than 10 years be approved; and
- (8) That it be approved that the local Council Tax Support scheme will remain unchanged, apart from any increases in allowances or non-dependent deductions.

The reasons for the decision and alternative options are as set out in the report to the meeting.

36. Capital Monitoring Quarter 2 Update

Councillor Russell Holland, Deputy Leader of the Council and Cabinet Member for Commercialisation, Education and Skills along with the Corporate Director of Finance and Assets submitted a joint report presenting the year-end monitoring position for the Council's capital programme and some proposed changes to the programme.

Councillor Holland drew Members' attention to funding for projects at Coate that were referred in a previous report on this agenda as well as other schemes to be undertaken in various wards.

Resolved: (1) That the 2020/21 year-end projected out-turn position as set out in Tables 1 & 2 and Appendices 1 and 2 be noted.

(2) That the amendments to the current approved capital programme budgets as detailed at paragraphs 3.3 to 3.4 in the joint report be approved;

(a) That the budget for Fessey House (line 50) be reduced by £1m to reflect revised cost estimates, and

(b) That the budgets for North Star Roundabout and Transfer Bridges (lines 112 and 113) be amalgamated into one budget for works along the Great Western corridor.

(3) That the additions to the programme detailed at paragraphs 3.7 to 3.19 of the joint report be approved. This further update to the Capital Programme can be accommodated within the approved capital financing revenue budget and prudential indicators as set out in the 2020/21 Budget approved by Council.

(a) That £37k of developers' S106 contributions be allocated to improve the footway between Berkeley Farm and the entrance to Wood Farm,

(b) That £308k of developers' S106 be allocated to link the traffic signals along the route between Thamesdown drive and A419 / Cricklade Road junction,

(c) That £106k of grant funding be allocated to install 22 on-street charging points in 8 residential locations in SN1,

(d) That £27k of developers' S106 be allocated to add to the existing Tadpole Farm transport scheme line 117,

(e) That £1m of grant funding be allocated to provide mobile classrooms at Crowdys Special School,

(f) That £77k of developers' S106 be allocated to provide 2 tear old provision at Shaw Ridge Primary School and Nursery,

(g) That £28k of developers' S106 be allocated to repair play park equipment at Lydiard Park,

(h) That £21k of developers' S106 together with £67k of borrowing be allocated to introduce raised earth mounds at the Lawns that will reduce anti-social behaviour in the area,

- (i) That £1m of grant funding be allocated to be spent on enabling infrastructure for Kimmerfields,
- (j) That £1.87m of developers' S106 be allocated to add to the existing Package 2 – Nythe Road Junction and Piccadilly Roundabout, line 80, this is to address the revised costs of the project, and
- (k) That £5k of developers' S106 contributions be allocated to add to the existing ASC & Health Community Equipment Store IT budget, line 44.
- (l) That £340k of developers' S106 contributions be allocated to provide Wanborough traffic calming measures.
- (4) That the transfer of CIL and S106 contributions that have been received by the Council to the relevant Parish Council for them to deliver the works required by the s106 agreement, as detailed in paragraph 3.20 of the joint report and at Appendix 3, be approved.
- (5) That authority be delegated to the Corporate Director of Finance and Assets & Director of Strategic Development for the distribution of future CIL & s106 receipts to Parish Councils, as detailed in paragraph 3.21 of the joint report.
- (6) That the contents of Appendix 4 regarding the 2019-20 Community Infrastructure Levy (CIL) be noted and that it be approved that this should be published on the Council's website.
- (7) That the annual retention of 5% of the total annual CIL receipts to cover administration costs per paragraph 3.25 to 3.26 below be approved.
- (8) That the intention to allocate CIL receipts to support capital programme proposals that will be taken to Cabinet in February 2021 as part of the annual capital budget setting process be approved.

The reasons for the decision and alternative options are as set out in the report to the meeting.

37. Treasury Management - mid-year update report

Councillor Russell Holland, Deputy Leader of the Council and Cabinet Member for Commercialisation, Education and Skills along with the Corporate Director of Finance and Assets submitted a joint report setting out the Council's mid-year Treasury Management performance for 2020/21.

The Leader of the Council noted that the report had been reviewed by the Audit Committee, but the Chair of Audit was unable to be present at Cabinet.

Resolved: (1) That it be noted that the original report was presented to and noted by the Audit Committee on the 27th October 2020 as part of the scrutiny process.
(2) That the mid-year Treasury Management performance.

The reasons for the decision and alternative options are as set out in the report to the meeting.

38. Sheltered Housing Staffing Review

Councillor Cathy Martyn, the Cabinet Member for Housing and Public Safety, and the Director of Housing submitted a joint report seeking Cabinet's approval on the proposals to

change staffing arrangements within sheltered housing. These proposals would end recruitment of Residential Sheltered Housing Officer, and move to a non-residential service model. In addition, they would continue to provide support to tenants living in sheltered housing complexes with a dedicated team that incrementally becomes a non-residential model of employment.

The report is necessary to enable the Council to address the shortfall in service charge that funds the service; modernise working practices and reduce the overall workforce size; and release additional social rented accommodation that was formerly used as staff accommodation.

Councillors Paul Dixon and Ray Ballman asked the following question or made comments, to which Councillor Martyn and the Director of Housing responded at the meeting.

- 1) How widely did the Council measure itself? Just with those taking this approach?
The Council looked at a range of local and regional providers as well as the national picture.
- 2) Why were Opposition Members' comments on the draft Cabinet Member Decision Note not included in the Cabinet report? The purpose in bringing the proposal to Cabinet and hence Scrutiny was to ensure a wider debate.
- 3) Could the service be funded by Adult Social Care or from other savings? This would require support from the general fund and would not address the recruitment issues the service already has. The proposals would support a resilient on-going service.
- 4) How would the same level of service be maintained? Currently there is an expectation that staff provide a 24/7 service, which they are not contracted to do, which has adversely affected recruitment. The proposals seek to provide a resilient service for all residents.

The Leader of the Council added that Councillor Martyn had been subject to rigorous challenge on these issues prior to bringing these reports.

Resolved: (1) That the proposals to end the recruitment of residential Sheltered Housing Officers be approved and the changes to a model of service delivery based on a cluster team model rather than a dedicated sheltered housing officer at the majority of schemes, as set out in the body of the report, be approved.

(2) That the Director of Housing be authorised to reallocate the former sheltered housing staff accommodation once it becomes vacant as outlined in the body of the report, ensuring that allocations are sensitive to the location and if appropriate allocated to under occupying households.

The reasons for the decision and alternative options are as set out in the report to the meeting.

39. Accelerated Tree Planting in the Great Western Community Forest

Councillor Gary Sumner, the Cabinet Member for Strategic Infrastructure, Transport & Planning, and Councillor Keith Williams, the Cabinet Member for Climate Change, along with the Director of Strategic Development and the Head of Property Assets, submitted a joint report seeking authority for the Council to participate in a national 'Trees for Climate'

initiative. This would be as part of the developing Great Western Community Forest (GWCF). The report also sought approval for the principle of using Council owned land parcels for woodland planting.

Councillor Keith Williams outlined the scale of the proposed scheme and how it would contribute toward the Council's carbon reduction targets. Councillor Jane Milner-Barry, along with Cabinet Members Councillors Russell Holland, Mary Martin, and Dale Heenan asked a number of questions to which Councillor Williams and Councillor Gary Sumner responded.

- 1) Funding for tree maintenance – both existing and new? It was explained that it is only for planting and nurturing the new
- 2) Audits of existing trees and identification of sites for new planting? Both Councillor Williams and Councillor Sumner were considering a Strategic Tree Assessment similar to the SHEELA land assessment – a 'TREELAA' - to identify available sites as well as existing locations.
- 3) The need to use the correct, local species. Councillor Williams stated that the Council would address this through publicity.
- 4) The need for mature trees to reduce carbon. The Cabinet Members noted this point.
- 5) The ongoing need for tree maintenance and the consequences for habitats when this was done. The Council was already working with the Woodland Trust, which was keen to expand its coverage within Swindon. However, there would be ongoing budget considerations.

Resolved: (1) That the Director of Strategic Development, in consultation with the Chief Legal Officer, be authorised to enter into agreement with Cheshire West and Chester Council to progress the Council's involvement in England's Trees for Climate Initiative on such terms and conditions that are necessary in order to protect the Council's interests.

(2) That the Head of Property Assets, in consultation with the Director of Strategic Development, the Chief Legal Officer and the Cabinet Member for Strategic Planning be authorised:

(a) To identify Council-owned land, which is assessed as suitable woodland planting and unsuitable for any alternative development. and

(b) To agree that such land where appropriate be used to deliver woodland planting, in accordance with the terms of the Trees for Climate Grant Funding Agreement, and that the sites identified from that exercise are taken forward in consultation with the Cabinet Member for Strategic Infrastructure, Transport & Planning, and the Cabinet Member for Climate Change.

(3) That, Subject to Recommendation 2(b) above, the Director of Strategic Development be authorised to commission tree planting on the land identified and approved for woodland planting in accordance with the Trees for Climate Grant Funding Agreement on such further terms and conditions that are necessary in order to protect the Council's interests.

(4) That the Director of Strategic Development be authorised to allocate the Trees for Climate funding that is being made available by Cheshire West and Chester Council to deliver woodland planting in accordance with the Grant Funding Agreement.

The reasons for the decision and alternative options are as set out in the report to the meeting.

Budget 2021/22

Cabinet

Date: 3rd February 2021

| | |
|--------------------|--|
| Author: | Cabinet Member for Commercialisation, Education and Skills Corporate Director of Finance and Assets |
| Wards: | All |
| Parishes Affected: | All |

1. Purpose and Reasons

- 1.1 This report proposes a Budget for 2021/22 and sets out the financial context for 2022/23 and beyond.
- 1.2 Under the Council's Constitution, the Cabinet is required to recommend a budget to Council as part of its formal Council Tax Setting responsibilities.
- 1.3 The effective management of financial resources through robust financial planning processes underpins the Council's ability to achieve its plans and priorities.

2. Recommendations

Cabinet is recommended to note:

- 2.1 The medium term financial context and impact on Swindon of the draft Local Government Finance settlement;
- 2.2 The projected out-turn for 2020/21;
- 2.3 The consultation feedback summarised in Appendix 3,
- 2.4 The detailed Dedicated Schools Grant budget for 2021/22, based on a provisional funding envelope of £216.131m;
- 2.5 That, in line with the requirements of the Local Government Act 2003, the Corporate Director of Finance and Assets, confirms the robustness of the estimates underlying the recommended Budget and adequacy of reserves, in the context of the earmarked reserves and proposed budget risk contingency.

Cabinet is requested to:

- 2.6 Approve the virements set out in Appendix 2;
- 2.7 Endorse the medium term financial strategy, set out in Appendix 6;
- 2.8 Agree the specific reserves held in support of the 2021/22 Revenue Budget set out in Appendix 5;

Further information on the subject of this report can be obtained from Mick Bowden, on direct dial 07392 109917 or email mbowden@swindon.gov.uk.

Budget 2021/22

Cabinet

Date: 3rd February 2021

- 2.9 Authorise the Corporate Director of Finance and Assets to balance any changes between the provisional and final local government finance settlements by adjusting the Budget Risk Contingency;

(Minute for Confirmation)

- 2.10 Recommend to Council, subject to any changes resulting from the Government's announcement of the final local government finance settlement for 2021/22, that:-

2.10.1 The 2021/22 Budget be set at £153.277m;

2.10.2 The council tax be increased by 4.99%, comprising 1.99% for the basic amount of council tax and a specific adult social care precept of 3%, and;

2.10.3 It be determined that the proposed increase in the basic amount of Council Tax for 2020/21 is not excessive in accordance with Schedule 5 of the Localism Act 2011 and therefore does not trigger the requirement for a referendum.

3. Detail

Forecast Out-turn for 2020/21

General Fund

- 3.1 The forecast position is that the General Fund is anticipated to be on budget at the year end.
- 3.2 The current forecast is after the application of the COVID-19 emergency funding from the Government of £16.7m, and is based on the COVID-19 pressures during the remainder of the financial year continuing to be offset by government support.
- 3.3 The significant improvements since the last report are:
- 3.3.1 A further reduction in the corporately held bad debt provision to reflect the assessment of specific income risks (£300k);
- 3.3.2 Children Services are forecasting a reduction in the COVID related cost pressures following a review of the impact of demand on services (£428k);
- 3.3.3 Adults are forecasting a reduction in costs, mainly due to reductions in the assumed levels of demand for placements across Learning Disability, Memory & Cognition and Physical/Sensory Support (£540k).
- 3.4 The above improvements have mitigated a number of new pressures, the main ones being:

Further information on the subject of this report can be obtained from Mick Bowden, on direct dial 07392 109917 or email mbowden@swindon.gov.uk.

Budget 2021/22

Cabinet

Date: 3rd February 2021

- 3.4.1 A further pressure on cost recovery associated with debt collection activity (£250k);
- 3.4.2 Shortfall on property fee income (£114K);
- 3.4.3 Further reduction in anticipated income from planning applications plus legal costs in relation to an appeal (£254k).
- 3.5 The budget risk contingency includes provision for one-off funding of £761k to support the 2021-22 budget.
- 3.6 The budget and out-turn by Department is set out in Table 1 below and the full details are contained in Appendix One.
- 3.7 A number of budget changes have been identified since the last report and Cabinet is asked to approve the virements set out in Appendix 2.

Table 1 – Revenue Budget Forecast

| Department | Budget 2020/21 | Forecast | Variance | Movement since last report |
|---------------------------|-------------------|----------------|---------------|----------------------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Adults | 66,567 | 69,496 | 2,929 | (538) |
| Children Services | 47,229 | 50,516 | 3,287 | (666) |
| Operations | 23,303 | 28,571 | 5,268 | 127 |
| Enabling | 16,206 | 16,882 | 676 | (55) |
| Economy & Development | 2,577 | 4,751 | 2,174 | 190 |
| Finance & Assets | (6,808) | (4,477) | 2,331 | 942 |
| Sub-Total | 149,074 | 165,739 | 16,665 | 0 |
| COVID-19 Grant Funding | | (16,665) | (16,665) | 0 |
| Total General Fund | 149,074 | 149,074 | 0 | 0 |

Further information on the subject of this report can be obtained from Mick Bowden, on direct dial 07392 109917 or email mbowden@swindon.gov.uk.

Budget 2021/22

Cabinet

Date: 3rd February 2021

Dedicated Schools Grant (DSG)

- 3.8 The DSG is forecasting an overspend of £2.493m, which is an improvement of £80k since the last report.
- 3.9 This pressure increases the cumulative deficit on the DSG to £4.1m. In July, Schools Forum agreed a timetable of consultations for a deficit recovery plan. SEND Strategic Board and Schools Forum will consider a report on the outcome of the consultation in January.

Housing Revenue Account (HRA)

- 3.10 HRA Budget Managers are currently forecasting a net underspend of £323k, which is an improvement of £412k since the last report as a result of reduced contract, materials and staff costs across the service.

The 2021/22 Provisional Local Government Finance Settlement

- 3.11 The Government published the provisional 2021/22 local government finance settlement on 17th December 2020.
- 3.12 The key points from the provisional settlement are:
- 3.12.1 The referendum threshold for increases in council tax will be 2%, with social care authorities will be able to charge an adult social care precept of up to 3%;
 - 3.12.2 A reduction in New Homes Bonus of £1.65m;
 - 3.12.3 An increase in Revenue Support Grant of £24k;
 - 3.12.4 A further £192k grant funding for adult and children's social care;
 - 3.12.5 A new one-off Lower Tier Services Grant of £281k;
 - 3.12.6 An additional £1.6m of one-off grant funding to meet cost pressures relating to the collection of council tax.

Council Tax 2021/22

- 3.13 In line with Government expectations, it is proposed that the Council increases the basic amount of council tax by 1.99% and raises an adult social care precept of 3%.
- 3.14 If agreed, the total 4.99% increase will be broken down on the face of the council tax bill, in line with national guidance, to explain that 3% of the increase is specifically to respond to the rising demand for adult social care.
- 3.15 A 4.99% increase would increase the average Council Tax bill by £5.91 per month, excluding precepts from other bodies.
-

Further information on the subject of this report can be obtained from Mick Bowden, on direct dial 07392 109917 or email mbowden@swindon.gov.uk.

Budget 2021/22

Cabinet

Date: 3rd February 2021

Feedback from Scrutiny Committee

3.16 On 11th January 2021, the Scrutiny Committee considered a report on the 2021/22 budget setting process. The Committee resolved that:

(1) That the budget position update be noted and that the Cabinet Member for Commercialisation, Education and Skills' responses to questions about the financial context within which the budget proposals have been framed along with the budget and policy framework utilised by the Council in setting its 2021/22 budget, be noted.

(2) That the Corporate Director of Finance and Assets be requested to circulate the Local Grant settlement figures.

(3) That the Corporate Director Adult Services, Health and Housing be requested to circulate:

a) Information regarding "strength based" conversations held to support service users.

b) Information regarding the methods to be used to ensure the Directorate aligned the programme of work to operate in a more modern, efficient and effective way.

(4) That the Clerk be requested to circulate Schools Forum minutes to the meeting being held on 19th January 2021.

Consultation Feedback

3.17 The Council undertook consultation with the business community via a meeting with business representatives from Swindon, on behalf of non-domestic ratepayers on 6th January 2021.

3.18 The minutes of the meeting are set out in Appendix 3.

The Proposed Budget for 2021/22

3.19 Table 2 sets out the changes to close the budget gap of £3.8m reported to Cabinet at its meeting on 2nd December 2020. Specific changes relating to the Collection Fund are set out in paragraph 3.26.

Budget 2021/22

Cabinet

Date: 3rd February 2021

Table 2 – Changes since December 2020

| Changes | £m |
|--|--------------|
| Additional adult social care precept | (1.1) |
| Social Care Grant | (0.2) |
| New Homes Bonus | (0.6) |
| Lower Tier Services Grant | (0.3) |
| Reduced allowance for pay inflation | (0.5) |
| Minor changes to estimates | (0.3) |
| Application of funding set aside from budget risk contingency in 2020-21 | (0.8) |
| Sum of Changes | (3.8) |

Further information on the subject of this report can be obtained from Mick Bowden, on direct dial 07392 109917 or email mbowden@swindon.gov.uk.

Budget 2021/22

Cabinet

Date: 3rd February 2021

- 3.20 Table 3 summarises the overall changes to the current financial year in arriving at the proposed budget for 2021/22. The detailed proposals are set out in Appendix 4.

Table 3 – Summary of Budget Changes

| Budget Changes Summary | 2021/22 £m |
|--|-----------------------|
| Base Budget | 149.1 |
| Funding Changes | (1.7) |
| Inflation | 3.7 |
| Cost Pressures | 10.0 |
| Identified Savings | (7.8) |
| Proposed Budget for 2021/22 | 153.3 |
| Funded By: | |
| Revenue Support Grant | 4.4 |
| Business Rates | 35.9 |
| Council Tax | 113.7 |
| Less Council Tax Collection Fund deficit | (0.7) |
| Total Funding | 153.3 |

Relationship between Revenue and Capital Budgets

- 3.21 The 2021/22 revenue budget includes allowance for the estimated increase in debt charges to finance the capital programme being delivered during 2020/21 and any interest incurred on schemes starting in 2021/22.
- 3.22 The 2021/22 capital programme is set out elsewhere on the agenda and any increase in the proposed programme that is financed from borrowing will have an estimated impact on the annual revenue budget of between £40k-80k per £1m, subject to the nature of the capital investment.

Approach to Funding Transitional Costs

- 3.23 In accordance with the freedom given by central government it is the Council's existing approach to use the capital receipts flexibility to meet expenditure related to the delivery of future long-term savings. It is proposed that this is continued where it is in the Council's financial interest to do so, with specific reference to:

3.23.1 Costs of delivering projects within the Council's improvement programme,

3.23.2 Reorganisation and restructuring costs that deliver financial savings

3.23.3 Transitional investment that delivers long-term financial benefits by reducing future service costs.

Financial Impact of COVID-19

- 3.24 As set out earlier in this report, it is currently anticipated that the additional government funding in the current financial year will enable the Council to meet the in-year additional financial pressures arising from COVID-19 during 2020/21.

- 3.25 In addition to affecting the cost of delivering services and the Council's ability to generate income, the pandemic has led to significant changes in the collection of council tax and business rates. This has included the removal of business rates liabilities for all retail, hospitality and leisure businesses during 2020/21, an increase in the number of council tax support claimants and a lower than anticipated increase in the council tax base. Whilst council tax collection rates are, to date, broadly in line with previous years there has been a reduction in the collection of business rates. These patterns are reflected across the country and have been incorporated in the information supplied to the Government throughout the year. The Government has established the following support to local authorities in dealing with deficits that arise:

3.25.1 The ability to spread elements of the losses over three years;

3.25.2 Specific funding support for eligible losses and to help meet the pressures of increased cost of council tax support;

3.25.3 Application of the general COVID-19 support funding

- 3.26 The precise calculation will be based on the final year-end position at 31st March 2021. The latest estimate is that there will be adverse financial effects of the council tax base (£0.7m), council tax collection fund balance (£1.6m) and deficit on business rates (£1.4m).

- 3.27 The Government's Spending Review announcement on 25th November 2020 included an unallocated national contingency of £21bn out of the total funding of £55bn, reflecting the level of uncertainty on the future impact of the pandemic during the 2021/22

Budget 2021/22

Cabinet

Date: 3rd February 2021

financial year. In the light of such uncertainty, COVID-19 is an exceptional budget risk that is being considered separately to the other risks that are usually considered as part of the budget setting process.

- 3.28 The spending review included the following specific measures to continue the support provided in the current year into the first part of 2021/22:

3.28.1 A general grant to meet COVID-19 funding pressures (£5.7m for Swindon)

3.28.2 The extension of the support for losses from sales, fees and charges income to cover the period to 30th June 2021.

- 3.29 These funding announcements, alongside the Government's stated intention to continue to support local authorities and keep the package of support under review, provides a level of assurance that the Council will be able to manage the budget risks in the forthcoming year. However, members are advised that the position remains uncertain and, without adequate ongoing Government support, would potentially be beyond the financial resources of the Council. A continuation of the careful monitoring of costs and reporting to the Ministry of Housing, Communities and Local Government will therefore be vital. This will be done directly on behalf of the Council and through SW Councils and the Local Government Association.

Other Budget Risks

- 3.30 Each of the savings proposals put forward as part of the budget setting cycle has been risk assessed. The level of contingency built into the proposed budget for 2021/22, alongside the level of general and earmarked reserves, reflects the overall potential risk associated with delivering the budget proposals.
- 3.31 The following significant risks have been identified in relation to the council's budget:
- 3.31.1 The total value of savings contained within the budget for 2021/22 is lower than that identified for 2020/21. However it still represents around 5% of the Council's net budget and this, in itself, provides a source of risk to the Council's financial position;
- 3.31.2 There are a number of savings proposals which are still subject to ongoing activity and therefore the precise level of saving is uncertain;
- 3.31.3 The Council also faces risks in managing the costs associated with the major demand led services, particularly in adult and children's social care and waste disposal. The investment of funding and resource to manage pressures provides some mitigation against these risks. However, it is recognised that these services will continue to be a potential challenge to the Council's financial position and

Further information on the subject of this report can be obtained from Mick Bowden, on direct dial 07392 109917 or email mbowden@swindon.gov.uk.

Budget 2021/22

Cabinet

Date: 3rd February 2021

will therefore be the subject of close scrutiny in the budget management process for 2021/22.

- 3.32 Based on this assessment, and risks within the existing base budget, it is proposed that the budget risk contingency is set at £1.5m.
- 3.33 In light of this, and the specific reserves held to support the budget (set out in Appendix 5), the Corporate Director of Finance and Assets, as part of his Section 151 responsibilities, is content that the 2021/22 budget as proposed is deliverable, taking into account the level of specific and general reserves held by the Council.

General Reserves

- 3.34 In general, it is considered that uncommitted reserves of around 5% of net budget (£7.7m) provides for a reasonable level of support to manage risks, subject to the specific circumstances of each authority. However, protection against budget risks is also provided through earmarked reserves and contingencies along with the Council's experience of managing budget pressures without using general reserves.
- 3.35 The Council's level of general fund reserves has increased by £1.2m to £7.2m in the last two financial years, reflecting the successful management of the budget in that period. It is recommended that the level of general reserves the Council holds is maintained, as a minimum, at the current level of £7.2m and should gradually continue to increase over the medium term to improve the Council's financial resilience.

Schools' Budgets 2021/22

- 3.36 The provisional Dedicated Schools Grant (DSG) for 2021/22 is £216.131m, the majority of which is passported directly to schools. The Council prepared its budgets based on existing spend, inflation and known increases in demand. Due to the significant increases in demand for specialist places and High Needs top ups it has not been possible to produce a balanced budget, within the available funding and a budget gap of £1.373m is forecast. The Schools Forum considered the proposed budgets in Table 4 at its meeting on 19th January.
- 3.37 The DSG 2020/21 balance to be carried forward is forecast to be a deficit of £4.125m therefore, combined with the 21-22 budget deficit, the forecast deficit by the end of 2021-22 is £5.5m.
- 3.38 The council is required to produce a deficit recovery plan and the engagement with Schools Forum on this has been undertaken between November and January. A report on the outcome of this work was considered by Schools Forum on 19th January 2021 and agreed for progression. Final details will be provided in February 2021. Following this, council officers will undertake a Full Equalities Impact Assessment including up to a

Further information on the subject of this report can be obtained from Mick Bowden, on direct dial 07392 109917 or email mbowden@swindon.gov.uk.

Budget 2021/22

Cabinet

Date: 3rd February 2021

twelve-week consultation on proposed changes to inform the final deficit recovery plan. An update on the progress of this work will be available for July Cabinet.

Table 4 - Overall DSG Funding and Expenditure 2021/22

| Items | £m | £m |
|--|---------|--------------|
| DSG Funding 2021/22 | | (216.131) |
| | | |
| Early Years Expenditure | 15.820 | |
| Mainstream School Expenditure | 161.701 | |
| High Needs Expenditure | 38.877 | |
| Central Schools Services Expenditure | 1.106 | |
| | | |
| Total Expenditure | | 217.504 |
| | | |
| DSG Budget Gap | | 1.373 |
| Estimated overspend on DSG for 2020/21 | | 4.125 |
| | | |
| Cumulative DSG balance at 31/03/2022 | | 5.498 |
| Cumulative DSG balance as a percentage of 2021/22 DSG funding | | 2.54% |

4. Alternative Options

- 4.1 The Council is required to set a balanced budget. If Cabinet choose not to approve the budget proposals set out in this report, then further options would need to be identified to ensure that the statutory requirement is met.
- 4.2 The Cabinet could amend the package of budget proposals at the assumed council tax increase of 4.99% for 2021/22, which would require the amendments to be cost neutral.
- 4.3 The Cabinet could also choose to recommend a different council tax level to Full Council, and amend the package of proposals within the new net budget. Each 1% on council tax equates to approximately £1.1m

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 The General Fund is forecasting to be on budget for the current financial year. This is after the application of the COVID-19 emergency funding from the Government of £16.7m, and is based on the COVID-19 pressures during the remainder of the financial year being offset by government support.

Further information on the subject of this report can be obtained from Mick Bowden, on direct dial 07392 109917 or email mbowden@swindon.gov.uk.

Budget 2021/22

Cabinet

Date: 3rd February 2021

- 5.2 The report sets out the draft budget for 2021/22. A budget of £153.3m is proposed, requiring a council tax increase of 4.99%.

Legal and Human Rights Implications

- 5.3 All legal and human rights considerations have been taken fully into account in compiling this report. It is considered that the recommendations of this report are compatible with Convention rights.

Climate Change Impact

- 5.4 This report includes the budget savings arising from the continued implementation of energy reduction through the installation of LED lighting.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.5 The proposals included in this budget will result in approximately 41 full time equivalent posts being deleted from the Council's staffing establishment. The Council's Managing Change, Restructuring, Redeployment & Redundancy Policy will be applied in the implementation of changes to staffing structures

Diversity Impact Assessment

- 5.6 In line with the Public Sector Equality Duty (Equality Act 2010) Swindon Borough Council is required to pay due regard to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations between different protected groups when making decision. Where known, the equality impact of change must be disclosed. The Council has also included Children in Care and Care Leavers as an additional characteristic to consider when we make key decisions to strengthen our role as a Corporate Parent.
- 5.7 All saving proposals are subject to the Council's DIA screening process to assess their potential/likely impact, if any, on service users with protected characteristics. For proposals where there is no change to service or staffing a DIA is not required.
- 5.8 Where it is not possible at this stage to assess fully the impact from individual proposals, these will be subject to separate decisions informed by a separate DIA prior to implementation.
- 5.9 However, officers' current assessments conclude that the impact of adopting these proposals on front-line services or vulnerable groups would be minor. This is not to imply that there would not be any adverse impact on service users, if the proposals are approved. As part of our dynamic assessment process, should this position change, we would review each DIA, update and publish this. These are routinely reviewed by our Equality Task Group members, which includes members from the wider Swindon community and voluntary agencies.

Further information on the subject of this report can be obtained from Mick Bowden, on direct dial 07392 109917 or email mbowden@swindon.gov.uk.

Budget 2021/22

Cabinet

Date: 3rd February 2021

- 5.10 There is a small number of staff that will be affected by this year's proposals as the majority of the posts, which are proposed for deletion, are currently vacant posts. The Council's Managing Change, Restructuring, Redeployment & Redundancy Policy provides a framework to be followed during times of organisational change to minimise the risk of a negative impact on any equality groups. The Managing Change Policy requires that staffing changes undergo a specific DIA per proposal to ensure that the restructure process is conducted in a fair, transparent and non-discriminatory manner. All of these are reviewed by the Human Resources Business Partners and members of the equality task group so that we can understand the impact not just of reductions in staff but the corresponding impact on service levels and workload to make sure proposals are realistic and sustainable.

Risk Management

- 5.11 None other than those highlighted in the body of the report. Individual schemes will have individual Risk Assessments and DIAs.

6. Consultees

- 6.1 The Corporate Director of Finance and Assets (s151 officer) and Chief Legal Officer (Monitoring Officer) are consulted in respect of all reports.

7. Background Papers

- 7.1 None

8. Appendices

- 8.1 Appendix 1: Forecast Out-turn by Directorate 2020/21
- 8.2 Appendix 2: Virements 2020/21
- 8.3 Appendix 3: Consultation Feedback
- 8.4 Appendix 4: Detailed Budget Proposals 2021/22
- 8.5 Appendix 5: Reserves Policy and Specific Reserves held to support the 2021/22 Budget
- 8.6 Appendix 6: Medium Term Financial Strategy Update

9. Key Decision/Decision in Cabinet Work Programme and Forward Plan

- 9.1 The Council's Budget will be determined by the full Council on 18th February 2021. This is therefore not a key decision for the Cabinet at this meeting. It is included in the Cabinet Work Programme and Forward Plan for February 2021.

Further information on the subject of this report can be obtained from Mick Bowden, on direct dial 07392 109917 or email mbowden@swindon.gov.uk.

This page is intentionally left blank

| Fund | Tier 1 Pillar | Tier 2 Function | Budget 2020/21 £'000 | Full-Year Projected Out-turn £'000 | Projected Variance £'000 | Movement since last report £'000 | Commentary on Reasons for Variance |
|--------------------|---------------------------------|--|----------------------------|---|--------------------------------|---|--|
| General Fund | Resources - Enabling | Business Support & Facilities Management | 3,720 | 3,692 | (28) | (26) | Net savings on office accommodation costs mainly due to empty buildings. |
| | | Communications & Engagement | 395 | 427 | 32 | 32 | Shortfall on advertising income due to Covid. |
| | | Customer Strategy & Operations | 720 | 1,385 | 665 | 2 | |
| | | Data, Performance and Insight | 859 | 859 | 0 | 0 | |
| | | Digital & Business Change | 2,450 | 2,433 | (17) | (37) | Underspends on licence costs and vacancy savings. |
| | | Elections and Democracy | 1,826 | 1,680 | (146) | (26) | Underspends across operational budgets. |
| | | Human Resources and Organisational Development | 2,141 | 2,141 | 0 | 0 | |
| | | Information Technology | 2,827 | 2,879 | 52 | 0 | |
| | | Legal Services | 1,268 | 1,386 | 118 | 0 | |
| | Resources - Finance & Assets | | 16,206 | 16,882 | 676 | (55) | |
| | | Corporate Finance | (7,227) | (6,766) | 461 | 795 | Improved treasury forecasts and net movement in budget risk contingency. |
| | | Finance & Procurement Service | 2,313 | 2,447 | 134 | 0 | |
| | | ASC Finance Services | 572 | 539 | (33) | (4) | |
| | | Revenues & Benefits | 2,593 | 3,108 | 515 | 250 | Full year impact of shortfall on cost recovery associated with debt collection due to courts not accepting non payment cases |
| | | Internal Audit and Health & Safety | 713 | 713 | 0 | 0 | |
| | | Architecture | 42 | 39 | (3) | 0 | |
| | | Property | (5,814) | (4,557) | 1,257 | (99) | Reduction in the corporately held bad debt provision to reflect income risks (£300k) mitigating a shortfall in fee income (£114k) and additional facilities management cost pressures, including increased NNDR on void properties (£87k). |
| | Resources - Operations | | (6,808) | (4,477) | 2,331 | 942 | |
| | | Streetsmart | 16,219 | 17,307 | 1,088 | 26 | Updated forecasts across the service for salaries, operational expenditure and income. |
| | | Highway Operations and Car Parking | (601) | 3,315 | 3,916 | 8 | |
| | | Operations Management | 139 | 391 | 252 | 27 | |
| | | Transport | 7,546 | 7,558 | 12 | 66 | Additional demand costs for home to school and SEN transport (£133k) partly mitigated by forecast underspends on operational budgets (£67k). |
| | Children Services | | 23,303 | 28,571 | 5,268 | 127 | |
| | | Inclusion and Achievement | 4,650 | 5,236 | 586 | (104) | Reduction in expected costs relating to the Library service and further savings identified by Supported Employment. |
| | | Children, Families and Community Health Services | 42,579 | 45,280 | 2,701 | (562) | A reduction in Covid-19 related spend following a review of the impact of increased demand for services on the timing of additional resourcing requirements for the current financial year (£428k) plus vacancy savings (£134k). |
| | | | 47,229 | 50,516 | 3,287 | (666) | |
| | Adults, Housing & Public Health | Adults | 66,838 | 68,728 | 1,890 | (540) | Main variances relate to a reduction in demand for placements across Learning Disability, Memory & Cognition and Physical/Sensory Support; Vacancy savings due to increase in vacancies/slippage in recruitment across Care Management & Safeguarding. Savings mitigate pressure in demand for Equipment/Adaptations and increased demand for placements in Mental Health. |
| | | Enterprise Works | 53 | 441 | 388 | 10 | |
| | | Public Health | 0 | 0 | 0 | 0 | |
| | | Housing Services | (324) | 327 | 651 | (8) | |
| | | | 66,567 | 69,496 | 2,929 | (538) | |
| | Economy & Development | Culture & Heritage | 1,048 | 2,023 | 975 | (67) | |
| | | Economy, Growth and Place | 940 | 974 | 34 | (23) | Vacancy savings. |
| | | Highways & Transport | 8 | 101 | 93 | 21 | |
| | | Strategic Planning | (76) | 932 | 1,008 | 254 | Further reduction in anticipated income from planning applications plus legal costs in relation to an appeal. |
| | | Regulatory Services | 657 | 721 | 64 | 5 | |
| | | | 2,577 | 4,751 | 2,174 | 190 | |
| General Fund Total | | | 149,074 | 165,739 | 16,665 | 0 | |

| Fund | Tier 1 Pillar | Tier 2 Function | Budget 2020/21 £'000 | Full-Year Projected Out-turn £'000 | Projected Variance £'000 | Movement since last report £'000 | Commentary on Reasons for Variance |
|-------------------------------|----------------------|--|----------------------------|---|--------------------------------|---|--|
| Health | Health Adults | Health Adults | 5,859 | 6,112 | 253 | 132 | Increased demand for Equipment and Adaptions, matched by additional funding reclaimed from CCG, GWH and SBC |
| | Health Adults | | (5,859) | (6,112) | (253) | (132) | |
| | Health Children's | Children's Health Commissioning | 2,524 | 2,527 | 3 | 3 | |
| | | | (2,524) | (2,524) | 0 | 0 | |
| | | Children's Health Delivery Services - CCG Funded | 1,836 | 1,833 | (3) | (3) | |
| | | (1,836) | (1,836) | 0 | 0 | | |
| Health Total | | | 0 | 0 | 0 | 0 | |
| Dedicated Schools Grant | DSG Commissioning | DSG Skills and Attainment | 78,849 | 82,045 | 3,196 | (80) | Further increase in costs relating to High Needs top ups and these have been offset by a reduction in Pupil Growth Trigger funding, reduction in staff costs and savings against the equipment budget. |
| | | DSG Skills and Attainment | (78,849) | (79,552) | (703) | 0 | |
| Dedicated Schools Grant Total | | | 0 | 2,493 | 2,493 | (80) | |
| Housing Revenue Account | HRA - Housing | Supervision & Management | (35,547) | (35,555) | (8) | 33 | Reduction in rental income due to right-to-buy sales and extended void periods on newly acquired properties to replace those sold on RTB |
| | | Special Services | 342 | 342 | 0 | 25 | Previously forecast saving to be transferred to service charge reserves |
| | | HRA Capital Financing | 25,139 | 25,179 | 40 | 0 | |
| | HRA - Operations | Repairs | 10,066 | 9,711 | (355) | (470) | Reduced contract and material costs across the service as well as staff savings due to the number of vacant posts during the last eight months. These underspends have mitigated increased fleet hire costs and the reduction in recharges to the capital programme. |
| Housing Revenue Account Total | | | 0 | (323) | (323) | (412) | |

| | Resources - Enabling £'000 | Resources - Finance & Assets £'000 | Resources - Operations £'000 | Children Services £'000 | Adults, Housing & Public Health £'000 | Economy & Development £'000 | Total General Fund £'000 |
|--|----------------------------------|---|------------------------------------|-------------------------------|---|-----------------------------------|-----------------------------------|
| | | | | | | | |
| Cabinet 02/12/2020 | 16,297 | (6,808) | 23,964 | 47,239 | 66,532 | 1,850 | 149,074 |
| | | | | | | | |
| Further alignment of budgets to reflect new management reporting structure | (91) | | (661) | (10) | 35 | 727 | 0 |
| | | | | | | | |
| Cabinet 03/02/21 | 16,206 | (6,808) | 23,303 | 47,229 | 66,567 | 2,577 | 149,074 |

This page is intentionally left blank

BUDGET CONSULTATION - NATIONAL NON-DOMESTIC RATEPAYERS

WEDNESDAY, 6 JANUARY 2021

PRESENT:- Councillors David Renard (Leader of the Council and Chair), Russell Holland (Deputy Leader and Cabinet Member for Commercialisation, Education and Skills) and Mick Bowden (Corporate Director Finance and Assets).

1. Welcome and Introduction

Councillors David Renard (Leader of the Council and Chair) welcomed participants to the virtual meeting.

It was noted that Under Section 65 of the Local Government Finance Act 1992 the Council had a duty to consult with representatives of Non-Domestic Ratepayers regarding its proposals for expenditure. The Council had set out to achieve this by way of (a) a Public Notice placed in the Swindon Evening Advertiser on 28th December 2020, (b) a similar notification being placed on the Council's website from 8th December 2020, and (c) arrangements for the virtual meeting being circulated to the business community by the Business and Economy Manager via the Business Newsletter. It was noted that Mr Aled Thomas (Swindon Advertiser) had joined the meeting as an observer. To enable those observing to join the meeting, it was recommended that they e-mailed CommitteeServices@swindon.gov.uk to enable the clerk to forward an invitation allowing them to participate in the meeting. No requests were received.

The Chair noted that a link to the publically available agenda papers that included the Budget Management Update 2020/21 report was submitted to the Cabinet on 2nd December 2020 and that the Cabinet's Budget proposals had been included in the invitation.

2. Budget Management Update 2020/21

Councillor Russell Holland introduced the report and referred to the reduction in the financial grant from Central Government over the past years. He drew attention to the increase in demand for Adult Social Care, together with Children Services, that were having an adverse financial impact on the budget. He referred to the Council's operational changes and commented on the myriad ways the Council was continuing to support the community. He added that Swindon's council tax was lower than the unitary average and that due to the increase in demand, an increase in the council tax was being proposed. Councillor Holland explained that whilst this increase was not welcomed by all, it was necessary to ensure continued help and support to those in need.

With regards to business tax, Councillor Holland confirmed that the Council helped distribute grants received from Central Government in support of local businesses and referred to the Council's inability to amend business rates as these were set by Central Government.

Due to the lack of participants at the meeting, the Chair closed the meeting. It was noted that no responses or submissions had been received to date. It was agreed that any

comments or submissions that were received from the business community prior to the Cabinet meeting on 3rd February 2021 would be reported at that meeting.

2021-22 Budget - Detailed Proposals**Service Area - Resources - Enabling**

| | Draft Proposals for 2021/22 |
|--|--|
| Proposal | £'000 |
| | |
| <u>Cost Pressures (positive numbers)</u> | |
| Increased contribution to costs of Wiltshire Coroner's Office to fund additional capacity and system improvements. | 50 |
| | |
| <u>Savings (negative numbers)</u> | |
| | |
| Productivity savings from the deletion of vacant posts in back office teams and reductions in print and postage costs as a result of the introduction of more efficient working practices. | (372) |
| Total | (322) |

2021-22 Budget - Detailed Proposals**Service Area - Resources - Finance & Assets**

| | Draft Proposals for 2021/22 |
|---|--|
| Proposal | £'000 |
| | |
| <u>Cost Pressures (positive numbers)</u> | |
| Council wide Pay and Prices Inflation | 3,672 |
| Increase in capital financing costs | 1,879 |
| | |
| <u>Savings (negative numbers)</u> | |
| Review of vacant posts and service wide operational budgets to deliver ongoing efficiencies | (187) |
| Commercial Property Income | (500) |
| | |
| <u>Funding Changes</u> | |
| | |
| Reduction in New Homes Bonus | 1,650 |
| Additional Social Care Grant | (192) |
| Lower Tier Services Grant | (281) |
| COVID 19 impact on council tax collection fund in 20-21 | (2,300) |
| Application of unused budget risk contingency set aside in 2020-21 | (761) |
| | |
| Total | 2,980 |

2021-22 Budget - Detailed Proposals
Service Area - Resources - Operations

| | Draft Proposals for 2021/22 |
|---|--|
| Proposal | £'000 |
| | |
| <u>Cost Pressures (positive numbers)</u> | |
| Waste Disposal - remove fixed management fees | 520 |
| Waste Disposal - additional waste disposal gate fee costs due to growth of housing numbers | 133 |
| Service Improvement Plans Phase 1 2020/21 - non delivery of savings | 225 |
| Waste and Recycling - 2020/21 review of operations - non delivery of savings | 222 |
| Highway operations - additional pressure for traffic management costs to support the reduction of the backlog of potholes work | 25 |
| Waste disposal - costs to dispose of additional waste generated by Parishes | 50 |
| Additional capacity in tree maintenance service | 100 |
| Waste collection - costs to deliver food waste in trial areas. | 160 |
| | |
| <u>Savings (negative numbers)</u> | |
| Productivity savings through a range of measures including work scheduling, route optimisation and reduced reliance on temporary staff from employment agencies. | (420) |
| Waste disposal - programme to reduce total costs of waste service | (300) |
| Street Lighting electricity - reduced costs as a result of next phase of installing LED lanterns due to finish in 21/22 | (400) |
| Grounds Maintenance - additional income from green waste service subscriptions. Assumes demand remains same as 20/21 | (84) |
| All operational services - savings as a result of a review of 20/21 expenditure budgets net of income pressures | (200) |
| Highway operations - provide traffic management services in-house | (10) |
| Transport - review of the application of the Special Education Needs transport policy in terms of eligibility of transport currently awarded. Assumes any changes to transport are effective from September 2021 | (100) |
| Transport - review of the effectiveness and efficiency of the Special Education Needs transport options including minibuses and Personal Travel Budgets. Assumes any changes to transport are effective from September 2021 | (35) |

2021-22 Budget - Detailed Proposals**Service Area - Resources - Operations**

| | |
|---|--|
| | Draft Proposals for 2021/22 |
| Proposal | £'000 |
| Transport - review of demand for usage of the Concessionary Transport service | (70) |
| Total | (184) |

2021-22 Budget - Detailed Proposals**Service Area - Children Services**

| | Draft Proposals for 2021/22 |
|---|--|
| Proposal | £'000 |
| | |
| <u>Cost Pressures (positive numbers)</u> | |
| Pressure relating to annual support cost of the new Children's IT system | 14 |
| Traded services model ceasing for Therapy services resulting in a net loss of contribution to General Fund. | 117 |
| Additional staffing requirement for the Edge of Care team to support children and young people on the edge of care. | 73 |
| Pressure relating to increase in capacity required to support those on Education, Health and Care Plans within the SEND team. | 437 |
| Pressure in Education Psychology service due to increase in demand. | 187 |
| Additional staffing required to monitor and track pupil level data on attendance and NEET's | 42 |
| Additional staffing required to the monitor and track pupil level data of SEND data for 16-25 | 42 |
| | |
| <u>Savings (negative numbers)</u> | |
| Savings relating to a reduction in the number of agency staff and review of payments | (780) |
| Savings relating to review of demand | (110) |
| Review of working practices across a number of teams has resulted in a reduction in the number of vacant posts. | (266) |
| Reduction in costs relating to Supported Employment | (86) |
| Productivity savings through consolidation of services | (21) |
| | |
| <u>Funding Changes</u> | |
| Cessation of grant from European Social Fund for Building Bridges | 136 |
| School Improvement and Monitoring Grant contribution to staffing costs | (30) |
| Reduction in contribution to service costs from the Troubled Families grant | 81 |
| Total | (164) |

2021-22 Budget - Detailed Proposals**Service Area - Adults, Housing & Public Health**

| | Draft Proposals for 2021/22 |
|---|--|
| Proposal | £'000 |
| | |
| <u>Cost Pressures (positive numbers)</u> | |
| Demand Pressure - Older People care packages, increasing numbers of service users and increasingly complex social care needs. | 1,745 |
| Demand Pressures - Learning Disabilities care packages through Children transitioning into Adult Social Care services. | 3,000 |
| | 500 |
| Demand pressures - mental health services. Increasing numbers of clients and increasingly complex social care needs. | 100 |
| Enterprise works - Retaining Community meals in house (£110k), shortfall in timber sales (£103k), reduction in grant income (£20k), other minor pressures (£7k). | 240 |
| Social Workers- locum costs due to recruitment challenge | 145 |
| | |
| <u>Savings (negative numbers)</u> | |
| | |
| Productivity savings have been delivered with the In House Learning Disability provider through deletion of vacant posts and reshaping Supporting People Contracts (£206k) and will be delivered in 21/22 by reshaping the Community Living Service and using cost effective accommodation options in the Homelessness service (£130k). | (336) |
| Productivity savings - Enterprise Works . Plans to be identified | (152) |
| Enterprise Works - restructure of services | (112) |
| Managing Learning Disability Transitions reduced cost of social care packages by supporting service users to be as independent as possible. | (1,400) |
| Managing OPPD demand through strength based conversations to support service users to be as independent as possible. | (840) |
| Managing LD long term demand through strength based conversations to support service users to be as independent as possible. | (400) |
| Managing Mental Health demand through strength based conversations to support service users to be as independent as possible. | (100) |
| Efficiency savings re the operation of In House Older People residential care. | (200) |
| Total | 2,190 |

2021-22 Budget - Detailed Proposals
Service Area - Economy & Development

| | |
|---|--|
| | Draft Proposals for 2021/22 |
| Proposal | £'000 |
| | |
| | |
| <u>Savings (negative numbers)</u> | |
| | |
| Productivity savings across the Directorate aligned to programme of work to include realignment of duties associated with vacant posts. | (297) |
| | |
| Total | (297) |

This page is intentionally left blank

Reserves Policy and Specific Reserves held to support the 2021/22 Budget

The Council continues to deliver improved services at a time when the finances of local government continue to be under pressure. The pace of change at the Council, the global pandemic and the scale of savings being delivered bring with them risks in relation to the Council's capacity to deliver the planned stepped changes. These risks are both in relation to the complexity of some of the changes required to deliver the ongoing budget savings, the capacity to deliver those along with the potential need for funds to pump-prime work on future changes. The Council is managing these risks using a number of means:

Risk Assessment

Each of the savings proposals put forward as part of the Budget setting cycle has been individually risk assessed against a number of factors, namely:

- Impact on service
- Complexity of implementation
- Impact on equalities
- Contribution to strategic plans

Reserves and Contingencies

It is recommended that the minimum level of General Reserves the Council needs to hold to support the 2021/22 Budget is £7.2m, whilst aiming to gradually increase that figure over the medium term. The Corporate Director of Finance and Assets advises that this is adequate in the context of the earmarked reserves held, specific contingencies and the proposed budget risk contingency of £1.5m.

Alongside the General Reserve, the Council is holding a number of specific reserves to support key risks and future commitments. These have been established following a thorough review of risks and needs.

By the start of 2021/22, the Council expects to be holding around £45.7m of reserves, of which £33m is earmarked to support the General Fund. Decisions to fund on-going revenue expenditure from reserves, other than on a transitional basis, increases the level of risk within the annual budget and make future years' budgets increasingly unsustainable.

The £45.7m reserves expected to be held in 2021/22 is summarised below:

General Fund (£33m)

- **£2.4m** relates to the PFI equalisation reserve. This reserve fluctuates depending on the yearly cash flows of the PFI and will be fully depleted by the end of the project's life.
- **£0.6m** relates to infrastructure and regeneration funding. This is fully allocated for feasibility works and commitments.
- **£17.7m** of general 'cash flowing' reserves to fund programmes of work to deliver future years' budgets and manage budget pressures and risks.

- **£12.3m** of service specific reserves set out below:

| | | |
|-------------------------|-------|--|
| Insurance Fund | £1.2m | This fund is set at an industry standard level of covering twice the aggregate excess liability in any financial year. The level of reserve is reviewed annually based on an assessment of claims, both past and future. |
| Collection Fund Reserve | £3.7m | Specific reserve to mitigate the adverse impact of COVID-19 on the collection fund |
| Other | £7.4m | A number of smaller service-specific reserves often financed from external funding or earmarked for committed projects |

Other Funds (£12.7m)

- **£0.2m** net deficit on Schools balances representing the combined total of all individual schools' rolled-forward balances of £4m and the non-schools retained DSG reserve deficit of £4.2m.
- **£12.9m** of HRA Balances comprising the HRA minimum working balance (£4m), the general reserve (£7.7m) and specific reserves (£1.2m).

Swindon Borough Council

Medium Term Financial Strategy and Efficiency Statement

1 Background and Scope

- 1.1 The Council's Medium Term Financial Strategy agreed by Cabinet in February 2020 set out the financial context for the Council up to 2023/24. This document updates the strategy for the latest known funding position and the Council's approach for addressing the financial challenge over the next few years.
- 1.2 Alongside increasing demands for services, councils nationally have seen cumulative reductions in Government funding since 2010/11. As part of the multi-year settlement arrangements introduced from 2016/17 the Council is required to produce an efficiency statement demonstrating its high-level funding position and responding strategies to ensure medium-term financial sustainability. The efficiency statement is incorporated within this document.

2 Forecast Resources

- 2.1 It was anticipated that a national spending review would take place during 2020, providing a new multi-year funding settlement for local government and that this would provide the basis for a refresh of the Council's financial plans. In the light of the COVID-19 pandemic the Government announced a Spending Review for one year only, on 25th November 2020. This means that the future funding arrangements for the Council are uncertain beyond that point and will be shaped by two main issues:
 - 2.1.1 Spending Review 2021 – this is expected to establish the total funding for local government nationally for 2022/23 and future years
 - 2.1.2 The extent and timing of any change to the system for distributing funding between local authorities
- 2.2 In the absence of any further information the central planning assumption is that the underlying funding levels for the Council will remain at the same level as 2021/22. This incorporates the current funding streams of Revenue Support Grant, Better Care Fund, Social Care Grant and the baseline level of retained business rates. The exceptions to this being the one-off Lower Tier Services Grant for 2021/22 and New Homes Bonus as the Government has indicated that this will continue to reduce as part of a wider review of how to incentivise and reward growth in future years. The 2021/22 budget is supported by the use of The 2021/22 budget is supported by the use of £761k carried forward from the 2020/21 budget risk contingency – this only provides a one-off funding solution and therefore increases the savings to be found in 2022/23.
- 2.3 For 2021/22 the limit of core council tax increases, without requiring a referendum, is 1.99%. There is also the opportunity to raise an Adult Social Care precept of up to 3%, which can be spread across the 2021/22 and 2022/23 years. The budget for 2021/22 is

based on the full precept being raised in that year. The Government has not provided any guidance on limits in future years - the planning assumption used in the medium term projections is that increases of 3.99% (including a 2% adult social care precept) will be applied annually

- 2.4 Allowance has been made for growth in the council tax base and business rates (each increasing by £0.8m per annum). The latter item is the subject of a separate review by central government, which may change the nature of this funding stream for local authorities.

3 Forecast Expenditure

- 3.1 Following the experience of recent years the key expenditure pressures are anticipated to be related to demand pressures in children and adults social care. More generally the council will face pressures relating to population growth - particularly waste collection and disposal costs - and pay and price inflation and estimates of these have been produced for future years.
- 3.2 During the 2020/21 financial year the Council's financial position was significantly affected by Covid-19. This remains a risk that continues to be beyond the normal financial capacity of the Council and requires co-ordination with, and support from, central government. The extent to which this will be an issue over the medium term remains uncertain and will be a key element of the Council's financial planning activity over the forthcoming year. Any permanent increases in spending, or reductions in income, that are not matched by compensating increases in government funding would mean further budget savings would be required over the next four years.

4 The Council's Strategy

- 4.1 Building on its existing approach to continuous improvement the Council will maintain a focus on developing the Council to be a modern, efficient and effective organisation. The performance of the Council's companies, both wholly owned and the joint venture, will continue to be a priority. In order to address the demand pressures over the period to March 2025 the following cross-cutting themes will continue to be developed:
- Transitions – to ensure that young people make a successful transition to adulthood achieving as much independence, choice and control as is possible so they can lead independent and successful lives.
 - Strength based working - to ensure local people and families receive support that is responsive, community based and focused on resilience and keeping them in control of their lives.
 - Place based working - to help the most vulnerable children, young people and adults living in Swindon to achieve better outcomes and, by maximising our use of resources with partners, deliver services more efficiently and effectively at lower cost.

- 4.2 The overriding purpose of these themes is to give residents greater opportunities to live safe, fulfilling and independent lives and to ensure that the Council's limited resources can be targeted effectively to manage the demand pressures it faces.

5. Financial Plan

- 5.1 The approach to addressing the financial challenges includes extending the detailed financial planning period beyond the annual budget setting cycle, to reflect the time period to plan and implement the savings proposals required. This will be on a rolling basis to ensure that the Council is best placed to respond strategically to the difficult and uncertain funding position it faces.
- 5.2 In line with national guidance from the Chartered Institute of Public Finance and Accountancy the council has developed its capital strategy to set out the long-term context in which capital expenditure and investment decisions are made, reflecting both the delivery of council priorities and the associated risks and rewards.
- 5.3 In March 2016 the Secretary of State issued statutory guidance on the flexible use of capital receipts. This will enable council's to finance certain revenue expenditure from capital receipts. The key criteria to use when deciding whether expenditure can be funded using the capital receipts flexibility is that it is forecast to generate on-going savings. The guidance sets out some examples of expenditure that could be financed using this flexibility, including:
- Sharing services
 - Service reform
 - Collaboration between councils
 - Service reconfiguration, restructuring or rationalisation
 - Setting up alternative delivery models.
- 5.4 The Council will incur expenditure of this nature in order to deliver the savings specified above. Specific areas being explored which could require up-front investment to realise future savings include increased use of digital channels the costs of restructuring and reconfiguring services. The Council may therefore utilise the capital receipts flexibility to meet expenditure that it incurs in order to realise the savings set out in this efficiency plan.
- 5.5 This flexibility will not be applied rigidly. Expenditure incurred in delivering the efficiency plan will be monitored continuously and the decision on whether or not to use the flexibility will be taken based upon the Council's best financial interests at the time.

Table 1 - Financial Projections from 2022/23

| | 2022/23 | 2023/24 | 2024/25 |
|--|---------------|--------------|--------------|
| | £m | £m | £m |
| <u>Pressures:-</u> | | | |
| Pay and Prices Inflation | 4.5 | 5.5 | 5.5 |
| Adult Social Care Demand | 4.8 | 4.8 | 4.8 |
| Capital Financing | 2.0 | 2.0 | 2.0 |
| Other Pressures | 2.0 | 1.0 | 1.0 |
| Total Cost Pressures | 13.3 | 13.3 | 13.3 |
| | | | |
| <u>Funding Changes:-</u> | | | |
| Council Tax Increase - Core Element | (2.3) | (2.4) | (2.5) |
| Council Tax Increase - ASC Precept | (2.3) | (2.4) | (2.5) |
| Increase in council tax base | (0.8) | (0.8) | (0.8) |
| Removal of one-off funding | 1.0 | - | - |
| Reduction in Collection Fund Balance | 0.4 | 0.4 | - |
| Reduction in New Homes Bonus | 1.5 | 2.1 | - |
| Retained business rate growth | (0.8) | (0.8) | (0.8) |
| Total Funding Change | (3.3) | (3.9) | (6.6) |
| | | | |
| Savings needed | 10.0 | 9.4 | 6.7 |
| | | | |
| <u>Indicative Savings:-</u> | | | |
| Cross-cutting initiatives to address demand management | (5.5) | (5.5) | (3.5) |
| Operations | (1.2) | (1.2) | - |
| Efficiency and Productivity Savings | (1.0) | (1.0) | (1.0) |
| Prioritisation of core services | (2.4) | (1.7) | (2.2) |
| | | | |
| Total Indicative Savings | (10.0) | (9.4) | (6.7) |

This page is intentionally left blank

Capital Programme to 2025/26

Cabinet

Date: 3rd February 2021

Author: Cabinet Member for Commercialisation, Education and Skills
Corporate Director of Finance and Assets

Wards: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 To provide an update to the Capital Strategy and report new capital investment requirements through to 2025/26.
- 1.2 The effective management of financial resources through robust financial management processes underpins the Council's ability to achieve its plans and priorities.
- 1.3 Responsible budget management underpins the Council's strategic objective of consistently making the best use of all available resources as well as providing focus for its change programmes.

2. Recommendations

Cabinet is recommended to:

- 2.1 Recommend that Council approves (Minute for Confirmation):
 - 2.1.1 the additions to the Capital Programme and funding sources for the schemes set out at Appendix 1;
 - 2.1.2 that the budget for the Bus Boulevard be increased to £33m following the award of £25m Future High Streets grant as detailed in paragraph 3.8;
 - 2.1.3 entering into a funding agreement with the Swindon & Wiltshire Local Enterprise Partnership for £4m of Getting Building capital grant as detailed at paragraph 3.9;
 - 2.1.4 that further updates to the Capital Programme can be approved by Cabinet within the approved capital financing revenue budget and prudential indicators;
 - 2.1.5 the Capital Strategy attached at Appendix 2 and
 - 2.1.6 a feasibility study to help inform the Council on the development potential of the Corn Exchange and the Council's adjoining land as detailed in paragraphs 3.10 to 3.11.
- 2.2 Note the impact on long term borrowing of the approvals sought in this report, as set out at paragraph 3.7; and

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No. 07500 884176 or Email psmith2@swindon.gov.uk

Capital Programme to 2025/26

Cabinet

Date: 3rd February 2021

2.3 Approve that schools capital funding is distributed as detailed in paragraph 3.18.

3. Detail

3.1 The CIPFA Prudential Code for Capital Finance in Local Authorities Code (“the Code”) previously introduced the requirement for authorities to produce a capital strategy. The purpose of the capital strategy is to firmly place decisions around borrowing in the context of the overall longer term financial position of the authority and to provide improved links between the revenue and capital budgets.

3.2 This report therefore sets out the investment requirements that are subject to approval of this report and the impact of the additional borrowing requirement on the revenue budget to provide better budgetary links between capital investment plans and the Medium Term Financial Plan.

3.3 An annual capital programme report will still be submitted annually, but this will provide updates to the 5 year programme rather than focusing purely on the following financial year as has previously been the case. Schools capital funding will still be set out annually and is set out in detail elsewhere in this report.

3.4 The capital strategy, attached at Appendix 2, has been updated to reflect the approvals sought in this report.

Capital Programme Approvals

3.5 Appendix 1 sets out the new approvals sought for 2021/22 and the proposed sources of funding.

3.6 Where no borrowing is required, there is no impact on the revenue budget as these proposals are either of a “spend to save” nature (i.e. they either generate savings or reduce costs in excess of the related borrowing costs) or they are fully funded from either grant or capital receipts.

3.7 The new approvals set out in this report require additional borrowing of £3.583m. The resulting estimated debt charges of £276k per annum will be built into the Medium Term Financial Plan.

3.8 In addition, the Council has been awarded £25m of Future High Streets grant towards the Bus Boulevard. In addition to the existing £3m of Local Growth Fund grant (Cabinet Minute 24, 2018/19) and £5m of Council borrowing (Cabinet Minute 64(1a), 2019/20) previously approved, this will provide an overall budget of £33m.

3.9 The Council has been successful in obtaining £4m of Getting Building capital grant to enable additional office space at Units 7 and 9 including public realm improvements at Carriageworks.

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No. 07500 884176 or Email psmith2@swindon.gov.uk

Capital Programme to 2025/26

Cabinet

Date: 3rd February 2021

-
- 3.10 To help inform the Council on the development potential of the Corn Exchange and the Council's adjoining land, recognising the Council does not own the Corn Exchange, a consultant is to be commissioned to provide a report setting out:
- 3.10.1 a general review of previously developed schemes and provide a commentary on aspects that could be improved to improve viability and deliverability. This would include;
 - 3.10.2 a review of all available existing information (technical, heritage, planning etc);
 - 3.10.3 a review of general property market to establish demand for viable uses and potential values;
 - 3.10.4 working up a concept development scheme setting out development proposals to assess values and costs and set out the viability case and deliverability and
 - 3.10.5 providing an overview of development market appetite for the Old Corn Exchange and potential interest, but also how wider interest could be attracted to Swindon Old Town on the back of any development.
- 3.11 This would then be used to help inform discussions with the owner of the Corn Exchange with the intention of agreeing a way forward to deliver an attractive and viable redevelopment scheme.

Education Services Schemes

- 3.12 The Government allocates two main capital grants to support expenditure on school assets; maintenance grant and basic need grant. Maintenance funding is provided for maintenance and repair to existing school buildings, and Basic Need funding supports the Councils statutory requirement to provide new pupil places in new or expanded maintained schools. The Basic Need funding does not include any uplift to reflect the higher costs of providing Special Educational Needs places. Neither grant is ring-fenced to schools, but given the pressures in this area it is recommended that these funds are used as proposed in this paper.
- 3.13 No Basic Need grant has been awarded for 2020/21, and currently no funding has been notified for 2021/22. The DfE expects that any schools required as a result of development are to be funded from S106 contributions as Basic Need grant is not provided to support new developments. Any schools provided as a Free School would be funded directly through the Education and Skills Funding Agency ("ESFA") and where this school is required as a result of a new development any S106 receipts will be required to support this provision.
- 3.14 Currently there are no specific schemes that require funding in 2021/22 although there is an expectation that the Council will need to fund either expansion or new

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No. 07500 884176 or Email psmith2@swindon.gov.uk

Capital Programme to 2025/26

Cabinet

Date: 3rd February 2021

construction in the town centre to meet demand in 2022/23. A capital bid will be brought forward to a future meeting once the full requirements are known.

- 3.15 **Capital Maintenance grant** for 2021/22 has not been notified at the date of writing this report but is estimated at c£0.9m (2020/21 £0.93). The level of grant is reduced every time a school converts to an academy as academies are funded directly from the EFA. Notification of the exact sum is not expected until spring 2021.
- 3.16 There is a demand for new schools to be opened over the next 3 years that were expected to be provided by the free school programme, however there is currently no information on when the next bidding round will open and what types of school may be eligible for funding from this source. In the event that these are not approved an update will be provided to Cabinet outlining alternative options to meet the need for these schools.
- 3.17 The Council has to meet the cost of expanding schools to meet need where it is not practical to build new schools. In addition the LA has responsibility for maintaining its special school and special resource provision.
- 3.18 This report seeks approval for the following Education Services schemes:-
- 3.18.1 To allocate the full amount of the Maintenance Grant, when notified, for condition works. This relates to high priority condition issues outside of the schools ability to fund from their own delegated funding, such as replacement heating systems.
- 3.18.2 The Council will also receive from the DfE Devolved Formula Capital Grant during 2021/22 estimated at £170k (2020/21 £193k). This grant is ring fenced for maintained schools and the Council passport to each of the maintained schools via a methodology prescribed by the DfE. The funding is to support schools in undertaking minor capital schemes as part of their management of the school premises and for IT. Permission is sought for this grant to be distributed to the maintained schools when it is received from Government.

4. Alternative Options

- 4.1 Any alternative options for specific areas are set out within the report.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 The proposals contained in this report if approved will result in an additional borrowing requirement of £3.58m and estimated debt charges of £276k per annum. These are reflected in the revenue budget report elsewhere on this agenda and will be built into

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No. 07500 884176 or Email psmith2@swindon.gov.uk

Capital Programme to 2025/26

Cabinet

Date: 3rd February 2021

the Medium Term Financial Plan. Actual charges will be dependent on both the timing of new borrowing and interest rates.

Legal and Human Rights Implications

- 5.2 All legal and human rights considerations have been taken fully into account in compiling this report. It is considered that the recommendations of this report are compatible with Convention rights.

Climate Change Impact

- 5.3 The proposals would not bring a change in service delivery and Officers believe that there is no expected effect on the Council's carbon footprint.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.4 There are no such direct implications.

Diversity Impact Assessment

- 5.5 A Diversity Impact Assessment (DIA) has not been done as this report does not make any new recommendations that would affect services.

Risk Management

- 5.6 None other than those highlighted in the body of the report. Individual schemes will have individual Risk Assessments and DIAs, these can be obtained from the project managers.

6. Consultees

- 6.1 The Corporate Director of Finance and Assets (s151 officer) and Chief Legal Officer (Monitoring Officer) are consulted in respect of all reports.

7. Background Papers

- 7.1 None

8. Appendices

- 8.1 Appendix 1 – Detailed Proposals

- 8.2 Appendix 2 – Capital Strategy 2021/22 to 2025/26

8.2.1 Annexe 1 – Investment Strategy

8.2.2 Annexe 2 - Property Acquisition and Disposal Strategy

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No. 07500 884176 or Email psmith2@swindon.gov.uk

Capital Programme to 2025/26

Cabinet

Date: 3rd February 2021

9. Key Decision/Decision in Cabinet Work Programme and Forward Plan

- 9.1 This is not a key decision and is included in the Cabinet Work Programme / Forward Plan for February 2021.

Appendix 1 – Capital Programme proposals 21/22 (General Fund)

| | Anticipated Spend Profile | | | | |
|--|---------------------------|----------------|---------------------|--------------------------|------------------------|
| <u>Scheme</u> | <u>21/22</u> | <u>22/23</u> | <u>Total Budget</u> | <u>Funding Source</u> | <u>Debt charges pa</u> |
| | £ | £ | £ | | £ |
| Information Technology Service Management procurement - replacement tool for IT services to log and monitor workloads, trends and performance. | 75,000 | | 75,000 | Borrowing/10 yrs | 8,903 |
| Steam security upgrade replacement of Access Control, Intruder Alarm and CCTV. | 60,000 | | 60,000 | Borrowing/10 yrs | 7,122 |
| Lydiard Forest café purchase and installation of servery | 22,208 | | 22,208 | Borrowing/10 yrs | 2,636 |
| Steam exhibitions Audio Visual System replacement & upgrade | 160,000 | | 160,000 | Borrowing/10 yrs | 18,992 |
| Care Director IT - Early Help and Specialist Community Health Project | 421,000 | | 421,000 | Borrowing/10 yrs | 49,925 |
| Mobile working - increase in working capability in line with Digital & IT strategy | 385,000 | | 385,000 | Borrowing/5 yrs | 84,046 |
| Car Park equipment - replacement of obsolete equipment | 600,000 | | 600,000 | "Spend to Save" | |
| Whalebridge Junction improvements - feasibility funding | 200,000 | | 200,000 | Borrowing/50 yrs | 8,5000 |
| Multi storey car park maintenance - 21/22 condition works | 300,000 | | 300,000 | Borrowing/50 yrs | 12,750 |
| Surface level car park maintenance - 21/22 condition works | 360,000 | | 360,000 | Borrowing/50 yrs | 15,300 |
| Street lighting concrete column replacement | 964,000 | 636,000 | 1,600,000 | Borrowing/50 yrs | 68,000 |
| TOTALS | 3,547,208 | 636,000 | 4,183,208 | Debt charges £/pa | 276,174 |
| New Borrowing required | | | 3,583,208 | | |

This page is intentionally left blank

**SWINDON BOROUGH COUNCIL
CAPITAL STRATEGY
2021/22 – 2025/26**

Contents

| | | |
|----|---|----|
| 1 | Executive Summary..... | 1 |
| 2 | What is Capital Expenditure?..... | 1 |
| 3 | What are Treasury Investments?..... | 1 |
| 4 | What are Service and Commercial Investments?..... | 2 |
| 5 | Due Diligence | 2 |
| 6 | Council Objectives/Identifying Need | 3 |
| 7 | Prioritising Investment..... | 3 |
| 8 | Governance..... | 4 |
| 9 | The Capital Programme 2019/20 – 2023/24 | 4 |
| 10 | Funding Strategy and Capital Policies..... | 6 |
| 11 | Asset Management Planning..... | 8 |
| 12 | Treasury Management and Debt..... | 9 |
| 13 | Commercial activity | 11 |
| 14 | Other long-term liabilities | 12 |
| 15 | Procurement and Value for Money..... | 12 |
| 16 | Management Framework | 12 |
| 17 | Performance and Project Management | 13 |
| 18 | Risk Management | 13 |
| 19 | Alternate Delivery Models..... | 14 |
| 20 | Property Investments | 14 |

1 Executive Summary

1.1 This purpose of this Capital Strategy is to:

- a. Set out the principles the Council will follow in its capital planning.
- b. Outline the methodology for inclusion of schemes within the Capital Programme.
- c. Set out the arrangement for management of capital schemes.
- d. Identify the investment requirements and how those schemes may be funded.

1.2 The Strategy also sets out the principles of what is a capital investment, the knowledge and skills available to the Council, an overview of governance processes and an outline of its approach to commercial activities including due diligence and risk appetite.

1.3 The capital strategy is therefore intended to give a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.

2 What is Capital Expenditure?

2.1 Capital expenditure is incurred on the acquisition or creation of assets, or expenditure that enhances or adds to the life or value of an existing fixed asset that is needed to provide services. Fixed assets are tangible or intangible assets that yield benefits to the Council generally for a period of more than one year, e.g. land, buildings, roads, vehicles. This is in contrast to revenue expenditure which is spending on the day to day running costs of services such as employee costs and supplies and services. The definition of what can be classed as capital expenditure is a combination of accounting regulation and legislation and this distinction is important as capital funding (such as capital receipts and capital grants) cannot typically be used to fund revenue expenditure.

2.2 The capital programme is the authority's plan of capital works for future years, including details on the funding of the schemes. Included are the projects such as the purchase of land and buildings, the construction of new buildings, design fees and the acquisition of vehicles and major items of equipment. Also included could be service and commercial investments.

3 What are Treasury Investments?

3.1 Treasury Management relates to how the Council manages its cash. Treasury Investment activity covers those investments of surplus cash which arise from fluctuations in the organisation's daily cash flows through the normal course of business.

3.3 For Treasury Management investments the security and liquidity of funds are always prioritised ahead of the investment return. The management of associated risk is set out in the Treasury Management Policy and the Annual Investment Strategy.

3.4 The CIPFA Treasury Management Code recognises that organisations may make investments for policy reasons outside of normal treasury management activity. These may include service and commercial investments.

4 What are Service and Commercial Investments?

4.1 These are investments for policy reasons outside of normal treasury management activity. This may include:

Service investments

4.2 Investments held clearly and explicitly in the course of the provision, and for the purposes, of operational services, including regeneration.

Commercial investments

4.3 Investments taken for mainly financial reasons. These may include:

- investments arising as part of business structures, such as shares and loans in subsidiaries or other outsourcing structures such as IT providers or building services providers;
- investments explicitly taken with the aim of making a financial surplus for the Council.

4.4 Commercial investments also include fixed assets which are held primarily for financial benefit, such as investment properties. The Government classifies these as “Debt for Yield” and has recently introduced regulations that prevents any local authority that has purchased or plans to purchase any “Debt for Yield” investments from accessing loans through the Public Works Loan Board (for any purpose whatsoever) in that year.

4.5 Due to the nature of the assets or for valid service reasons, such investments do not always give priority to security and liquidity over yield. In these cases, such a decision will be explicit, with the additional risks set out and the impact on financial sustainability identified and reported.

4.6 The S151 officer will ensure that the Council has the appropriate legal powers to undertake such investments and will ensure the proportionality of all investments so that the Council does not undertake a level of investing which exposes it to an excessive level of risk compared to its financial resources.

4.7 Annexe 1 sets out in detail the Council’s Investment Strategy around Commercial Investments.

5 Due Diligence

5.1 For all capital investments, the appropriate level of due diligence will be undertaken with the extent and depth reflecting the level of additional risk being considered.

5.2 Due diligence process and procedures will include:

- effective scrutiny of proposed investments by the relevant body
- identification of the risk to both the capital sums invested and the returns;
- understanding the extent and nature of any external underwriting of those risks;
- the potential impact on the financial sustainability of the Council if those risks were to come to fruition;
- identification of the assets being held for security against debt and any prior charges on those assets;
- where necessary independent and expert advice will be sought.

5.3 The S151 officer will ensure that members are adequately informed and understand the risk exposures being taken on.

6 Council Objectives/Identifying Need

6.1 The Council has agreed a number of corporate aims, priorities and objectives which guide its work. The Council Plan sets out the vision for Swindon and the priorities we are trying to achieve for our residents and the borough of Swindon. The current Plan sets 4 priorities:

- Improve infrastructure and housing to support a growing, low-carbon economy
- Offer education opportunities that lead to the right skills and right jobs in the right places
- Ensure clean and safe streets and improve our public spaces and local culture
- Help people to help themselves while always protecting our most vulnerable children and adults

6.2 Capital investment projects must be in line with the Plan and priorities as well as individual service aims and objectives.

6.3 In addition to the Council's own priorities external influence may impact on capital decisions, for example central government and local enterprise partnership (LEP) priorities and funding requirements, and of course the influence of demographic and legislative changes. These need to be considered as part of the risk process when considering investment decisions.

7 Prioritising Investment

7.1 In order to ensure best use of resources, all capital investment proposals should be prioritised based on the following considerations:

- Is the proposal as a result of a statutory or urgent Health & Safety requirement and to what degree?
- Does the proposal fit within one of the Council's 4 priorities?
- Does the proposal attract significant external funding support or other sustainable income streams such as business rates or income tax?
- Does the proposal generate revenue savings, to what extent and timescales and are these acceptable?
- Does the proposal avoid future costs, to what extent and timescales and are these acceptable?

- Has risk been assessed and fully understood, is it manageable and considered acceptable?

7.2 The following processes are designed to ensure this happens.

8 Governance

8.1 In order for capital schemes to enter the capital programme, they must ultimately be approved at Cabinet/Council. Prior to this there are various layers of scrutiny to ensure all proposals are deliverable, affordable, and provide value for money.

8.2 The Commercial Investment Strategy Board (“CISB”) specifically reviews proposals that are made for purely a commercial purpose or are of a “spend to save” nature. The Investment Strategy attached at Annexe 1 to this paper details the Governance process for this Board.

8.3 General Fund Capital proposals that do not require CISB approval should be presented to the Capital Board for review and scrutiny prior to proceeding to Cabinet. The Capital Board is an officer Board and should consider schemes using the same criteria as detailed at section 7 above.

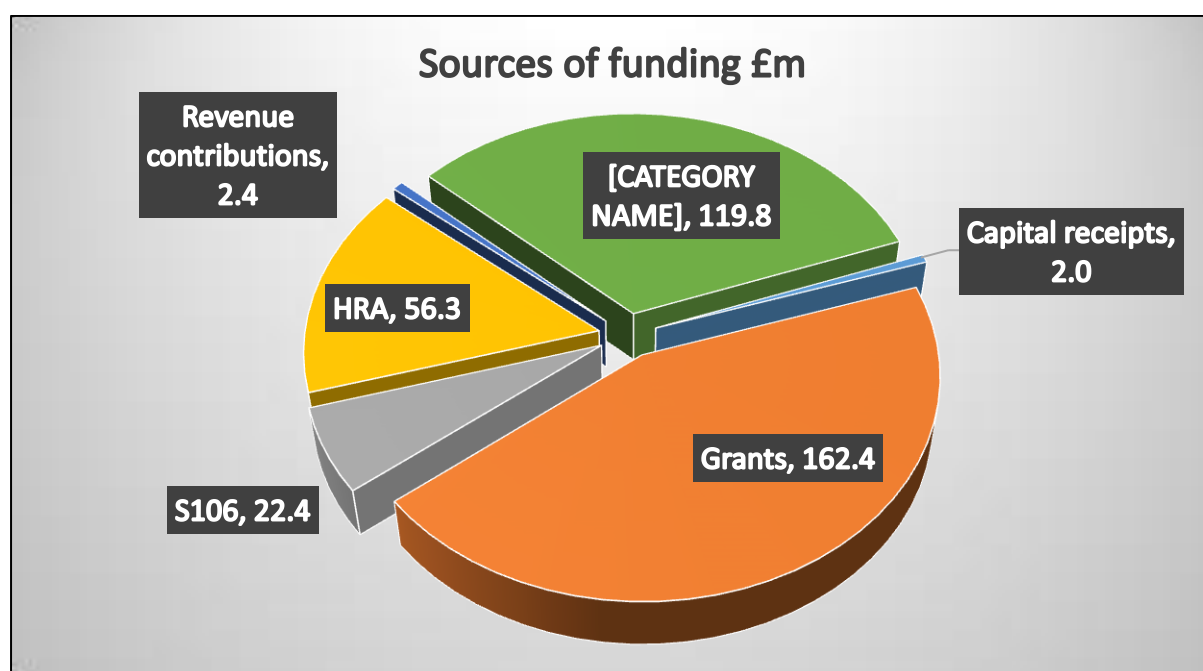
8.4 Once a proposal has been formally approved, the identified budget manager is responsible for the project budget and must ensure forecasts are updated regularly in line with financial processes so that they can be incorporated into the quarterly capital programmes reports for Cabinet. In addition, for larger projects, Project Boards should be considered chaired by the Head of Service which adds a further ability to monitor and scrutinise progress of the project against cost, time and deliverables.

9 The Capital Programme 2021/22 – 2025/26

9.1 Table 1 below sets out the existing approved capital programme over the next 5 years and how it is funded.. HRA expenditure is funded by S106 receipts and grant funding (retained RTB receipts), in addition to internal resources.

Table 1 – Existing Approved Capital Programme and sources of funding December 2020

| Existing Capital Programme | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | Total |
|---------------------------------|-------------|--------------|-------------|-------------|------------|------------|--------------|
| | £m | £m | £m | £m | £m | £m | £m |
| Resources - Enabling | 1.0 | 4.2 | 0.4 | 0.1 | 0.1 | 0.1 | 5.9 |
| Resources - Finance & Assets | 2.9 | 6.1 | 38.1 | 1.9 | 1.7 | | 50.7 |
| Resources - Operations | 2.0 | 2.0 | 2.3 | 4.5 | 0.1 | | 10.9 |
| Children Services | 2.2 | 8.5 | 1.5 | | | | 12.2 |
| Adults, Housing & Public Health | 3.2 | 4.9 | 1.5 | 1.5 | 1.5 | | 12.6 |
| Economy & Development | 64.3 | 91.9 | 16.2 | 12.6 | 5.7 | 1.0 | 216.7 |
| General Fund Total | 75.9 | 117.6 | 60.0 | 20.6 | 9.1 | 1.1 | 309.0 |
| HRA - Housing | 18.3 | 24.5 | 13.5 | | | | 56.3 |
| Total | 94.2 | 142.1 | 73.5 | 20.6 | 9.1 | 1.1 | 365.3 |

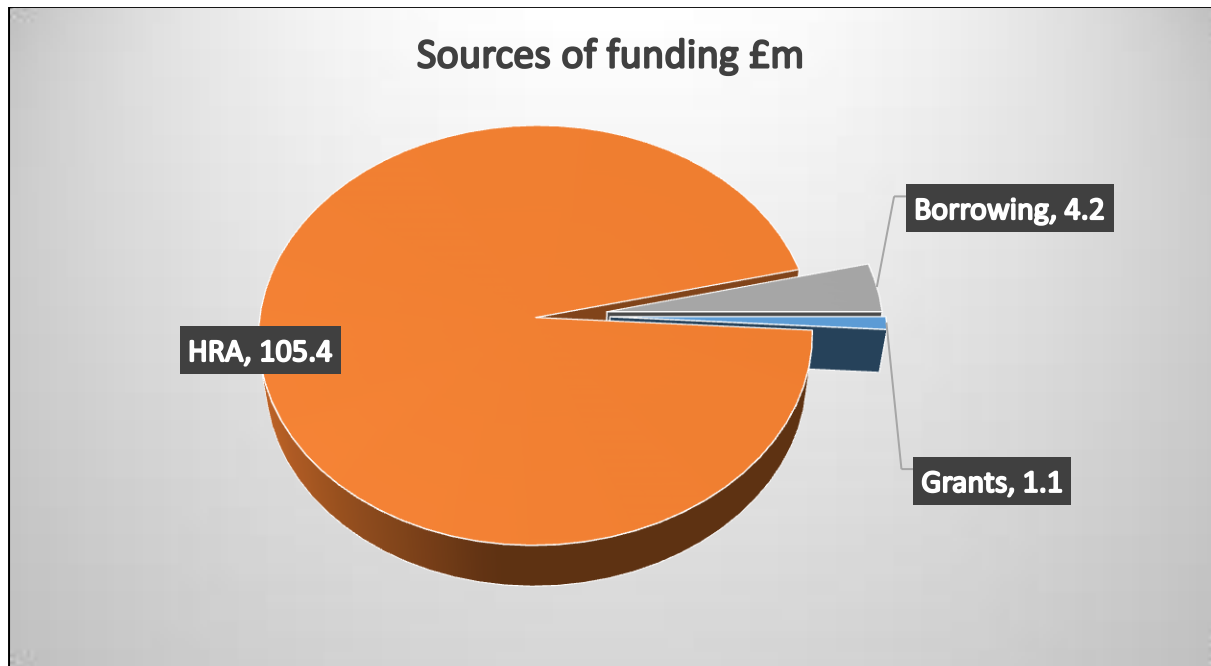


9.2 Table 2 sets out a summary of the new investment requirements for 21/22 through to 25/26 (subject to approval) and the proposed funding sources. HRA expenditure is funded by S106 receipts and grant funding (retained RTB receipts), in addition to internal resources.

Table 2 – new approvals and sources of funding

| New Capital Programme | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | Total |
|-----------------------|---------|---------|---------|---------|---------|-------|
|-----------------------|---------|---------|---------|---------|---------|-------|

| | £m | £m | £m | £m | £m | £m |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Resources - Enabling | 0.1 | | | | | 0.1 |
| Children Services | 1.1 | | | | | 1.1 |
| Adults, Housing & Public Health | 0.8 | | | | | 0.8 |
| Economy & Development | 2.7 | 0.6 | | | | 3.3 |
| General Fund Total | 4.7 | 0.6 | | | | 5.3 |
| HRA - Housing | 24.0 | 18.6 | 19.6 | 21.6 | 21.6 | 105.4 |
| Grand Total | 28.7 | 19.2 | 19.6 | 21.6 | 21.6 | 110.7 |



9.3 Section 12 sets out the impact of the new approvals on existing levels of borrowing over the next 5 years.

10 Funding Strategy and Capital Policies

10.1 This section sets out the policies of the Council in relation to funding capital expenditure and investment.

External Funding

10.2 Services must seek to maximise external funding wherever possible to support capital schemes. This can be in the form of grants and contributions from outside bodies including central government.

10.3 Prior to submitting bids for grant funding, an assessment of the risk of cost increases must be completed to estimate the likelihood of additional funding being needed, and whether this risk is acceptable.

10.4 If additional funding is required or match funding is required as part of the bid conditions then the source of the match funding must be identified and approved via the relevant Corporate Director prior to the external funding bid being submitted. If this is not possible then the appropriate service must raise this for consideration with the members of the Corporate Management Team and the relevant Portfolio Holder prior to submitting any bid for funding.

Capital Receipts

- 10.5 A capital receipt is an amount of money exceeding £10,000 which is received from the sale of an asset. This funding cannot be spent on revenue items other than where a statutory override exists such as through Flexible Use of Receipts detailed below.
- 10.6 The S151 officer will review all of the Council's property annually against the aims and objectives of the Corporate Asset Management Strategy. The general policy is that any capital receipts are then pooled and used to finance future capital expenditure and investment according to priorities, although they may be used to repay outstanding debt on assets financed from loans, as permitted by the regulations.
- 10.7 The Government introduced Statutory Guidance on the Flexible Use of Capital Receipts in 2016 which was updated again in December 2017 to allow a continuation of the flexibility programme for a further 3 years to March 2022. This allows for certain qualifying (revenue) expenditure which is forecast to generate on-going savings to the authority to be funded from Capital Receipts. A level of governance and reporting is required to take account of this benefit and the guidance recommends that a report is taken to Full Council each year detailing the use of this flexibility to ensure there is full transparency.

S106 Developer Contributions/Community Infrastructure Levy (CIL)

- 10.8 Developer contributions and CIL are sought to mitigate the impact of development and overcome what would otherwise be a potential reason to refuse a planning application. Following the introduction of CIL the Council primarily seeks S106 contributions to meet the social housing targets within our current planning policies.
- 10.9 The CIL charging mechanism which largely replaces s106 monies can be claimed to fund Community Facilities, Indoor Sports Facilities, Public Open Space, Environmental Improvements, Public Art, Highway measures (inclusive of Park and Ride, Pedestrian measures, Cycle Facilities etc.), Education, Libraries, Waste Recycling, Youth Services, Museum Resource Centre and Day Care Provision for Adults.
- 10.10 The finance team keep a record of all S106 and CIL payments received, committed and spent. Officers should always liaise with the finance and S106/CIL teams to identify potential funding sources before submitting capital bids with funding gaps.

Revenue Funding

- 10.11 Services may use their revenue budgets to fund capital expenditure.
- 10.12 The Director of the service and the S151 officer will decide the most appropriate way of funding their service areas.

Prudential/Unsupported Borrowing

- 10.13 Local Authorities can set their own borrowing levels based on their capital need and their ability to pay for the borrowing. The levels will be set by using the indicators and factors set out in the Prudential Code. This borrowing may also be referred to as Prudential Borrowing.
- 10.14 Capital projects that cannot be funded from any other source can be funded from Prudential Borrowing. Borrowing costs are not funded by the Government and therefore Services must be able to afford the borrowing repayment and interest charges on the loan from existing revenue budgets or the Council must see this as a key priority for the budget process and to be factored into the medium term financial strategy accordingly.

- 10.15 The S151 officer will make an assessment of the overall prudence, affordability and sustainability of the total borrowing requested. The impact of this borrowing will be reported in the Treasury Management Strategy alongside the Prudential Indicators required by CIPFA's Prudential Code for Capital Finance.
- 10.16 The view of the S151 officer will be fed into the corporate bidding process so that, should the borrowing levels be unaffordable or not prudent, then the schemes will be prioritised against the available funding from borrowing using the prioritisation framework in this strategy.
- 10.17 The S151 officer will also determine the timing and extent of any external borrowing as part of the Treasury Management Strategy.

Spend to Save Schemes

- 10.18 Occasionally projects arise for which services require assistance with meeting the set up costs of projects which may bring long term service delivery improvements and/or cost savings. The initial set up costs may be of a revenue or capital nature. Assistance for these schemes must be considered on an individual basis by the Corporate Management Team and then the Cabinet with consideration to the Council's overall priorities and resources.
- 10.19 For 'spend to save' schemes assistance may be given for initial set up costs, but it is expected that in the longer term these schemes will produce savings and/or additional income that will as a minimum fund any additional operational or borrowing costs. If the additional savings/income does not cover the additional costs incurred, then the service will be required to fund the gap from their existing budgets (i.e. they will underwrite the savings/income).

Leasing

- 10.20 The S151 officer may enter into finance leasing agreements to fund capital expenditure on behalf of services. However, a full option appraisal and comparison of other funding sources must be made and the S151 officer must be certain that leasing provides the best value for money method of funding the scheme.
- 10.21 Under the Prudential Code finance leasing agreements are counted against the overall borrowing levels when looking at the prudence of the authority's borrowing.

11 Asset Management Planning

- 11.1 Disposals of the existing commercial portfolio are considered on the basis set out in the investment and disposal strategy which has been agreed through the Commercial Investment Strategy Board. There are no planned disposals, opportunities are considered as they arise and in the context of the disposals strategy, recognising the fact that commercial properties are revenue producing and that the Council is looking to retain and maximise the return from revenue making assets, and acquire further assets in line with the investment strategy.
- 11.2 There are also sites that are available for disposal that are non-income producing that are dealt with as part of business as usual. These mainly consist of undeveloped plots where planning is either available or specific planning briefs are obtained to maximise the value as part of the marketing and disposal process, or assets that are no longer required for operational use. Opportunities are considered taking into account:
- Potential demand if a site is marketed and the ability to maximise the sale value;

- The holding cost of assets. The higher the cost the more this will influence the timing of a proposed sale;
- Whether there is an opportunity for a sale to one of the Council's fully owned companies to maximise revenue generation.

11.3 On-going costs of existing assets are reflected in budgets and these are taken into account when considering disposal opportunities.

12 Treasury Management and Debt

12.1 Treasury Management performance, the effective management of the Authority's daily cash balances, is reported to Cabinet twice a year and an Annual Treasury Strategy is approved at Council every year. Under the Council's Constitution, the Audit Committee scrutinises the treasury management activities undertaken by the S151 officer and his team, including compliance with agreed policies.

12.2 The amount of long term borrowing undertaken to fund capital expenditure is therefore is relevant to this strategy. The reports provide full information around the strategy for the year ahead and the performance for the previous period, but some of the key information is replicated below from the latest reports.

12.3 There are 2 key components of debt, the actual debt at a point in time, and the Capital Financing Requirement or "CFR" which takes the actual debt and adds on further capital expenditure incurred for which the borrowing is still to be taken.

12.4 The difference between the CFR and actual borrowing is known as **Internal Borrowing** and represents the use of cash backed reserves and cashflow surpluses as a temporary measure in advance of further long term borrowing. This saves the Council interest as the opportunity cost of temporarily using existing cash surpluses to fund expenditure is currently lower than the cost of long term borrowing.

12.5 As at the end of March 2020, the Councils debt position compared with March 2019 was as follows:

| CFR and BORROWING POSITION | 31/03/19 Actual £m | 31/03/20 Actual £m | Change £m |
|---|--------------------------|--------------------------|--------------|
| | | | |
| Long term debt | 375.8 | 398.4 | 22.6 |
| Of which HRA | 109.0 | 104.0 | (5.0) |
| Of which General Fund | 266.8 | 294.4 | 27.6 |
| Capital Financing Requirement | | | |
| General Fund (£m) | 369.7 | 390.1 | 20.4 |
| HRA (£m) | 109.0 | 104.0 | (5.0) |
| Total CFR incl PFI liabilities | 478.7 | 494.1 | 15.4 |
| Less PFI Liability | (49.6) | (47.6) | 1.9 |
| Total CFR excl. PFI liabilities | 429.2 | 446.5 | 17.3 |
| | | | |
| Internal Borrowing (total CFR less total debt) | 102.9 | 95.7 | (7.2) |

12.6 PFI liabilities, representing the remaining principal payments due to 2032 under the Councils Schools PFI contract, technically form part of the CFR and have therefore been included in the table above but removed for comparison with actual debt.

12.7 Debt is repaid through an annual charge to the revenue budget broadly equating to the life of the underlying asset that has been financed and is known as the **Minimum Revenue Provision**. This is a charge which sets aside cash to repay the principal element of any borrowing and for the General Fund is calculated with reference to the life of the assets being financed and interest rates. The MRP Policy Statement forms part of the Treasury Management Strategy taken to Cabinet and approved at Full Council annually.

12.8 HRA borrowing forms part of overall Council borrowing for treasury management purposes but charges are earmarked to the HRA on an accounting basis which reflects the initial debt allocation when HRA subsidy was abolished less annual repayments. Effectively charges are ring-fenced between the General Fund and the HRA.

Future borrowing levels

12.9 Section 9 of this strategy sets out the estimated future level of capital investment and the level of borrowing required to support it.

12.10 The following table sets out the estimated debt position taking into account further borrowing assumptions to fund and re-finance the existing approved capital programme (£123.3m) over the next 5 years, plus new borrowing to fund the new approvals detailed at paragraph 9.2, again assumed over 5 years. Actual timing of borrowing will be dependent on treasury management policy including interest rate forecasts, as well as the spend profile of the capital programme.

12.11 This shows long term debt increasing annually from £351m at the end of March 2020 through to £444m by the end of March 2026.

Table 3

| Borrowing Position (excluding PFI) | 2020/21 (£m) | 2021/22 (£m) | 2022/23 (£m) | 2023/24 (£m) | 2024/25 (£m) | 2025/26 (£m) |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Debt b/fwd. | 350.8 | 361.1 | 400.1 | 439.2 | 449.3 | 448.0 |
| Debt Repayment | (11.9) | (21.9) | (14.0) | (24.3) | (15.7) | (12.5) |
| New Borrowing | 22.2 | 61.0 | 53.0 | 34.3 | 14.4 | 8.6 |
| Debt c/fwd. | 361.1 | 400.1 | 439.2 | 449.3 | 448.0 | 444.0 |

12.12 The Medium Term Financial Plan will take into account the additional borrowing costs which are dependent on future interest rate movements and timings of new loans.

Borrowing Limits

12.13 The Council is required by the Cipfa Prudential Code to set Prudential Indicators around limits on external debt which include both an **Authorised Limit** and an **Operational boundary**. These are set at Council as part of the Annual Treasury Strategy but is set out below.

12.14 **The Operational Boundary** is the limit beyond which external borrowing is not normally expected to exceed i.e. a best estimate of the maximum level if all borrowing requirements were undertaken plus a contingency. This limit reflects the Councils current estimated debt position, with the assumption that internal borrowing (using existing working capital cash balances temporarily to fund capital expenditure in advance of undertaking new external borrowing) will be reduced as new external borrowing is undertaken. Other long term liabilities represent PFI and finance leases.

The operational boundary for 2021/22 is **£558.2m** (subject to approval of the 21/22 treasury strategy)

12.15 **The Authorised Limit** for external borrowing is a further key prudential indicator, this represents a control on the maximum level of borrowing. This represents a limit beyond which external borrowing is prohibited. This has been set to reflect the Council's estimate of the Capital Financing Requirement for borrowing, and for other long term liabilities (PFI and other leases) at £5m above the Operational Boundary (i.e. the expected level). The limit for 21/22 is therefore **£563.2m** (subject to approval of the 21/22 treasury strategy)

12.16 The prime policy objectives of local authority investment activities are the security and liquidity of funds, and authorities should avoid exposing public funds to unnecessary or unquantified risk. However, all treasury management activity is subject to risk, including the 'do nothing' option and treasury management is all about the management of risk.

12.17 The key risks inherent in treasury management activity are set out below but the Treasury Management Policy and Treasury Management Practices (Annexe to the Policy) sets out more detail:

12.17.1 Borrowing – it is important the any new borrowing is taken out at the lowest possible cost to the Council. As loans also have to be replaced upon maturity, it is important that the Council has a balanced portfolio in terms of varying loan period so that the risk of having to replace maturing loans in any one period when interest rates may be high is mitigated.

12.17.2 Lending – the priorities for lending are security and liquidity, followed by yield. The primary risks are therefore that the Council will receive its money back (Security), and that the funds lent can be returned as quickly as required.(Liquidity) The Policy strategy sets out in full the framework around who the Council can invest with and the restrictions in place.

12.18 The Council sets out its Treasury management Strategy to Full Council annually in the Treasury Strategy Statement and regularly updated its Treasury Management Practices document which sets out how officers will apply the strategy and mitigate the risks. The Councils S151 officer and Treasury management team meet quarterly to review borrowing and investment requirements in the light of interest rate movements and obtain expert advice as required.

12.19 The Council currently uses external advisors, Link Asset Services, to provide Treasury Management advice and support its internal team. This includes both technical advice as well as advice around the market outlook given this is a key area for successful management of loans and investments. The Councils internal treasury team have significant experience in this area gained with a number of local authorities over many years.

12.20 In addition, staff undertake regular training to ensure knowledge is up to date and Member training is periodically provided using both in house and external resources.

12.21 The annual Treasury Management Policies and Strategies are presented annually to Council for approval and contain significantly more detail around Treasury Management and Debt.

13 Commercial activity

- 13.1 The updated 2017 Prudential Code and Treasury Management Codes now require that an Investment Strategy should be approved annually, either as a stand-alone strategy or as part of either the Capital Strategy (this document) or the Treasury Management Strategy.
- 13.2 This document sets out the authority's risk appetite and governance processes which include due diligence.
- 13.3 The Councils Investment Strategy is attached at Annexe 1.

14 Other long-term liabilities

- 14.1 Other long term liabilities relate to off balance sheet items such as finance lease and PFI. The largest long term financial liability that the Council is committed to is its 7 schools PFI contract signed in 2005 and in operation until 2032. This contract with Education and Support Swindon Limited, a company operated by John Laing and provides Design, Build, Finance and Operates services to the Council at a cost of c£11m per annum.
- 14.2 Other than the PFI contract which is managed and monitored through an in-house client team, the Council does not have any other long-term liabilities. Any future leasing arrangements should be advised to the Treasury team within the finance function so that consideration of the value for money and accounting issues can be ascertained.

15 Procurement and Value for Money

- 15.1 The Council is under a general Duty of Best Value to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness
- 15.2 Procurement is the purchase of goods, services, consultancy and works with a strategy being developed to assist with the definition of quality standards and securing provision of the best possible services for local people for a given price.
- 15.3 The Council has a Procurement team that ensures that effective procedures and scrutiny are in place to deliver value for money and identify opportunities for efficiency savings to be maximised.
- 15.4 It is essential that all procurement activities comply with both the Councils own Contract Standing Orders (that incorporates national legislation) and financial regulations in addition to the EU procurement directives to ensure compliance with all of the relevant procedures and regulations.
- 15.5 The main aim is to hold 'value for money' as a key goal in all procurement activity to optimise the combination of cost and quality.

16 Management Framework

- 16.1 The governance structure of the Council has the Corporate Management Team that takes a corporate and group view on the capital programme and investment.
- 16.2 The Corporate Management Team and a Capital Board will also ensure a corporate and group portfolio perspective to the use and allocation of the Council's capital assets and those within its control, and in planning capital investment. The team receives reports on proposed capital projects and recommends to the Cabinet proposals for the development of the capital programme.

17 Performance and Project Management

- 17.1 Clear measurable outcomes should be developed for each capital scheme and should include a project plan with milestones as well as robust budgets with contingencies that reflect known and unknown risks taking into account internal and external influences.
- 17.2 All capital projects should have an identified budget manager responsible for managing the performance of the scheme in terms of both time and cost. All individual projects with a total budget of greater than £1m should consider setting up a Project Board, or be overseen by a wider Project Board, that meets regularly to monitor scheme progress against required outcomes, and gives strategic direction to the Project Manager.
- 17.3 After the scheme has been completed, services should check if outcomes have been achieved and within original timescales and budgets.
- 17.4 If Project Boards are set up, they should ensure that agendas are prepared and circulated beforehand, minutes taken, and include as a minimum a risk register and project plan with key dates and tasks. Project Boards should also review the project risk register and provide strategic direction to the project manager where required.
- 17.5 Formal post scheme evaluation reviews should be completed by Departments for all schemes over £1 million and this should be signed off by the Project Board when the project is complete.
- 17.6 Post project reviews should look at the effectiveness of the whole project in terms of service delivery outcomes, design and construction, financing etc. and identify good practice and lessons to be learnt in delivering future projects.

18 Risk Management

- 18.1 Risk is the threat that an event or action will adversely affect the Council's ability to achieve its objectives and to execute its strategies successfully.
- 18.2 Risk management is the process of identifying risks, evaluating their potential consequences and determining the most effective methods of managing them and/or responding to them. It is both a means of minimising the costs and disruption to the organisation caused by undesired events and of ensuring that staff understand and appreciate the element of risk in all their activities.
- 18.3 The aim is to reduce the frequency of adverse risk events occurring (where possible), minimise the severity of their consequences if they do occur, or to consider whether risk can be transferred to other parties.
- 18.4 To manage risk effectively, the risks associated with each capital project need to be systematically identified, analysed, influenced and monitored.
- 18.5 It is important to identify the appetite for risk by each scheme and for the capital programme as a whole, especially when investing in capital assets held primarily for financial returns. Under the CIPFA Prudential Code these are defined as investments and so the key principle of control of risk and return must be applied.
- 18.6 The S151 officer will report explicitly on the affordability and risk associated with the Capital Strategy. Where appropriate he will have access to specialised advice to enable him to reach his conclusions.
- 18.7 An assessment of risk should therefore be built into every capital project and major risks recorded in a Risk Register.

19 Alternate Delivery Models

19.1 In response to reducing capital resources the Council has looked to existing and new delivery models to continue its significant capital investment in the town which levers in other partners and innovative financing. These include:

- Public Power Solutions Ltd – Wholly owned subsidiary offering waste and power solutions
- Solar Farms – Common and Chapel Farms are wholly owned companies delivering solar power
- Swindon Housing Company Ltd – wholly owned Housing development companies
- Wichelstowe Joint Venture – 50/50 Joint Venture between Barratt Developments and the Council to deliver up to 2,800 homes on Wichelstowe

19.2 A Shareholder Panel meets every 6 months to review the performance of the companies listed above, their wider benefit to the Council and risks.

19.3 Innovative funding streams and partnerships will be explored where these could provide benefits to the Council but will be subject to rigorous assessment and approval in line with the Capital Strategy and wider Council governance processes.

20 Property Investments

20.1 As part of Commercial activity and the response to reducing resources, the Council has looked to purchase property where returns are greater than the cost of funding. This is underpinned through a Commercial Acquisitions & Disposal Strategy and purchases are approved via a business case to the Commercial Investment Strategy Board chaired by the Deputy Leader of the Council and Cabinet Member for Finance. The strategy is attached and sets out changes to PWLB lending terms that may impact this strategy.

20.2 Hartnell Taylor Cook, a firm of specialist commercial property consultants, have been procured to offer external expert advice on proposed purchases as well as an overview of the overall Council portfolio to ensure the portfolio is balanced, and risks are actively identified and managed.

20.3 The Council has also engaged specialist accounting and financial advisors to support this process.

Appendices

Annexe 1 - Investment strategy

Annexe 2 - Property Investment and Disposal Strategy

Annexe 1

Investment Strategy (Non-Financial Investments)

Investment Types

1.1 Authorities may invest in other financial assets, including loans and property primarily for financial return, which are not part of treasury management activity.

Other investments may include:

- service investments held clearly and explicitly in the course of the provision and for the purposes of operational services, including regeneration
- commercial investments which are taken for mainly financial reasons, including investments arising as part of business structures, such as shares and loans in subsidiaries or other outsourcing structures such as IT providers or building services providers; or investments explicitly taken with the aim of making a financial surplus for the organisation; commercial investments also include non-financial assets which are held primarily for financial return such as investment properties. These are termed **“non-financial investments”**

1.2 Where authorities invest in other financial assets and property primarily for profit (also known as “debt for yield”), these investments should be proportional to the level of resources available to the authority, and the authority should ensure that the same robust procedures for the consideration of risk and return are applied to these decisions as would be applied to any other decision. Robust and transparent governance procedures and decision making remain critical in all investments the authority makes and the following section set out the Councils governance procedures around such proposals.

1.3 In February 2020 Parliament reformed the statutory basis of the PWLB, transferring its lending powers to HM Treasury. In March 2020 the government consulted on revising the PWLB’s lending terms to reflect these new governance arrangements, and to end the situation in which a minority of local authorities used PWLB loans to support the acquisition of investment assets primarily for yield. The government published its response to this consultation and implemented these reforms in November 2020.

1.4 On 25th November 2020 the Government ended access to the PWLB for Local Authorities that wish to buy commercial assets primarily for yield. Part of the assurance process introduced is for Local Authorities to submit their spending plans for the next 3 years, including their expected use of PWLB and the S151 officer must certify that the authority is not borrowing in advance of need and does not intend to buy investment assets primarily for yield. (as assessed against guidance)

1.5 Authorities that wish to buy commercial assets primarily for yield remain free to do so but are unable to take out new loans from the PWLB for any purpose in that financial year, either for new investments or for re-financing existing debt.

1.6 If Swindon Borough Council were to continue to invests in assets purely for a financial return, there is a clear and robust governance process in place for such investments which is set out below:

Governance Processes

1.6.1 All Commercial Investment proposals must be taken through the Commercial Investment Strategy Board ("CISB") in the form of a business case which sets out the financial implications and the risks.

1.6.2 The Board, which is chaired by the Cabinet Member for Commercialisation, Education and Skills and is attended by the Chief Executive and Corporate Director of Finance and Assets, meets monthly to review all proposals. If successful they either proceed to Cabinet for approval if the investment required is greater than £10m, or through a Cabinet Member Decision Note process if less than £10m. In addition, there is a CMAG (Cabinet Member Advisory Group) for additional scrutiny and comment.

1.6.3 The CISB will also obtain external expert advice if required, including additional legal advice if required, and has procured expert commercial property advice for this purpose as it continues to look for commercial property investments to support the budget.

1.6.4 The CISB has also approved a Property Acquisition and Disposal Strategy which sets out a number of criteria by which property acquisition proposals will be assessed. This is attached at Annexe 2.

1.6.5 Proposals other than those assessed against the criteria in the Property Acquisition and Disposal Strategy will be assessed against the following criteria:

- Is the overall profit acceptable to the risk?
- Are the timescales for returns realistic and acceptable?
- Are the risks acceptable and/or controllable?
- Is the investment required proportional to the level of resources available to the Authority?
- Is external expertise required to fully understand the business case proposal and risks?

1.6.6 The purpose of the criteria set out above is to set a framework by which to assess commercial proposals and ensure consistency is applied when making decisions.

Risk Appetite and Indicators

- 1.7 In general, the Council's risk appetite is assessed through its tolerance to risk in respect of capital preservation, meaningful liquidity and income volatility. In terms of Treasury Investments, this is through the primary considerations being Security and Liquidity, with yield being a secondary consideration.
- 1.8 For non-financial investments, the Council seeks to minimise its exposure to risks that are unwanted and unrewarded.
- 1.9 The Council is exposed to a wide range of risks, key ones being:
- Financial risks related to the investment of the Council's assets and cash flow, market volatility, currency etc.
 - Economic risks related to the performance of the economy, nationally and locally, interest rates and inflation.
 - Credit and counterparty risks related to investments, loans to institutions and individuals and counterparties in business transactions.
 - Strategic risks related to key initiatives undertaken by the Council such as significant purchases, new ventures, commercial interests and other areas of organisational change deemed necessary to help the Council meet its objectives.
 - Reputational risks related to the Council's dealings and interests, and the impact of adverse outcomes on the Council's reputation and public perception.
 - Governance risks related to ensuring that prudence and careful consideration sit at the heart of the Council's decision-making, augmented by quality independent advice and appropriate checks and balances that balance oversight and efficiency.
- 1.10 All business case proposals will clearly identify risk to ensure these are acceptable to the Council with a clear focus on the impact of the downside risk on the overall sustainability of the authority.
- 1.11 Managing the Council's risks is an area of significant focus for senior management and members, and risk management is at the heart of all investment as well as operational decisions.
- 1.12 The Council aims to minimise its exposure to unwanted risks – those risks that are not actively sought and which carry no commensurate reward for the Council – through a range of mitigation strategies to the extent that it is cost-effective to do so. Specifically, the Council has no appetite for reputational risk, governance risk and currency risk.
- 1.13 The following local indicators will be used to assess the Councils total risk exposure as a result of its **commercial investment decisions** and will form part of the treasury management out-turn report.
- Total Investment in commercial undertakings by Property/Other
 - Total Investment funded through borrowing
 - Average investment return before financing costs
 - Total investment income as a proportion of the Councils Net General Fund budget

- Investment borrowing as a proportion of total external debt as measured by the Capital Financing Reserve (excl lease liabilities and HRA)
- Fair value of property investments as a proportion of all Council property assets

1.14 In considering risk, it is vital that not only the risks of individual investments are considered but also the cumulative impact of all the investments made by the authority and the interaction of individual risks. The Commercial Investment Strategy Board will therefore review the overall portfolio in light of current market and other risks.

1.15 Returns from treasury management investments are fully detailed in the bi-annual treasury management reports which are scrutinised at Audit Committee.

Ongoing Management and Reporting

1.16 The Commercial Investment Strategy Board will receive regular reports setting out the performance and current risk in relation to the overall investment portfolio.

1.17 Regular monitoring of the portfolio will identify any changes in Security, Liquidity and Yield and will also identify any lifecycle costs required to maintain the income potential of any property based assets. Values will also be regularly assessed to identify any significant changes in the value of the investments and market conditions that might impact upon this.

1.18 Any material change in the investment risk or threat to ongoing yield will be reported immediately to the next Board meeting (or immediately to the Chair if urgent action is required) so that mitigating action can be established.

Local Indicators

1.19 The Strategy includes quantitative indicators that allow Councillors and the public to assess a local authority's total risk exposure as a result of its investment decisions. The following indicators have been calculated for 20/21 and relate to all purchases for a pure commercial purpose since April 2017.

| Non-Treasury investments - Property | actual 31/03/20 £m | current 31/12/20 £m |
|--|-----------------------------------|------------------------------------|
| No of Properties | 1 | 1 |
| Property | 7.7 | 7.7 |
| Amount Funded through borrowing | 0.0 | 0.0 |
| Average investment return before financing costs | 7.5% | 7.5% |
| Total investment income as a proportion of the Councils Net General Fund budget | 0.4% | 0.4% |
| Investment borrowing as a proportion of total external debt as measured by the Capital Financing Reserve (excl. lease liabilities and HRA) | 0.0% | 0.0% |

| | | |
|---|------|------|
| Fair value of property investments as a proportion of all Council property assets (excl. HRA) | 1.5% | 1.5% |
|---|------|------|

These currently are based on assumptions as to the level of year end debt and the fair value of assets and will be updated as part of the Treasury out-turn reports in the new year.

In addition to the above, the guidance also requires authorities to have regard to the guidance if it makes loans to local enterprises, local charities, wholly owned companies and joint ventures and can demonstrate that the overall exposure to these loans is proportionate. At the end of March 2020, the Council had outstanding loans of this type totalling £24.5m and this is considered proportionate in relation to the Council's net general fund budget, £145.3m, and its overall debt level of £350.8m. In addition, these loans are to wholly owned companies with direct control and oversight from the Council.

The limits on loans by type are as follows:

- Wholly owned companies and joint ventures - £51m
- Local Enterprises and charities - £1m

This page is intentionally left blank

Annexe 2 - Property Acquisition and Disposal Strategy

Investment Strategy

On 25th November 2020 the Government ended access to the PWLB for Local Authorities that wish to buy commercial assets primarily for yield. Part of the assurance process introduced is for Local Authorities to submit their spending plans for the next 3 years, including their expected use of PWLB and the S151 officer must certify that the authority is not borrowing in advance of need and does not intend to buy investment assets primarily for yield. (as assessed against guidance)

Authorities that wish to buy commercial assets primarily for yield remain free to do so but are unable to take out new loans from the PWLB for any purpose in that financial year, either for new investments or for re-financing existing debt.

Swindon Borough Council holds a substantial portfolio of property held for non-operational purposes. Within this portfolio is a large estate of income-producing property that would traditionally form the basis of an investment portfolio, comprising the retail, office and industrial premises together with ground rents. This produces an annual revenue income of about £5.6m used to support the delivery of Council services.

In September 2017 Hartnell Taylor Cook were appointed to advise on the performance of the existing portfolio and devise a strategy and criteria for future investment acquisitions. They reviewed the performance of the portfolio in March 2020 and the portfolio will be reviewed again once the impact of the pandemic on commercial property values is clearer recognising the ongoing impact lockdown is having on the economy. The findings of Hartnell Taylor Cook's review of March 2020 are summarised below. :

Current Portfolio

1. Reflecting some new acquisitions, the portfolio increased in value from January 2019, from £68.8million to £86.8million in March 2020.
2. New acquisitions have rebalanced the sector weightings; these are now well balanced between the primary sectors of retail, which has reduced from 26% to 19%, industrial (which historically is one of the best performing classes in Swindon and likely to show the highest rental growth), which has increased from 15 to 26%, and office, which has changed from 21% to 23%.
3. Total portfolio rental income has increased from £4.6million (Jan 2019) to £5.6million (March 2020). Income from ground rents is 18% of the total portfolio income, this is a sensible weighting for this secure income. The proportion of income from retail assets has reduced from 26% to 23% of the total income whilst the industrial income has increased from 15% to 24%. The income from the portfolio is well balanced with relatively equal weighting across the sectors

4. There is no direct exposure to some established or emerging use classes such as retail warehousing or hotels
5. The portfolio is nevertheless balanced and relatively well split across the other sectors it holds, and the current gross yield of circa 6.4% which is a good overall return.
6. Funding of Kimmerfields will provide a further £1,851,328 a year of rental income secured on the Zurich Assurance Ltd covenant, when the new Zurich headquarters is completed which is expected in summer 2022. Zurich are taking a 20 year lease on the majority of the new building.

Acquisition Strategy

1. The portfolio lacks modern industrial buildings, retail warehousing and has a low modern office content but this will be improved with the acquisition of the Zurich headquarters. Target asset classes for new acquisitions should prioritise industrial investments), the retail warehouse sector with a lower priority focus on recycling office investment to target quality office income. The portfolio should remain balanced at all times.
2. The current portfolio is quite dated, with obsolescence an ongoing issue and many smaller properties with high levels of management. Preference should be for assets with minimal associated management costs and those with low obsolescence costs, typically modern single let properties or those with 2-3 tenants and unexpired lease terms of 5-10 years reducing the requirement for active management. A regular review of potential disposals and the recycling of sale proceeds into opportunities to achieve a better or more sustainable return should be carried out to identify higher risk properties in the portfolio (see **Disposal Strategy** and **Disposal Criteria** below)
3. In addition to reviewing potential disposals, asset management opportunities to increase the commercial return / investment value from existing portfolio should be pursued. These may include buying in existing long leasehold interests for increased revenue, pursuing early lease renewal negotiations to add certainty to income streams, extending / restructuring shortening leasehold and long leasehold interests, and pursuing site assembly and joint venture opportunities with adjoining owners, leaseholders and developers to release and maximise values

Purchase Criteria – New Acquisitions

Aim –“to provide a set of principals in the form of target purchase criteria for the acquisition of properties to support service requirements in particular regeneration and growth and provide additional and sustainable sources of income over the medium to long term.

Location: candidate properties within Swindon Borough Council boundaries are preferred but other properties may be considered if they meet the overall aims set out above..

Preferred Sectors: Industrial (single and multi-let), retail warehousing but with a preference of maximising rental income and minimising management costs

Target lot size: £2,000,000 to £10,000,000

Lease length: 5 years minimum, or Weighted Average Unexpired Lease Term (WAULT) of at least 5 years.

Repairing covenants: Full Repairing and Insuring (FRI) or FRI via service charge

Tenant Covenant: Tenants with a Credit safe credit rating in excess of 50B

Rental income profile: Estimated Rental Value (ERV). Treat over-rented buildings with care.

Target yield: To meet the criteria outlined the likely yield range will be 6.00% -7.00%. Yields above this will be subject to careful risk scrutiny and likely to be within the Swindon boundaries. Yields below this will be considered on their merits but will be dependent on candidate properties exceeding the minimum lease length and tenant covenant strength criteria

Capital expenditure: Candidate properties requiring capital expenditure within the first 5 years of ownership are generally to be avoided

Disposal Strategy

1. As highlighted in the Purchase Strategy, the current portfolio is quite dated, with obsolescence an ongoing issue and many smaller properties with high levels of management. The preference should be for assets with minimal associated management costs and those with low obsolescence costs, typically modern single let properties or those with 2-3 tenants and unexpired lease terms of 5-10 years reducing the requirement for active management. A regular review of potential disposals and the recycling of sale proceeds into opportunities to achieve a better or more sustainable return should be carried out, aiming to maintain a balanced portfolio at all times.
2. The Council undertook a programme in recent years of rebuilding several of its older suburban shopping parades but other properties remain that are close to being functionally obsolete, or require significant expenditure to bring them up to date. In addition, MEES (Minimum Energy Efficiency Standards) have come into force meaning that properties that fall below a certain threshold will no longer be able to be lawfully let.
3. Properties that are likely to need significant capital expenditure to maintain the current income stream should be considered for disposal where that expenditure will not guarantee a return on the expenditure that cannot be achieved or bettered

elsewhere

4. In addition to the sale of properties where obsolescence is a major factor or capital expenditure is required, opportunities will arise for a sale of a property at above market value. Typically (but not exclusively) such circumstances will be:
 - Where an occupying lessee wishes to invest significant sums in on improvements to the building or business expansion, and requires the freehold to raise the necessary finance or justify the expense
 - Where a lessee holds the property on a long ground lease from the Council, paying a ground rent and wishes to acquire the freehold to merge the interests and release latent marriage value, shared with the Council as freeholder
 - Where a purchaser owns nearby or adjacent properties and has a special interest in acquiring the Council's property

Disposal Criteria – Existing Stock

***Aim** –“to provide a set of principals against which to identify properties within the portfolio for sale and the re-investment of the proceeds of the sale into opportunities to achieve a better or more sustainable source of income over the medium to long term to support the delivery of council services”*

Sale Price: properties will be considered for disposal where opportunities arise for a sale at above market value.

Capital Expenditure Exposure: properties will be considered for sale where substantial capital expenditure is likely to need to be incurred within the next five years and where incurring such expenditure cannot be justified

Balanced Portfolio: properties will be considered for sale where the portfolio shows an unacceptable imbalance in any sector which requires correction, or where opportunities arise for reducing the need for active management.

Treasury Strategy Statement 2021/22

Cabinet

Date: 3rd February 2021

Author: Cabinet Member for Commercialisation, Education and Skills
Corporate Director of Finance and Assets

Wards: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 To report Treasury Management Strategy for 2021/22, including Prudential Indicators up to 2025/26, the Annual Investment Strategy, and the Minimum Revenue Provision Policy Statement.
- 1.2 The effective management of financial resources through robust financial management processes underpins the Council's ability to achieve its plans and priorities.

2. Recommendations

Cabinet is recommended to (Minute for Confirmation):

- 2.1 Recommend the Treasury Management Strategy, Minimum Revenue Provision Policy and Prudential Indicators, as set out in Appendix 1, for approval by Full Council on 18th February 2021.
- 2.2 Note the prohibition of borrowing from the Public Works Loan Board to support the purchase of "debt for yield" investments, as detailed in paragraphs 3.27 to 3.29

3. Detail

Treasury Strategy

- 3.1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 3.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

Treasury Strategy Statement 2021/22

Cabinet

Date: 3rd February 2021

3.3 The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

3.4 Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day to day treasury management activities.

3.5 CIPFA defines treasury management as:

“The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

Reporting requirements

3.6 The Council is required to receive and approve, as a minimum, three treasury management reports and a capital strategy report each year.

Capital Strategy

3.7 **Capital Strategy (Part of the Capital Programme Report on this agenda)**

3.8 The CIPFA 2017 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report which will provide the following:

3.8.1 A high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services

3.8.2 An overview of how the associated risk is managed

3.8.3 The implications for future financial sustainability

3.9 The aim of this capital strategy is to ensure that all elected members on the full council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

3.10 This capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles,

Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

Treasury Strategy Statement 2021/22

Cabinet

Date: 3rd February 2021

and the policy and commercialism investments usually driven by expenditure on an asset. The capital strategy will show:

- 3.10.1 The corporate governance arrangements for these types of activities;
 - 3.10.2 Any service objectives relating to the investments;
 - 3.10.3 The expected income, costs and resulting contribution;
 - 3.10.4 The debt related to the activity and the associated interest costs;
 - 3.10.5 The payback period (MRP policy);
 - 3.10.6 For non-loan type investments, the cost against the current market value;
 - 3.10.7 The risks associated with each activity.
- 3.11 Where a physical asset is being bought, details of market research, advisers used, (and their monitoring), ongoing costs and investment requirements and any credit information will be disclosed, including the ability to sell the asset and realise the investment cash.
- 3.12 Where the Council has borrowed to fund any non-treasury investment, there should also be an explanation of why borrowing was required and why the MHCLG Investment Guidance and CIPFA Prudential Code have not been adhered to.
- 3.13 If any non-treasury investment sustains a loss during the final accounts and audit process, the strategy and revenue implications will be reported through the same procedure as the capital strategy.
- 3.14 To demonstrate the proportionality between the treasury operations and the non-treasury operation, high-level comparators are shown throughout this report.

Treasury Management reporting

- 3.15 The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.
- 3.16 **Treasury Strategy Statement** (this report) - The first, and most important report is forward looking and covers:
- 3.16.1 The capital plans, (including prudential indicators);
 - 3.16.2 A minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time);
 - 3.16.3 The treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
 - 3.16.4 An investment strategy, (the parameters on how investments are to be managed).

Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

Treasury Strategy Statement 2021/22

Cabinet

Date: 3rd February 2021

-
- 3.17 **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.
- 3.18 **An annual treasury report** – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

- 3.19 The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Audit Committee.

Treasury Management Strategy for 2021/22

- 3.20 The strategy for 2021/22 covers two main areas:

3.21 **Capital issues**

- 3.21.1 The capital expenditure plans and the associated prudential indicators;
- 3.21.2 The minimum revenue provision (MRP) policy.

3.22 **Treasury management issues**

- 3.22.1 The current treasury position;
- 3.22.2 Treasury indicators which limit the treasury risk and activities of the Council;
- 3.22.3 Prospects for interest rates;
- 3.22.4 The borrowing strategy;
- 3.22.5 Policy on borrowing in advance of need;
- 3.22.6 Debt rescheduling;
- 3.22.7 The investment strategy;
- 3.22.8 Creditworthiness policy; and
- 3.22.9 The policy on use of external service providers.

- 3.23 These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.

Training

- 3.24 The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Members training sessions will be arranged as required.

Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

Treasury Strategy Statement 2021/22

Cabinet

Date: 3rd February 2021

-
- 3.25 The training needs of treasury management officers are kept under review, and officers attend training events and seminars held by CIPFA and the Council's treasury advisers.
 - 3.26 The scope of investments within the Council's operations now includes both conventional treasury investments, (the placing of residual cash from the Council's functions), and more commercial type investments, such as investment properties. The commercial type investments require specialist advisers, and the Council seeks independent expert advice in relation to this activity.

Borrowing for Commercial Investments

- 3.27 In February 2020 Parliament reformed the statutory basis of the PWLB, transferring its lending powers to HM Treasury. In March 2020 the government consulted on revising the PWLB's lending terms to reflect these new governance arrangements, and to end the situation in which a minority of local authorities used PWLB loans to support the acquisition of investment assets primarily for yield. The government published its response to this consultation and implemented these reforms in November 2020.
- 3.28 On 25/11/20 the Government ended access to the PWLB for Local Authorities that wish to buy commercial assets primarily for yield. Part of the assurance process introduced is for Local Authorities to submit their spending plans for the next 3 years, including their expected use of PWLB and the S151 officer must certify that the authority is not borrowing in advance of need and does not intend to buy investment assets primarily for yield. (as assessed against guidance)
- 3.29 Authorities that wish to buy commercial assets primarily for yield remain free to do so but are unable to take out new loans from the PWLB for any purpose in that financial year, either for new investments or for re-financing existing debt.

4. Alternative Options

- 4.1 Any alternative options for specific areas are set out within the report.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 These proposals ensure that a robust financial framework is in place to provide governance for the treasury function, thereby seeking to safeguard the Council from extremes within the financial markets.

Treasury Strategy Statement 2021/22

Cabinet

Date: 3rd February 2021

Legal and Human Rights Implications

- 5.2 All legal and human rights considerations have been taken fully into account in compiling this report. It is considered that the recommendations of this report are compatible with Convention rights.

Climate Change Impact

- 5.3 The proposals would not bring a change in service delivery and Officers believe that there is no expected effect on the Council's carbon footprint.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.4 There are no such direct implications.

Diversity Impact Assessment

- 5.5 A Diversity Impact Assessment (DIA) is not relevant to this report as this is a regulatory report, which covers the Council's treasury management processes and doesn't directly affect any services.

Risk Management

- 5.6 None other than those highlighted in the body of the report.

6. Consultees

- 6.1 The Corporate Director of Finance and Assets (s151 officer) and Chief Legal Officer (Monitoring Officer) are consulted in respect of all reports.

7. Background Papers

- 7.1 None

8. Appendices

- 8.1 Appendix 1 - Treasury Management Strategy 2021/22

8.1.1 Annex 1 - The Capital Prudential Indicators

8.1.2 Annex 2 - Credit and Counterparty Risk Management, Specified and Non-Specified Investments

9. Key Decision/Decision in Cabinet Work Programme and Forward Plan

- 9.1 This is not a key decision and is included in the Cabinet Work Programme / Forward Plan for February 2021.

Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

Appendix 1 - Treasury Management Strategy 2021/22

TREASURY MANAGEMENT STRATEGY 2021/22

Contents:

- 1. Current Portfolio Position**
- 2. Prospect for Interest Rates and Economic Outlook**
- 3. Minimum Revenue Provision Policy Statement**
- 4. Borrowing Strategy**
- 5. Investment Policy, Creditworthiness Policy and Investment Strategy**
- 6. Policy on the use of external service providers**

Annex 1 – Prudential Indicators

Annex 2 - Credit and Counterparty Risk Management, Specified and Non- Specified Investments

Appendix 1 - Treasury Management Strategy 2021/22

1. Current Portfolio Position

- 1.1 The capital expenditure plans set out in Annex 1 to Appendix 1 summarises the Council's current and future plans. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.
- 1.2 The Council's actual treasury portfolio position at 31 March 2020, with December 2020 actuals are summarised in the tables below.

Table 1 - Investment Portfolio - Treasury Investments

| INVESTMENT PORTFOLIO | | | | |
|-----------------------------------|-----------------------------------|----------------------------------|------------------------------------|-----------------------------------|
| Treasury Investments | Actual 31/03/20 £m | Actual 31/03/20 % | Current 31/12/20 £m | Current 31/12/20 % |
| UK Banks | 0.0 | 0% | 0.0 | 0% |
| Non UK Banks | 0.0 | 0% | 0.0 | 0% |
| Local authorities | 12.0 | 21% | 30.0 | 39% |
| Call Accounts | 10.0 | 18% | 13.5 | 17% |
| Money market funds | 20.0 | 35% | 20.0 | 26% |
| Total managed in house | 42.0 | 74% | 63.5 | 82% |
| Property funds | 14.7 | 26% | 14.0 | 18% |
| Total managed externally | 14.7 | 26% | 14.0 | 18% |
| Total treasury investments | 56.7 | 100% | 77.5 | 100% |

- 1.3 The Council's Non-Specified Treasury Investments are detailed below. The property fund is a non-specified investment by virtue of the fact that it has a maturity profile of greater than 1 year, it is included in both the table above showing Treasury Portfolio as well as the table below. The value in table 2 below represents the original investment as compared to the current values in table 1.

Table 2 - Investment Portfolio – Non Specified Treasury Investments

| Non Specified Treasury Investments | Sum Invested (£m) |
|---|------------------------------|
| Local Authority Property Fund | 15.000 |
| Local Charity | 0.022 |

Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

Appendix 1 - Treasury Management Strategy 2021/22

- 1.4 Table 3 below shows the value of non-treasury investments which are primarily loans to companies which are wholly owned by the Council or which the Council has an interest.

Table 3 - Investment Portfolio – Non-Treasury Investments – Subsidiary Companies

| Non Treasury Investments – Subsidiary Companies | Investment Limit £m | Loan Value 31/03/20 £m | Loan Value 31/12/20 £m | Share Capital £ |
|---|------------------------|------------------------------|------------------------------|--------------------|
| Loans to Subsidiary Companies | | | | |
| - Public Power Solutions Ltd. | 15 | 9.7 | 9.6 | 100 |
| - Swindon Chapel Farm Solar Plc. | 3 | 2.8 | 2.9 | 50,000 |
| - Swindon Common Farm Solar CIC Plc. | 3 | 2.9 | 2.8 | 50,000 |
| - Swindon Housing (Rent) Co. Ltd. | | | | 100 |
| - Swindon Housing Development Co. Ltd. | 15 | 4.9 | 2.2 | 1,000 |
| Wichelstowe Joint Venture | 15 | 2.4 | 3.0 | 1 |
| Total Non-Treasury Investments | 51.0 | 22.7 | 20.5 | 101,201 |

- 1.5 The Council's actual commercial investment portfolio position at 31 March 2020, with December 2020 actuals is summarised below.

Table 4 - Investment Portfolio – Non-Treasury Investments - Property

| Non-Treasury investments - Property | Actual 31/03/20 £m | Current 31/12/20 £m |
|--|--------------------------|---------------------------|
| No of Properties | 1 | 1 |
| Property | 7.7 | 7.7 |
| Amount Funded through borrowing | 0.0 | 0.0 |
| Average investment return before financing costs | 7.5% | 7.5% |
| Total investment income as a proportion of the Councils Net General Fund budget | 0.4% | 0.4% |
| Investment borrowing as a proportion of total external debt as measured by the Capital Financing Reserve (excl. lease liabilities and HRA) | 0.0% | 0.0% |
| Fair value of property investments as a proportion of all Council property assets (excl. HRA) | 1.5% | 1.5% |

Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

Appendix 1 - Treasury Management Strategy 2021/22

1.6 The Council's Current borrowing position is shown in table 5

Table 5 - Debt Portfolio

| TREASURY BORROWING PORTFOLIO | | | | | | |
|--|------------------------------|----------------------|-------------------------------|-----------------------------|----------------------|------------------------------|
| | 31-Mar-20 Principal £m | Rate/ Return % | Average Maturity Years. | 31/12/20 Principal £m | Rate/ Return % | Average Maturity Years |
| Long term borrowing | | | | | | |
| - Local authorities | | | | 10.0 | 1.68% | 2.4 |
| - Other Financial Institutions | 31.0 | 4.16% | 21.8 | 31.3 | 4.12% | 16.8 |
| - PWLB | 319.8 | 3.15% | 17.1 | 308.3 | 3.16% | 16.6 |
| <i>of which</i> | | | | | | |
| - HRA | 104.0 | | | 104.0 | | |
| - General Fund | 246.8 | | | 245.6 | | |
| Total long term borrowing | 350.8 | 3.24% | 17.3 | 349.6 | 3.12% | 16.1 |
| PFI liabilities | 47.6 | n/a | | 46.6 | n/a | |
| Total long term borrowing incl. PFI | 398.4 | | | 396.1 | | |
| Short term Borrowing | | | | | | |
| - Local authorities | 24.5 | 1.13% | 0.5 | 10.0 | 0.15% | 0.3 |
| Total Gross debt | 422.9 | | | 406.1 | | |
| Total investments | (56.7) | 1.87% | | (77.5) | 0.49% | |
| Total Net debt | 366.2 | | | 328.6 | | |

1.7 The Council's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing requirement, (the Capital Financing Requirement or "CFR"), highlighting any over or under borrowing.

Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

Appendix 1 - Treasury Management Strategy 2021/22

Table 6 – Capital Financing Requirement

| CAPITAL FINANCING REQUIREMENT | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Whole Council Projections | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| | (£m) | (£m) | (£m) | (£m) | (£m) | (£m) |
| CFR excl. PFI b/fwd. 1 April | 446.5 | 456.9 | 494.8 | 529.4 | 534.0 | 526.4 |
| PFI liabilities | 47.6 | 45.5 | 43.1 | 40.5 | 37.6 | 34.3 |
| CFR incl. PFI | 494.1 | 502.4 | 538.0 | 569.9 | 571.6 | 560.7 |
| Add Capital Expenditure funded through borrowing | 15.0 | 44.1 | 44.1 | 15.1 | 3.7 | 1.0 |
| Add Lease / PFI adjustments | 2.6 | 2.8 | 2.6 | 2.9 | 3.3 | 3.7 |
| Less MRP (debt repayment) | (7.3) | (8.9) | (12.2) | (13.4) | (14.6) | (14.7) |
| Underlying Borrowing Requirement | 456.9 | 494.8 | 529.4 | 534.0 | 526.4 | 516.3 |
| Add PFI Liabilities | 45.5 | 43.1 | 40.5 | 37.6 | 34.3 | 30.7 |
| CFR c/fwd. 31 March | 502.4 | 538.0 | 569.9 | 571.6 | 560.7 | 547.0 |
| Long Term External Borrowing b/fwd. 1 April | (350.8) | (360.8) | (399.9) | (439.0) | (449.0) | (447.7) |
| Less Loans maturing | 11.9 | 21.9 | 14.0 | 24.3 | 15.7 | 12.5 |
| Add New Loans for capital expenditure | (10.0) | (39.1) | (39.1) | (10.1) | - | - |
| Add Replacement loans for maturing loans | (11.9) | (21.9) | (14.0) | (24.3) | (14.4) | (8.6) |
| Long Term External Borrowing c/fwd. 31 March | (360.8) | (399.9) | (439.0) | (449.0) | (447.7) | (443.8) |
| Under / (Over) Borrowing | 96.1 | 94.9 | 90.4 | 85.0 | 78.6 | 72.6 |
| <i>Under borrowing as a % of Underlying Borrowing Requirement (excludes PFI)</i> | <i>21%</i> | <i>19%</i> | <i>17%</i> | <i>16%</i> | <i>15%</i> | <i>14%</i> |

- 1.8 Within the range of prudential indicators, there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt (Long Term External Borrowing Requirement) does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2021/22 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.
- 1.9 The Corporate Director of Finance and Assets reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

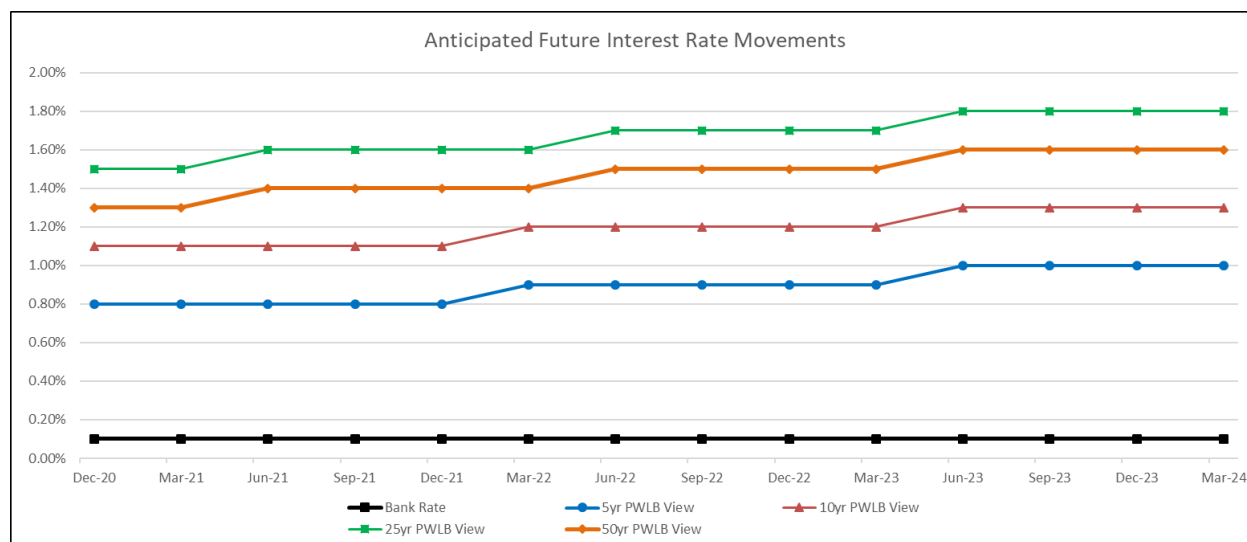
Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

Appendix 1 - Treasury Management Strategy 2021/22

2. Prospects for Interest Rates

- 2.1 The Council has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives the Link view on interest rate movements.

Table 7 Link view on interest movements



- 2.2 The coronavirus outbreak has resulted in huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its subsequent meetings, although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary. As shown in the forecast table above, no increase in Bank Rate is expected as economic recovery is expected to be only gradual and, therefore, prolonged.
- 2.3 Gilt yields (to which PWLB rates are linked) had been on a generally falling trend up until the coronavirus crisis hit western economies during March 2020. After gilt yields spiked up during the financial crisis in March, these yields have fall sharply to unprecedented lows as investors panicked during March in selling shares in anticipation of impending recessions in western economies, and moved cash into safe haven assets i.e. government bonds. Such unprecedented levels of issuance in “normal” times would have caused bond yields to rise sharply. Gilt yields and therefore PWLB rates have been at remarkably low rates so far during 2020/21.
- 2.4 As the interest forecast table above shows, there is expected to be little upward movement in PWLB rates over the next two years as it will take economies, including the UK, a prolonged period to recover all the momentum they have lost in the sharp recession caused during the coronavirus shut down period. From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes

Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

Appendix 1 - Treasury Management Strategy 2021/22

in investor sentiment, (as shown on 9th November when the first results of a successful COVID-19 vaccine trial were announced). Such volatility could occur at any time during the forecast period.

- 2.5 In addition, PWLB rates are subject to decisions by H.M. Treasury to change the margin over gilt yields charged in PWLB rates: such changes could be up or down.
- 2.6 Economic and interest rate forecasting remains difficult with so many influences weighing on UK gilt yields and PWLB rates. The above forecasts, (and MPC decisions), will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments
- 2.7 In summary:
 - 2.7.1 Investment returns are likely to remain low during 2021/22 with little increase in the following two years
 - 2.7.2 Borrowing interest rates fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years.
 - 2.7.3 While this authority will not be able to avoid borrowing to finance new capital expenditure, to replace maturing debt and the rundown of reserves, there will remain a cost of carry. Any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost – the difference between borrowing costs and investment returns.

3. Minimum Revenue Provision Policy Statement

- 3.1 The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).
- 3.2 MHCLG regulations have been issued which require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement:
 - 3.2.1 For all unsupported borrowing, the MRP will be based on the estimated life of the assets, on an annuity basis, in accordance with the regulations. Annuity method charges will be calculated using the relevant PWLB annuity rates for the estimated asset lives as at 31 March in the year of expenditure. MRP charges commence the year after the asset becomes operational.

Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

Appendix 1 - Treasury Management Strategy 2021/22

- 3.2.2 MRP will be deferred in relation to capital expenditure funded through borrowing where there is an intention to repay the borrowing from future receipts and where there is a strong likelihood that this will happen. Should there be a shortfall between the debt and eventual receipts, the balance will incur an annual MRP charge.
- 3.2.3 MRP Overpayments - A change introduced by the revised MHCLG MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision (MRP), voluntary revenue provision (VRP) or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. Up until the 31 March 2021 it is not anticipated that any VRP overpayments will be made, the Council will apply this policy as required in future years.
- 3.2.4 For PFI contracts MRP will be based on the estimated life of the assets, on an annuity basis, in accordance with the regulations. Annuity method charges will be calculated based on the PWLB annuity rates at 31st March in the year that the assets became operational.
- 3.2.5 Where non-ring-fenced capital receipts are available, these can be applied to meet the cost of PFI liability repayment (or part thereof). Where capital receipts are applied in this manner, the MRP charge for the PFI would be reduced by an equal amount in that year.
- 3.2.6 For any future finance leases the MRP requirement would be met by a charge equal to the element of the charge applied to write down the liability.
- 3.3 No revenue charge is currently required for the HRA, although the existing voluntary policy is to repay £5m per annum.

4. Borrowing Strategy

- 4.1 The Council is currently maintaining an under-borrowed position. This means that the amount of long-term loans required exceeds the actual level of long term loans taken out. Long term loans are required to fund capital expenditure which Council has approved as “funded through borrowing”, but there is a timing difference between when the expenditure is made and when the long term loan is taken out. The timing of the taking of long term loans is part of the wider cash management strategy.
- 4.2 The difference between long term borrowing required and what has actually been taken out is known as “Internal Borrowing” and represents the temporary use of cash reserves and working capital to bridge the timing difference. As cash from reserves and working capital is currently invested at historically low rates, then the policy of delaying long-term borrowing and using existing cash balances as an interim measure is currently a cheaper option for the Council.

Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

Appendix 1 - Treasury Management Strategy 2021/22

- 4.3 While the council will maintain an under borrowed position on the General Fund (the HRA is fully borrowed up to the CFR), future movements in interest rates will dictate the future policy and the timing of taking out long-term loans, and will be kept under careful review.
- 4.4 Against this background and the risks within the economic forecast, caution will continue to be adopted with the 2021/22 treasury operations. The Corporate Director of Finance and Assets will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:
 - 4.4.1 If it was felt that there was a significant risk of a sharp FALL in long and short term rates (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
 - 4.4.2 If it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.
 - 4.4.3 Any borrowing decisions will be reported to the Audit Committee as part of the annual cycle of reports.
- 5. Borrowing in Advance of Need**
 - 5.1 The Council will not borrow more than or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.
- 6. Loan Re-scheduling**
 - 6.1 Opportunities from rescheduling loans to generate savings will be monitored through the year but need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).
 - 6.2 The reasons for any rescheduling to take place will include:
 - 6.2.1 The generation of cash savings and / or discounted cash flow savings;
 - 6.2.2 Helping to fulfil the treasury strategy;
 - 6.2.3 Amending the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

Appendix 1 - Treasury Management Strategy 2021/22

6.3 Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

6.4 All rescheduling will be reported to the Cabinet at the earliest meeting following its action.

7. New financial institutions as a source of borrowing and / or types of borrowing

7.1 Consideration will be given to sourcing funding at cheaper rates, than those offered by PWLB, from the following:

7.1.1 Local authorities (primarily shorter dated maturities)

7.1.2 Financial institutions (primarily insurance companies and pension funds but also some banks, out of spot or forward dates)

7.1.3 Municipal Bonds Agency

7.2 The degree which any of these options proves cheaper than PWLB Certainty Rate is still evolving at the time of writing and will be kept under review.

8. Investment Policy, Creditworthiness Policy and Investment Strategy

Investment Policy

8.1 The MHCLG and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, (this forms part of the Capital Report elsewhere on this agenda).

8.2 The Council's investment policy has regard to the following: -

8.2.1 MHCLG's Guidance on Local Government Investments ("the Guidance")

8.2.2 CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code")

8.2.3 CIPFA Treasury Management Guidance Notes 2018

8.3 The Council's investment priorities will be security first, portfolio liquidity second and then yield, (return).

8.4 The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

8.4.1 Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus

Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

Appendix 1 - Treasury Management Strategy 2021/22

avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.

- 8.4.2 Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.
- 8.4.3 Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- 8.4.4 This authority has defined the list of types of investment instruments that the treasury management team are authorised to use. There are two lists in Annex 2 under the categories of ‘specified’ and ‘non-specified’ investments.
- 8.4.5 Specified investments are those with a high level of credit quality and subject to a maturity limit of one year.
- 8.4.6 Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use. Once an investment is classed as non-specified, it remains non-specified all the way through to maturity i.e. an 18-month deposit would still be non-specified even if it has only 11 months left until maturity.
- 8.5 This authority has engaged external consultants, (see section 6), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
- 8.6 All investments will be denominated in sterling.
- 8.7 As a result of the change in accounting standards for 2020/21 under IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the Ministry of Housing, Communities and Local Government, [MHCLG], concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23).

Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

Appendix 1 - Treasury Management Strategy 2021/22

- 8.8 Investment instruments identified for use in the financial year are listed in Annex 2 under the 'specified' and 'non-specified' investments categories. Counterparty limits will be as set through the Council's treasury management practices – schedules.
- 8.9 However, this authority will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

9. Creditworthiness Policy

- 9.1 This Council applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:
- 9.1.1 Credit watches and credit outlooks from credit rating agencies;
 - 9.1.2 CDS spreads to give early warning of likely changes in credit ratings;
 - 9.1.3 Sovereign ratings to select counterparties from only the most creditworthy countries.
- 9.2 This modelling approach combines credit ratings, credit Watches and credit Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments.
- 9.3 The Link Asset Services' creditworthiness service uses a wider array of information than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.
- 9.4 Typically the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.
- 9.5 All credit ratings will be monitored daily. The Council is alerted to changes to ratings of all three agencies through its use of the Link Asset Services' creditworthiness service.
- 9.6 If a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- 9.7 In addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx European Financials benchmark and other market data on a daily basis via its Passport website, provided

Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

Appendix 1 - Treasury Management Strategy 2021/22

exclusively to it by Link Asset Services. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

- 9.8 Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on any external support for banks to help support its decision making process.

10. Country limits

- 10.1 The Council has determined that it will only use approved counterparties from the UK and countries with a minimum sovereign credit rating of AA- from Fitch (or equivalent). This list will be amended by officers should ratings change in accordance with this policy.

11. Investment Strategy

- 11.1 In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

12. Investment returns expectations

- 12.1 Bank Rate is unlikely to rise from 0.10% for a considerable period. It is very difficult to say when it may start rising so it may be best to assume that investment earnings from money market-related instruments will be sub 0.50% for the foreseeable future.
- 12.2 The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

| | |
|-------------|-------|
| 2020/21 | 0.10% |
| 2021/22 | 0.10% |
| 2022/23 | 0.10% |
| 2023/24 | 0.10% |
| 2024/25 | 0.25% |
| Later years | 0.50% |

13. Negative investment rates

- 13.1 While the Bank of England is unlikely to introduce a negative Bank Rate, at least in the next 6 -12 months, some deposit accounts are already offering negative rates for shorter periods. As part of the response to the pandemic and lockdown, the Bank and the Government have provided financial markets and businesses with plentiful access to credit, either directly or through commercial banks. In addition, the Government has provided large sums of grants to local authorities to help deal with the COVID crisis; this

Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

Appendix 1 - Treasury Management Strategy 2021/22

has caused some local authorities to have sudden large increases in cash balances searching for an investment home, some of which was only very short term until those sums were able to be passed on.

- 13.2 As for money market funds (MMFs), yields have continued to drift lower. Investor cash flow uncertainty, and the need to maintain liquidity in these unprecedented times, has meant there is a surfeit of money swilling around at the very short end of the market. This has seen a number of market operators, now including the DMADF, offer nil or negative rates for very short term maturities. This is not universal, and MMFs are still offering a marginally positive return, as are a number of financial institutions for investments at the very short end of the yield curve.
- 13.3 Inter-local authority lending and borrowing rates have also declined due to the surge in the levels of cash seeking a short-term home at a time when many local authorities are probably having difficulties over accurately forecasting when disbursements of funds received will occur or when further large receipts will be received from the Government.

14. Investment Periods

- 14.1 Specified Investment periods are currently restricted to no longer than 24 months. Lending to counterparties is in line with the creditworthiness policy detailed above and recommended by Link and these are limited to a total of £20m. Any investments to banks and building societies for a period in excess of 365 days would be classed as a “non-specified investment” as detailed in Annex 2 to this strategy.
- 14.2 Non Specified Investments are limited to a maximum of £10m for any one counterparty; however, investments in the Local Authority Property Fund or any similar multi asset fund may exceed this limit. These investments will be subject to a specific Cabinet approval before they are undertaken.
- 14.3 The Council balances held in our current account and outside the list of treasury investments are simply for transactional purposes and not active investments. These will be kept as close to a minimum as Council cash flow allows.” These balances will fluctuate on a daily basis and this fluctuation is managed by the use of short term deposit / instant access accounts. These balances will be will not exceed £20m.
- 14.4 There may be occasions where the Council has investments with Lloyds which, in addition to the operational bank account, will exceed the £20m threshold per counterparty. The overall deposits with Lloyds will therefore be limited to a maximum of £40m.
- 14.5 The Council will use the DMADF for any funds that cannot be accommodated within existing approved counterparties. The DMADF is an arm of Central Government and therefore the security is the best available in the market, however as noted above there is a risk that there will be either no / negative returns. The DAMDF will therefore only be used to ensure that all other counterparty limits are adhered to, there will be no upper limit to funds that can be invested.

Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

Appendix 1 - Treasury Management Strategy 2021/22

14.6 The maximum amount the council will invest for more than 1 year is £20m.

15. Investment risk benchmarking

15.1 This Council will use an investment benchmark to assess the investment performance of its investment portfolio of 3 month LIBOR. At the end of the financial year, the Council will report on its investment performance as part of its Annual Treasury Report.

16. Policy on the use of external service providers

16.1 The Council uses Link Asset Services, Treasury solutions as its external treasury management advisors.

16.2 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

16.3 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

17. Annexes

17.1 Annex 1 - Prudential Indicators.

17.2 Annex 2 - Credit and Counterparty Risk Management, Specified and Non- Specified Investments

This page is intentionally left blank

Treasury Management Strategy 2021/22 Appendix 1- Annex 1

Cabinet

Date: 3rd February 2021

Annex 1 – The Capital Prudential Indicators 2021/22 – 2025/26

- 1 The Council's capital expenditure plans are a key driver of treasury management activity. The outputs from capital expenditure plans are reflected in prudential indicators, which are designed to assist the Members overview and confirm capital expenditure plans.

2 Capital expenditure

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle.

Table 1 – Capital Expenditure Projections

| Capital Expenditure Projections | 2020/21 £m | 2021/22 £m | 2022/23 £m | 2023/24 £m | 2024/25 £m | 2025/26 £m | Total £m |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| General Fund Approved | 75.6 | 142.5 | 60.0 | 20.5 | 9.0 | 1.1 | 308.7 |
| General Fund New | 0.0 | 4.6 | 0.6 | 0.0 | 0.0 | 0.0 | 5.2 |
| HRA Approved | 18.3 | 24.5 | 13.5 | 0.0 | 0.0 | 0.0 | 38.3 |
| HRA Estimated New | | 24.0 | 18.6 | 19.6 | 21.6 | 21.6 | 105.4 |
| Total | 93.9 | 195.6 | 92.7 | 40.1 | 30.6 | 22.7 | 475.6 |

- 2.1 Other long-term liabilities - The above financing need excludes other long-term liabilities, such as PFI and leasing arrangements that already include borrowing instruments.
- 2.2 The figures in this indicator (General Fund approved £308.7m, HRA approved £38.0m, Total £346.7m) represent the level of current scheme approvals as reported to Cabinet in December 2020 as part of the quarterly capital monitoring process (Including new schemes agreed at that meeting). Figures in the "general fund new (£5.3m)" row represent proposed approvals for Council in February 2021. These represent total approvals, irrespective of funding source. Figures in the "HRA estimated new (£105.4m)" represent the annual capital expenditure in the HRA maintenance and new build programme.
- 2.3 The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Treasury Management Strategy 2021/22 Appendix 1- Annex 1

Cabinet

Date: 3rd February 2021

Table 2 – Capital Expenditure Funding

| Capital Expenditure Funding | 2020/21 £m | 2021/22 £m | 2022/23 £m | 2023/24 £m | 2024/25 £m | 2025/26 £m | Total £m |
|--|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| Capital receipts | 0.9 | 2.9 | 2.7 | 2.5 | 2.5 | 2.5 | 14.0 |
| Capital grants | 49.0 | 89.0 | 15.0 | 5.3 | 5.3 | 0.0 | 163.6 |
| S106 | 9.9 | 13.2 | 1.1 | 0.1 | 0.0 | 0.0 | 24.3 |
| HRA | 18.1 | 44.2 | 29.8 | 17.2 | 19.2 | 19.2 | 147.7 |
| Revenue | 0.9 | 2.2 | 0.0 | 0.0 | 0.0 | 0.0 | 3.1 |
| Increase in borrowing requirement | 15.1 | 44.1 | 44.1 | 15.0 | 3.6 | 1.0 | 122.9 |
| Total spend | 93.9 | 195.6 | 92.7 | 40.1 | 30.6 | 22.7 | 475.6 |

3 The Council's borrowing need (the Capital Financing Requirement)

- 3.1 The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so it's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.
- 3.2 The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each assets life, and so charges the economic consumption of capital assets as they are used.
- 3.3 The CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PFI lease provider and so the Council is not required to separately borrow for these schemes. The Council currently has £47.6m (as at 1 April 2020) of such schemes within the CFR.
- 3.4 The Council is asked to approve the CFR projections below. Note the figures are estimates, not commitments.

Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

Treasury Management Strategy 2021/22 Appendix 1- Annex 1

Cabinet

Date: 3rd February 2021

Table 3 – Capital Financing Requirement – General Fund

| CAPITAL FINANCING REQUIREMENT | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| General Fund Projections | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| | (£m) | (£m) | (£m) | (£m) | (£m) | (£m) |
| CFR excl. PFI b/fwd. 1 April | 342.5 | 357.8 | 400.8 | 440.3 | 450.0 | 447.4 |
| PFI liabilities | 47.6 | 45.5 | 43.1 | 40.5 | 37.6 | 34.3 |
| CFR incl. PFI | 390.1 | 403.4 | 443.9 | 480.9 | 487.6 | 481.7 |
| Add Capital Expenditure funded through borrowing | 15.0 | 44.1 | 44.1 | 15.1 | 3.7 | 1.0 |
| Add Other Treasury adjustments | 2.6 | 2.8 | 2.6 | 2.9 | 3.3 | 3.7 |
| Less MRP (debt repayment) | (2.3) | (3.9) | (7.2) | (8.4) | (9.6) | (9.7) |
| Underlying Borrowing Requirement | 357.8 | 400.8 | 440.3 | 450.0 | 447.4 | 442.3 |
| PFI Liabilities | 45.5 | 43.1 | 40.5 | 37.6 | 34.3 | 30.7 |
| CFR c/fwd. 31 March | 403.4 | 443.9 | 480.9 | 487.6 | 481.7 | 473.0 |
| External Borrowing b/fwd. 1 April | (246.8) | (261.9) | (306.0) | (350.0) | (365.1) | (368.8) |
| Loan Maturities | 11.9 | 21.9 | 14.0 | 24.3 | 15.7 | 12.5 |
| HRA Debt repayment transfer to GF | (5.0) | (5.0) | (5.0) | (5.0) | (5.0) | (5.0) |
| New Loans | (21.9) | (61.0) | (53.0) | (34.3) | (14.4) | (8.6) |
| External Borrowing c/fwd. 31 March | (261.9) | (306.0) | (350.0) | (365.1) | (368.8) | (369.9) |
| Under / (Over) Borrowing | 96.0 | 94.8 | 90.3 | 84.9 | 78.5 | 72.5 |
| <i>Under borrowing as a % of Underlying Borrowing Requirement (excludes PFI)</i> | <i>27%</i> | <i>24%</i> | <i>21%</i> | <i>19%</i> | <i>18%</i> | <i>16%</i> |

Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

Treasury Management Strategy 2021/22 Appendix 1- Annex 1

Cabinet

Date: 3rd February 2021

Table 4 – Capital Financing Requirement – HRA

| CAPITAL FINANCING REQUIREMENT | | | | | | |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| HRA Fund Projections | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| | (£m) | (£m) | (£m) | (£m) | (£m) | (£m) |
| CFR excl. PFI b/fwd. 1 April | 104.0 | 99.0 | 94.0 | 89.0 | 84.0 | 79.0 |
| Less MRP (debt repayment) | (5.0) | (5.0) | (5.0) | (5.0) | (5.0) | (5.0) |
| Underlying Borrowing Requirement | 99.0 | 94.0 | 89.0 | 84.0 | 79.0 | 74.0 |
| CFR c/fwd. 31 March | 99.0 | 94.0 | 89.0 | 84.0 | 79.0 | 74.0 |
| External Borrowing b/fwd. 1 April | (104.0) | (99.0) | (94.0) | (92.0) | (87.0) | (82.0) |
| HRA Debt repayment transfer to GF | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| External Borrowing c/fwd. 31 March | (99.0) | (94.0) | (89.0) | (84.0) | (79.0) | (74.0) |
| Under / (Over) Borrowing | - | - | - | - | - | - |

- 3.5 A key aspect of the regulatory and professional guidance is that elected members are aware of the size and scope of any commercial activity in relation to the authority's overall financial position. The capital expenditure figures shown in 2.1 and the details above demonstrate the scope of this activity and, by approving these figures, consider the scale proportionate to the Authority's remaining activity.

Core funds and expected investment balances

- 3.6 The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.).

4 Affordability Indicators

- 4.1 Prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans and subsequent finance costs on the Council's overall finances.

Ratio of financing costs to net revenue stream

- 4.2 The table below shows the estimated financing costs (interest and debt repayment) as a proportion of the General Fund and HRA budgets.

Table 5 – Ratio of Financing costs to Revenue Stream

| Estimate of the ratio of financing costs to net revenue stream | | | | | | |
|--|---------|---------|---------|---------|---------|---------|
| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| General Fund | 2.0% | 3.4% | 6.0% | 7.1% | 8.1% | 8.0% |
| HRA | 38.7% | 37.6% | 36.4% | 35.0% | 33.1% | 32.8% |

Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

Treasury Management Strategy 2021/22 Appendix 1- Annex 1

Cabinet

Date: 3rd February 2021

4.3 The table below shows the HRA CFR & includes the anticipated HRA investment balances which are expected to reduce over the next 4 years as the HRA uses its capital reserves to purchase property & new build schemes.

Table 6 – HRA Portfolio

| HRA Portfolio | 2020/21 (£m) | 2021/22 (£m) | 2022/23 (£m) | 2023/24 (£m) | 2024/25 (£m) | 2025/26 (£m) |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| HRA CFR 31st March | 99.0 | 94.0 | 92.0 | 87.0 | 82.0 | 77.0 |
| HRA Average investment balance | 25.0 | 13.0 | 7.0 | 4.0 | 4.0 | 4.0 |
| Number of HRA dwellings | 9,858 | 9,798 | 9,738 | 9,678 | 9,618 | 9,558 |
| Debt per dwelling | £10,044 | £9,595 | £9,449 | £8,991 | £8,527 | £8,058 |

Treasury Indicators: limits to borrowing activity

4.4 **The Operational Boundary.** This is the limit beyond which external borrowing is not normally expected to exceed. This limit reflects the Councils current estimated debt position, with the assumption that internal borrowing (using existing working capital cash balances temporarily to fund capital expenditure in advance of undertaking new external borrowing) will be reduced as new external borrowing is undertaken. Other long term liabilities represent PFI and finance leases.

Table 7 – Operational Boundary

| Operational Boundary | 2020/21 (£m) | 2021/22 (£m) | 2022/23 (£m) | 2023/24 (£m) | 2024/25 (£m) | 2025/26 (£m) |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| CFR (borrowing requirement) | 456.9 | 494.8 | 529.4 | 534.0 | 526.4 | 516.3 |
| PFI liabilities | 45.5 | 43.1 | 40.5 | 37.6 | 34.3 | 30.7 |
| Uplift | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 |
| Total | 522.4 | 558.0 | 589.9 | 591.6 | 580.7 | 567.0 |

4.5 **The Authorised Limit for external borrowing.** A further key prudential indicator, this represents a control on the maximum level of borrowing. This represents a legal limit beyond which external borrowing is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

- This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
- The Council is asked to approve the following authorised limit:

Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

Treasury Management Strategy 2021/22 Appendix 1- Annex 1

Cabinet

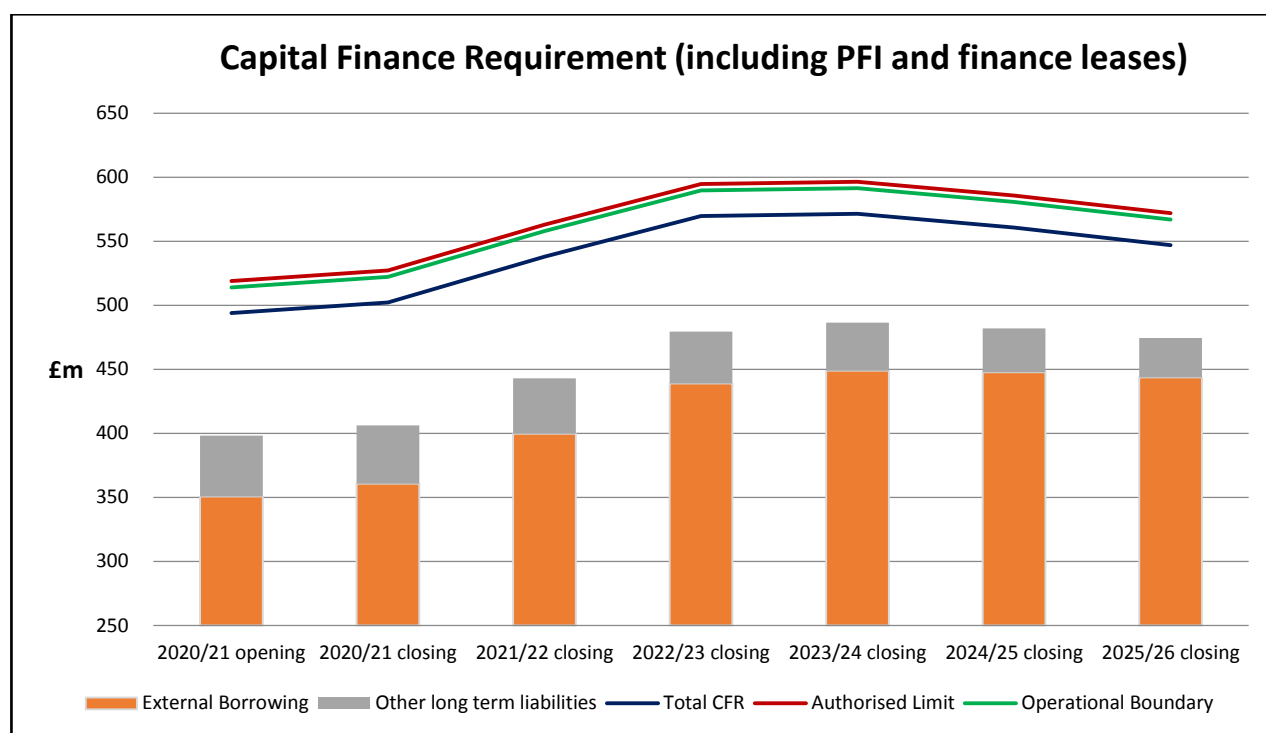
Date: 3rd February 2021

Table 8 – Authorised Limit

| Authorised Limit | 2020/21 (£m) | 2021/22 (£m) | 2022/23 (£m) | 2023/24 (£m) | 2024/25 (£m) | 2025/26 (£m) |
|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Operational Limit | 522.4 | 558.0 | 589.9 | 591.6 | 580.7 | 567.0 |
| Uplift | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Total | 527.4 | 563.0 | 594.9 | 596.6 | 585.7 | 572.0 |

4.6 The above information is summarised in the graph below, showing existing debt, the CFR, the Operational Limit and the Authorised Limit

Table 9 – Capital Finance Requirement (Graph)



5 Activity Limit Indicators

5.1 There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- **Upper limits on variable interest rate exposure.**

This identifies a maximum limit for variable interest rate loans, net of investments

Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

Treasury Management Strategy 2021/22 Appendix 1- Annex 1

Cabinet

Date: 3rd February 2021

- **Upper limits on fixed interest rate exposure.**
This identifies a maximum limit on fixed interest rates loans, net of investments.
- **Maturity structure of borrowing**
These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing in a single period;

Table 10 – Activity Limit Indicators

| Interest rate Exposures | | |
|--|-------|-------|
| | Upper | |
| Limits on fixed interest rates based on net debt | 100% | |
| Limits on variable interest rates based on net debt | 30% | |
| Maturity Structure of fixed & variable interest rate borrowing 2020/21 | | |
| | Lower | Upper |
| Under 12 months | 0% | 20% |
| 12 months to 2 years | 0% | 20% |
| 2 years to 5 years | 0% | 35% |
| 5 years to 10 years | 0% | 35% |
| 10 years and above | 0% | 80% |
| In any 10 year period above 10 years | 0% | 40% |

Further information on the subject of this report can be obtained from
Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

This page is intentionally left blank

Treasury Management Strategy 2021/22 - Appendix 1 Annex 2

Cabinet

Date: 3rd February 2021

Annex 2 – Credit and Counterparty Risk Management, Specified and Non- Specified Investments

1 Treasury Management Practices – Treasury Investments

- 1.1 The MHCLG issued Investment Guidance in 2018, and this forms the structure of the Council's policy.
- 1.2 The key intention of the Guidance is to maintain the current requirement for councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council adopted the Code on the 1st April 2008 and will apply its principles to all investment activity. In accordance with the Code, the Corporate Director of Finance and Assets has produced its Treasury Management Practices (TMPs). This part, (TMP1), covering investment counterparty policy requires approval each year.
- 1.3 **Annual investment strategy** - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:
 - The strategy guidelines for choosing and placing investments, particularly non-specified investments.
 - The principles to be used to determine the maximum periods for which funds can be committed.
 - Specified investments that the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
 - Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

2 Treasury Management Practices – Non-Treasury Investments

- 2.1 The Council's Capital Strategy contains the criteria that will be adhered to when Non-Treasury investments are being considered, they are replicated here to enable all of the indicators to be consolidated in one place. (Annex 3 to the Capital Strategy)

Risk management

- 2.2 All business case proposals will clearly identify risk to ensure these are acceptable to the Council with a clear focus on the impact of the downside risk on the overall sustainability of the authority.

Further information on the subject of this report can be obtained from
Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

Treasury Management Strategy 2021/22 - Appendix 1 Annex 2

Cabinet

Date: 3rd February 2021

- 2.3 Managing the Council's risks is an area of significant focus for senior management and members, and risk management is at the heart of all investment as well as operational decisions.
- 2.4 The Council aims to minimise its exposure to unwanted risks – those risks that are not actively sought and which carry no commensurate reward for the Council – through a range of mitigation strategies to the extent that it is cost-effective to do so. Specifically, the Council has no appetite for reputational risk, governance risk and currency risk.
- 2.5 The following local indicators will be used to assess the Council's total risk exposure as a result of its commercial investment decisions and will form part of the treasury management out-turn report
- Total Investment in commercial undertakings by Property/Other
 - Total Investment funded through borrowing
 - Average investment return before financing costs
 - Total investment income as a proportion of the Council's Net General Fund budget
 - Investment borrowing as a proportion of total external debt as measured by the Capital Financing Reserve (excl. lease liabilities and HRA)
 - Fair value of property investments as a proportion of all Council property assets
- 2.6 In considering risk, it is vital that not only the risks of individual investments are considered but also the cumulative impact of all the investments made by the authority and the interaction of individual risks. The Commercial Investment Strategy Board will therefore review the overall portfolio in light of current market and other risks.
- 2.7 The limits on loans by type are as follows:
- Wholly owned companies and joint ventures - £51m
 - Local Enterprises and charities - £1m

Performance, measurement and management

- 2.8 The Commercial Investment Strategy Board will receive regular reports setting out the performance and current risk in relation to the overall investment portfolio.
- 2.9 Regular monitoring of the portfolio will identify any changes in Security, Liquidity and Yield and will also identify any lifecycle costs required to maintain the income potential of any property based assets. Values will also be regularly assessed to identify any significant changes in the value of the investments and market conditions that might impact upon this.
- 2.10 Any material change in the investment risk or threat to ongoing yield will be reported immediately to the next Board meeting (or immediately to the Chair if urgent action is required) so that mitigating action can be established. In considering risk, it is vital that not only the risks of individual investments are considered but also the cumulative impact of all the investments made by the authority and the interaction

Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

Treasury Management Strategy 2021/22 - Appendix 1 Annex 2

Cabinet

Date: 3rd February 2021

of individual risks. The Commercial Investment Strategy Board will therefore review the overall portfolio in light of current market and other risks.

Decision making, governance and organisation

- 2.11 All Commercial Investment proposals must be taken through the Commercial Investment Strategy Board ("CISB") in the form of a business case which sets out the financial implications and the risks.
- 2.12 The Board is chaired by the Cabinet Member for Finance, Education and Skills and is attended by the Chief Executive and Corporate Director of Finance and Assets. It meets monthly to review all proposals. If successful they either proceed to Cabinet for approval if the investment required is greater than £10m, or through a Cabinet Member Decision Note process if less than £10m. In addition, there is a CMAG (Cabinet Member Advisory Group) for additional scrutiny and comment.
- 2.13 The CISB will also obtain external expert advice if required, including additional legal advice if required, and has procured expert commercial property advice for this purpose as it continues to look for commercial property investments to support the budget.
- 2.14 The CISB has also approved a Property Acquisition and Disposal Strategy which sets out a number of criteria by which property investment proposals will be assessed. These are covered in the Capital Strategy, (this forms part of the Capital Report elsewhere on this agenda).
- 2.15 Proposals other than those assessed against the criteria in the Property Investment and Disposal Strategy will be assessed against the following criteria:
- Is the overall profit acceptable to the risk?
 - Are the timescales for returns realistic and acceptable?
 - Are the risks acceptable and/or controllable?
 - Is the investment required proportional to the level of resources available to the Authority?
 - Is external expertise required to fully understand the business case proposal and risks?
- 2.16 The purpose of the criteria set out above is to set a framework by which to assess commercial proposals and ensure consistency is applied when making decisions.

Training and qualifications

- 2.17 Hartnell Taylor Cook, a firm of specialist commercial property consultants, have been procured to offer external expert advice on proposed purchases as well as an overview of the overall Council portfolio to ensure the portfolio is balanced, and risks are actively identified and managed.
- 2.18 The Council has also engaged specialist accounting and financial advisors to support this process.

Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

Treasury Management Strategy 2021/22 - Appendix 1 Annex 2

Cabinet

Date: 3rd February 2021

- 2.19 The training needs of property management officers are kept under review, and officers attend training events and seminars held by CIPFA and other Training Organisations relevant to their professional qualifications.

3 Specified/Non-Specified Investments

- 3.1 The main strategy guidelines are contained in the body of the Treasury Strategy statement. The paragraphs below detail the Council's use of Specified and Non-Specified Investments
- 3.2 **Specified Investments** – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:
- The UK Government (such as the Debt Management Account deposit facility (DMADF), UK Treasury Bills or Gilt with less than one year to maturity).
 - Supranational bonds of less than one year's duration.
 - A local authority, parish council or community council.
 - Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency. This covers pooled investment vehicles, such as money market funds, rated AAA by Standard and Poor's, Moody's or Fitch rating agencies.
 - A body that is considered of a high credit quality (such as a bank or building society) in accordance with the Council's creditworthiness Policy.
- 3.3 Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested in these bodies. The Council has historically maintained a position of minimising investment balances and using these to reduce the requirement for borrowing. The investments made by the Council will therefore be timed to coincide with predicted day to day treasury requirements and thus are primarily of a short term nature.
- 3.4 **Non-Specified Investments** – Non-specified investments are any other type of investment (i.e. not defined as Specified above). The Council holds 5 types of non-specified investments:
- Cash deposits > 1 year (Category (e) below)
 - Share Capital (Category (f) below)
 - Loan Capital (Category (g) below)
 - The Local Authority Property Fund (Category (i) below).
 - Loan to local Charity (Category (j) below).

Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

Treasury Management Strategy 2021/22 - Appendix 1 Annex 2

Cabinet

Date: 3rd February 2021

Other Non-specified investments that the Council could make would include any investments with:

| | Non Specified Investment Category |
|----------|--|
| a | <p>Supranational Bonds greater than 1 year to maturity</p> <p>Multilateral development bank bonds - These are bonds defined as an international financial institution having as one of its objects economic development, either generally or in any region of the world (e.g. European Reconstruction and Development Bank etc.).</p> <p>A financial institution that is guaranteed by the United Kingdom Government (e.g. National Rail)</p> <p>The security of interest and principal on maturity is on a par with the Government and so very secure. These bonds usually provide returns above equivalent gilt edged securities. However the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p> |
| b | <p>Gilt edged securities with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity. Similar to category (a) above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p> |
| c | <p>The Council's own banker if it fails to meet the basic credit criteria. In this instance any balances will be maintained on an instant access basis</p> |
| d | <p>Building societies not meeting the basic security requirements under the specified investments. The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings. The Council may use such building societies but will take specific advice before doing so.</p> |
| e | <p>Any bank or building society that complies with the Council's creditworthiness policy for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).</p> |
| f | <p>Share capital in a body corporate – The use of these instruments will be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. Revenue resources will not be invested in corporate bodies. See note 1 below.</p> |
| g | <p>Loan capital in a body corporate. See note 1 below.</p> |
| h | <p>Bond funds. See note 1 below.</p> |
| i | <p>Property funds – The use of these instruments can be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. This Authority will seek guidance on the status of any fund it may consider</p> |

Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

Treasury Management Strategy 2021/22 - Appendix 1 Annex 2

Cabinet

Date: 3rd February 2021

| | |
|---|--|
| | using. |
| j | Loan capital to local charity – The Council will provide loans to local charities that meets the Council's priorities and can demonstrate that they are sustainable in the medium term and able to meet their repayments as they fall due. Such loans will be for no more than 3 years, and will be closely monitored to ensure any risk of default is minimised. |

Note 1: This Authority will seek further advice on the appropriateness and associated risks with investments in these categories.

The monitoring of investment counterparties - The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from Link Asset Services as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately and if required new counterparties which meet the criteria will be added to the list.

4 TREASURY MANAGEMENT SCHEME OF DELEGATION

4.1 Full Council

- Receiving and reviewing reports on treasury management policies, practices and activities;
- Approval of annual strategy.

4.2 Cabinet

- Approval of / amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- Budget consideration and approval;
- Approval of the division of responsibilities;
- Receiving and reviewing regular monitoring reports and acting on recommendations;
- Approving the selection of external service providers and agreeing terms of appointment.

Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

Treasury Management Strategy 2021/22 - Appendix 1 Annex 2

Cabinet

Date: 3rd February 2021

4.3 Audit Committee

- Reviewing the treasury management policy and procedures and making recommendations to the responsible body.

5 THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

The S151 (responsible) officer

- Recommending treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- Submitting regular treasury management policy reports;
- Submitting budgets and budget variations;
- Receiving and reviewing management information reports;
- Reviewing the performance of the treasury management function;
- Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- Ensuring the adequacy of internal audit, and liaising with external audit;
- Recommending the appointment of external service providers.
- Preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe.
- Ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- Ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- Ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- Ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- Ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities
- Provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- Ensuring that members are adequately informed and understand the risk exposures taken on by an authority
- Ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
- Creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following: -
 - Risk management, including investment and risk management criteria for any material non-treasury investment portfolios;

Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 07769 281641 or Email iburbidge@swindon.gov.uk

Treasury Management Strategy 2021/22 - Appendix 1 Annex 2

Cabinet

Date: 3rd February 2021

- Performance measurement and management, including methodology and criteria for assessing the performance and success of non-treasury investments;
- Decision making, governance and organisation, including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;
- Reporting and management information, including where and how often monitoring reports are taken;
- Training and qualifications, including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.

Housing Revenue Account (HRA) - Rents and Charges 2021/22

Cabinet

Date: 3rd February 2021

Author: Cabinet Member for Housing and Public Safety
Cabinet Member for Highways, Maintenance and Waste Services
Director of Housing

Wards: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 To present the proposed rents, service charges, support charges for 2021/22 and proposed Housing Revenue Account (HRA) budget for 2021/22.
- 1.2 The effective management of financial resources through robust financial management processes underpins the Council's ability to achieve its plans and priorities for the HRA.
- 1.3 The funding that is provided from rents is of direct benefit to all tenants as it contributes to the maintenance of the housing stock over both the short and long term.
- 1.4 This will promote the Council's Corporate priorities One and Four to "Improve Infrastructure and housing to support a growing, low-carbon economy" and "Help people to help themselves while always protecting our most vulnerable children and adults."

2. Recommendations

Cabinet is invited to recommend to the Council as follows (Minute for Confirmation) that Council:

- 2.1 Approves the proposed average social rent for Housing Revenue Account (HRA) dwellings for 2021/22 of £82.55 per week (52 week basis), which is an increase of 1.5% (£1.22 per week per average dwelling). The range of increases are shown in paragraph 3.7.
- 2.2 Authorises the Director of Housing to seek authority from the Secretary of State to extend permission to continue providing a budget of £200k within the HRA for payments to Council's tenants under the Discretionary Housing Payments scheme in 2021/22 as detailed at paragraphs 3.22.
- 2.3 Approves the housing related support charges for 2021/22 and service charges for 2021/22 as outlined in Appendix 2.
- 2.4 Approves the leaseholder service charges for 2021/22 as shown in Appendix 3.

Further information on the subject of this report can be obtained from Karl Read, tel: 07824 081182, ksread@swindon.gov.uk.

Housing Revenue Account (HRA) - Rents and Charges 2021/22

Cabinet

Date: 3rd February 2021

-
- 2.5 Approves both the Housing Revenue Account (HRA) proposed budget 2021/22, set out in Appendix 4, and the HRA Capital Budget and Funding as set out in Appendix 5.
 - 2.6 Approves the draft 5 year capital projects and planned maintenance programme at an indicative funding level of £16.0m (2020/21 prices) for 2021/22 as shown in Appendix 5.
 - 2.7 Approves the revision to the budget for the two bungalow schemes in the New Development Programme of £800k included in Appendix 5 reflecting **additional costs associated with our commitment to delivering low carbon energy efficient homes.**
 - 2.8 Authorises the Director of Housing to undertake a new acquisition programme and approves the acquisition programme budget of £8m for 2021/22 in accordance with paragraph 3.18, to include the purchase of 1-4 bedroom properties to help meet priority housing needs arising from homelessness and clients supported by Adult Social Care.
 - 2.9 Authorises the increase in rents charged on General Fund properties in line with the Government's Direction on the Rent Standard 2019 also applied to Housing Revenue Account rents. This allows for rent increases of up to the Consumer Price Index (CPI) for the September of the preceding financial year, plus 1%. Increases for 2021/22 will therefore be capped at 1.5%.
 - 2.10 Authorise the service charges for General Fund properties for 2021/22, as shown in Appendix 6.
 - 2.11 Authorise the charges for Private Sector Leased (PSL) accommodation for those accepted as homeless to remain at the pre-Covid 2020/21 Local Housing Allowance rates as set out in Appendix 6.
 - 2.12 Notes that any underspend or overspend on the 2020/21 Housing Revenue Account be managed through the general revenue reserves.

3. Detail

- 3.1 The Housing Revenue Account (HRA) is a statutory account set up in accordance with the Local Government and Housing Act 1989. This is a significant budget for the Council amounting to £50.8m of Gross Income in 2021/22 (a budget overview is provided at Appendix 1). The account is ring fenced and cannot be subsidised by the General Fund or vice versa.
- 3.2 The HRA contains all expenditure relating to the Council's landlord function of circa 10,259 dwellings, including 4 supported housing schemes, 31 sheltered schemes, as well as some commercial premises. Income is generated through rents, charges and interest received on balances.

Further information on the subject of this report can be obtained from Karl Read, tel: 07824 081182, ksread@swindon.gov.uk.

Housing Revenue Account (HRA) - Rents and Charges 2021/22

Cabinet

Date: 3rd February 2021

Housing Revenue Account (HRA) Rents and Charges

- 3.3 Swindon's Housing Revenue Account (HRA) receives the majority of its income from the charges it levies upon its tenants. Tenants can pay up to 3 elements for their homes:
- 3.3.1 **Rent** - a charge for the occupation of a dwelling. Rents pay for the management and maintenance of the properties.
 - 3.3.2 **Service charge** - additional services which may not be provided to every tenant, or which may be connected with communal facilities e.g. a caretaker service.
 - 3.3.3 **Support charge** - additional services to help tenants maintain their tenancies i.e. the Supported Housing Officer service in supported accommodation and the Homeline alarm system.

Government Rent Policy and Capital Investment

- 3.4 This year, 2020/21, represents the first year in the last 5 where rents were increased. Under the Welfare Reform and Work Act 2016, the previous 4 years saw a year on year 1% rent reduction that had a significant impact on the rent income generated and therefore, the funding available for capital investment. The HRA lost approximately £18m of capital investment up until 2019/20.
- 3.5 The Government introduced a rent policy from 2020/21 that reverted to the previous system where rents can rise up to a cap of CPI + 1%. Based on the September CPI, this would be a cap of 1.5% in 2021/22. This is increasingly important because of the much needed investment required in the Council's non-traditionally built homes and upgrades required to the sheltered housing stock.

Housing Revenue Account Budget 2021/22

- 3.6 Tenants have been consulted on just the one proposed increase for 2021/22, providing for an increase of 1.5% based on the preceding September CPI rate plus 1%. This is 1.2% less than the 2.7% increase in 2020/21. It is also significantly below the assumed increases in previous business plans where rent increases were assumed to rise by an historic average figure of 3%. Importantly the increase will allow for a small increase in capital investment from £15.8m to £16m in 2021/22 to bring additional improvements to tenants' homes.
- 3.7 Table 1 shows the social rent increase by property size and the range of increases within that band. The historical rent calculation formula means that there is no "average" property within the stock as the rent for each property is based on a combination of the number of bedrooms and the 1999 property value. Government policy assumes that all properties will move to their target rent when they become void which is why rent for

Further information on the subject of this report can be obtained from Karl Read, tel: 07824 081182, ksread@swindon.gov.uk.

Housing Revenue Account (HRA) - Rents and Charges 2021/22

Cabinet

Date: 3rd February 2021

new tenants remain at a higher rate. As a result of a significant amount of the HRA stock not reaching their target rents there is still a wide range of actual rents being paid.

Table 1 Average and range of social rents by property size (52-week basis)

| No. of properties at Oct 2020 | No. of Bedrooms | Actual Rents at Oct 2020 | 2021/22 Rents assuming a 1.5% increase | Net Change in rent | Lowest rent per week | Highest rent per week |
|-------------------------------|-----------------|--------------------------|--|--------------------|----------------------|-----------------------|
| 262 | Bedsits | 66.86 | 67.86 | 1.5% | 59.32 | 71.22 |
| 3,172 | 1 | 74.38 | 75.50 | 1.5% | 61.72 | 86.25 |
| 2,685 | 2 | 81.48 | 82.70 | 1.5% | 69.86 | 95.01 |
| 3,503 | 3 | 87.56 | 88.88 | 1.5% | 77.04 | 114.99 |
| 184 | 4 | 100.55 | 102.06 | 1.5% | 83.76 | 132.00 |
| 4 | 5 | 106.07 | 107.66 | 1.5% | 81.90 | 114.18 |
| 0 | 5> | | | | | |
| 9,810 | Overall | 81.33 | 82.55 | 1.5% | | |

- 3.8 The table excludes the “affordable rent” properties whose rents are calculated on a different basis to social housing rents as they are a product of the growing housing development programme. There are currently approximately 447 affordable rented properties within the HRA stock. The table below shows the averages for the affordable rented properties.

Table 2 Average and range of affordable rents by property size (52-week basis)

| No. of properties at Oct 2020 | No. of Bedrooms | Actual Rents at Oct 2020 | 2021/22 Rents assuming a 1.5% increase | Net Change in rent | Lowest rent per week | Highest rent per week |
|-------------------------------|-----------------|--------------------------|--|--------------------|----------------------|-----------------------|
| 2 | Bedsits | 66.73 | 67.73 | 1.5% | 0.00 | 0.00 |
| 87 | 1 | 94.27 | 95.68 | 1.5% | 79.28 | 110.33 |
| 171 | 2 | 106.04 | 107.63 | 1.5% | 85.20 | 137.34 |
| 159 | 3 | 127.03 | 128.93 | 1.5% | 55.23 | 161.12 |
| 25 | 4 | 138.23 | 140.30 | 1.5% | 53.91 | 172.68 |
| 0 | 5 | 0.00 | 0.00 | 0.0% | 0.00 | 0.00 |
| 3 | 5> | 251.22 | 254.99 | 1.5% | 242.84 | 262.94 |
| 447 | Overall | 113.81 | 115.52 | 1.5% | | |

- 3.9 Appendix 1 provides a high-level budget and Appendix 4 shows the HRA budget in more detail. The following paragraphs outline the major movements (key variances) from the 2020/21 base budget to the proposed 2021/22 budget. This section will also bring to Members’ attention the short and medium term financial implications and challenges facing Swindon’s HRA.

Further information on the subject of this report can be obtained from Karl Read, tel: 07824 081182, ksread@swindon.gov.uk.

Housing Revenue Account (HRA) - Rents and Charges 2021/22

Cabinet

Date: 3rd February 2021

-
- 3.10 The current HRA debt will stand at £99 million on 1 April 2021 and the average interest rate for this is 3.32%. Although a policy of debt reduction in recent years has reduced the Council's HRA debt, the interest payments on the remaining debt are still significant, and for 2021/22 the interest payment will be £3.3m (item 26, Appendix 4).
- 3.11 The budgeted cost of revenue repairs (item 3 & 4, Appendix 4) has increased slightly from the £12.0m budget in 2020/21 to £12.7m. This reflects an increase in the responsive work being completed by the Repairs teams and their associated costs.
- 3.12 The proposed budget includes a bad debt provision of £600k for 2021/22. Collection rates have improved in recent years but this budget provision allows for ongoing challenges as a result of the continued uptake of Universal Credit for tenants and potential pressures on paying rents due to the pandemic. It is standard practice to make an allowance for bad debts, officers will continue to make inroads to keeping amounts owed as low as possible. Excellent work has been done to stabilise rent loss by ensuring a high collection rate (as at December 2020 this stood at 95.00% which is slightly lower than the December 2019 performance of 96.65 %). It is anticipated that this difference will be recovered before financial year end. The allowance is included in item 11, Appendix 4.

Capital Programme

- 3.13 The HRA Capital Improvement Programme covers 3 major areas, these are:
- 3.13.1 Capital projects e.g. kitchens & bathrooms, insulation improvements including a more comprehensive External Wall Insulation (EWI) programme on non-traditional properties, which will bring these properties up to date.
- 3.13.2 Planned maintenance programme e.g. fencing, paths, electrical maintenance, heating
- 3.13.3 Regeneration, acquisition and new build programme.

Capital Projects and Planned Maintenance

- 3.14 The capital projects and planned maintenance programme has been set at £16m for 2021/22 (Item 6, Appendix 4) slightly higher than the 2020/21 funding level of £15.8m. Appendix 5 provides a summary of the retained Right-to-buy (RTB) income that is available for investment in new build programmes.
- 3.15 Any other new build and major regeneration programmes will be brought to Cabinet for separate approval and will take account of the Housing Strategy. Following the removal of the borrowing cap at the end of October 2018, regeneration and new build opportunities can take advantage of additional borrowing where required as well as

Further information on the subject of this report can be obtained from Karl Read, tel: 07824 081182, ksread@swindon.gov.uk.

Housing Revenue Account (HRA) - Rents and Charges 2021/22

Cabinet

Date: 3rd February 2021

capital receipts from Right-to-buy sales, Section 106 funding for affordable housing and Government funding from Homes England (HE). Appendix 5 identifies an anticipated spend on the Housing Development Programme of £10m in 2021/22. This includes works on the Queens Drive development delivering 149 homes and two bungalow developments at Ventnor Close (8 units) and Ashley Close (3 units). The estimated cost of these last two schemes has increased by £0.8m due to inflationary costs associated with the construction industry including the cost of materials, market forces relating to the shortage of local skilled labour and changes to Part L and Part F of the Building Regulations for new dwellings. There are additional costs associated with our commitment to delivering low carbon energy efficient homes, this includes our target to achieve an EPC A rating where possible, Triple Glazing, PV panels, Air Source Heat Pumps, Mechanical Ventilation & Heat Recovery, Improved fabrics to reduce heat loss.

- 3.16 A draft 5-year capital programme is included at Appendix 5. The purpose of recommending a 5-year programme rather than for just 1 year is to enable better forward planning and provide certainty. The programme will be kept under review as the Government develops its rent policies. It is recommended that the indicative level of spend outlined in Appendix 5 be approved.

Regeneration and Acquisition

- 3.17 Alongside the current Regeneration programme, which includes Queens Drive and a number of smaller bungalow projects, the HRA has been acquiring properties as part of a £4m acquisition programme agreed as part of last year's budget setting. It is essential the Council uses this fund to acquire all property types, including 1 to 4 bed general purpose properties, bungalows, adapted properties, wheelchair accessible properties, and properties that meet the needs of Adult Social Care clients. It should be noted that the use of right-to-buy receipts from its sale of council houses also enables, in part, the avoidance of repayment of these receipts to the Government, which it would otherwise have had to do within three years of the right-to-buy sale. So far, since 2017/18, we have purchased 129 properties which are included in the Additions column in the table below. Sales of council houses during the same period were 214.

Table 3 – Stock movements 2017/18 to 2020/21

Housing Revenue Account (HRA) - Rents and Charges 2021/22

Cabinet

Date: 3rd February 2021

| | RTB Sales | Additions | Demolitions / Other Changes | TOTAL stock |
|-------------------|----------------------|------------------|--|------------------------|
| 2017/18 | -59 | 53 | 28 | 10,299 |
| 2018/19 | -66 | 119 | -52 | 10,300 |
| 2019/20 | -52 | 32 | 1 | 10,281 |
| 2020/21 to Dec 20 | -37 | 15 | 0 | 10,259 |

- 3.18 The current acquisition programme is likely to come to an end at the end 2020/21, but the need for the HRA to maintain levels of purchasing additional properties to address homelessness pressures remains. The required use of right-to-buy receipts over the next few years is steadily increasing as a result of RTB sales in the previous 3 years. During 2021/22, the HRA will have to spend £8.7m on development and acquisitions to avoid repaying RTB receipts to the Government. For this reason, it is proposed to approve a £8m acquisition programme in 2021/22 which combined with existing build programmes will ensure no RTB monies will need to be repaid to Government. The scope of this programme will include the purchase of all property types including 1-4 bedroom properties to help meet priority housing needs arising from homelessness and clients supported by Adult Social Care.

General Fund Rents and Service Charges

- 3.19 Rent charges for the residential properties owned by the General Fund (including the David Murray John Tower - DMJ) have followed the same rent setting approach as used for HRA properties. A review of the service charges for these properties has resulted in no changes for 2021/22 as outlined in Appendix 6 and it is recommended that the charges for the General Fund properties be approved.

Homelessness Contributions

- 3.20 The level of homelessness contributions for private leased accommodation has historically been linked to the Local Housing Allowance (LHA) that is payable for each size of property. This enables a degree of affordability for tenants whilst also reducing costs on the homelessness budget. During 2020/21 an issue has emerged whereby the gap between rent charged to tenants that attracts housing benefit, and the housing benefit subsidy received by the Council to cover the housing benefit costs has widened. For this reason, it is proposed to keep the charges for 2021/22 the same as those used in 2020/21, thereby ensuring this gap in funding does not widen as shown in Appendix 6.

Further information on the subject of this report can be obtained from Karl Read, tel: 07824 081182, ksread@swindon.gov.uk.

Housing Revenue Account (HRA) - Rents and Charges 2021/22

Cabinet

Date: 3rd February 2021

Affordable Rents

- 3.21 Affordable Rents were based historically on 80% of the Local Housing Allowance. The current method is to base them on 80% of Market Rent as per the latest Homes England guidance as set out in 2018 on new build schemes. There are currently 447 affordable rent properties. However, affordable rents are subject to the same restrictions as social rents in terms of the Government imposed rent increases and therefore the budget has been prepared on the basis of a 1.5% rent increase on 2020/21 levels.

Discretionary Housing Payments Fund (DHP)

- 3.22 Following a ground breaking initiative achieved by the Council a specific Secretary of State approval has been rolled out nationally allowing all local authority HRAs to provide a Discretionary Housing Payments Fund (DHP) for tenants struggling with specific Welfare Reforms. For 2021/22 it is proposed to set this at £200k subject to Secretary of State Consent. In 2020/21, it is anticipated that we may spend below this level, although demand for this may increase due to the economic pressures of the pandemic.

Support and Service Charges

- 3.23 Indications on the price of utility services have shown that there are likely to be some increases in these costs for 2021/22. Where reserves exist due to over-recovery in previous years, these reserves have been used to mitigate any increased charges where possible. As a result, many of the service charges have therefore avoided any significant increases. Full details of all service charges can be found in Appendix 2.

Leaseholder Service Charges

- 3.24 Leaseholders are recharged the full cost of providing services. The charges proposed for leaseholders are shown in Appendix 3.
- 3.25 Administration charges to cover the costs involved in the resale of leases is proposed to increase by 1.5% in line with the Consumer Prices Index (CPI) +1% from £179.40 to £182.09 per transaction as shown in Appendix 3.

Garage Rents and Parking Charges

- 3.26 As a result of an increasing number of garages becoming void during 2020/21, it is proposed to leave garage rents charges for 2021/22 at the same level as 2020/21. The majority of garage rents are now held within the General Fund and managed by the HRA, but this approach to pricing will also apply to cross over spaces linked to properties in the HRA. Details are shown in Appendix 2.

Further information on the subject of this report can be obtained from Karl Read, tel: 07824 081182, ksread@swindon.gov.uk.

Housing Revenue Account (HRA) - Rents and Charges 2021/22

Cabinet

Date: 3rd February 2021

Provisional Budget for 2021/22

- 3.27 A summary of the budget proposals contained in this report is provided in Appendix 1. This demonstrates the budget is balanced with the operating surplus being used to fund Capital Expenditure without the need to draw on reserves.

HRA Business Plan 2021/22 – 2024/25

- 3.28 Appendix 7 shows the estimated impact of proposals set out in this report on the funding available for investment through to 2024/25, compared with the previous business plan. The overall change in funding available for capital investment is a decrease of £3.8m from £73.6m to £69.8m. The key business plan assumptions are set out below.
- 3.29 CPI and RPI estimates are based on Treasury and ONS (Office of National Statistics) data available at September 2020. Due to the effect of the pandemic on the national economy, CPI was particularly low in September 2020 at 0.5%. The business plan now assumes that this will not rise to 2% until 2024/25, resulting in lower than previously forecast rent increases, and therefore income. This is the primary reason for the reduction in funding available for capital investment over the next 4 years.
- 3.30 A void allowance of 0.96%, which represents lost rent when properties are vacant between tenancies, has been included in the Business Plan for 2021/22. This is the same rate applied in 2020/21 and based on 2021/22 income represents £404k to reflect the increase in rents. This follows targeted improvement action over the last year. Also included in the Business Plan assumptions is a bad debt allowance referred to in para 3.13 of £600k, or 1.43% of rents. This will allow for any increase in rent arrears as a result of the continuing effects of the pandemic. A full and updated HRA Medium Term Resource Plan will be presented to Cabinet early in the new financial year to reflect ongoing performance.

Investment requirements

- 3.31 A budget of £9.327 million has been allocated to replace components such as roof coverings, doors and windows, electrical wiring and central heating etc. in order to maintain homes to the Decent Homes Standard, which is in line with the recommendations of the 2016 Stock Condition Survey. A new Survey will be conducted once the new Decent Homes Standard is published.
- 3.32 A budget of £650k has been set aside for Contingent Major Repairs which may include safety measures, structural and specialist repairs and fire safety works.
- 3.33 A budget of £2.03m has been allocated to deliver external Cyclical Planned Maintenance to ensure that homes continue to be maintained to a good standard.
-

Further information on the subject of this report can be obtained from Karl Read, tel: 07824 081182, ksread@swindon.gov.uk.

Housing Revenue Account (HRA) - Rents and Charges 2021/22

Cabinet

Date: 3rd February 2021

-
- 3.34 We continue to invest in the refurbishment, insulation and maintenance of the non-traditional stock with an allocation of a further £1.0 million. Due to an opted change in the way these works are delivered, internal improvements and component replacements will be undertaken separately. Previously all works were undertaken as part of an external wall insulation programme. This is reflected in the indicative budget with additional funding made available under components.
- 3.35 A budget of £1.23m has been allocated to undertake Improvements such as the refurbishment of door entry systems and communal area upgrades etc.
- 3.36 A budget of £1.5m has been allocated to meet the increasing demand for Major Adaptations to allow residents with any special needs to live independently
- 3.37 We plan to allocate £250k to replace the vehicles for our in-house workforce and any associated infrastructure expenditure for electric/hybrid vehicles. This will also help to reduce the hire of vehicles and enable the Housing Service to increase the use of electric/hybrid vehicles within fleet. These are summarised in Appendix 5.
- 3.38 The investment for extensive refurbishment works to the first of 2 high-rise blocks of flats has been deferred whilst an options appraisal on whether to refurbish or redevelop the blocks is conducted during 2021/21 (Cabinet report dated 4 December 2019 refers).

Consultation

- 3.39 The rent setting presentations to tenants and leaseholders outlined the impact of lower than forecast inflation over the next 4 years and the impact that will have on funding available for capital investment. This is following previous rent reductions of 1% each year in four of the last 5 years. For this reason, tenants have been presented with only the one option, for the 1.5% rent increase in line with Government guidance based on (CPI +1%). Following work with officers to deliver operational savings, increase rentals from acquisitions, the budget for 2021/22 can only be balanced with this level of increase. Any rent increase below this level will require either a reduction in reserves or the funding available for capital investment.
- 3.40 A briefing paper on the Cabinet Report will be discussed at the Housing Management CMAG on the 27th January. Any feedback will be provided at the Cabinet meeting.

4. Alternative Options

- 4.1 The parameters for setting local authority rents are largely controlled by Central Government who have now confirmed that rents for the next 4 years can increase up to a cap based on the previous September's CPI +1%.

Further information on the subject of this report can be obtained from Karl Read, tel: 07824 081182, ksread@swindon.gov.uk.

Housing Revenue Account (HRA) - Rents and Charges 2021/22

Cabinet

Date: 3rd February 2021

- 4.2 The setting of service charges is a local decision. Service charges should generally be set at a level that recovers the cost of providing those services, but does not make a profit. Should service charges be set lower than at a level that recovers costs, then the deficit will be funded through general rent income and result in less funding available to support capital investment.
- 4.3 The current policy is to repay £5m of HRA debt per annum, which reduces the following year's annual interest payments by £166,000. Cabinet could decide not to repay either some or all of this, which would increase the funding available for capital investment, but would incur additional debt interest charges. Appendix 7 shows how changes in the 2021/22 budget have impacted on the previous business plan through to 2024/25. The current capital programme does have an in year backlog following the impact of covid restrictions, reducing the programme by £5m could allow sufficient time for the programme to catch up, however it would also mean depleting the capital reserve by £5m for future years expenditure in line with the needs of the stock condition survey.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 These have been reflected in the body of the report.

Legal and Human Rights Implications

- 5.2 All legal and human rights considerations have been taken fully into account in compiling this report. It is considered that the recommendations of this report are compatible with Convention rights.

Climate Change Impact

- 5.3 The new development and maintenance programmes delivered to date have continually evolved to take on latest practice in addressing climate change, including as an example, the programme of External Wall Insulation (EWI) that was delivered to over 200 properties. Officers continue to work through the emerging requirements to mitigate any adverse carbon impact as new developments are designed and maintenance programmes developed. Examples include the Queens Drive development being constructed to target an Energy Performance Certificate (EPC) A rating where possible, using solar Photo Voltaic (PV) panels and Mechanical Heat Recovery Ventilation (MHRV) to improve energy efficiency. Any new developments will be brought back to the Cabinet Members to consider.
- 5.4 In addition, as the market for electric vehicles expands and develops with larger vans becoming available, work will continue to move towards the use of more electric vehicles as the current fleet is replaced, further reducing carbon emissions.

Further information on the subject of this report can be obtained from Karl Read, tel: 07824 081182, ksread@swindon.gov.uk.

Housing Revenue Account (HRA) - Rents and Charges 2021/22

Cabinet

Date: 3rd February 2021

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.5 The continued investment in welfare adaptations and the development of specialist new properties will support those with specific health and care needs such as those with physical disabilities.
- 5.6 Members should note that Care Leavers are also housed and supported within the Housing Revenue Account stock. Additional support is provided for those who need extra help maintaining their tenancies.

Diversity Impact Assessment

- 5.7 A thorough Diversity Impact Assessment was carried out in support of the HRA Rents and Charges proposals and this has been thoroughly reviewed and updated and a copy can be obtained from the report author.
- 5.8 Based on the information contained in this report the following considerations have been made
 - 5.8.1 Setting of local authority rents is subject to Government guidance, which allows local authorities to increase rents by up to 1.5% based on CPI +1%.
 - 5.8.2 A careful balance needs to be struck between affordability and tenants being able to benefit from warmer and healthier homes. For those on the lowest incomes there will be no impact as their rents are covered by Housing Benefit or the Housing element in their Universal Credit claim. Support to enable them to do this is provided both by housing officers and benefits advisers. Housing Officers additionally provide tenants with information on how to claim for the Warm Homes Discount Scheme where they meet the specified criteria in relation to low income to ensure they are aware of the scheme.
 - 5.8.3 The Discretionary Housing Payment scheme funded by both the General Fund and the Housing Revenue Account, subject to Ministerial consent and set criteria, will continue to be available to alleviate hardship by meeting gaps in benefit previously received.
 - 5.8.4 Tenants who fall into rent arrears will be managed according the Council's Rent Arrears Policy for which a Diversity Impact Assessment has also been completed.

Risk Management

- 5.9 Failure to raise enough revenue through rents to fund a capital programme that secures the long-term future of the council's housing stock is an important consideration that is

Further information on the subject of this report can be obtained from Karl Read, tel: 07824 081182, ksread@swindon.gov.uk.

Housing Revenue Account (HRA) - Rents and Charges 2021/22

Cabinet

Date: 3rd February 2021

part of the rent setting process. The implications of the Government's revised rents regime allowing for increases of up to CPI +1% is set out in Appendix 7.

6. Consultees

- 6.1 The Corporate Director of Finance and Assets (s151 officer) and Chief Legal Officer (Monitoring Officer) are consulted in respect of all reports.

7. Background Papers

- 7.1 None

8. Appendices

- 8.1 All appendices are in a single document

8.1.1 Appendix 1 – Proposed HRA Budget Overview 2021/22.

8.1.2 Appendix 2 – Service charges for 2021/22.

8.1.3 Appendix 3 – Leaseholder charges for 2021/22.

8.1.4 Appendix 4 – Detailed HRA Budget 2021/22.

8.1.5 Appendix 5 – Proposed 5 year HRA Capital Budget and funding.

8.1.6 Appendix 6 – Proposed HGF Rents & Service Charges 2021/22.

8.1.7 Appendix 7 – Comparison of Business Plans showing the impact of proposed budget changes.

9. Key Decision/Decision in Cabinet Work Programme

- 9.1 This item is included in the Cabinet Work Programme for February 2021. This is not a key decision to be made by Cabinet because the final decisions are to be made by full Council on 18th February 2021.

This page is intentionally left blank

Appendix 1 – Overview of HRA Revenue Budget

| | 2020/21 Budget | 2021/22 Proposed Budget |
|--|---------------------|-------------------------------|
| | £ | £ |
| Expenditure | | |
| Management (staff, overheads and service charge costs) | 13,295,900 | 13,475,900 |
| Repairs (incl. staff costs) | 12,041,600 | 12,685,600 |
| Discretionary Housing Payments | 200,000 | 200,000 |
| Rent, Rates & Taxes | 110,000 | 110,100 |
| Debt Management fees and Debt Rescheduling Premium | 60,000 | 60,000 |
| | | |
| Gross Expenditure | 25,707,500 | 26,531,600 |
| | | |
| Income | | |
| Rents | (44,171,100) | (44,972,200) |
| Voids and Bad debts | 1,000,300 | 1,004,800 |
| Service Charges | (3,908,900) | (4,015,500) |
| Other Income (garages, commercial property, Homeline) | (2,706,900) | (2,817,800) |
| | | |
| Gross Income | (49,786,600) | (50,800,700) |
| | | |
| Net Cost of Services | (24,079,100) | (24,269,100) |
| | | |
| Net Interest costs (after interest receivable has been deducted) | 3,310,900 | 3,282,300 |
| | | |
| Contribution to Capital Expenditure and loan repayment | 5,000,000 | 5,000,000 |
| | | |
| Contribution from General Reserves | 0 | 0 |
| | | |
| Projected (surplus) / deficit for the year | (15,768,200) | (15,986,800) |
| | | |
| Use of operating Surplus with £5m Loan Repayment | | |
| Funding available for Capital Investment | 15,768,200 | 15,986,800 |
| | | |
| Use of Operating Surplus | 15,768,200 | 15,986,800 |
| | | |

Appendix 2 – Service charges for 2021/22

| | Current Charge 2020/21 | Proposed Charge 2021/22 |
|---|---------------------------------------|--|
| | £ | £ |
| <u>Flats (Communal entrance)</u> | | |
| Service Charge - Staircase Lighting | 0.75 | 0.70 |
| Multi Storey service charge | 10.50 | 9.54 |
| Neighbourhood Wardens Low & medium rise blocks service charge | 1.87 | 1.81 |
| Neighbourhood Wardens General stock service charge | 1.00 | 1.00 |
| Townsend House | 9.86 | 9.86 |
| | | |
| <u>Sheltered Housing</u> | | |
| Sheltered service charge | 27.40 | 27.27 |
| Heating charge - private use | 7.02 | 7.02 |
| Heating charge - communal use | 2.83 | 2.83 |
| Water charge | 4.55 | 4.55 |
| Extra Care (Newburgh House) | 4.83 | 4.83 |
| | | |
| Guest room charge | 16.50 | 16.50 |
| Guest flat charge | 18.50 | 18.50 |
| | | |
| <u>Other</u> | | |
| Cable TV charge | 2.20 | 2.25 |
| Communal TV aerials | 1.20 | 1.23 |
| Grass Cutting | 5.00 | 5.50 |
| Hedge | 2.50 | 2.75 |
| Furniture Charge - Full Flat | 5.00 | 5.00 |
| Emergency Room Service Charge | 18.61 | 19.08 |
| | | |
| <u>Support Charges</u> | | |
| Sheltered housing support charge | 3.13 | 3.13 |
| Sheltered transitional protection | -1.67 | -1.67 |
| Homeline Charge | 4.90 | 4.97 |
| Homeline transitional protection | -0.30 | -0.30 |
| Homeline Charge - private tenants | 7.86 | 7.98 |
| Homeline Plus level 1 | 14.16 | 14.16 |
| Homeline Plus level 2 | 15.76 | 15.76 |
| Homeline Plus level 3 | 17.88 | 17.88 |

Appendix 2 – Service charges for 2021/22 (continued)

| | Current Charge 2020/21 £ | Proposed Charge 2021/22 £ |
|--|---|--|
| <u>Garage / Parking Charges</u> | | |
| Garage rent | 9.12 | 9.12 |
| Account Garage + VAT | 10.10 | 10.10 |
| Parking space | 3.09 | 3.09 |
| Cross over - existing tenants | 2.66 | 2.66 |
| Cross over - new tenants | 5.21 | 5.21 |
| Cross over - new build properties (2 spaces) | 10.41 | 10.41 |
| Account parking space + VAT | 3.44 | 3.44 |
| Premium Garage + VAT | 12.11 | 12.11 |
| Premium parking space + VAT | 7.57 | 7.57 |
| | | |
| <u>Supported Housing</u> | | |
| Service Charge | 45.79 | 46.48 |
| Heating charge - private use | 6.03 | 6.12 |
| Heating charge - communal use | 2.51 | 2.63 |
| Water charge | 6.23 | 6.52 |
| Electricity | 6.35 | 6.45 |
| | | |
| <u>Small Housing Schemes</u> | | |
| Service charge - Moredon Road | 35.26 | 35.26 |
| Service charge - William Robins Court - LD clients | 22.85 | 22.45 |
| Service charge - William Robins Court - General needs | 12.28 | 12.28 |
| Service charge - Baileys Farm Gardens - General needs | 14.59 | 14.70 |
| Service charge - Baileys Farm Gardens - General needs water | 4.34 | 4.41 |
| Service charge - Marlowe Avenue | 24.36 | 24.36 |
| Service charge - Twyford Close | 9.47 | 9.47 |
| Service charge - Evelyn House (SBC element) | 15.87 | 15.87 |
| Service charge - Tyndale Gardens (SBC element) | 14.48 | 14.48 |
| Service charge - Kimmerfield Court (SBC element) | 6.32 | 6.50 |
| Service charge - Kimmerfield Court - Private heating charge | 3.99 | 3.99 |
| Service charge - Kimmerfield Court - Communal heating charge | 1.74 | 1.87 |
| Service charge - Sussex Place | 1.37 | 1.37 |

Appendix 3 - Leaseholder Charges

| | Current Charge 2020/21 | Proposed Charge 2021/22 |
|--|---------------------------------------|--|
| | £ | £ |
| Ground Rent - Annual Charge | 10.00 | 10.00 |
| Leaseholder management charge - all properties | 177.84 | 180.50 |
| Leaseholder management charge - properties with communal areas | 212.96 | 216.15 |
| Service Charge - Staircase Lighting adjusted to actual charge during annual review | 39.53 | 41.50 |
| Multi Storey service charge | 448.59 | 403.21 |
| Administration charge dealing with the re-sale of leasehold interest | 179.40 | 182.09 |
| In addition leaseholders pay property insurance based on the insured value of their property and a contribution to any repairs carried out on their block of flats | | |

Appendix 4 - Detailed HRA Budget 2021/22

| Item | | 2020/21 Budget | 2021/22 Proposed Budget |
|-----------|--|---------------------|-------------------------------|
| | | £ | £ |
| | <u>EXPENDITURE</u> | | |
| 1 | S&M General | 7,268,500 | 7,448,200 |
| 2 | S&M Special | 6,027,400 | 6,027,700 |
| 3 | Repairs Administration | 1,049,000 | 1,140,400 |
| 4 | Contribution to Repairs Account | 10,992,600 | 11,545,200 |
| 5 | Rent, Rates & Taxes | 110,000 | 110,100 |
| | | | |
| | <u>Capital Financing</u> | | |
| 6 | Funding available for Capital Investment | 15,768,200 | 15,986,800 |
| 7 | Debt Management | 60,000 | 60,000 |
| 8 | Discretionary Housing Payments | 200,000 | 200,000 |
| 9 | TOTAL EXPENDITURE | 41,475,700 | 42,518,400 |
| | <u>INCOME</u> | | |
| | <u>Rent income</u> | | |
| 10 | Dwellings | (44,171,100) | (44,972,200) |
| 11 | Provision for Bad Debts | 600,300 | 600,300 |
| 12 | Less voids | 400,000 | 404,500 |
| 13 | Garages | (230,000) | (260,000) |
| 14 | Shops / Commercial | (76,000) | (76,000) |
| 15 | Support charges - Sheltered | (216,000) | (216,000) |
| 16 | Sheltered Housing Service Charges | (2,575,300) | (2,673,800) |
| 17 | Supported Housing Service Charge | (455,200) | (463,000) |
| | | (46,723,300) | (47,656,200) |
| | | | |
| 18 | Miscellaneous Properties Rent | (95,000) | (70,000) |
| 19 | Service Charges - Flats | (92,800) | (92,800) |
| 20 | Sheltered Housing Heating Charges | (569,600) | (569,900) |
| 21 | Homeline | (1,068,600) | (1,129,800) |
| 22 | Other Service Charges / Other income | (1,237,300) | (1,282,000) |
| 23 | Contribution from General Reserves | 0 | 0 |
| | | (3,063,300) | (3,144,500) |
| 24 | TOTAL INCOME | (49,786,600) | (50,800,700) |
| | | | |
| 25 | NET COST OF SERVICES | (8,310,900) | (8,282,300) |
| | | | |
| 26 | Loan Charges - Interest | 3,453,300 | 3,287,300 |
| 27 | Interest on balances (interest receivable) | (142,400) | (5,000) |
| 28 | Right to buy mortgage interest (interest receivable) | 0 | 0 |
| 29 | NET OPERATING EXPENDITURE | (5,000,000) | (5,000,000) |
| | | | |
| 30 | Loan repayments | 5,000,000 | 5,000,000 |
| 31 | PROJECTED (SURPLUS) / DEFICIT FOR THE YEAR | 0 | 0 |

Appendix 5 - Proposed 5 year Capital Programme & Funding

| Element | 2021/22 Proposed £000's | 2022/23 Indicative £000's | 2023/24 Indicative £000's | 2024/25 Indicative £000's | 2025/26 Indicative £000's |
|--|-------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Components # | 9,327 | 9,737 | 10,296 | 12,349 | 12,358 |
| Contingent Major Repairs | 650 | 300 | 300 | 300 | 300 |
| Cyclical Planned Maintenance | 2,030 | 2,030 | 2,030 | 2,030 | 2,030 |
| EWI Refurbishment | 1,000 | 2,000 | 2,400 | 2,400 | 2,400 |
| Improvements | 1,230 | 900 | 900 | 900 | 900 |
| Major Adaptations | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| Vehicle Replacement Programme | 250 | 150 | 150 | 150 | 150 |
| | | | | | |
| Total Planned Maintenance Programme | 15,987 | 16,617 | 17,576 | 19,629 | 19,638 |
| New Development Programme | 10,090 | 12,430 | 11,350 | | |
| Acquisition Programme | 8,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Total Capital Investment | 34,077 | 31,047 | 30,926 | 21,629 | 21,638 |
| | | | | | |
| Financed by: | | | | | |
| Funding available for Capital Investment (Major Repairs Reserve) | 15,987 | 16,617 | 17,576 | 19,629 | 19,638 |
| Section 106 Funding | 2,000 | | | | |
| RTB Funding Used | 2,400 | 2,000 | 2,000 | 2,000 | 2,000 |
| Homes England Funding | | 1,935 | 1,935 | | |
| Sales Income | 1,971 | 1,971 | 1,971 | | |
| HRA Reserves | 11,719 | 8,524 | 7,444 | 0 | |
| Total Capital Funding | 34,077 | 31,047 | 30,926 | 21,629 | 21,638 |

- Components typically cover the replacement of kitchens, bathrooms, roofs, windows, doors, boilers, central heating, rewiring etc

All budgets are shown at 2020/21 prices.

Any shortfall between the Capital Programme planned expenditure shown above and the funding available as indicated in the business plan at Appendix 8, will be addressed as part of budget setting at the start of each year.

Appendix 6 - Proposed HGF Rents & Service Charges **2021/22**

| | Current Charge 2020/21 | Proposed Charge 2021/22 |
|---|---------------------------------------|--|
| <u>Christopher House, Marlowe Avenue</u> | | |
| Service Charge | 12.06 | 12.06 |
| <u>David Murray John Building</u> | | |
| Service charge - 1 bed property | 18.09 | 18.09 |
| Service charge - 2 bed property | 21.28 | 21.28 |
| <u>PSL rents</u> | | |
| 1 Bed | 114.95 | 114.95 |
| 2 Bed | 137.58 | 137.58 |
| 3 Bed | 170.00 | 170.00 |
| 4 Bed | 213.74 | 213.74 |

Appendix 7 - Comparison of Business Plans showing the impact of changes made as part of the budget setting for 2021/22 over the next 4 years

| Current HRA Business Plan (as presented in the Medium Term Financial Plan) | | | | | | | | | | |
|---|----------------|-------------------|-------------------|---------------|----------------|--------------------|-----------------|-------------------------------------|-----------------|---------------------|
| Income | | | | | | Expenditure | | Net Available for Investment | | |
| Year | Rental Income | Voids & Bad Debts | Net Rental Income | Other income | Total Income | Total expenses | Debt Interest | Net Operating Expenditure | Debt Repayment | Available for Capex |
| | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 |
| 1 2021.22 | 42,935 | (1,025) | 41,910 | 9,386 | 51,296 | (26,231) | (3,384) | 21,681 | (5,000) | 16,681 |
| 2 2022.23 | 44,027 | (1,050) | 42,977 | 9,609 | 52,586 | (26,876) | (3,213) | 22,497 | (5,000) | 17,497 |
| 3 2023.24 | 45,455 | (1,075) | 44,380 | 9,851 | 54,231 | (27,534) | (3,042) | 23,655 | (5,000) | 18,655 |
| 4 2024.25 | 47,822 | (1,123) | 46,699 | 10,162 | 56,861 | (28,207) | (2,871) | 25,783 | (5,000) | 20,783 |
| Totals | 180,239 | (4,273) | 175,966 | 39,008 | 214,974 | (108,848) | (12,510) | 93,616 | (20,000) | 73,616 |
| Revised 21/22 HRA Business Plan | | | | | | | | | | |
| Income | | | | | | Expenditure | | Net Available for Investment | | |
| Year | Rental Income | Voids & Bad Debts | Net Rental Income | Other income | Total Income | Total expenses | Debt Interest | Net Operating Expenditure | Debt Repayment | Available for Capex |
| | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 |
| 1 2021.22 | 42,236 | (1,005) | 41,231 | 9,521 | 50,752 | (26,418) | (3,347) | 20,987 | (5,000) | 15,987 |
| 2 2022.23 | 43,034 | (1,019) | 42,015 | 9,746 | 51,761 | (26,931) | (3,213) | 21,617 | (5,000) | 16,617 |
| 3 2023.24 | 44,219 | (1,039) | 43,180 | 10,025 | 53,205 | (27,587) | (3,042) | 22,576 | (5,000) | 17,576 |
| 4 2024.25 | 46,524 | (1,085) | 45,439 | 10,319 | 55,758 | (28,258) | (2,871) | 24,629 | (5,000) | 19,629 |
| Totals | 176,013 | (4,148) | 171,865 | 39,611 | 211,476 | (109,194) | (12,473) | 89,809 | (20,000) | 69,809 |
| Business Plan Variations | | | | | | | | | | |
| Income | | | | | | Expenditure | | Net Available for Investment | | |
| Year | Rental Income | Voids & Bad Debts | Net Rental Income | Other income | Total Income | Total expenses | Debt Interest | Net Operating Expenditure | Debt Repayment | Available for Capex |
| | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 |
| 1 2021.22 | -699 | 20 | (679) | 135 | (544) | (187) | 37 | (694) | 0 | (694) |
| 2 2022.23 | -993 | 31 | (962) | 137 | (825) | (55) | 0 | (880) | 0 | (880) |
| 3 2023.24 | -1,236 | 36 | (1,200) | 174 | (1,026) | (53) | 0 | (1,079) | 0 | (1,079) |
| 4 2024.25 | -1,298 | 38 | (1,260) | 157 | (1,103) | (51) | 0 | (1,154) | 0 | (1,154) |
| Totals | (4,226) | 125 | (4,101) | 603 | (3,498) | (346) | 37 | (3,807) | 0 | (3,807) |

The decrease in funding available for Capital Investment is linked directly to reduced rental income forecasts over the next four years due to reduced rates in the Consumer Price Index over that period.

Pay Policy Statement: April 2021

Cabinet

Date: 3rd February 2021

Author: Cabinet Member for Organisational Excellence
Director of Human Resources & Organisational Development

Wards: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 The Localism Act 2011 requires local authorities to agree and publish a Pay Policy Statement by 1st April each year. This report sets out the Council's Pay Policy Statement for 2021 / 2022 for consideration by Cabinet, prior to referral to Full Council for approval.
- 1.2 The Council's policies in respect of pay and terms and conditions support the Council's strategic objectives as part of ensuring that services to the community can be delivered to the required standards and with due regards to economy, efficiency and effectiveness.

2. Recommendations

Cabinet is recommended to:

- 2.1 Review the Council's Pay Policy Statement for 2021 / 2022, as set out in Appendix 1 to the report Clear statement of what is recommended and who is to be authorised to take the actions required and by when.

(Minute for Confirmation)

- 2.2 Recommend the Pay Policy Statement to the Council for approval, and, if approved, authorise the Director of Human Resources & Organisational Development to update the salary information on 1st April 2021 prior to publication.

3. Detail

- 3.1 Section 38 of the Localism Act 2011 placed a requirement on local authorities to prepare a Pay Policy Statement for each new financial year. The Pay Policy Statement for 2019 / 2020 has been updated for 2021 / 2022 and must be approved by Full Council before 31st March 2021. It must be published as soon as is reasonably practicable after approval and this must include publication on the authority's website. The Statement must set out the Council's policies relating to the following:

- 3.1.1 Remuneration of its Chief Officers;
- 3.1.2 Remuneration of its lowest paid employees; and

Further information on the subject of this report can be obtained from Sonia Grewal, Director of Human Resources & Organisational Development, 07823 525459, sgewal@swindon.gov.uk.

Pay Policy Statement: April 2021

Cabinet

Date: 3rd February 2021

-
- 3.1.3 The relationship between the remuneration of its Chief Officers and the remuneration of its employees who are not Chief Officers.
- 3.2 The Pay Policy Statement does not cover or include school employees and is not required to do so.
- 3.3 Each Council is an individual employer in its own right and has the autonomy to make decisions on pay that are appropriate to local circumstances and which deliver value for money for tax payers. The provisions of the Localism Act do not seek to change this or determine what decisions on pay should be taken. They do, however, require Councils to be open about their policies in relation to pay and how decisions are made.
- 3.4 The proposed Swindon Pay Policy Statement has been put together, taking into account the relevant sections within Chapter 8 “Pay Accountability” of the Localism Act 2011. In its development, considerations has also been given to the guidance produced by the Department for Communities and Local Government – Openness and Accountability in Local Pay (February 2012) – guidance under Section 40 of the Localism Act” and the Code of Recommended Practice for Local Authorities on Data Transparency.
- 3.5 The Pay Policy Statement is broadly the same as that published for 2020 / 2021 with the following changes and updates having been made:
- 3.5.1 Pages 3 – 6: Structure Overview – this section has been amended to reflect the changes to the organisation and will be updated again in April 2021 to reflect any further changes. The number of employees has slightly increased from 2626 in April 2020 to 2654 in October 2020.
- 3.5.2 Pages 8: Pay Relationships - Gender Ratio - the table in this section indicates that the Council has an overall positive gender balance. This is also reflective of our employees who are on senior salaries (over £60,000 pa).
- 3.5.3 Page 10: Highest to Lowest Paid Employees – this section has been amended to reflect the changes in mean pay. In April 2020, the mean pay was £28,310.23 and in October 2020 increased to £29,237.75. The pay ratios have not changed apart from a decrease on the ratio of median to highest from 1: 1.7 in April 2020 to 1: 6.7 in October 2020.
- 3.5.4 Over £50k: The number of employees who are earning above £50,000 has increased from 111 in April 2020 to 135 in October 2020. The reason for this increase was due to the national pay award of 2.75% and not due to the creation of new posts.
- 3.6 The proposed Pay Policy Statement 2021 – 2022 is attached at Appendix One. The Statement sets out the Council’s policies in relation to pay of its workforce, particularly
-

Further information on the subject of this report can be obtained from Sonia Grewal, Director of Human Resources & Organisational Development, 07823 525459, sgewal@swindon.gov.uk.

Pay Policy Statement: April 2021

Cabinet

Date: 3rd February 2021

its Chief Officers. The figures are based as at 1st October 2020, but will be amended on 1st April 2021 prior to the Statement being published on the internet.

- 3.7 The Statement aims to ensure the Council's approach to pay and reward attracts and retains a high performing workforce whilst ensuring value for money. The Council has previously published information on pay as part of its responsibilities under the Code of Practice for Local Authorities on Data Transparency.
- 3.8 The Council is required to approve the Statement before 31st March each year and as soon as possible publish it on its website demonstrating an open and transparent approach to pay. The Statement may be amended by resolution of Full Council during the year to which it relates.
- 3.9 The Pay Policy Statement references a number of existing policies and other information that will be linked to the Statement on the Council's website. These links will be made available as soon as the Statement is made available on the Council's website in April 2021. The majority of these are already available to Members and employee on the intranet.

4. Alternative Options

- 4.1 As this is a requirement under the Localism Act, there are no alternative options being put forward.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 There are no direct financial implications arising from this report as the Pay Policy Statement sets out the Council's policies relating to remuneration. It does not serve to set or agree specific rates or numerical amounts.

Legal and Human Rights Implications

- 5.2 The attached Pay Policy Statement complies with Section 38 – 43 of the Localism Act 2011. All other legal and human rights implications have been considered in the preparation of this report. It is considered that the report and its recommendations are compatible with Convention Rights.

Climate Change Impact

- 5.3 The proposals would not bring a change in service delivery and Officers believe that there is no expected effect on the Council's carbon footprint.

Further information on the subject of this report can be obtained from Sonia Grewal, Director of Human Resources & Organisational Development, 07823 525459, sgewal@swindon.gov.uk.

Pay Policy Statement: April 2021

Cabinet

Date: 3rd February 2021

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.4 There are no other implications arising from this report.

Diversity Impact Assessment

- 5.5 The Pay Policy Statement is not a policy in its own right but brings together and references existing policies. All these existing policies have all been through the DIA process and have not identified any adverse equality impact for existing for future employees.

Risk Management

- 5.6 No other risks have been identified other than those mentioned in the body of the report

6. Consultees

- 6.1 The Corporate Director of Finance and Assets (s151 officer) and Chief Legal Officer (Monitoring Officer) are consulted in respect of all reports.

7. Background Papers

- 7.1 LGA and ALACE Pay Policy Statement Guidance including Supplementary Note 1 and Note 2.

8. Appendices

- 8.1 Appendix One: Pay Policy Statement

9. Key Decision/Decision in Cabinet Work Programme and Forward Plan

- 9.1 This is not a Key Decision and is included in the Cabinet Work Programme and Forward Plan for February 2021.

Swindon Borough Council

Pay Policy Statement: October 2020

This statement sets out the Council's policies in relation to the pay of its workforce (excluding schools), particularly its Chief Officers, in line with Section 38 of the Localism Act 2011. The statement is approved by Full Council each year and published on the Council's website demonstrating an open and transparent approach to pay policy.

Contents:

| | Page No. |
|---|-----------------|
| <u>Introduction</u> | 2 |
| <u>Transparency and Autonomy</u> | 2 - 3 |
| <u>Amendments to the Pay Policy Statement</u> | 3 |
| <u>Publication of and Access to Information</u> | 3 |
| <u>Structure Overview</u> | 3 – 6 |
| <u>Senior Officers</u> | 6 – 7 |
| <u>Pay Relationships:</u> | 8 – 12 |
| <u>Gender Ratio</u> | 8 |
| <u>Salary Band by Ethnic Group</u> | 8 - 9 |
| <u>Lowest Paid Employees</u> | 9 - 10 |
| <u>Highest to Lowest Paid Employees</u> | 10 |
| <u>Pay Increases and Pay Progression</u> | 10 - 11 |
| <u>Terms and Conditions</u> | 11 |
| <u>Job Evaluation</u> | 11 - 12 |
| <u>Pay Policies and Processes:</u> | 12 - 14 |
| <u>Allowances</u> | 12 |
| <u>Reimbursement of Subsistence or Other Expenses</u> | 13 |
| <u>Flexible Retirement, Early Retirement and Redundancy Payments Policy</u> | 13 |
| <u>Termination Payments</u> | 13 |
| <u>Relocation Expenses</u> | 13 |
| <u>Honorariums and Acting-up Pay</u> | 13 |
| <u>Election Payments</u> | 13 - 14 |
| <u>Market Factor Supplements</u> | 14 |
| <u>Pensions</u> | 14 – 16 |
| <u>Pay Scales</u> | 17 |

Introduction

This statement draws together the Council's policies relating to the payment of the workforce particularly

- Chief Officers;
- Its lowest paid employees; and
- The relationship between the pay of Chief Officers and the pay of other employees.

This statement sets out the Council's key policy principles in relation to pay evidencing a transparent and open process. It does not supersede the responsibilities and duties placed on the Council in its role as an employer and under employment law. These responsibilities and duties have been considered when formulating the statement.

This statement aims to ensure the Council's approach to pay attracts and retains a high performing workforce whilst ensuring value for money. The Council's aims are to ensure that remuneration policies are fair to staff, across all posts, and that they comply with all legal obligations, such as the Equality Act 2010. It sits alongside the information on pay that the Council already publishes as part of its responsibilities under the Code of Practice for Local Authorities on Data Transparency. Further details on this information can be found on the Council's website under [Senior Council Officers](#).

Transparency and Autonomy

The Council recognises and welcomes the aim behind this pay policy statement to ensure that its approach to pay is accessible for all and to enable local people to take an informed view of whether local decisions on all aspects of remuneration are fair and make the best use of public funds.

It also welcomes the Government's recognition that each local authority remains an individual employer in its own right and, as such, has the autonomy to make decisions on pay that are appropriate to local circumstances and deliver value for money for local taxpayers.

The Council is under statutory duty to appoint on merit and has to ensure that it complies with all appropriate employment and equalities legislation e.g. The Equalities Act. The Council will always seek to appoint the best available candidate to a post who has the skills, knowledge, experience, abilities and qualities needed for the post. The Council will therefore consider all applications to try to ensure the best available candidate is appointed.

If a candidate is a former employee in receipt of a Local Government Pension Scheme pension or a redundancy payment this will not rule them out from being re-employed by the Council. Clearly where a former employee left the Council on redundancy terms then the old post has been deleted and the individual cannot return to the post as it will not exist.

The Council will apply the provisions of the Redundancy Payments Modification Order regarding the recovery of redundancy payment if this is relevant. Pensions Regulations also have provisions to reduce pension payment in certain circumstances to those who return to work within the local government service.

Amendments to the Pay Policy Statement

This pay policy statement relates to the financial year 2021/22. Information on the Council's workforce will be published after 1st April 2021 for the financial year.

The statement will be updated annually but may be amended during the year, with agreement by Full Council, if the need arises.

Publication of and Access to Information

The Council will publish this pay policy statement on its website at http://www.swindon.gov.uk/info/20028/open_data_and_transparency/401/senior_council_officers as soon as is reasonably practicable after it has been approved by Full Council. Any subsequent amendments to this pay policy statement made during the financial year to which it relates will also be similarly published.

For further information about this pay policy statement please contact the Council's Director of Human Resources & Organisational Development at sgrewal@swindon.gov.uk.

Structure Overview

As of 1st October 2020 the Council employs **2,654** employees (excluding schools) and provides a wide range of functions.

TUPE

The following TUPE (Transfer of Undertakings (Protection of Employment) Regulations) have taken place since 1st April 2020:

- **30th June 2020:** 9 employees from Grounds Maintenance and Street Cleaning (North area) transferred to Idverde.
- **30th June 2020:** 3 employees from Grounds Maintenance and Street Cleaning (St. Andrews area) transferred to St. Andrews Parish Council
- **31st July 2020:** 10 employees from Grounds Maintenance and Street Cleaning (West Swindon area) transferred to West Swindon Parish Council.
- **31st October 2020:** 19 employees from Grounds Maintenance and Street Cleaning (Central South area) transferred to Central Swindon South Parish Council.
- **1st January 2021:** 7 employees are due to transfer from Portage/Special Tots/Koalas to (tbc).
- **1st January 2021:** 7 employees are due to transfer into the Teacher Advisory Service. The Teacher Advisory Service is to be brought back in-house - Brunel Sen Mat, Commonweal & Milbrook.

- **1st January 2021:** 1 employee from the National Diabetes Prevention Programme to transfer to BSW CCG.

All staff who transferred to the Council were integrated into various areas of the Council according to their roles and responsibilities.

Service areas

The Council's service areas are gathered together in the following groupings:

Chief Executive

The Council appointed a new Chief Executive on 12th July 2018. The Chief Executive's key responsibilities are to:

- Be the lead policy advisor to the Council and to support Councillors to make decisions on behalf of the community, and to develop plans for the future of Swindon
- Take responsibility for the performance of 2653 staff (as at 1 October 2020 – this figure does not include school staff or casual workers, or the Chief Executive), ensuring they deliver services in line with Council priorities and statutory requirements
- Develop partnership working with other public, private and voluntary organisations to achieve improved outcomes and better public services for local people
- Ensure the proper use of council resources to deliver value for money for the community across a wide range of services from child adoption to looking after older people
- Raise the profile of Swindon at a regional and national level so that Swindon is able to influence national thinking and to secure additional funding for Swindon priorities
- Work with Councillors to ensure the ethical standards, probity and integrity of decision making in the Council are of the highest order.

Resources & Growth report directly to the Chief Executive. Further information about the [Chief Executive](#) can be found on the Council's website.

Operations

Operations is accountable for joined-up delivery across all service areas, partners and providers leading to effective delivery of statutory, support and commercial services to agreed outcomes. This Chief Operating Officer is the strategic lead for the Enabling Services and the Operations of the Council.

The service areas that support this service include:

HROD, IT, Facilities Management, Customer Services, Registration Services, Bereavement Services, Security, Digital and Corporate Programmes, Business Support, Legal Services, Election Services, Policy and Communications, Performance and Operations (Waste Services, Parking, Housing Repairs, Highways Operations, Highways Assets, Stores, Fleet, Depot Management & Compliance, Parking and Relationships with Parishes.

Finance and Assets

The Corporate Director for Finance and Assets leads the Council's financial strategy to ensure its resources are directed in the most effective manner to meet the Council's priorities.

The Corporate Director for Finance and Assets is also the Council's Section 151 Officer. The service areas that support this service include: Finance & Procurement, Property Assets, Revenue and Benefits, Architecture & Construction Management, Health & Safety and Internal Audit.

Adults', Housing and Public Health

One of Swindon Borough Council's four strategic priorities is to help people to help themselves while protecting our most vulnerable children and adults. Adult Services are responsible for implementing the wide programme of services, commissioning and quality assurance which sit underneath this priority whilst meeting statutory obligations. Public Health, Housing & Community Safety supports Adults', Housing and Public Health.

The Corporate Director of Adults', Housing and Public Health holds the statutory obligation for the Director for Adult Social Services (DASS).

Children's Services

One of Council's four strategic priorities is to help people to help themselves while protecting our most vulnerable children and adults. Children's Services are responsible for implementing the wide programme of services, commissioning and quality assurance which sit underneath this priority whilst meeting statutory obligations.

The service areas that support Children's Services include: Children's Social Work, Children Looked After and Care Leavers, Early Intervention, Youth Offending, Libraries, Adult Learning, Community Safety, Children's Community Health Services, Supported Employment, Education Support Services and Special Education and Disabilities.

The Director of Children's Services holds the statutory obligation for the Director of Children's Services (DCS).

Economy and Development

This service area provides strategic leadership to deliver the full range of regulatory services that support, facilitate and implement Swindon's Economy and Place agenda. The Director of Strategic Development and the Director of Economy, Growth and Place lead this service areas.

The Council's [organisation chart](#) can be found on the Council's website.

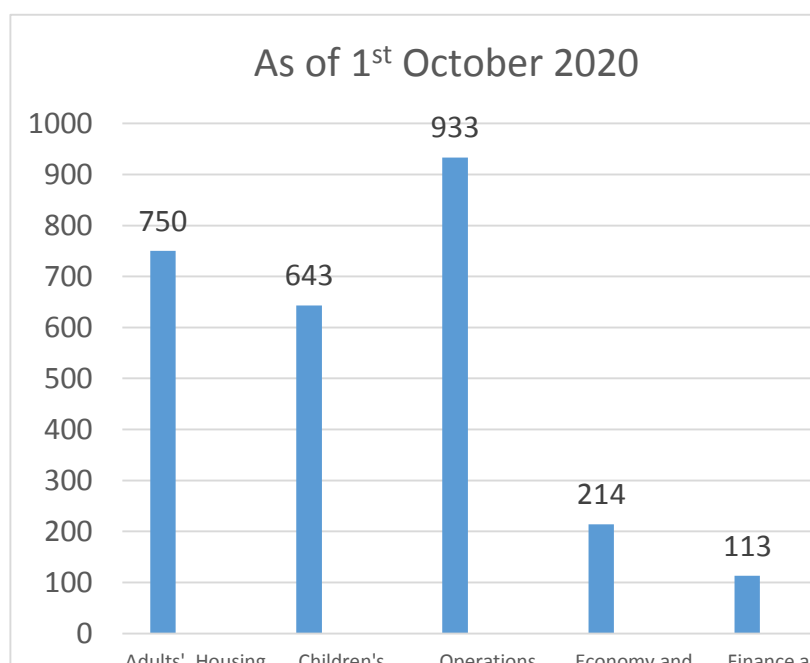


Figure 1: Number of staff in each directorate (excluding the Chief Executive)

As a team member of Corporate Management Team, the Corporate Directors have a shared responsibility for delivering the organisational strategic direction, agreeing priorities and driving their successful achievement.

Senior Officers

This section provides information on the Council's Senior Officers.

- Definition
- New Appointments and Pay
- Terms and Conditions

Definition

Senior Officers have been defined as the posts of:

- Chief Executive – Head of Paid Service
- Statutory and non-statutory Chief Officers (a person for whom the Head of Paid Service has direct responsibility), i.e.:
 - Chief Operating Officer
 - Corporate Director of Finance and Assets (Section 151 Officer)
 - Corporate Director - Children's Services (DCS)
 - Corporate Director – Adults' Housing & Public Health (DASS)

- All Deputy Chief Officers (a person who reports directly to or is directly accountable to one or more of the statutory or non-statutory Chief Officers), i.e.:
 - All Tier 2 posts at Head of Service Level

Identified Senior Officer roles and salaries can be found on the Council's website under [Open Data and Transparency](#).

New Appointments and Pay

In relation to Senior Officers, legislation requires the Full Council or a meeting of Members to be offered the opportunity to vote before large salary packages are offered in respect of a new appointment.

For this purpose, salary packages should include salary, any bonuses, fees or allowances routinely payable to the appointee to which the officer is entitled as a result of their employment.

The Secretary of State considers that £100,000 is the right level for that threshold to be set.

In Swindon, this approach will be applied for all roles graded at Director 5 and above.

There are 5 levels in Swindon's Executive pay structure as detailed below (as of 1st April 2019):

| Level | Salary Range | |
|----------------|--------------|----------|
| | From | To |
| CEO | £160,739 | £200,324 |
| Board Director | £125,625 | £150,489 |
| Director 5 | £105,781 | £124,207 |
| Director 4 | £87,317 | £104,556 |
| Director 3 | £72,190 | £86,426 |

This applies to the Chief Executive and all Board Directors for new appointments made after 1st April 2012.

The Council's Special Committee has delegated powers to make decisions on behalf of the Full Council, on the advice of the Chief Executive, on any policy or particular matters that are urgent and considered necessary in the best interests of the Council.

Process for Setting Pay

As agreed by Full Council in June 2005 and updated by the Special Committee in November 2013, pay for Senior Officers is set in line with the Executive Pay Strategy. A copy of the Executive Pay Strategy can be requested through hrradviceandadmin@swindon.gov.uk.

In addition, any new appointments at Level Director 5 and above, from 1st April 2012, will have their salaries agreed by Members.

Pay Relationships

This section provides information on the following:

- [Gender Ratio](#)
- [Salary band by Ethnic group](#)
- [Lowest Paid Employees](#)
- [Highest to Lowest Paid Employees](#)
- [Pay Increases and Pay Progression](#)
- [Terms and Conditions](#)
- [Job Evaluation](#)

Gender Ratio (as of 1st October 2020)

The table below reflects the Council's male / female ratio per salary band. The table indicates that the Council has an overall positive gender balance. This also reflects our employees on senior salaries (over £50,000 pa). Please note that this does not reflect our grading structure as we have staff who are not yet harmonised on our grading structure. This also includes employees on apprenticeships.

| Salary (FTE) | Male | Female | Total | Total % of workforce |
|---------------------|------------|-------------|-------------|----------------------|
| £0 - £15,000 | 0 | 0 | 0 | 0 |
| £15,001 - £20,000 | 174 | 293 | 467 | 17.60% |
| £20,001 - £25,000 | 299 | 543 | 842 | 31.73% |
| £25,001 - £30,000 | 168 | 286 | 454 | 17.11% |
| £30,001 - £40,000 | 157 | 330 | 487 | 18.35% |
| £40,001 - £50,000 | 87 | 181 | 268 | 10.10% |
| £50,001 - £60,000 | 23 | 55 | 78 | 2.94% |
| £60,001 - £70,000 | 14 | 13 | 27 | 1.02% |
| £70,001 - £80,000 | 4 | 10 | 14 | 0.53% |
| £80,001 - £90,000 | 3 | 4 | 7 | 0.26% |
| £90,001 - £100,000 | 1 | 2 | 3 | 0.11% |
| £100,001 - £120,000 | 1 | 1 | 2 | 0.06% |
| Over £120,000 | 2 | 3 | 5 | 0.19% |
| Total | 933 | 1721 | 2654 | 100% |

Salary Band by Ethnic Group (as of 1st October 2020)

The table below reflects the Council's ethnic ratio per salary band. Please note that this does not reflect our grading structure as we have employees who are not yet harmonised on our grading structure.

| Salary (FTE) | BME | White British | Not Stated | Total |
|---------------------|------------|---------------|------------|-------------|
| £0 - £15,000 | 0 | 0 | 0 | 0 |
| £15,001 - £20,000 | 73 | 306 | 88 | 467 |
| £20,001 - £25,000 | 113 | 608 | 121 | 842 |
| £25,001 - £30,000 | 48 | 326 | 80 | 454 |
| £30,001 - £40,000 | 70 | 341 | 76 | 487 |
| £40,001 - £50,000 | 26 | 198 | 44 | 268 |
| £50,001 - £60,000 | 10 | 60 | 8 | 78 |
| £60,001 - £70,000 | 4 | 17 | 6 | 27 |
| £70,001 - £80,000 | 0 | 10 | 4 | 14 |
| £80,001 - £90,000 | 1 | 5 | 1 | 7 |
| £90,001 - £100,000 | 0 | 0 | 3 | 3 |
| £100,001 - £120,000 | 0 | 1 | 1 | 2 |
| Over £120,000 | 1 | 3 | 1 | 5 |
| Total | 346 | 1875 | 433 | 2654 |

Lowest Paid Employees

For the purpose of this pay policy statement, the definition of the lowest-paid employees adopted by the Council for the purposes of this statement is as follows:

“The lowest paid employees with the Council are those substantive employees who are paid on the minimum salary of the Council’s substantive pay structure equating to J1, £17,842 pa (£9.25 per hour) based on a 37 hour standard working week”.

The Council considers this to be the most appropriate definition as this is the lowest pay point and pay level on its substantive pay structure and which normally applies to new entrants to the lowest graded jobs within the organisation. The exception is employees who are employed on a Government sponsored apprenticeship programme that allows for them to be paid at nationally agreed apprenticeship rates.

A copy of the Council’s pay scales can be found at the end of this statement.

National Living Wage

As of 1st April 2016 the Council has adopted the National Living Wage for all employees, regardless of age, excluding those who are on apprenticeship contracts of employment.

Apprentices

An apprentice’s rate of pay is applied by age. The Council will no longer pay the minimum statutory rate of pay for most new apprentices. Apprentices will be paid according to their age when they start employment with the Council.

| Age | Hourly rate of pay (as of 1 st April 2020) |
|-----------|---|
| 16 – 18 * | £4.15 per hour |
| 19 – 24 | £8.20 per hour |
| Over 25 | £8.72 per hour |

*Once these apprentices have completed their first year, they will be moved to the rate of pay for 19 – 24 year olds.

Apprentices over the age of 25 will receive the current National Living Wage rate of pay.

Highest to Lowest Paid Employees

The tables below indicate the relationship between the highest and lowest paid employees.

| | |
|----------------------------|------------|
| Highest Pay | £175,024 |
| Mean Pay | £29,237.75 |
| Median Pay | £25,960.00 |
| Lowest Pay | £17,842 |
| Ratio of Mean to Highest | 1: 6.0 |
| Ratio of Median to Highest | 1: 6.7 |
| Ratio of Lowest to Highest | 1: 9.8 |

Definitions:

| | |
|--------|---|
| Mean | Total pay for substantive employees divided by the number of substantive employees. |
| Median | The middle amount of pay of Swindon Borough Council (between the highest and lowest amounts). |

The above rates of pay do not include any pension contributions. Information about the [pension schemes](#) and contribution rates can be found on pages 14 -16.

The recommendation of the Hutton Report into “Fair Pay in the Public Sector”, as recognised by the Government in the Code of Recommended Practice for Local Authorities on Data Transparency, was that a pay ratio of the salary of the Chief Executive compared to the median average salary in the organisation should be published.

The ratio between the highest paid salary and median average salary, the ‘pay multiple’ is 1:6.7. The Council does not have a policy on maintaining or reaching a specific ‘pay multiple’. However, the Council is conscious of the need to ensure that the salary of the highest paid employee is not excessive but is consistent with the needs of the Council as expressed in this policy statement.

The Hutton Review raised concerns about multiples in the order of 1:20 or higher, between the lowest and the highest paid employees in local authorities. The Council’s current ratio of lowest to highest is 1:9.8 and so is well below that level.

Pay Increases and Pay Progression

Where it has been recognised that a role has changed due to responsibilities, job content, redesign of the post, for example, a revised role profile will be submitted for re-evaluation

in accordance with the Council's approved job evaluation schemes. Further information about the Council's approved [job evaluation](#) schemes can be found on pages 11 -12.

National Pay

The Council will apply any annual pay increases that are agreed by relevant national negotiating bodies.

Local Pay

Negotiation on pay is at local level but is mindful of national agreements.

Executive Contracts

There is no automatic right to salary progression based on time served for employees on Executive Contracts. Further information is outlined in the Council's Executive Pay Strategy. A copy of the Executive Pay Strategy can be requested through hradviceandadmin@swindon.gov.uk.

Terms and Conditions

The Council reviewed its employees' pay, grading and terms and conditions when it implemented a new pay structure in 2010. The Council wanted to ensure that the new pay structure and terms and conditions were modern, fair and compliant with equal pay legislation. It was applied to all groups of employees, with the exception of:

- Chief Executive, Board Directors and Directors
- Staff employed on Soulbury Evaluation Scheme terms and conditions
- Youth workers on Joint Negotiating Committee (JNC) for Youth and Community Workers terms and conditions
- Teachers

All other groups of employees are covered by separate national terms and conditions of employment.

Job Evaluation

The Council's approach to pay is that pay related to a job grade which will be determined using a recognised job evaluation scheme. Jobs evaluated using either the Hay Evaluation Scheme or the National Joint Council (NJC) job evaluation scheme.

In the sections below, it indicates the differences between these two schemes and in what circumstances they are used.

Hay

The Hay Job Evaluation Scheme is widely used in both public and private sectors, primarily for managerial, administrative and clerical roles, but in some cases for all jobs within user organisations.

Jobs have been evaluated by trained assessors. A trained evaluation panel evaluates jobs against each of the elements within the scheme using detailed role profiles. The outcome of the evaluation assigns a profile and points score that shows the total size of the job.

All jobs from Q Grade and above, including Chief Officers, are graded using the Hay Job Evaluation scheme.

National Joint Council (NJC) Evaluation Scheme

The NJC scheme comprises thirteen factors of various weightings. The scheme was jointly developed and agreed between the local authority employers and the trade unions. A trained evaluation panel evaluates jobs against each of the elements of the scheme using detailed job descriptions. The outcome of the evaluation assigns a point's score that shows the total size of the job. The points score enables jobs to be placed in a rank order with other jobs in the organisation. All jobs from grade N and below are graded using the NJC Evaluation Scheme.

All roles are evaluated using either scheme; however the Council sets its own pay line. A copy of the Council's pay scales can be found at the end of this statement.

Pay Policies and Processes

The following section provides information on the pay policies and procedures that the council have in place. This includes the following:

- [Allowances](#)
- [Reimbursement of Subsistence or other Expenses](#)
- [Flexible Retirement, Early Retirement and Redundancy Payments Policy](#)
- [Termination Payments](#)
- [Relocation Expenses](#)
- [Honorariums and Acting-up Pay](#)
- [Election Payments](#)
- [Market Factor Supplements](#)

Allowances

An allowance is a payment made to staff by the Council that is not part of the basic contracted salary. Allowances are subject to taxation rules provided by the Inland Revenue and some are pensionable.

As part of the new pay and grading structure that was implemented in April 2010, allowances paid to employees were also reviewed and a new allowance structure was put into place.

In early 2017 the Council consulted with all employees on mileage rates. It was agreed that the Council's mileage rates will be paid in accordance with HMRC guidelines with effect from 23rd July 2017. Employees who use their car for business purposes can claim mileage using the current HMRC rates. A copy of the Allowances Policy can be requested through hadvicelandadmin@swindon.gov.uk.

Reimbursement of Subsistence or Other Expenses

In accordance with the requirements of the National Conditions of Service, the Council makes provision for the reimbursement of approved expenses. The Council has produced guidance for employees on travel and subsistence and this applies equally to all staff, irrespective of grade. A copy of the Travel and Expenses Policy can be requested through hradviceandadmin@swindon.gov.uk.

Flexible Retirement, Early Retirement and Redundancy Payments Policy

On termination, redundancy payments and any discretion exercised in relation to retirement or redundancy will be paid in line with the Council's Policy on Flexible Retirement, Early Retirement and Redundancy Payments Policy. A copy of the policy can be requested through hradviceandadmin@swindon.gov.uk.

The Council may, in certain circumstances, also apply its discretionary powers in relation to premature retirements and redundancies for Chief Officers. This approach is in line with Part 4 paragraph 85 of the Chief Officers of Local Authorities, Constitution Conditions of Service Salaries which states that "Authorities should bear in mind the possible application of discretionary powers of premature retirement and permissible enhancements of benefits or redundancy payments".

Termination Payments

The Council does not provide any further payment to employees leaving the Council's employment other than in respect of payment for accrued leave, if agreed that it is not possible to take this leave before the date of leaving. Any other payments that are agreed or negotiated will be done so in line with current employment law practices.

Relocation Expenses

The aim of the scheme is to provide financial recompense to employees who need to move their main residence to take up an appointment with the Council. This scheme does not cover the purchase of a second property. Eligibility criteria will also apply, including the decision to offer relocation will be made prior to the post being advertised. Relocation expenses can be claimed up to £8,000. The Council's policy requires repayment in part or in full if the employee leaves within 3 years of appointment. A copy of the Relocation Policy can be requested through hradviceandadmin@swindon.gov.uk.

Honorariums and Acting-up Pay

Employees on any grade may be awarded an honorarium payment or a higher duty allowance if they meet the criteria for either payment. The Council has a policy covering Honorariums and Acting-up Pay. This does not apply to Chief Officers.

A copy of this policy can be requested through hradviceandadmin@swindon.gov.uk.

Election Payments

Payments made to employees (including the Returning Officer and the Deputy Returning Officer) working during local, parliamentary or European elections or referenda are made in

line with either the statutory fees or a local scale of fees agreed in consultation with Wiltshire Council. This could apply to Chief Officers.

Market Factor Supplements

All employees are appointed to posts, which have been evaluated and graded through either the NJC or Hay job evaluation schemes. Salaries are linked to the grading structure.

External labour market conditions can produce a situation in which staff with scarce skills and expertise can command higher salaries than the maximum provided under the current grading mechanism for that post. In these circumstances, based on evidence from the relevant labour market, it may be deemed appropriate to pay an additional Market Factor Supplement in addition to basic pay.

The relevant labour market may include another local authority or elsewhere in the public or private sectors. Market factor supplements are not linked to an individual's actual or anticipated performance within the role. They are linked to the difficulty in recruiting to certain posts requiring specific skills or qualifications. The Council has produced guidance for employees on Market Factor Supplements which can be requested through hradviceandadmin@swindon.gov.uk. The policy is not applicable to Chief Officers.

Pensions

This section includes information the following:

- [Auto-Enrolment](#)
- [Local Government Pension Scheme \(LGPS\)](#)
- [Changes to the Local Government Pension Scheme \(LGPS\)](#)
- [National Health Service \(NHS\) Pension Scheme.](#)

Auto Enrolment

Due to legislation ([The Pensions Act 2011](#)) there is a requirement for all employers in the UK to automatically enrol their workers into a qualifying pension scheme where they are not currently a member. Employees, who meet the criteria below (as of 1st April 2020) and are currently not in a workplace pension, will automatically be enrolled into the [Local Government Pension Scheme \(LGPS\)](#) or [Teacher's Pension Scheme \(TPS\)](#):

- Earn over £10,000 per year (or pro-rata pay period) (April 2020);
- Are age 22 or over; and
- Are under State Pension Age.

The aim of the legislation is to encourage people to save towards their retirement and have enough income to enjoy it. Employees can still opt to join the relevant pension scheme at any time. This has been clearly communicated to employees.

Local Government Pension Scheme (LGPS)

The Council offers all its employees access to the [Local Government Pension Scheme \(LGPS\)](#), in accordance with the statutory provisions of the scheme. Any pension payments made on termination of employment either on grounds of redundancy, in the interests of the efficiency of the service or on grounds of ill health will be made within the statutory terms of the LGPS. The discretions which the Council is able to apply under the scheme upon termination of employment are the same for senior employees as for all other employees who are LGPS members.

Changes to the Local Government Pension Scheme (LGPS)

With effect from 1st April 2014 the Local Government Pension Scheme changed.

The table below shows the main provisions of the new 2014 scheme compared with the 2008 scheme.

| | LGPS 2008 | LGPS 2014 | | |
|--|--|--|----------------------|--------------------|
| Basis of pension | Final salary | Career Average Revalued Earnings (CARE) | | |
| Accrual rate | 1/60 th | 1/49 th | | |
| Pensionable pay | Pay excluding non-contractual overtime and non-pensionable additional hours. | Pay including non-contractual overtime and additional hours for part time staff. | | |
| Contribution flexibility | No | Yes, members can pay 50% contributions for 50% of the pension benefit. | | |
| Normal pension age | 65 | Equal to the individual member’s State Pension Age. | | |
| Qualifying period for benefits | 3 months | 2 years | | |
| Contribution rates Please note: 2008 contribution rates are based on whole-time equivalent pay whereas the 2014 contribution pay bands will be based on actual salary. | | | Pay Bands April 2020 | Contribution Rates |
| | | | Up to £14,600 | 5.5% |
| | Pay Bands | Contribution rates | £14,601 - £22,800 | 5.8% |
| | £0 to £13,500 | 5.5% | £22,801 - £37,100 | 6.5% |
| | £13,501 - £15,800 | 5.8% | £37,101 - £46,900 | 6.8% |
| | £15,801 - £20,400 | 5.9% | £46,901 - £65,600 | 8.5% |
| | £20,401 - £34,000 | 6.5% | £65,601 - £93,000 | 9.9% |
| | £34,001 - £45,500 | 6.8% | £93,001 - £109,500 | 10.5% |
| | £45,501 - £85,300 | 7.2% | £109,501 - £164,200 | 11.4% |
| | Above £85,300 | 7.5% | More than £164,201 | 12.5% |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Lump sum option | Trade £1 of pension for £12 tax-free lump sum | Trade £1 of pension for £12 tax-free lump sum | | |

| | | |
|---|--|---|
| Death in service lump sum | 3 x pensionable pay | 3 x pensionable pay |
| Death in service survivor benefits | 1/160 th accrual based on Tier 1 health pension enhancement | 1/160 th accrual based on Tier 1 ill health provision enhancement. |
| Ill health provision | Immediate access to benefits depending on severity of the condition. | Immediate access to benefits depending on severity of the condition. |

These changes only apply to England and Wales. All Local Government Pension Scheme pensions built up before 1st April 2014 will be protected. Further information about the changes can be found on the [Local Government Pension Scheme website](#).

NHS Pension Scheme

The Council have employees who were transferred from the NHS. As part of the transfer agreement (TUPE), these employees were able to keep their NHS pension scheme and continue to contribute into that scheme.

Further information about the [NHS Pension Scheme](#) can be found on their website.

Pay Scales April 2020

| NJC Pay Grades | | | New Rate (FTE) | Hourly Rate |
|----------------|-------|---------------|----------------|-------------|
| Grade | Point | Payroll Point | | |
| J | 1 | 1 | £17,842 | £9.25 |
| | 2 | 2 | £18,231 | £9.45 |

| Hay Grades | | New Rate (FTE) | Hourly Rate |
|------------|----------|----------------|-------------|
| Grade | | | |
| Q | | £32,232 | £16.71 |
| | Midpoint | £37,433 | £19.40 |
| | | £42,635 | £22.10 |

| | | | | |
|---|---|---|---------|--------|
| K | 1 | 3 | £18,686 | £9.69 |
| | 2 | 4 | £19,085 | £9.89 |
| | 3 | 5 | £19,163 | £9.93 |
| | 4 | 6 | £19,466 | £10.09 |
| | 5 | 7 | £19,581 | £10.15 |
| | 6 | 8 | £19,832 | £10.28 |
| | 7 | 9 | £20,111 | £10.42 |

| | | | |
|---|----------|---------|--------|
| R | | £36,411 | £18.87 |
| | Midpoint | £42,526 | £22.04 |
| | | £48,639 | £25.21 |

| | | | |
|---|----------|---------|--------|
| S | | £41,383 | £21.45 |
| | Midpoint | £48,398 | £25.09 |
| | | £55,411 | £28.72 |

| | | | | |
|---|---|----|---------|--------|
| L | 1 | 10 | £20,206 | £10.47 |
| | 2 | 11 | £20,516 | £10.63 |
| | 3 | 12 | £20,801 | £10.78 |
| | 4 | 13 | £21,390 | £11.09 |
| | 5 | 14 | £21,732 | £11.26 |
| | 6 | 15 | £22,665 | £11.75 |
| | 7 | 16 | £23,226 | £12.04 |

| | | | |
|---|----------|---------|--------|
| T | | £48,337 | £25.05 |
| | Midpoint | £55,444 | £28.74 |
| | | £62,550 | £32.42 |

| | | | |
|---|----------|---------|--------|
| U | | £54,411 | £28.20 |
| | Midpoint | £63,282 | £32.80 |
| | | £72,153 | £37.40 |

| | | | | |
|---|---|----|---------|--------|
| M | 1 | 17 | £23,647 | £12.26 |
| | 2 | 18 | £24,027 | £12.45 |
| | 3 | 19 | £24,601 | £12.75 |
| | 4 | 20 | £24,994 | £12.95 |
| | 5 | 21 | £25,551 | £13.24 |
| | 6 | 22 | £25,960 | £13.46 |
| | 7 | 23 | £26,503 | £13.74 |
| | 8 | 24 | £26,928 | £13.96 |
| | 9 | 25 | £27,457 | £14.23 |

Executive Pay Scales

| Level | Salary Range | |
|----------------|--------------|----------|
| | From | To |
| CEO | £160,739 | £200,324 |
| Board Director | £125,625 | £150,489 |
| Director 5 | £105,781 | £124,207 |
| Director 4 | £87,317 | £104,556 |
| Director 3 | £72,190 | £86,426 |

| | | | | |
|---|---|----|---------|--------|
| N | 1 | 26 | £27,966 | £14.50 |
| | 2 | 27 | £28,414 | £14.73 |
| | 3 | 28 | £28,933 | £15.00 |
| | 4 | 29 | £29,398 | £15.24 |
| | 5 | 30 | £29,900 | £15.50 |
| | 6 | 31 | £30,380 | £15.75 |
| | 7 | 32 | £30,866 | £16.00 |
| | 8 | 33 | £31,360 | £16.25 |
| | 9 | 34 | £31,832 | £16.50 |

This page is intentionally left blank

Introduction of a Permit Scheme for Roadworks

Cabinet

Date: 3rd February 2021

Author: Cabinet Member for Highways, Maintenance and Waste Services
Director of Strategic Development

Wards: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 The report sets out details and the reasons for introduction of a street works permit scheme into Swindon to manage works on the highway network. Introduction of a permit scheme will contribute towards delivery of the Council Plan.
- 1.2 The report seeks Cabinet's agreement in principal, to the introduction of a Street Works Permit Scheme, subject to consultation and final detail of the scheme to be determined by the Cabinet member for Cabinet Member for Highways, Maintenance and Waste Services, .
- 1.3 Introduction of a permit scheme will contribute towards Priority One, improve infrastructure and housing to support a growing, low-carbon economy.

2. Recommendations

Cabinet is recommended to:

- 2.1 Agree in principle to the introduction of a Street Works Permit Scheme subject to consultation and to note the detail of the scheme be determined by the cabinet member for Highways, Maintenance and Waste Services
- 2.2 Authorise the Director of Strategic Development to proceed with a consultation, as prescribed under Regulations, to introduce a Street Works Permit Scheme into Swindon.

3. Detail

Roadworks in Swindon

- 3.1 Swindon has a road network comprising nearly 580miles of length, of which 91% (525 miles) comprise minor roads and 10% comprise principal or trunk roads. There are 9.5 miles of motorway (M4) running through the area.
- 3.2 In 2019, 6,676 utility works were undertaken across Swindon, resulting in over 31,000 days with highway occupation. It is estimated that an additional 5,170 Council works are undertaken during an average year resulting in 3,500 of highway occupation.
- 3.3 In an average year the Council receives 16,000 applications to work in the highways per year, with 47,000 days of combined occupation of the highways. This volume of works

Further information on the subject of this report can be obtained from Syed Shah, 07970771013, sshah@swindon.gov.uk.

Introduction of a Permit Scheme for Roadworks

Cabinet

Date: 3rd February 2021

would equate to an average of 28 works starting each day of the year, averaging 1.2 every hour.

- 3.4 Using sophisticated programs, the following cost impact to society of these works can be estimated:

3.4.1 Road user travel time (delay caused to consumer and business);

3.4.2 Road user vehicle operating costs (the impact of delay and diversion on vehicle operating costs for consumers and business);

3.4.3 Accident costs;

3.4.4 Emissions costs (resulting from congestion and diversion); and

3.4.5 Indirect tax revenue (increased tax revenue to the exchequer because of higher fuel consumption).

- 3.5 The average annual impact of works in the area resulting from road user travel delay, vehicle operating costs and wider effects stands at £15.4 million per annum. The average daily cost impact of works is an estimated £362, while the average work impact cost is an estimated £1,515.

Permit Schemes

- 3.6 Under the Traffic Management Act 2004 ('The Act'), the Council has a statutory network management duty described as '...managing the road network with the aim of securing the expeditious movement of traffic...'. The Act is clear that traffic means all road users, including pedestrians and cyclists, not just motorised vehicles.
- 3.7 The overall objective of the duty is the efficient operation of the network, as a whole, and allows the Council (as a Highway Authority) to act, under legislative controls, to deliver this objective.
- 3.8 The Act and associated secondary regulations widened existing legislation for the coordination of activities and works on the road network; Part 3 of The Act allows the Council to introduce a permit scheme to support the delivery of their duty.
- 3.9 The fundamental objective of a permit scheme is to create a common procedure to coordinate works on the highway to ensure that traffic disruption and inconvenience is minimised whilst providing organisations the necessary time and space to complete their work.
- 3.10 A permit scheme should be considered as an evolution, not a fundamental change, to current statutory powers to manage the network. A permit scheme complements the New Roads and Street Works Act 1991, enabling the Council to take a more active
-

Further information on the subject of this report can be obtained from Syed Shah, 07970771013, sshah@swindon.gov.uk.

Introduction of a Permit Scheme for Roadworks

Cabinet

Date: 3rd February 2021

involvement in the planning and coordination of works, from the initial planning stages through to completion.

- 3.11 This is achieved through key changes to working practices:
- 3.11.1 Organisations book occupation for work instead of giving notice, essentially obtaining a permit for their works;
 - 3.11.2 Any variation to the work needs to be agreed, before and after works have started, including extensions to the duration;
 - 3.11.3 The Council can apply conditions to works to impose constraints; and
 - 3.11.4 New sanctions with fixed penalty notices for organisations working without a permit or in breach of the permit conditions.
- 3.12 Utility companies have the legal right to place and maintain their apparatus in the public highway and must do so in accordance with legislation and associated codes of practice. This work inevitably causes some disruption at times to road users.
- 3.13 The introduction of a permit scheme to manage streetworks does not prevent this work taking place but it does provide a framework to improve the Councils ability to control and check the work. This ensures that the network is managed more efficiently for the benefit of all road users.
- 3.14 Each works category has a defined lead time – for either the initial notice or the permit application (under a permit scheme). For Major and Standard works the lead time is 10 working days prior to the proposed works start date. Major works also require a 3-month advanced notice, which becomes a provisional advanced authorisation under a permit scheme. Minor works require 3 working days lead time. Immediate works can be submitted after works start and must be received within 2 hours of works start or by 10:00 on the next working day if work started on a non-working day.
- 3.15 The Department for Transport has published Specification of the reinstatement of openings in highways. This is a statutory guidance document outlines the standards for reinstating streets after completing street works. Anyone who carries out street works must reinstate the street once the work is finished, in line with these standards.

Secretary of State Direction

- 3.16 After a national evaluation of permit schemes undertaken for the Department for Transport, the Secretary of State for Transport sent a letter to all councils not operating a permit scheme in July 2018 requesting consideration for the introduction of a permit scheme by 31st March 2019. This letter implies that the Secretary of State may 'use

Introduction of a Permit Scheme for Roadworks

Cabinet

Date: 3rd February 2021

their powers, under section 3(2) of The Act, to direct an authority [Council] to introduce a scheme’.

- 3.17 In November 2020, the Transport Minister for Roads, Buses and Places sent a further letter to the Council stating ‘Your authority is one of the few outstanding [not operating a permit scheme], though I am also pleased that there are plans to introduce a scheme in your area. I would like to offer my encouragement and support ... I should therefore be interested to hear more about your plans and to have confirmation of the intended start date for your permit scheme’.

Benefits of a Permit Scheme

- 3.18 The objectives of a permit scheme are based on the delivery of the network management duty – to deliver an effective and efficient network. The objective of a permit scheme is not to stop works taking place. The maintenance and development of utility services, roads and rail is essential to maintain quality of life and grow the local area and economy. The objectives should therefore be viewed as:

3.18.1 ensuring the effective coordination of works on the highway;

3.18.2 ensuring adherence to health and safety of road users and those undertaking works;

3.18.3 to minimise disruption and inconvenience;

3.18.4 to tackle congestion;

3.18.5 to encourage good behaviour and working practices;

3.18.6 to encourage collaboration between organisations undertaking works;

3.18.7 to provide better communication on works to the road user; and

3.18.8 to demonstrate parity for all organisations undertaking works, including the Councils own works.

Next Steps

- 3.19 In accordance with Regulation 3 of the Traffic Management Permit Scheme (England) Regulations the Council is required to consult on a proposed permit scheme, with defined consultees and interested parties, prior to bringing a scheme into legal effect. The purpose of the consultation is to seek views and questions from those potentially affected by the introduction of a permit scheme and other interested parties. The consultation documents will be posted online on the Council’s website, requesting responses to be sent directly to the Street Works section via email.

Introduction of a Permit Scheme for Roadworks

Cabinet

Date: 3rd February 2021

- 3.20 The consultation will run for a period of 8 weeks. The Cabinet Member for Highways, Maintenance and Waste Services will consider the consultation responses. and respond through a Cabinet Member Decision Note.

4. Alternative Options

- 4.1 The alternative option for the Council is not to introduce a permit scheme and continue using existing powers for network management. Under this option the Council would need to respond to the Transport Minister explaining why the Council do not want to introduce a permit scheme.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 To introduce a permit scheme the Council will need to increase their employees within the Transport Planning, Development & Street Works Management Team to administer the scheme and ensure compliance through inspections and enforcement.
- 5.2 A feasibility exercise has been undertaken for the Council by a specialised consultancy to determine the financial impact of a permit scheme. This study estimates an increased cost for the Council of £141,279 per annum which includes additional staff and resources. The Study also estimates the potential income from the scheme, through regulatory charges (permit fees) and penalties from offences, of £220,042. There is an estimated cost to income variance of £78,763 in surplus income.
- 5.3 It should be noted that these estimates contain a potential over-recovery of allowable costs, under regulations, and the Council would need to adjust their permit fee charge levels should a sustained surplus be maintained. However, there is a strong likelihood that other income streams from penalties may improve as a result of increased resources within the Street Works Management section.
- 5.4 Overall, the introduction of a permit scheme should not be an income generating opportunity, but an opportunity to achieve more financial resilience to deliver a critical statutory duty.

Legal and Human Rights Implications

- 5.5 The Council will need to create a legal Order to bring a permit scheme into effect. The process to create this legal order is well established across English Local Authorities since 2015.
- 5.6 There are no perceived human rights implications from the introduction of a permit scheme.
-

Further information on the subject of this report can be obtained from Syed Shah, 07970771013, sshah@swindon.gov.uk.

Introduction of a Permit Scheme for Roadworks

Cabinet

Date: 3rd February 2021

Climate Change Impact

- 5.7 A benefits arising from a permit scheme is a reduction in carbon emissions, driven by more efficient vehicle movements, and the avoidance of the 'stop-start' movements associated with traffic control and queues around work sites.
- 5.8 The feasibility study undertaken for the Council used a program to create models to assign a monetary value on emissions savings by applying a 'cost of carbon' to the amount of carbon generated because of works, *such as additional fuel due to idling, or diversions*.
- 5.8.1 The implied carbon emissions attributable to works in the Swindon area amounts to 8,760 tonnes.
- 5.8.2 This amounts to around 4% of total vehicular emissions on local roads in area.
- 5.9 The improved efficiency of works under the permit scheme means that the scale of carbon emissions generated as a result of works may be expected to be reduced post-scheme implementation, leading to an estimated carbon emission savings of 748 tonnes CO2 per year.
- 5.10 To set this emission saving in context, using the typical emissions of new cars sold in the UK currently, this reduction amounts to an equivalent saving of 5.9 million annual car kms.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.11 The structure of Street Works Management and the roles and responsibilities of the existing staff members will change. Three new staff members will be recruited to fulfil the Council's duties to operate a permit scheme. The requisite HR process will be followed to carry out any staff consultation and recruitment.
- 5.12 The introduction of a permit scheme will support more informed decision making by the Council. Impacts of individual schemes on Crime and Disorder will be assessed as part of their planning and design.

Diversity Impact Assessment

- 5.13 A Diversity Impact Assessment (DIA) has been undertaken and a copy is available from the report author. The DIA has assessed the implications of introducing a permit scheme for all those who might be affected and concluded that introducing a permit scheme supports diversity by making mobility provisions for all sectors of the community.
- 5.14 The only group with a perceived impact is Disability, which is considered a positive effect as the Council can further ensure works are carried out in consideration to the needs of all vulnerable road users.
-

Further information on the subject of this report can be obtained from Syed Shah, 07970771013, sshah@swindon.gov.uk.

Introduction of a Permit Scheme for Roadworks

Cabinet

Date: 3rd February 2021

Risk Management

- 5.15 A feasibility exercise has been undertaken for the Council by a specialised consultancy to determine the financial impact of a permit scheme. There is an estimated cost to income variance of £78,763 in surplus income.

6. Consultees

- 6.1 The Corporate Director of Finance and Assets (s151 officer) and Chief Legal Officer (Monitoring Officer) are consulted in respect of all reports.

7. Background Papers

- 7.1 None

8. Appendices

- 8.1 Appendix 1 Swindon Borough Council Permit Scheme (draft)
8.2 Appendix 2 Swindon Borough Council Permit Scheme Consultation Overview (draft)

9. Key Decision/Decision in Cabinet Work Programme and Forward Plan

- 9.1 This is a Key Decision and is included in the Cabinet Work Programme and Forward Plan for February 2020.

This page is intentionally left blank

The Traffic Management Act 2004

Swindon Borough Council Permit Scheme

Version A1

Foreword

Swindon Borough Council, acting as a local highway authority and a traffic authority, has a legal duty to maintain the roads under its control and ensure that these roads can be used for safe and efficient travel within and across the entire road network.

The Council has a range of powers and duties under which they maintain and improve the network, and manage its use and the activities taking place on it, such as:

- the Highways Act 1980 principally covering the structure of the network;
- the New Roads and Street Works Act 1991("NRSWA") covering utility Street Works;
- and the Road Traffic Regulation Act 1984 regulating the activities of road users.

The Traffic Management Act ("TMA") was introduced in 2004 and this placed more legal responsibility, under a network management duty, to ensure the efficient operation of the network and to act under legislative controls to deliver this objective.

The scope of the network management duty has the following main considerations:

- manage the road space for all users;
- identify current and future causes of congestion, and to plan and act accordingly;
- take a proactive approach to the coordination of works on the road, including unplanned emergency works;
- gather and publish accurate information about planned works and events;
- manage unforeseen incidents and events on the network;
- establish and implement contingency plans for incidents and issues; and
- manage cross-border network travel and demands.

The duty includes **managing the road space for all users** – those who need to travel on the road and those who need to work on their asset, on or underneath the road.

Works undertaken on the road are essential to maintain, improve and add services, in addition to maintaining the road infrastructure itself.

Part 3 of the TMA allows the Council to introduce and operate a permit scheme to support the delivery of this duty and create a common procedure to control works on the highway.

Permit schemes are not intended to stop works taking place. The primary objective of a permit scheme is to enable the Council to take a more active involvement in the planning and execution of works to reduce congestion and to control any potential disruption on the network.

Content

| | | |
|----------|---|-----------|
| 1 | Introduction | 1 |
| 1.1 | The Permit Scheme | 1 |
| 1.2 | Permit Scheme design..... | 1 |
| 1.3 | Transition arrangements | 1 |
| 2 | Permit Scheme Background..... | 2 |
| 2.1 | The Network Management Duty | 2 |
| 2.2 | Permit Scheme objectives..... | 3 |
| 2.3 | Permit Scheme evaluation | 3 |
| 3 | Works Coordination | 4 |
| 3.1 | Principles for works coordination | 4 |
| 3.2 | Permit conditions | 4 |
| 3.3 | Imposed variations and revocation | 5 |
| 3.4 | Operational guidance..... | 5 |
| 4 | Scope of the Permit Scheme | 6 |
| 4.1 | Principles for the scope of the Permit Scheme | 6 |
| 4.2 | Specified area | 6 |
| 4.3 | Specified Streets..... | 6 |
| 4.4 | Specified Works..... | 6 |
| 4.5 | Specified dates and times | 7 |
| 4.6 | Permit conditions | 7 |
| 4.7 | Parity treatment for Promoters | 8 |
| 4.8 | Form of communication and registers | 8 |
| 4.9 | Relationship with other legislation..... | 8 |
| 5 | Permit Applications..... | 10 |
| 5.1 | Principles for permit applications | 10 |
| 5.2 | Permits for Immediate Works | 10 |
| 5.3 | Provisional Advanced Authorisation | 10 |
| 5.4 | Cross-boundary works..... | 10 |
| 5.5 | Collaborative working..... | 10 |
| 5.6 | Other parties..... | 11 |

| | | |
|-----------|---|-----------|
| 6 | Application Timings and Responses | 12 |
| 6.1 | Principles for application timings and responses..... | 12 |
| 6.2 | Application timings | 12 |
| 6.3 | Timing of permit variations | 13 |
| 6.4 | Early start..... | 13 |
| 7 | Permit Content | 14 |
| 7.1 | Principles for permit content | 14 |
| 7.2 | Contact details | 14 |
| 7.3 | Location..... | 14 |
| 7.4 | Reinstatement and inspection details..... | 15 |
| 7.5 | Supplementary information | 15 |
| 7.6 | Timing and duration | 15 |
| 7.7 | Traffic management | 15 |
| 7.8 | Work description and methodology | 16 |
| 8 | Permit Variation..... | 17 |
| 8.1 | Principles for permit variation | 17 |
| 8.2 | Varying a Provisional Advanced Authorisation | 17 |
| 8.3 | Imposed variation | 17 |
| 8.4 | Permit revocation..... | 17 |
| 8.5 | Permit cancellation | 18 |
| 9 | Working under a Permit | 19 |
| 9.1 | Start and end dates (permit duration)..... | 19 |
| 9.2 | Information on site | 19 |
| 9.3 | Fault-finding work | 19 |
| 9.4 | Immediate Works on Specified Streets..... | 19 |
| 9.5 | Interrupted works..... | 20 |
| 9.6 | Permit compliance inspections..... | 20 |
| 10 | Permit Fees..... | 21 |
| 10.1 | Principles for permit fees..... | 21 |
| 10.2 | Permit fees..... | 21 |
| 10.3 | Works without a permit fee..... | 22 |
| 10.4 | Discounts | 22 |
| 10.5 | Fee payment and reconciliation | 22 |

| | |
|--|-----------|
| 11 Permit Sanctions..... | 24 |
| 11.1 Principles for permit sanctions..... | 24 |
| 11.2 Action by the Permit Authority | 24 |
| 11.3 Parity treatment for offences..... | 24 |
| 12 Dispute Resolution..... | 25 |
| 12.1 Principles for dispute resolution | 25 |
| 12.2 Dispute review..... | 25 |
| 12.3 Adjudication | 25 |
| 12.4 Arbitration..... | 25 |
| 13 Appendix 1: Disapplication of NRSWA..... | 27 |
| 14 Appendix 2: Modification to NRSWA | 28 |

Terminology

The key words 'must', 'required', 'should', 'recommended', 'encouraged', and 'may', used in this document are to be interpreted as follows:

- The word 'must', or the term 'required', means that the requirement of the Permit Scheme to which they relate is an absolute requirement.
- The phrases 'must not' or 'shall not' mean that the prohibition of the Permit Scheme to which they relate is an absolute prohibition.
- Wherever possible the term 'must' is associated to a requirement under legislation, however in some instances the term is used to denote that a process will be required. For example, the provision of information on the permit is defined as a must, even though there is no legal provision for this. Without this information the Permit Authority cannot process an application and therefore it must be provided.
- The word 'should', 'should not' or the adjectives 'recommended' or 'encouraged' mean that there may exist valid reasons in particular circumstances to ignore a recommendation in the Permit Scheme, but the full implications must be understood and carefully weighed before choosing a different course.
- The word 'may' means that a suggestion in the Permit Scheme is truly optional.

References

References within the Permit Scheme to other documents, *such as Regulations, Acts, Statutory Guidance or Codes of Practice*, include all future revisions and updates.

Should any changes made to these documents reflect a fundamental change to the scope of the Permit Scheme, and associated definitions, the Permit Scheme will also be updated.

Definitions

| Term | Definition |
|--------------------------|---|
| Activities | Means Registerable Activities. |
| Application | Unless specified otherwise, the term application will refer to the submission of a Provisional Advanced Authorisation, a permit or a permit variation. |
| Bank holiday | As defined in Section 98 (3) of NRSWA, 'bank holiday means a day which is a bank holiday under the Banking and Financial Dealings Act 1971 in the locality in which the street in question is situated'. |
| Breaking up (the street) | Any disturbance to the surface of the street (other than opening the street). |
| Calendar day | A timespan of exactly 24 hours, measured from one midnight to the next. A day having a conventional designation on a recognised calendar, such as a numerical identification within a named month |
| Carriageway | As defined in Section 329 of HA 1980, 'carriageway means a way constituting or comprised in a highway, being a way (other than a cycle track) over which the public have a right of way for the passage of vehicles'. |

| | |
|--|--|
| Code of Practice for Coordination | NRSWA Code of Practice for the Coordination of Street Works and Works for Road Purposes and Related Matter (latest version as published). |
| Day | Unless explicitly stated otherwise, the reference to 'day' means a working day. |
| Emergency works | As defined in Section 52 of NRSWA, 'emergency works means works whose execution at the time when they are executed is required in order to put an end to, or to prevent the occurrence of, circumstances then existing or imminent (or which the person responsible for the works believes on reasonable grounds to be existing or imminent) which are likely to cause danger to persons or property'. |
| Excavation | Means 'Breaking up' (as defined above). |
| Fixed Penalty Notice (FPN) | As defined in schedule 4B to NRSWA, 'fixed penalty notice means a notice offering a person the opportunity of discharging any liability to conviction for a fixed penalty offence by payment of a penalty'. |
| HAUC(UK) | The Highway Authorities and Utilities Committee for the UK. |
| Highway | As defined in Section 328 of the Highways Act 1980, 'highway means the whole or part of a highway other than a ferry or waterway'. |
| Highway Authority | As defined in Sections 1 and 329 of the Highways Act 1980. |
| Immediate Works | Immediate works are either emergency works urgent activities or works. |
| Local Highway Authority | As defined in Section 329 of Highways Act 1980, 'local highway authority means a highway authority other than the Minister'. |
| Local street gazetteer | A subset of the NSG containing details of all streets in a local highway authority area, being a self-contained entity created and maintained by the local highway authority covering all streets in their geographic area regardless of maintenance responsibility. |
| NRSWA | The New Roads and Street Works Act (1991) |
| NSG | National Street Gazetteer |
| Opening (the street) | Removing a lid or cover to a manhole, inspection chamber, meter box or other structure embedded in the street without any 'breaking up' of the street. |
| Order | Unless otherwise specified, 'Order' means a document signed by a person authorised by the Council to give effect, vary or revoke a permit scheme. |
| PAA | Means a Provisional Advanced Authorisation, which is an indication of the likely future issue by the Permit Authority of a permit for certain proposed works. |
| Permit Authority | Means Swindon Borough Council, as the relevant local highway authority which has prepared a permit scheme under section 33(1) or (2) of the Traffic Management Act 2004. |
| Permit Fee | Refers to the fee due for a PAA, permit or permit variation, as set out within section 10. |

| | |
|---|---|
| Positive traffic control | Forms of traffic control as set out within the Code of Practice: Safety at Street Works and Road Works. |
| Promoter | <p>A person or organisation responsible for commissioning works [registerable activities] in streets covered by the Permit Scheme.</p> <p>Promoters will be either a statutory undertaker or a participating local highway authority or traffic authority.</p> |
| Registerable Activities | Has the same meaning as 'specified works' in the Traffic Management Permit Schemes (England) Regulations 2007. |
| Reinstatement | As defined in Section 105 (1) of NRSWA, 'reinstatement includes making good'. |
| Remedial works | Remedial works are those required to put right defects identified in accordance with the provisions of the New Roads and Street Works Act 1991 Code of Practice for Inspections and associated Regulations. |
| Specified Area | The area covered by the Permit Scheme is the geographical area encompassed by Swindon Borough Council's administrative boundary. . |
| Specified Street | All streets that are publicly maintainable by or on behalf of the Permit Authority are included in the Permit Scheme. |
| Specified Works | Specified Works corresponds to the term 'registerable activities' and comprise both Street Works and Works for Road Purposes. |
| Statutory Guidance for Permit Conditions | Means the 'Statutory Guidance for Highway Authority Permit Schemes – Permit Scheme Conditions', the most recent publication, issued by the Secretary of State pursuant to section 33(5)(b) of the Traffic Management Act 2004. |
| Statutory Undertaker | As defined in Section 48 (4) of NRSWA, 'undertaker in relation to street works means the person by whom the relevant statutory right is exercisable (in the capacity in which it is exercisable by him) or the licensee under the relevant street works licence, as the case may be'. |
| Street | As defined in Section 48 (1) of NRSWA, 'street means the whole or any part of any of the following, irrespective of whether it is a thoroughfare (a) any highway, road, lane, footway, alley or passage; (b) any square or court; (c) any land laid out as a way whether it is for the time being formed as a way or not' |
| Street Reinstatement Category | This means one of the road categories specified in paragraph 1.3.1 of Chapter S.1 of the code of practice entitled 'Specification for the Reinstatement of Openings in Highways'. |
| Street Works | Street works As defined in Section 48 (3) of NRSWA, 'street works means works of any of the following kinds (other than works for road purposes) executed in a street in pursuance of a statutory right or a street works licence: (a) placing apparatus; or (b) inspecting, maintaining, adjusting, repairing, altering or renewing apparatus, changing the position of apparatus or removing it, or works required for or incidental to any such works (including, in particular, breaking up or opening the street, or any sewer, drain or tunnel under it, or tunnelling or boring under the street'. |
| The FPN Regulations | Means the Street Works (Fixed Penalty) (England) Regulations 2007. |

| | |
|--|---|
| The Noticing Regulations | Means the Street Works (Registers, Notices, Directions and Designations) (England) Regulations 2007. |
| The Permit Scheme Regulations | Means the Traffic Management Permit Scheme (England) Regulations 2007, as amended |
| TMA | Means the Traffic Management Act 2004. |
| Traffic Regulation Order (TRO) or Traffic Order | This means an Order made under the Road Traffic Regulation Act 1984. |
| Traffic Sensitive street | This means a street designated by a street authority as traffic-sensitive pursuant to Section 64 of NRSWA and in a case where a limited designation is made pursuant to Section 64 (3) any reference to works in a traffic-sensitive street shall be construed as a reference to works to be executed at the times and dates specified in such designation. |
| Traffic Sensitive time | In relation to a traffic-sensitive street, means: the times or dates specified in the case of a limited designation; and any time in any other case. |
| USRN | Means Unique Street Reference Number As defined in the British Standard BS7666. |
| Urgent activities or works | <p>Immediate activities which are:</p> <p>a) activities (not being emergency works) whose execution at the time they are executed is required (or which the person responsible for the activity believes on reasonable grounds to be required) i) to prevent or put an end to an unplanned interruption of any supply or service provided by the undertaker; ii) to avoid substantial loss to the undertaker in relation to an existing service; or iii) to reconnect supplies or services where the undertaker would be under a civil or criminal liability if the reconnection is delayed until after the expiration of the appropriate notice period; and</p> <p>(b) Includes activity that cannot reasonably be severed from such activities.</p> |
| Working day | Means a day other than a Saturday, Sunday, Christmas Day, Good Friday or a bank holiday; and for the purposes of the Permit Scheme the commencement of a working day will be treated as being 08:00 and its end as 16:30 |
| Works | Which term includes 'Street Works or Works for Road Purposes. |
| Works for Road Purposes | <p>As defined in Section 86 (2) of NRSWA, 'works for road purposes means works of any of the following descriptions executed in relation to a highway:</p> <p>(a) works for the maintenance of the highway; (b) any works under powers conferred by Part V of the Highways Act 1980 (improvement); (c) the erection, maintenance, alteration or removal of traffic signs on or near the highway; or (d) the construction of a crossing for vehicles across a footway or grass verge or the strengthening or adaptation of a footway for use as a crossing for vehicles'.</p> |

1 Introduction

1.1 The Permit Scheme

- 1.1.1 This permit scheme, known as the **Swindon Borough Council Permit Scheme** and within this document as the 'Permit Scheme', has been prepared in accordance with and complies with Part 3 of the Traffic Management Act 2004 ('TMA') (Sections 32 to 39) and the Traffic Management Permit Scheme (England) Regulations 2007, Statutory Instrument 2007 No. 3372 made on 28 November 2007 and the Traffic Management Permit Scheme (England) (Amendment) Regulations, Statutory Instrument 2015 No. 958
- 1.1.2 This Permit Scheme comes into force through the powers conferred by Section 33A (2) of the TMA by an Order made by Swindon Borough Council, known in this document as the Permit Authority acting in its capacity as a Local Highway Authority.
- 1.1.3 This Order came into effect on (insert date).
- 1.1.4 The Permit Scheme is a single-authority permit scheme. This Permit Scheme may also be operated by other local highway authorities, and therefore has a single set of rules which each Permit Authority operating the scheme applies independently to their own highway, subject to normal boundary liaison and coordination.

1.2 Permit Scheme design

- 1.2.1 The Permit Scheme is designed to control the undertaking of Specified Works on the public highway. It evolves the 'noticing system' under the New Roads and Street Works Act 1991 (NRSWA) whereby the Permit Authority is informed of an organisation's intention to carry out works in their area.
- 1.2.2 The Permit Scheme uses similar concepts to the notice system in several key areas, such as works categories. This is to ensure consistency and facilitate coordination.
- 1.2.3 The Permit Scheme will apply to a person or organisation responsible for commissioning works on streets covered by the Permit Scheme. In the Permit Scheme these persons or organisations will be referred to as a Promoter
- 1.2.4 The development of the Permit Scheme has had regard to the requirements of the Equality Act 2010. In developing the Permit Scheme due consideration and attention was given to the needs of all road users.

1.3 Transition arrangements

- 1.3.1 When the Permit Scheme comes into legal effect the Permit Authority will apply rules of transition – moving from a notice regime to a permit scheme – as set out within the Statutory Guidance for Highway Authority Permit Schemes (October 2015).
- 1.3.2 These rules provide opportunity to complete works under specified circumstances without the need to resubmit a permit application.

2 Permit Scheme Background

2.1 The Network Management Duty

- 2.1.1 The objectives of the Permit Scheme are aligned to the objectives of the TMA network management duty:
- securing the expeditious movement of traffic on the authority's road network; and
 - facilitating the expeditious movement of traffic on road networks for which another authority is the traffic authority.
- 2.1.2 The TMA is clear that this duty should consider the movement and needs of all road users: pedestrians and cyclists, as well as motorised vehicles – whether engaged in the transport of people or goods, as well as those undertaking works on the network.
- 2.1.3 The duty is also qualified in terms of practicability and other responsibilities of the Permit Authority and it does not take precedence. As an example, securing the expeditious movement of vehicles should not be at the expense of road safety.
- 2.1.4 The Permit Authority whilst undertaking this duty will consider its own network and the likely effects of its actions on adjacent networks. This is to avoid moving the problem elsewhere, or conflicting policies causing problems across administrative boundaries. This should achieve best operation of the overall network.
- 2.1.5 The TMA defines action that the Permit Authority may take in performing the duty as including anything that would contribute to securing the more efficient use of the network, or that would avoid, **eliminate or reduce congestion or disruption**.
- 2.1.6 The Permit Authority must manage the road space for everyone and make decisions on balance between competing demands according to the end results and the circumstances of the part of the network being considered.
- 2.1.7 Congestion is based on multiple causes, including, but not limited to, increasing volumes of traffic, journeys at peak times, a reduction in the availability of the highway from obstructions, such as works, associated traffic management and limited availability of alternative routes. A reduction in network capacity from works is not necessarily a direct cause of congestion, but an influencing factor.
- 2.1.8 It is important that the Permit Authority undertakes **proactive coordination of the network**. This involves **gathering and publicising accurate information** about planned works, considering how to coordinate them to minimise their impact, and agree (or stipulate) their timing and conditions to best effect.
- 2.1.9 As works on the road network can have a significant impact on traffic, the Permit Authority will endeavour to ensure that works are carried out with enough urgency, as appropriate, to minimise the potential for congestion and disruption.
- 2.1.10 Consideration must be given to the effect of concurrent works on the road network, how they may affect established network plans or their impact on other known works and network activities, **and where possible promote collaboration**.
- 2.1.11 Seasonal variations of network demand, such as expected peaks on Bank Holidays will also be taken into consideration by the Permit Authority.
- 2.1.12 In addition to works, the Permit Authority must coordinate around regular or one off 'events' such as *carnivals, street markets, sporting fixtures and seasonal weather conditions*.

- 2.1.13 **Safety and environmental considerations** remain important as does the operation, maintenance, repair and provision of the network. In meeting the duty, the Permit Authority also needs to consider its other responsibilities under other highways and traffic legislation, environmental protection legislation, the Equality Act 2010, Health and Safety and planning legislation.
- 2.1.14 The Permit Authority will work collaboratively with partners and stakeholders, such as the emergency services, passenger transport executives or integrated transport authorities, bus operators, other Highway Authorities such as Highways England and the public.
- 2.1.15 Nothing in the duty requires the Permit Authority to disregard considerations of value for money and the proportionality of any of their actions. Therefore, any approach towards coordination should also include affordability and economic impact.
- 2.1.16 **Parity is an important principle in exercising the duty.** The Permit Authority will apply the same standards and approaches to both Road Works and Street Works.

2.2 Permit Scheme objectives

- 2.2.1 The Council's primary objective is to enable works to be carried out in an appropriate manner with due regard to the impact on road users. Therefore, in consideration to the Council's network management duty, the main supplementary objectives of the Permit Scheme in relation to these works are:
- To ensure effective coordination;
 - To ensure adherence to health and safety and the Construction Design and Management Regulation 2015;
 - To protect apparatus, assets and structures;
 - To minimise unnecessary disruption and inconvenience;
 - To tackle causes of congestion;
 - To encourage collaboration; and
 - To provide better communication to road users.
- 2.2.2 The objective is to better control works to minimise disruption and inconvenience. It is not to prevent the legitimate right of Promoters and others to access their equipment, nor to prevent necessary maintenance to the highway itself.
- 2.2.3 Effective works coordination and management by the Permit Authority are essential to ensure that traffic disruption is minimised whilst allowing Promoters the required time and space to complete their works.

2.3 Permit Scheme evaluation

- 2.3.1 The Permit Authority must undertake an evaluation of the Permit Scheme in accordance with Part 3 of the Permit Scheme Regulations. This evaluation will determine whether the Permit Scheme is meeting the stated objectives and include assessment of Key Performance Indicators, as outlined within the Statutory Guidance for Permits.

3 Works Coordination

3.1 Principles for works coordination

- 3.1.1 In association with Permit Scheme objectives, the key principle for works coordination is to ensure works are undertaken with the least amount of disruption to the road user, whilst also ensuring adherence to health and safety.
- 3.1.2 The Permit Authority will therefore use principles that achieve these objectives, such as:
- requiring that work is only undertaken at certain times of the day and/or on certain days of the week *i.e. scheduling work to avoid peak times*;
 - applying different requirements for work on different types of road *i.e. a busy commuter route may benefit from night working, but on a quiet residential road, daytime working would be preferable so that residents' night time is not disturbed*;
 - identifying alternative routes on which planned works are prohibited until the other road is clear;
 - providing information on 'paired roads' so that others can use this to plan their work;
 - promoting the use of shared work space, *i.e. planned work undertaken on the same stretches of road at the same time*;
 - ensuring the use of temporary traffic control is effective, such as vehicle-actuated traffic signals or, at appropriate times the manual operation of such control;
 - providing accurate information of works on a public website to allow road users to make decisions on mitigation.

3.2 Permit conditions

- 3.2.1 In applying conditions to a permit, the Permit Authority will consider the potential for works to cause disruption. Where possible, conditions attached to a permit will provide flexibility for the Promoter by requiring an outcome rather than stipulating the method by which the work must be carried out.
- 3.2.2 When setting any condition, the Permit Authority is required to act reasonably and to take account of how feasible it is for the Promoter to comply with that condition. All permit conditions applied will be fully in accordance with legislation.
- 3.2.3 Promoters are encouraged to consider the inclusion of proposed conditions on their permit during the initial application as well as the exclusion of those which will not be relevant to the proposed works such as a permit condition for temporary traffic control where this will not be deployed. By doing so, the likelihood of the Permit Authority refusing a permit with any subsequent re-application could be minimised. This would include any permit conditions that are not relevant to the permit or work.
- 3.2.4 If the Promoter has safety concerns about any condition requested by the Permit Authority, it should immediately raise these concerns with the Permit Authority providing relevant reasons for the challenge.

3.3 Imposed variations and revocation

- 3.3.1 Once a permit has been granted, a Promoter should have reasonable confidence that the road occupation will be available for them. Circumstances beyond the Permit Authority's control may occur, which may result in a required change to or the removal of the works, and therefore the associated permit).
- 3.3.2 In accordance with The Permit Scheme Regulations a statement of policy as to the circumstances in which a Permit Authority will revoke permits on its own initiative is as follows:
- a) where circumstances arise that cause the Permit Authority to review the permit, it may conclude that the permit needs to be revoked rather than simply being varied; and
 - b) revocation will be the exception and will only happen when the new circumstances could not have been reasonably predicted or where the impact of works being undertaken is significant.
- 3.3.3 Examples of unplanned events where this policy may apply are; *floods and other adverse weather conditions, burst mains, dangerous buildings, road traffic accidents*. These events may result in traffic being diverted onto the road where the work was underway or about to start.

3.4 Operational guidance

- 3.4.1 Different forms of permit scheme operation guidance exist, which contain explanation for working process and practices within a permit scheme. Whilst the Permit Authority recognises that it is not required by legislation to comply with such guidance, *and therefore that such guidance cannot substitute or supersede legislation*, where appropriate the Permit Authority will operate the Permit Scheme in accordance to published operational guidance.
- 3.4.2 Operational guidance may also take the form of a HAUC Advice Note or Code of Conduct.

4 Scope of the Permit Scheme

4.1 Principles for the scope of the Permit Scheme

- 4.1.1 Any Promoter who wishes to carry out Specified Works on Specified Streets in the Specified Area known as **Swindon** must obtain a permit from the Permit Authority.
- 4.1.2 The permit will allow the promoter to carry out the specified work: at the specified location; between the dates shown; and subject to any conditions of that permit.

4.2 Specified area

- 4.2.1 The area covered by the Permit Scheme is the geographical area encompassed by Swindon Borough Council's administrative boundary. This is the '**Specified Area**' as set out within the Permit Scheme Regulations.

4.3 Specified Streets

- 4.3.1 All streets that are publicly maintainable by or on behalf of the Permit Authority are included in the Permit Scheme. These streets are the '**Specified Streets**' as set out in the Permit Scheme Regulations.
- 4.3.2 Trunk roads and motorways, for which Highways England is the responsible highway authority, are not included in scope of the Permit Scheme.
- 4.3.3 Privately maintained streets are not included in the scope of the Permit Scheme.
- 4.3.4 The designation and categorisations of streets within the National Street Gazetteer (NSG) and additional street data are definitive.

4.4 Specified Works

- 4.4.1 Specified works corresponds to the term 'Registerable Activities' and comprise both **Street Works** and **Works for Road Purposes**.
- 4.4.2 All works comprising and categorised as 'Specified Works' will require a permit.
- 4.4.3 Specified works do not include works executed in a street pursuant to a Street Works licence issued under section 50 of the NRSWA.
- 4.4.4 Specified Works are those defined within The Noticing Regulations as set out within Chapter 7 of the Code of Practice for Coordination
- 4.4.5 Where any Promoter carries out Works for Road Purposes these will be treated as such and not as Street Works.
- 4.4.6 Specific works that are excluded are also defined within the Code of Practice for Coordination and do not require a permit.
- 4.4.7 Promoter are encouraged, wherever possible, to submit a permit application for these works to aid in the coordination of all works across the network. As a non-registerable work, they would be exempt from the scope of the Permit Scheme.

4.4.8 Work categorisation

4.4.9 Works fall under one of four categories: Major, Standard, Minor and Immediate.

4.4.10 The Permit Scheme applies the work categories set out within Chapter 7 of the Code of Practice for Coordination (summarised in table below).

Table 1: Summary overview of the definition of work categories

| Work Category | Description |
|---------------|--|
| Major | Works requiring a temporary TRO <u>or</u> over 10 days in planned duration |
| Standard | Works with a planned duration of between 4 to 10 days |
| Minor | Works with a planned duration of 3 days or less |
| Immediate | Emergency or urgent works as defined under Section 52 of NRSWA |

4.4.11 Work phases

4.4.12 One permit can only contain one phase of work.

4.4.13 A phase of work is a period of continuous occupation of the street (whether or not work is taking place for the whole time) between the start and completion of the related works.

4.4.14 The following works constitute a single phase:

- new customer connections;
- interim to permanent reinstatements; and
- remedial works.

4.4.15 The dates in a permit will denote the dates for that phase.

4.4.16 A phase ends only when all plant, materials including any signing, lighting, guarding and excavation materials have been removed from site and the highway is returned to full use.

4.4.17 A Promoter should clarify that work is to be carried out in multiple phases, if known, on the initial application and all applications must reference the related phases of the works.

4.5 Specified dates and times

4.5.1 A permit must specify a start date and an end date for the Specified works - a permit is inclusive of these dates.

4.5.2 The start and end dates must be calendar days and may include weekends and Bank Holidays even if these are not working days.

4.6 Permit conditions

4.6.1 The Permit Authority may attach conditions to a permit as set-out within the Statutory Guidance for Permit Scheme Conditions.

- 4.6.2 Promoters must comply with the terms of the permits and the conditions attached.
- 4.6.3 The Permit Authority shall use the wording and reference identification for conditions as set out in the Statutory Guidance for Permit Conditions.
- 4.6.4 The Statutory Guidance for Permit Scheme Conditions includes mandatory conditions that apply to all permits. These conditions apply whether or not they are specified within the permit content. Such conditions apply equally to permits for Immediate Works.

4.7 Parity treatment for Promoters

- 4.7.1 The Permit Authority will operate the Permit Scheme with parity treatment for all Promoters; whether for Street Works or Works for Road Purposes
- 4.7.2 It should be accepted that Promoters have differing requirements for access to the highway and working methodologies. As such there may be varying working practices in the application of the Permit Scheme between Promoters under the principle of parity.
- 4.7.3 In accordance with the Permit Scheme Regulations the Permit Scheme will be operated in a non-discriminatory way.

4.8 Form of communication and registers

- 4.8.1 All communications related to the Permit Scheme, including applications and associated notices, must be sent by a Promoter and the Permit Authority using the respectively prescribed form of electronic communication for each of the following regulations:
- the Noticing Regulations;
 - Permit Scheme Regulations and
 - the FPN Regulations.
- 4.8.2 In circumstances where electronic communication is temporarily unavailable for either the Permit Authority or a Promoter then alternate arrangements may be agreed between parties. These arrangements are outlined separately from the Permit Scheme.
- 4.8.3 With prior agreement the Permit Authority may accept non-electronic forms of communication where access to a suitable electronic system is not possible.
- 4.8.4 A permit will be issued as a form of electronic communication unless this is temporarily unavailable.
- 4.8.5 To provide clarity on the validity and terms of the permit, each permit will contain all relevant content and permit conditions.
- 4.8.6 In accordance with the Permit Scheme Regulations and The Noticing Regulations the Permit Authority will maintain a register of permits and named Specified Streets and relevant street designations.

4.9 Relationship with other legislation

- 4.9.1 All current legislation, including the New Roads and Street Works Act (1991) and the Traffic Management Act 2004, apply to this Permit Scheme.

- 4.9.2 Where a Promoter considers there is any conflict with any current legislation, they should immediately bring this to the attention of the Permit Authority who will then be responsible for resolving the issue in accordance with legislation.
- 4.9.3 The Permit Scheme is designed to complement NRSWA, using similar definitions, and run alongside the provisions set out within the Act. The Permit Scheme Regulations disapply or modify specific sections of NRSWA. (listed within Appendices 1 and 2).

5 Permit Applications

5.1 Principles for permit applications

- 5.1.1 Except for Immediate Works, a Promoter must obtain a permit before starting work.
- 5.1.2 One permit can only cover work on one USRN. Where works cover an area covered by more than more than one USRN, each permit must reference the other applicable permits.
- 5.1.3 One permit can only cover one phase of work.

5.2 Permits for Immediate Works

- 5.2.1 Immediate Works require a permit, but due to the emergency or urgent nature of these works a Promoter can start work before applying for a permit – refer to section 6.2 for application timings.
- 5.2.2 Where Immediate Works involve any form of positive traffic control the Promoter should contact the Permit Authority as soon as possible. when works. commence.

5.3 Provisional Advanced Authorisation

- 5.3.1 For all Major works a Provisional Advance Authorisation (PAA) is required.
- 5.3.2 A PAA is not a permit – it provides the Permit Authority with advanced notice of Major works and is an indication of the likelihood of the Promoter obtaining a permit for these works.
- 5.3.3 An application for a PAA should include a description of the work and specify start and end dates, although the start date may be considered as provisional and can be amended in the application for a final permit.
- 5.3.4 The granting of a PAA does not prevent the Permit Authority from subsequently refusing to grant a permit to which the PAA relates.

5.4 Cross-boundary works

- 5.4.1 Where works cover more than one street across a boundary between the Permit Authority and an adjacent Permit Authority, separate permit applications, including a PAA, must be submitted to both Permit Authorities.
- 5.4.2 If a cross-boundary work involves working on a street of a Highway Authority which is not operating a Permit Scheme, the application to the Permit Authority should identify the work in the other Highway Authority area for which a relevant notice must be given to that Authority.
- 5.4.3 For all cross-boundary works, a reference to each application should be included on all applications, and notices (as applicable) so that Permit Authorities can coordinate the works collaboratively.

5.5 Collaborative working

- 5.5.1 Collaborative working refers to cooperation and coordination between Promoters with respect to concurrent works on a single street within the same work footprint.

- 5.5.2 For all collaborative works one promoter must take on the role of the primary promoter. They will take overall responsibility for:
- being the agreed point of contact with the Permit Authority;
 - informing the Permit Authority in the initial application of the identity of the other promoters involved and the scope of the collaborative working.;
 - ensuring estimates of total work duration are agreed and/or confirmed with the secondary promoter(s) when submitting applications.
- 5.5.3 The secondary promoter(s) retain(s) the same responsibility for submitting permit applications for work to be carried out by them or on their behalf. Only permit applications submitted by the primary promoter must show the estimated inspection units attributable to the works.
- 5.5.4 A permit will be issued to each Promoter involved in a collaborative work. All permits will record the identity of the primary and secondary Promoters.

5.6 Other parties

- 5.6.1 When requested, a copy of each application for a PAA or permit should be provided by the Promoter to a neighbouring Permit Authority.
- 5.6.2 Where indicated in the National Street Gazetteer, Promoters are required to copy their applications to any authority, statutory undertaker or other relevant body that has an interest on that street.
- 5.6.3 Sections 88, 89, 90, 91 and 93 of NRSWA set out the necessary consultations for these interests.
- 5.6.4 Where these recipients do not have access to an electronic system to receive the application, or other information contained in the application, information should be given by an agreed alternative method *such as email*.

6 Application Timings and Responses

6.1 Principles for application timings and responses

- 6.1.1 Promoters are encouraged to give as much notice as possible to ensure that the coordination process can be facilitated effectively.
- 6.1.2 Where work is dependent on an application for a separate, but related authorisation, *such as a temporary Traffic Regulation Order*, the relevant timescales for seeking such authorisation should be considered by the Promoter in association with the permit application timings and responses.
- 6.1.3 Application timings are a minimum application period ahead of the proposed start date. It may be necessary to provide more time than the minimum to enable effective coordination, especially when a positive form of traffic control is required for the works.

6.2 Application timings

- 6.2.1 The timing of applications for PAA, permits and permit variations and the Permit Authority's response to these applications will vary according to the proposed work category. The minimum times are given below:

Table 2: Application and response times

| Work Category | Minimum application period ahead of proposed start date | | Response time for the Permit Authority to issue a permit after application | |
|---------------|---|---|--|--------------------------|
| | Application for a PAA | Application for a permit | Application for a PAA | Application for a permit |
| Major | 3 Calendar Months | 10 Days | 1 Calendar Month | 5 Days |
| Standard | Not Applicable | 10 Days | Not Applicable | 5 Days |
| Minor | Not Applicable | 3 Days | Not Applicable | 2 Days |
| Immediate | Not Applicable | 2 Hours after works start or by 10:00 on the next working day | Not Applicable | 2 Days |

- 6.2.2 The following rules apply in relation to application timing:

- for electronic applications, the application time will be the time of receipt of the application by the Permit Authority, as recorded within the register of permits;
- for non-electronic applications, the application time will be the time the application is recorded by the Permit Authority within the register of permits and;
- calculation of the application and response timing for any application received after 16:30 will use the next working day as the day of application.

6.3 Timing of permit variations

- 6.3.1 A permit variation application may be submitted any time after a permit has been granted until the end date of the permit. Once the end date has passed, applications for variations cannot be made.
- 6.3.2 Promoters are encouraged to telephone the Permit Authority to discuss the proposed variation prior to application to increase the likelihood of the variation being accepted and to aid the coordination of works.
- 6.3.3 The minimum period for an application for a permit variation is 2 days or 20% of the original duration (whichever is longer) before the permit end date.
- 6.3.4 The response time for an application for a permit variation is 2 days.
- 6.3.5 Until such time that a permit variation is granted, the content of a permit has not changed to reflect the proposed variation. Therefore, given the response time for a permit variation, a Promoter should apply for a permit variation at least 2 days prior to the end date of the permit.

6.3.6 Response to applications

- 6.3.7 A 'response' means a decision by the Permit Authority to grant or refuse to grant a permit or a variation to a permit.
- 6.3.8 Where the Permit Authority decides to refuse an application, a reason for the refusal will be given by the Permit Authority within the response.
- 6.3.9 If the Permit Authority fails to respond to an application within the designated response time, the relevant permit, PAA or permit variation is **deemed to be granted** under the terms of the application.

6.4 Early start

- 6.4.1 Where a Promoter wants to start works inside the minimum application period, shown in Table 2 above, thereby not providing the minimum application time, they can apply for an early start.
- 6.4.2 All applications requiring an early start should include a valid reason for the early start. The Permit Authority will not unreasonably refuse a request, but it is the responsibility of the Promoter to satisfy the Permit Authority regarding the necessity for an early start.
- 6.4.3 A Promoter is encouraged to telephone the Permit Authority prior to submitting any application for work that requires an early start to discuss the likelihood of obtaining a permit.

7 Permit Content

7.1 Principles for permit content

- 7.1.1 A permit should contain the following information and as such this information should be provided within any relevant application:
- Contact details
 - Location
 - Permit conditions
 - Reinstatement and inspection details
 - Supplementary information
 - Timing and duration
 - Traffic management
 - Work description and methodology.
- 7.1.2 For Provisional Advance Authorisations, a Promoter should provide the most accurate information available at the time of making the application.
- 7.1.3 The quality of the information provided should allow the Permit Authority to make an informed decision and coordinate the work effectively.
- 7.1.4 All information provided should be in plain English, succinct and avoid any jargon or use of language that is not easily understood. The Promoter should also consider the use of this information to inform members of the Public.

7.2 Contact details

- 7.2.1 All applications must include the contact details of the person appointed by the Promoter to manage the work. The contact details provided should enable the Permit Authority to contact the Promoter **at any time** to discuss planned or active works, including problems that may occur during the work or outside of working hours.

7.3 Location

- 7.3.1 Promoters must give an accurate location using USRN together with a spatial feature (point, line or polygon) covering the extent of the works area based on National Grid References (NGRs).
- 7.3.2 The area identified needs to cover the entire area used by the work, including storage of materials, working space, safety zone, provision for pedestrians and traffic management (as applicable).
- 7.3.3 For Major works, if the proposed works deviate from a straight line, *for example to follow the curvature of a street*, a poly-line (line centre of site) will be preferred by the Permit Authority.
- 7.3.4 For Standard, Minor and Immediate Works, a centre point NGR should be supplied. A poly-line will be preferred by the Permit Authority when:
- The work or trenches are expected to be over 10 metres in length;
 - Work locations on the application in the same street are separated;

- Work areas or trenches deviate from a straight line.

7.4 Reinstatement and inspection details

- 7.4.1 Permit applications should indicate wherever possible, whether the proposed work is intended to be completed with interim or permanent reinstatement or a mixture of both.
- 7.4.2 A Promoter is required to indicate the provisional number of inspection units appropriate to the work in accordance with the rules laid down in the Inspections Code of Practice and in The Street Works (Inspection Fees) (England) Regulations 2004, as amended.
- 7.4.3 Where there is trench sharing, only the primary promoter is required to give the inspection units.

7.5 Supplementary information

- 7.5.1 A Promoter is encouraged to provide any supplementary information, including illustrations, to support an application and to provide enough detail for the permit content.
- 7.5.2 The Permit Authority may request supplementary information during the application process, which may include:
- An illustration of the work;
 - Traffic management plan; or
 - Digital photographs of the worksite.

7.6 Timing and duration

- 7.6.1 Each permit must include the proposed start and end dates of the work **in calendar days**.
- 7.6.2 The times of the day when the work is to be carried out may be specified within a permit condition. A Promoter is encouraged to provide this information on their application to ensure the application can be processed efficiently.
- 7.6.3 A Promoter should also indicate if they intend for work to continue over weekends and Bank Holidays and if night working is required.

7.7 Traffic management

- 7.7.1 A Promoter should supply full details of their traffic management proposals including any requirement for further related authorisation by the Permit Authority, *such as the need for temporary Traffic Regulation Orders (TTRs)*.
- 7.7.2 The Permit Authority do not require a separate application for temporary traffic light signals, as set out within Schedule 14 of the Traffic Signs Regulations and General Directions 2016. However, when applying for works involving positive traffic control a Promoter should provide enough information as would be deemed necessary to obtain approval for use of this type of traffic management.
- 7.7.3 This information would include, but is not limited to, the following:
- Description and/or drawing of the traffic signal arrangement;
 - Specified dates and hours of traffic control use;

- Proposed method of signal operation; or
- Contact details of the traffic management provider, including any out-of-hours arrangements.

7.7.4 A Promoter is encouraged to provide evidence, or reference, of any application or agreement for a temporary TRO within a PAA or permit application.

7.8 Work description and methodology

7.8.1 A Promoter must detail a description of the works, clearly setting out the works and their purpose.

7.8.2 Details of any planned work, including open cut, trench share, minimum dig technique or no dig, should be detailed on the permit.

7.8.3 Promoters should detail their best estimate of the excavation depth of the work. This may be expressed as a range where appropriate.

8 Permit Variation

8.1 Principles for permit variation

- 8.1.1 A permit's content must reflect the proposed or current works and must be varied when changes are proposed to the works approved by the existing permit and no separate permit is sought to cover the proposed works.
- 8.1.2 A permit variation can take place at any time after the granting of a permit and before the end date of the permit, including before or during any on site work.
- 8.1.3 There is no mechanism in the Permit Scheme for formally suspending or postponing a permit, only for varying or revoking one. Part 3 of the Permit Scheme Regulations allows the Permit Authority to vary or revoke a permit and permit conditions.
- 8.1.4 Applications for permit variations must contain all relevant information in relation to the proposed changes to allow the Permit Authority to decide on the proposed variation.

8.2 Varying a Provisional Advanced Authorisation

- 8.2.1 A PAA cannot be varied once granted.
- 8.2.2 Where a PAA has been granted, but a permit application has not been submitted, and the Promoter wishes to vary the proposed work, the Promoter should inform the Permit Authority of the proposed changes. Depending on the scale of the changes, the Permit Authority may request a revised PAA application or for the permit application to reflect the changes.
- 8.2.3 Where a PAA has not been granted, and the Promoter then wishes to vary the proposed work, the original PAA can be cancelled and a new PAA application can be submitted.

8.3 Imposed variation

- 8.3.1 If the Permit Authority must suspend or postpone a work for which a permit has been granted the Permit Authority will contact the Promoter to discuss the best way of dealing with the situation.
- 8.3.2 In such circumstances the Permit Authority will issue an imposed variation, requesting the Promoter to take the appropriate action.
- 8.3.3 If a Promoter fails to respond to this request from the Permit Authority, the Permit Authority may choose to revoke the permit.

8.4 Permit revocation

- 8.4.1 If the Permit Authority considers that a Promoter is failing to comply with a permit, including the conditions of a permit, it may revoke the permit.
- 8.4.2 Before revoking a permit, the Permit Authority will contact the Promoter to warn them of its intention and to discuss the arrangements of the revocation.
- 8.4.3 A Promoter will be committing the offence of working without a permit if they continue to work after a permit has been revoked.

8.4.4 In accordance with Permit Scheme Regulations the statement of policy as to the circumstances in which the Permit Authority will revoke permits on its own initiative is as follows:

- as with variations, where circumstances arise which cause the Permit Authority to have to review the permit, they may conclude that the permit needs to be revoked rather than simply being varied;
- revocation will be the exception and will only happen when the new circumstances could not have been reasonably predicted or where the impact is significant;
- revocation can occur through no fault of a Promoter, for example where an unplanned event on the network requires occupation on diversion routes to be removed.

8.5 Permit cancellation

8.5.1 Promoters are encouraged to cancel a permit, or application, at any time that a permit is no longer required.

9 Working under a Permit

9.1 Start and end dates (permit duration)

- 9.1.1 A permit is valid from the start date to the end date (inclusive) – this period is the duration of the works.
- 9.1.2 Works on certain streets may start later than the stated start date within a ‘starting window’ – which is equivalent to the Notice Validity set out within the Code of Practice for Coordination.

9.2 Information on site

- 9.2.1 The Permit Authority recognises the importance for the Promoter work-force to have access to the permit detail, including conditions when carrying out the planned work.
- 9.2.2 Working in breach of a condition, or without a valid permit, based on lack of knowledge on the part of the Promoter work-force will not be accepted by the Permit Authority as any form of mitigation for this failure.

9.3 Fault-finding work

- 9.3.1 In the event of Immediate Works requiring a series of fault-finding excavations or openings, *for example locating a gas leak*, the following procedure must be applied where it is necessary to undertake works beyond the initial excavation or opening covered by the first application.
- 9.3.2 As they are Immediate Works, the Promoter must submit the first Permit application within 2 hours of starting work or by 10.00 the next morning (as applicable). That first application must contain the location of the initial excavation or opening.
- 9.3.3 For any further excavations or openings on the same street within 50 metres of the original hole, the Promoter is encouraged to telephone the Permit Authority with the new location. No permit variation will be needed, and no variation charge will apply.
- 9.3.4 A Promoter must apply for a permit variation for the first excavation in each new 50 metre section away from the original hole in the same street, *i.e. 50-100 metres, 100-150 metres, etc.* Permit variation charges will not apply in these instances.
- 9.3.5 For additional excavations within each 50-metre section, the Promoter is encouraged to telephone the Permit Authority with the new location. No Permit variation will be needed, and no variation charge will apply.
- 9.3.6 If the search continues into a different street or a new USRN, (including if the street changes to a different Permit Authority), then a separate Permit application will be needed.
- 9.3.7 Conditions for these works may be varied to take account of the fact that a new location, even within the agreed 50-metre sections, can be more disruptive than the initial openings or excavations covered by preceding permits.

9.4 Immediate Works on Specified Streets

- 9.4.1 The Permit Authority’s additional street data, within the Local Street Gazetteer, details streets where an early warning of Immediate Works is required.

- 9.4.2 For these streets, a Promoter should contact the Permit Authority as soon as works become necessary or, at the latest, when they commence.

9.5 Interrupted works

- 9.5.1 If a work is interrupted, *for instance where a Promoter finds that they need specialist plant or materials not originally planned for*, the Promoter must contact the Permit Authority to notify them and agree a course of action.
- 9.5.2 Depending on the situation the Permit Authority may take different courses of action, including:
- a permit variation where the work site will remain open; or
 - closure of the worksite, with the option for the Promoter to submit a subsequent application to complete the works at a later date.
- 9.5.3 If the work is interrupted because the Promoter has caused third-party damage, then it is the Promoter's responsibility to seek a permit variation to allow the third-party damage to be repaired.
- 9.5.4 The work site remains the responsibility of the Promoter until work is complete, as such the Promoter should maintain regular contact and updates with the third-parties and the Permit Authority.

9.6 Permit compliance inspections

- 9.6.1 The Permit Authority may undertake ad-hoc inspections on active sites to check for compliance with the permit and any permit conditions.
- 9.6.2 A record of this inspection will be recorded, together with any required action as a result of the inspection.

10 Permit Fees

10.1 Principles for permit fees

10.1.1 To meet the additional costs of operating the Permit Scheme, Part 6 of the Permit Scheme Regulations allow the Permit Authority to charge a fee to recover these costs.

10.1.2 *For the purposes of section 37(9) of the 2004 Act (Permit Scheme Regulations) and regulation 32 the prescribed costs in any financial year are that proportion of the total costs incurred by the Permit Authority in connection with operating a permit scheme in that year attributable to the costs of operating that scheme in relation to statutory undertakers.*

10.2 Permit fees

10.2.1 In accordance to the Permit Scheme Regulations, the Permit Authority may charge a fee in respect of each of the following:

- the issue of a permit;
- an application for a permit, where the Permit Scheme requires a provisional advance authorisation to be obtained as part of that application; and
- each occasion on which there is a variation of a permit or the conditions attached to a permit.

10.2.2 The table below sets out the PAA, permit and permit variation fees.

Table 3: Permit fees

| Work Category | Road Category | |
|------------------|---|--|
| | Category 0, 1 and 2 and all Traffic Sensitive streets | Category 3,4 and non-Traffic Sensitive streets |
| Major (PAA) | £21 | £15 |
| Major | £48 | £30 |
| Standard | £26 | £15 |
| Minor | £13 | £9 |
| Immediate | £12 | £8 |
| Permit variation | £9 | £7 |

10.2.3 Where works on a Traffic Sensitive Street are carried out wholly outside designated Traffic-Sensitive Times the Permit Fee will reflect that for a category 3, 4 and non-Traffic-Sensitive Street for that work.

- 10.2.4 Where a Major work does not require a temporary Traffic Regulation Order, a fee representing the type of work category by its **duration** will apply, *i.e. Standard or Minor*.
- 10.2.5 Where a permit variation would move a work into a higher work category, a Promoter will be required to pay the difference between the permit fee for the two categories in addition to the permit variation fee.

10.3 Works without a permit fee

- 10.3.1 Fees will not be payable in the following circumstances;
- By any Promoter for Works for Road Purposes, including works undertaken by statutory undertakers for a local highway authority (4.4.5)
 - Any exempt works (4.4.6);
 - Where a Permit is deemed to be granted (6.3.9);
 - Where a follow-up PAA and/or permit application is required following a permit revocation through no fault of the Promoter (8.4.4);
 - Where a permit variation is initiated by the Permit Authority through no fault of the Promoter (8.3);
 - Where a Promoter cancels an application, which has not yet been responded to by the Permit Authority (8.5.1);
 - Permit variation charges will not apply in instances of fault finding. (9.3.4)

10.4 Discounts

- 10.4.1 At its discretion, the Permit Authority can waive or reduce permit fees, as a **discount** against the standard fee.
- 10.4.2 A discount of at least 30% will be given in the following circumstances:
- Collaborative works, where at least two or more Promoters intend to collaborate their works within the same site over the same period, they should submit applications at the same time or ensure the applications are at least received by the Permit Authority within three working days of each other, beginning with the day on which the first application is received.
 - **Phasing of works to lessen risk and inconvenience to the road user** - where temporary reinstatement is required by the Permit Authority to minimise risk to the public and allow safe passage. The Permit Authority in these circumstances will request that the Promoter submits a new permit application for the remaining works.
 - **Advanced coordination** - for planned Major works where a PAA application is made at least six months prior to the proposed work start date and the proposed works do not vary.
- 10.4.3 Further discount may be applied where it is demonstrated that works provide significant economic benefit to the local area. Promoters are encouraged to discuss these works with the Council at the earliest opportunity.

10.5 Fee payment and reconciliation

- 10.5.1 Permit fees will be collected by the Permit Authority in arrears in a monthly period.

- 10.5.2 A list of the fees due, *together with relevant details of the works*, will be issued to a Promoter for reconciliation prior to payment. The process for reconciliation and payment of permit fees will be issued by the Permit Authority to a Promoter on request.

11 Permit Sanctions

11.1 Principles for permit sanctions

- 11.1.1 Part 5 of the Permit Scheme Regulations provide two offences specifically related to permit schemes allowing the Permit Authority to act where unauthorised works occur.
- 11.1.2 *It is an offence for a statutory undertaker, or a person contracted to act on its behalf to undertake specified works in a specified street in the absence of a permit, except to the extent that a permit scheme provides that this requirement does not apply.*
- 11.1.3 *It is an offence for a statutory undertaker, or a person contracted to act on his behalf to breach a permit condition.*

11.2 Action by the Permit Authority

- 11.2.1 The Permit Authority can act where a Promoter, *or a person contracted to act on its behalf*, commits an offence.
- 11.2.2 Any action taken by the Permit Authority, including the giving of a Fixed Penalty Notice or prosecution will be in accordance to the Permit Scheme Regulations.

11.3 Parity treatment for offences

- 11.3.1 The Permit Authority will apply and record unauthorised works for all Promoters. However, prosecution and Fixed Penalty Notices do not apply to Works for Road Purposes.

12 Dispute Resolution

12.1 Principles for dispute resolution

- 12.1.1 There are no prescribed statutory dispute resolution procedures, therefore the approach taken is to build on arrangements that already exist through the Highways Authorities and Utilities Committee (HAUC) (UK) at local and national level for resolving disputes. These arrangements may take the form of published HAUC(UK) Advice Notes.
- 12.1.2 The Permit Authority and Promoter are expected to use their best endeavours to resolve disputes without having to refer them to a formal appeals procedure. The dispute resolution procedure for appeals under the Permit Scheme may be by way of dispute review, adjudication or arbitration.

12.2 Dispute review

- 12.2.1 If agreement cannot be reached locally on any matter arising under any part of the Permit Scheme the dispute will be referred for review on the following basis:
- a) Where the two parties consider that the issues involved in the dispute are relatively **straightforward**, the matter will be referred to impartial members of a regional HAUC (those not representing parties directly involved in the dispute) for review. That review should take place within five working days from the date of referral. Both parties are recommended to accept the result as binding.
 - b) If the parties to the dispute think the issues are particularly **complex**, they should ask HAUC (UK) to set up a review panel of four members - two statutory undertakers and two Permit Authority representatives. One of the four people will be appointed as Chair of the panel by the HAUC (UK) joint chairs.
- 12.2.2 Each party must make all relevant financial, technical and other information available to the review panel. The review would normally take place within ten working days from the date on which the issue is referred to HAUC (UK). It is recommended that both parties accept the advice given by the review panel as binding.

12.3 Adjudication

- 12.3.1 If agreement cannot be reached through a Dispute Review, either party may refer the dispute to independent adjudication provided that the parties agree the decision of the adjudicator is deemed to be final.
- 12.3.2 The costs of adjudication will be borne equally unless the adjudicator considers that one party has presented a frivolous case, in which case the independent adjudicator may order that party to pay some or all the costs of the other party.
- 12.3.3 Where the adjudication route is followed, the parties should apply to the joint chairs of HAUC (UK), who will select and appoint the independent adjudicator from suitable recognised professional bodies.
- 12.3.4 Where the parties do not agree that the decision of the adjudicator is deemed to be final the Promoter will have the option of challenging the Permit Authority's decision through the administrative court by way of judicial review.

12.4 Arbitration

- 12.4.1 Disputes may also be settled by arbitration where provided for in Section 99 of NRSWA.

DRAFT

13 Appendix 1: Disapplication of NRSWA

| NRSWA Section | | Change | Permit Scheme Regulations - Revised Arrangements |
|---------------|---|------------|---|
| Section 53 | The street works register | Disapplied | Permit Scheme Regulations prescribe similar provisions for permit registers |
| Section 54 | Advance notice of certain works | Disapplied | Replaced by applications for provisional advance authorization |
| Section 55 | Notice of starting date | Disapplied | Replaced by applications for permits |
| Section 56 | Power to direct timing of street works | Disapplied | Replaced by permit conditions and variations including those initiated by the Permit Authority |
| Section 57 | Notice of emergency works | Disapplied | Replaced by applications for immediate works |
| Section 66 | Avoidance of unnecessary delay or obstruction | Disapplied | Replaced equivalent provisions for permit authorities to require Promoters in breach of the permit requirements to take remedial action and failing that for the authority to act. 24-hour compliance period to be replaced with a requirement for Promoters to comply within a reasonable specified period determined by circumstances |

14 Appendix 2: Modification to NRSWA

| NRSWA Section | | Change | Permit Scheme Regulations – Revised Arrangements |
|---------------|---|----------------------|---|
| Section 58 | Restriction on works following substantial road works | Modified | <p>The authority's ability to issue permits with start and end dates replacing directions to start works covered in NRSWA S58 (5) to (7)</p> <p>The Permit Scheme Regulations provide the equivalent of S58A powers by allowing authorities to consider whether Promoters responded to the S58 notice by applying for their planned works</p> |
| Section 58A | Restriction on works following substantial street works | Modified | Schedule 3A is modified to work in conjunction with permits |
| Section 64 | Traffic-sensitive Street | Modified | Permit Scheme Regulations provide the requirement for notifying permit applicants the proposals to designate streets as traffic-sensitive. |
| Section 69 | Works likely to affect other apparatus in the street | Effectively extended | Permit Scheme Regulations create an equivalent requirement on highway authority promoters |
| Section 74 | Charge for occupation of the highway where works are unreasonably prolonged | Modified | Permit Scheme Regulations make provision to operate S74 powers in parallel with Permits |
| Section 88 | Bridge, bridge authorities and related matters | Modified | Modified to work in conjunction with permits |

This page is intentionally left blank

Traffic Management Act 2004

Swindon Borough Council Permit Scheme

Consultation Overview

Foreword

- 1.1.1 Making the best use of our road network is vital for Swindon Borough. Our roads facilitate the transport of people and goods, provide access to homes, businesses and other destinations, and provide public space where people shop, socialise or relax. Under the road surface lies essential infrastructure for the communications and services that underpin our lives.
- 1.1.2 Swindon Borough Council has a legal duty to manage, maintain and improve the road network, including managing its use and the activities (works) taking place on it.
- 1.1.3 The Council has a range of powers and duties under which they maintain and improve the network, and manage its use and the activities taking place on it. These include the Highways Act 1980 principally covering the structure of the network; the New Roads and Street Works Act 1991 covering utility street works; and the Road Traffic Regulation Act 1984 regulating the activities of road users.
- 1.1.4 Swindon Borough Council intend to introduce a permit scheme to control works undertaken across their road network. As part of the process to do this, the Council issued a consultation on the proposed scheme on (date to be inserted).
- 1.1.5 In accordance with Regulation 3 of the Traffic Management Permit Scheme (England) Regulations the Council is required to consult on a new permit scheme, with defined consultees and interested parties, prior to bringing a scheme into legal effect.
- 1.1.6 The Council have issued this document to support the consultation process, with the intention to answer the questions consultees may have in relation to the proposed permit scheme.
- 1.1.7 This document is not intended to influence opinion within this Consultation – any specific responses related to your area of interest can be submitted via the formal consultation response process, detailed below.

Content

| | | |
|----------|---|----------|
| 1 | Permit Scheme Consultation..... | 2 |
| 1.1 | Purpose of the Consultation | 2 |
| 1.2 | Consultation Period | 2 |
| 1.3 | How to Respond to the Consultation | 2 |
| 1.4 | How to Obtain Consultation Documents..... | 2 |
| 2 | Permit Scheme Background..... | 3 |
| 2.1 | What is a permit scheme? | 3 |
| 2.2 | Why is the Council considering the introduction of a permit scheme?..... | 3 |
| 2.3 | How does a permit scheme come into effect? | 4 |
| 2.4 | How does the introduction of a permit scheme align to the strategic transport objectives for Council? | 4 |
| 2.5 | Why don't current legislative powers provide sufficient control of works? | 5 |
| 2.6 | What type of permit scheme does the Council intend to introduce? | 6 |
| 2.7 | Does a permit scheme apply to all activities carried out on the highway? | 6 |
| 2.8 | Will a permit scheme prevent works from being carried out? | 6 |
| 2.9 | As a road user will I notice a difference when using the highway? | 6 |
| 2.10 | When could a permit scheme be introduced? | 7 |
| 2.11 | Is the permit scheme a mechanism to generate revenue? | 7 |
| 2.12 | In the current economic climate is a permit scheme justified?..... | 7 |
| 2.13 | Will the Council apply a zero-charge for permits on non-strategic streets? | 7 |
| 2.14 | Will the Council issue operational guidance for the permit scheme? | 8 |
| 2.15 | Where can I obtain further information? | 8 |
| 3 | Permit Scheme Cost-Benefit Analysis | 9 |
| 3.1 | Methodology | 9 |
| 3.2 | Estimating the cost impact of works | 9 |
| 3.3 | Quantification of permit scheme benefit | 10 |
| 3.4 | Permit scheme costs | 10 |
| 3.5 | Appraisal results | 11 |

1 Permit Scheme Consultation

1.1 Purpose of the Consultation

- 1.1.1 The purpose of the consultation is to seek views and questions from those potentially affected by the introduction of a permit scheme and other interested parties.
- 1.1.2 From these responses, the Council will consider whether any changes are required to the permit scheme, or whether further clarification of the scope or operation of the scheme is required, in light of the responses.
- 1.1.3 It should be noted that the permit scheme has to be compliant to legislation and many associated references, such as: statutory guidance; technical specifications; and codes of practice. As such, the Council is limited in changes that can be applied to the scope and content of the permit scheme.

1.2 Consultation Period

- 1.2.1 The consultation will run for a period of four weeks, between **(dates to be inserted)**.

1.3 How to Respond to the Consultation

- 1.3.1 A response can be submitted on any section of the permit scheme or in relation to the overall scope or objectives of the permit scheme. Where appropriate, a reference to a specific section or paragraph in the permit scheme would be beneficial, to provide context for the response and to enable the Council to provide the necessary consideration and a response (where applicable).
- 1.3.2 Responses can be received from individuals, organisations or those representing an interested party or organisation.
- 1.3.3 Responses to the consultation can be provided using the contact details within the section 1.4. All consultation responses, *including the respondent information*, will be collated into a central list. No personal data related to any respondent will be stored or released by the Council.

1.4 How to Obtain Consultation Documents

- 1.4.1 The proposed permit scheme and supplementary reference documents have been issued by the Council to their website. Paper copies of these document are available and can be obtained by contacting the Council. Contact details are shown below:

Council Website

Postal Address

Email Address

Contact Phone

2 Permit Scheme Background

2.1 What is a permit scheme?

- 2.1.1 Currently, organisations intending to carry out works on the Council's road network notify the Council of their intention to carry out these works. The Council has powers under the New Road and Street Works Act to provide direction to these works and also apply penalties for instances where the works are not carried out according to the notice served.
- 2.1.2 The powers provided under a permit scheme evolve the existing powers in a number of key ways:
- organisations **book occupation** for work instead of giving notice, essentially obtaining a permit for their works;
 - any **variation** to the work (before and after work has started) needs to be agreed, *including an extension to the agreed works duration*;
 - the Council can apply **conditions** to works to impose constraints; and
 - **new sanctions** with fixed penalty notices for organisations working without a permit or in breach of permit conditions.
- 2.1.3 A permit scheme provides the Council with greater control of when and how works are carried out on their road network, in order for them to deliver their network management duty to maintain an effective and efficient road network.

2.2 Why is the Council considering the introduction of a permit scheme?

- 2.2.1 The Council as a highway authority is responsible for the maintenance and management of public roads across Swindon Borough.
- 2.2.2 This responsibility includes a network management duty which is set out within the Traffic Management Act (TMA). The Act describes the duty as "...**managing the road network with the aim of securing the expeditious movement of traffic**...". The Act is clear that traffic means all road users, including pedestrians and cyclists, not just motorised vehicles.
- 2.2.3 The overall objective of the Duty is the efficient operation of the network, as a whole, and allows the Council to act, *under legislative controls*, to deliver this objective.
- 2.2.4 The scope of this Duty has the following main considerations:
- **manage the road space for all users;**
 - identify current and future causes of congestion, and to plan and act accordingly;
 - **take a proactive approach to the coordination of works on the road, including unplanned emergency works;**
 - gather and publish accurate information about planned works and events;
 - manage unforeseen incidents and events on the network;
 - establish and implement contingency plans for incidents and issues; and
 - manage cross-border network travel and demands.

- 2.2.5 Part 3 of the Traffic Management Act allows the Council to introduce a permit scheme to support the delivery of this duty through greater control of works. Since 2010 many councils have introduced permit schemes.
- 2.2.6 In 2017 the Department for Transport commissioned an evaluation of permit schemes across England. This evaluation determined that the introduction of a permit scheme has the potential to deliver clear benefits, one of these through the overall reduction of works duration and therefore any associated congestion and disruption potentially caused by these works.
- 2.2.7 The recommendations from this evaluation included “those LHAs that have not already done so should give consideration to the introduction of a permit scheme, given that this report has identified that such schemes can support LHAs to fulfil their network management duty and help to reduce the disruption caused by works”.
- 2.2.8 In consideration to the findings of this evaluation, the Secretary of State for Transport sent a letter to the councils in July 2018 requesting consideration for the introduction of a permit scheme.
- 2.2.9 During 2020 the Council undertook a feasibility study for the introduction of a permit scheme, with the aim to provide the information and evidence for the Council to make the necessary decision for the introduction of a permit scheme.
- 2.2.10 This feasibility study outlined a clear benefit for the Council to introduce a permit scheme, which is now underway.

2.3 How does a permit scheme come into effect?

- 2.3.1 The introduction of a permit scheme requires an amendment to existing legislative powers and therefore an Order (statutory instrument) to bring the scheme into legal effect.
- 2.3.2 Permit Scheme Regulations allow the Council to create their own Order, and the permit scheme document will form part of this Order.
- 2.3.3 The permit scheme needs to contain specific information for it to be legally effective, which is outlined within the Statutory Guidance for Highway Authority Permit Schemes (October 2015 edition) – Annex B. Appendix A of this document contains the checklist from Annex B, with a reference to the relevant permit scheme section, *as appropriate*.

2.4 How does the introduction of a permit scheme align to the strategic transport objectives for Council?

- 2.4.1 Local transport plans (LTP) are an important part of strategic transport planning, and the Council (as a highway authority) is expected to prepare them as forward-looking plans covering a number of years (typically five years).
- 2.4.2 The Council's LTP must:
- outline the current baseline with regard to transport, accessibility and pollution;
 - set out challenging but achievable objectives;
 - set out the programme for achieving these objectives; and
 - outline 'bids' for funding from the DfT

- 2.4.3 The current LTP for Swindon is the third Plan (LTP3) and covers the period from 2011 to 2026. The 2009 Swindon Transport Strategy sets overarching objectives of the LTP, which are to *deliver a vibrant local economy, improve the sense of place and reduce the need to travel*.
- 2.4.4 A key objective of the LTP is to *reduce lost productive time by maintaining or improving the reliability and predictability of journey times on key local routes for business, commuting and freight ... with an aim to ... reduce congestion and journey time reliability through the management of roadworks*.
- 2.4.5 Related to this objective is Policy A of the LTP, which specifies a desired transport outcome to *optimise the capacity of the highway network and improve journey time reliability for all forms of transport*. The delivery options for this outcome includes:
- *...better manage the existing highway network to ensure that existing capacity is optimised and use efficiently*
 - *... improve coordination of road works ...*
 - *...the provision of up to date and accurate information to allow people to make informed decisions about their travel choices.*
- 2.4.6 To demonstrate that the LTP policies have addressed the key transport challenges for Swindon, seven transport outcomes have been defined.
- 2.4.7 The introduction of a permit scheme will directly and indirectly support the following four outcomes through the coordination of works, taking into consideration potential impact and disruption for the road user and local community:
- Improved journey time reliability for all forms of transport
 - Improved road safety Improved accessibility
 - Improved local environment and quality of life.
- 2.4.8 A permit scheme will directly contribute to the delivery of the LTP, not only to manage the highway network, but also other associated objectives.

2.5 Why don't current legislative powers provide sufficient control of works?

- 2.5.1 The Council already has a range of powers and duties to manage the road network. For many of the potentially higher impact works the Council using these powers to engage with organisations undertaking work to agree when and how the works should be carried out. This does have a positive impact in reducing unnecessary inconvenience and disruption.
- 2.5.2 A permit scheme enhances these powers and the capability to undertake a proactive review and approval of **all works** together with the capability to apply conditions to the planning and carrying out of works, which the current *noticing* regime does not allow.
- 2.5.3 Experience from other councils operating a permit scheme shows that increased resources provided through permit fee income increases control across the network. In addition, the need for the councils to also include their own works (for road purposes) within the permit scheme provides added control that does not currently exist.

2.6 What type of permit scheme does the Council intend to introduce?

- 2.6.1 The Council intends to introduce a permit scheme that applies to **all roads**, both strategic and non-strategic, across the entire network.
- 2.6.2 For a network to work most effectively it must work for all areas, not just the roads with a higher demand. Although works on roads with less traffic or in areas of less demand may have a perceived lower impact, the overall impact to overall journeys across the network can be significant. The Council needs total control across the entire network to be most effective.
- 2.6.3 The Council has decided to create their own permit scheme, working in collaboration with neighbouring Councils in the area. In developing this scheme, the Council has taken into consideration best practice from existing permit schemes together with proposed changes within the industry, including the national transition to a new **street manager** IT system.

2.7 Does a permit scheme apply to all activities carried out on the highway?

- 2.7.1 As specified within the Permit Scheme Regulations, works that can be controlled under a permit scheme are defined as a **registerable activity** and comprise both **street works** and **works for road purposes**.
- 2.7.2 **Street works** are those carried out in pursuance of a statutory right, such as by local and regional, gas, water and electricity boards and national telecoms providers.
- 2.7.3 **Works for road purposes** are essentially works carried out for the maintenance of the highway and associated assets, by or on behalf of the Council.

2.8 Will a permit scheme prevent works from being carried out?

- 2.8.1 The purpose of a permit scheme is not to stop works taking place.
- 2.8.2 The Council recognises that works are vital to deliver the essential services provided by utility companies and to maintain the road network. The overall principle of the permit scheme is to ensure any works carried out are done so with the minimal impact to the road network, including those traveling on the network, local residents and businesses.
- 2.8.3 For urgent and emergency works, *such as a gas or water leak fault finding or repair*, there is provision within the permit scheme for works to commence, with a retrospective permit application (within a set time period after work commences).

2.9 As a road user will I notice a difference when using the highway?

- 2.9.1 It is expected that the operation of the permit scheme will develop over the initial years of the scheme. As both the Council and organisations become familiar with the permit scheme and working practices there should be an increased level of control and associated benefit.
- 2.9.2 Road users and local residents should not expect to see an absence of works on the roads, however over time the Council can develop their control to ensure the way in which works are carried out minimise inconvenience.

2.10 When could a permit scheme be introduced?

- 2.10.1 In consideration to the time required complete the necessary activities to bring a scheme into legal effect and to make changes within the Council to operate the scheme, the Council is aiming to commence a permit scheme from April 2021.
- 2.10.2 Prior to the start of the permit scheme the Council will provide the minimum four weeks statutory notice to all those who have been consulted with.

2.11 Is the permit scheme a mechanism to generate revenue?

- 2.11.1 To operate the permit scheme the Council needs to increase their resources to administer the processes, *including reviewing and approving applications and carrying out permit compliance inspections.*
- 2.11.2 Under the Permit Scheme Regulations, the Council is allowed to charge statutory undertakers (utility companies) a fee to issue a provisional advanced authorisation, a permit or permit-variation. This fee should be proportionate to the cost for the Council to administer the **additional work to operate a permit scheme only for the statutory undertaker works.**
- 2.11.3 The permit scheme must be applied with parity to all organisations undertaking a registerable activity (refer to 2.7.1), including works for road purposes, *such as resurfacing the highway or fixing a pothole.* Fees cannot be applied to these works and the costs associated to administer the permits for these works is borne by the Council.
- 2.11.4 On this basis, the introduction of a permit scheme would therefore represent an increased cost to the Council. **The introduction of a permit scheme should therefore not be viewed as a mechanism to generate revenue.**

2.12 In the current economic climate is a permit scheme justified?

- 2.12.1 As part of the initial feasibility study undertaken for the introduction of a permit scheme, the Council had to evaluate if the proposed permit scheme is likely to deliver value for money.
- 2.12.2 This requires an appraisal of the costs and benefits of the permit scheme, demonstrating that the scheme, *on the balance of probabilities*, is likely to deliver net benefits to road users and wider society that exceed the additional costs of operating the scheme.
- 2.12.3 Refer to section 3 for detail on the permit scheme cost-benefit analysis.

2.13 Will the Council apply a zero-charge for permits on non-strategic streets?

- 2.13.1 The Council intends to apply the permit-scheme across their entire road network and for all works. According to the Permit Scheme Regulations, permit fee levels are set to recover the Council's additional cost of operating the scheme (for Statutory Undertaker works only).
- 2.13.2 There is an actual cost incurred to process the permits on the non-strategically significant streets, *albeit a reduced cost as the level of work required is typically less*, which reflects the level of activity required.

2.13.3 The Council does not want to introduce an operating model that is predicated on recovering costs solely from works on the strategically significant streets and/or varying works categories lower works.

2.13.4 From the outset the Council wants to demonstrate parity treatment to all Promoters by applying a fee that is proportionate, not an inflated fee to compensate for a lower or zero fee to recover to total prescribed cost.

2.14 Will the Council issue operational guidance for the permit scheme?

2.14.1 Many operational guidance documents, *including codes of practice and advice notes*, have been developed over the past 10 years of permit scheme operation. The Council will seek to follow this guidance unless there is a direct contradiction to the permit scheme or legislation.

2.14.2 Those organisations undertaking works that require a permit are advised to contact the Council to seek any clarification on the scope of the permit scheme and associated working practices. The Council expect the level of engagement with these organisations to increase and will recruit additional staff for this.

2.15 Where can I obtain further information?

2.15.1 For further information on the proposed introduction of a permit scheme contact the Council directly (details in section 1.4).

3 Permit Scheme Cost-Benefit Analysis

3.1 Methodology

- 3.1.1 The development of a Cost-Benefit Analysis (CBA) is required as part of the due diligence in the preparation of a permit scheme. The CBA provides a framework within which the impacts of a scheme can be compared against the cost of setting up and operating the scheme, ideally to demonstrate the scheme in all probabilities will deliver value for money.
- 3.1.2 The role of the CBA is outlined in the Permit Scheme Statutory Guidance and the later advice note 'For local highway authorities developing new or varying existing permit schemes' (June 2016) which states:
- 3.1.3 The approach adopted for the CBA is based on the DfT's Transport Appraisal Guidance, also referred to as WebTAG. Under this approach the outputs of the CBA are:
- **Present value of benefits (PVB)** which is the sum of the benefits over the appraisal period (typically 25 years); and
 - **Present value of costs (PVC)** which is the sum of the costs over the appraisal period.
- 3.1.4 The PVB and PVC allow comparison of the costs and benefits of a scheme. This can be done using a number of metrics - the two most commonly used metrics are the benefit-cost ratio (BCR) and the net present value (NPV).
- 3.1.5 The **benefit-cost ratio (BCR)** is given by PVB / PVC and so indicates how much benefit is obtained for each unit of cost, with a BCR greater than 1 indicating that the benefits outweigh the costs.
- 3.1.6 The **net present value (NPV)** is simply calculated as the sum of future benefits minus the sum of future costs: $PVB - PVC$. A positive NPV means that discounted benefits outweigh discounted costs.

3.2 Estimating the cost impact of works

- 3.2.1 The estimated impact of the works, *based on those with incursion into the carriageway*, have been modelled using the **Queues And Delays and Roadworks (QUADRO)** program. QUADRO was originally developed for the DfT and designed to assess and monetise the impact of delays from works.
- 3.2.2 Many QUADRO model runs were undertaken to provide estimates of the daily impact for all types of work taking place on the Councils road network. These impact estimates include the following elements:
- Road user travel time (delay caused to consumer and business as a result of works);
 - Road user vehicle operating costs (the impact of delay and diversion on vehicle operating costs for consumers and business);
 - Accident costs;
 - Emissions costs (resulting from congested conditions and diversion); and
 - Indirect tax revenue (increased tax revenue to the exchequer because of higher fuel consumption).

- 3.2.3 Having developed costs for every work type, each work within a dataset comprising three years' worth of work undertaken was assigned an impact cost, according to its characteristics and duration of the work.
- 3.2.4 This provides highly granular results, *especially when compared with the typical aggregated CBA approach adopted for many evaluations*. The modelled impact of typical works across the Councils road network forms the basis of the projected permit scheme benefits calculation.

3.3 Quantification of permit scheme benefit

- 3.3.1 The benefits of the permit scheme are achieved through further reduced impacts. The benefits of the permit scheme are achieved through reduced disruption from work events, compared to the patterns observed before scheme implementation (under the current coordination regime).
- 3.3.2 A national study commissioned by the DfT, the **Evaluation of Street Works Permit Schemes** (July 2018) found statistically significant variations (positive and negative) in works durations under different promoter types and works category. This found an overall reduction of 5.4% of works impact (based on reduced works durations).
- 3.3.3 To ensure a robust pre-scheme appraisal, this 5.4% assumption has been used to calculate the appraisal. The table (below) shows the calculated benefit of the scheme under this assumption.

Table: Estimated societal cost of roadworks and benefit of permit scheme

| Results of CBA | £value |
|---|-------------|
| Societal cost of roadworks without scheme | £15,450,211 |
| Societal cost of roadworks with scheme | £14,615,899 |
| Benefit to society of permit scheme | £834,311 |

- 3.3.4 The benefits of introducing a permit scheme to local road users and the wider local economy are estimated at £835,000 (based on 2019 figures).
- 3.3.5 The cost benefit appraisal requires that these estimated scheme benefits are appraised against scheme costs over the whole appraisal period, which in the case of permit scheme appraisal is over a recommended 25-year time horizon.
- 3.3.6 Consequently, the benefits are projected forward over following years, with impacts increasing in real terms to reflect growth in values of time, vehicle operating costs, accident savings and emissions costs.

3.4 Permit scheme costs

- 3.4.1 Having established scheme benefits, these must be set against scheme costs to determine value for money. Permit scheme costs include the following elements:
- Setup costs;
 - Scheme operating costs, such as staff, consultants, administration and running costs; and
 - Scheme capital costs, such as IT equipment, software, accommodation and transport.

- 3.4.2 Importantly, the permit scheme costs included within the appraisal are **the additional costs of operating the permit scheme** above those incurred to operate the current regime. By considering the incremental costs, this fairly compares the 'with permit scheme' scenario with the 'business as usual' (current) scenario.
- 3.4.3 In addition to the costs of operating the permit scheme, it is important to recognise that there are costs borne by Promoters also in operating under the permit scheme. These will include:
- Permit Fee costs which represent a business cost to the promoter;
 - Additional administration costs incurred to comply with the permit scheme; and
 - Costs related to changes in working practices such as greater use of traffic management or working off-peak or at weekends.
- 3.4.4 Within the CBA permit fee costs are treated as a business cost to the promoter, netted from overall scheme benefits. However, the transaction is effectively a transfer payment between promoter and the Council, so the payment is treated as a revenue and is subtracted from scheme operating costs
- 3.4.5 Detailed promoter cost data is not been available, but in line with the default assumption in the National Permit Scheme Evaluation, an estimate of 20% of Council operating costs relating to Statutory Undertaker works has been applied.

3.5 Appraisal results

- 3.5.1 The cost benefit analysis takes the benefits and costs estimated for the first year of operation and projects these over a 25-year appraisal period.
- 3.5.2 The future cost and benefit streams are discounted using the standard discount rate of 3.5%, meaning that near term costs and benefits are valued more highly than those occurring later in the appraisal period. The results of the cost benefit analysis are as follows:
- 3.5.3 The benefit to cost ratio (BCR) is a measure of value-for-money exhibited by a scheme. The BCR for the permit scheme sits above 2, which is the threshold above which the scheme can be defined as demonstrating '**High Value for Money**'.
- | | |
|-----------------------------|-------------|
| Net Present Benefits (B) | £18,158,160 |
| Net Present Costs (C) | £1,639,974 |
| Net Present Value (B-C) | £16,518,186 |
| Benefit to Cost Ratio (B/C) | 11.07 |
- 3.5.4 The full breakdown of the costs and benefits are shown in the Analysis of Monetised Costs and Benefits (AMCB) table (below) - shown using the figures based on the national permit scheme evaluation evidenced assumption calculation.
- 3.5.5 It should be noted that with schemes generating significant revenues (like a permit scheme), the benefit to cost ratio can become very sensitive to inputs. It should be interpreted alongside the net present value of the scheme to provide a complete picture of scheme appraisal.
- 3.5.6 Whilst the appraisal presents an estimate of the likely beneficial impact of introducing a permit scheme, many of the benefits, such as ensuring appropriate and safe use of traffic management, are by nature very difficult to capture within the appraisal framework.

Table: Analysis of Monetised Costs and Benefits

| | | |
|--|------------|----------------|
| Noise | | (12) |
| Local Air Quality | | (13) |
| Greenhouse Gases | 1,143,658 | (14) |
| Journey Quality | | (15) |
| Physical Activity | | (16) |
| Accidents | 983,489 | (17) |
| Economic Efficiency: Consumer Users (Commuting) | 5,197,872 | (1a) |
| Economic Efficiency: Consumer Users (Other) | 7,796,808 | (1b) |
| Economic Efficiency: Business Users and Providers | 4,890,939 | (5) |
| Wider Public Finances (Indirect Taxation Revenues) | 1,854,607 | (11) See Notes |
| Present Value of Benefits (see notes) (PVB) | 18,158,160 | See Notes |
| Broad Transport Budget | 1,639,974 | (10) |
| Present Value of Costs (see notes) (PVC) | 1,639,974 | (PVC) = (10) |
| OVERALL IMPACTS | | |
| Net Present Value (NPV) | 16,518,186 | NPV=PVB-PVC |
| Benefit to Cost Ratio (BCR) | 11.07 | BCR=PVB/PVC |

For (11) - sign changed from PA table, as PA table represents costs, not benefits

$(PVB) = (12) + (13) + (14) + (15) + (16) + (17) + (1a) + (1b) + (5) - (11)$

Appendix A – Permit Scheme Checklist

The tables below are taken from the advice note: 'For local highway authorities developing new or varying existing permit schemes' published by the Department for Transport in 2016.

High-level Checklist

| ID | Permit Scheme Regulations | Statutory Guidance | Subject | Reference |
|----|---------------------------|--------------------|--|----------------|
| 1 | | | Scheme compliance statement which includes: | |
| | | | The Legal name of the authority/authorities included an assurance of compliance with current electronic communication structure. | Not Applicable |
| | | | A table showing regulatory compliance. | Checklist |
| | | | Confirmation that all financial requirements have been met. | Not Applicable |
| 2 | | | The Permit Scheme document must: | |
| | | | Clearly define the streets to which the scheme applies | 4.3 |
| | | | Detail the team that will be in place to operate the scheme | Not applicable |
| | | | Detail the approach to post-implementation evaluation | 2.4 |
| | | | Should demonstrate benchmarking undertaken & completed. | Not applicable |
| 3 | 4 (1) (c) & 40 | | Demonstration of compliance with the non-discrimination obligation. | 4.7.3 |
| 4 | 4 (1) b | | Permit Scheme Objectives including the improvements expected. | 2 |

| | | | | |
|----|---------------|--|---|--------------------------------|
| 5 | 4 (1) (d) | | How and when the Permit Authority proposes to evaluate the scheme so as to measure it continually against its objectives [by written statement from senior manager]. | 2.4 |
| 6 | 4 (1) (e) | | The costs and benefits, financial or otherwise, which the Permit Authority anticipates will result from the Permit Scheme. | Refer to Cost-Benefit Analysis |
| 7 | 4 (1)(f) | | The evidence considered by the Permit Authority as to the fees which may be charged, and the reasons for its decision (fees matrix). | Refer to Cost-Benefit Analysis |
| | | | LA Undertaking - Fee self-certification. | Not applicable |
| | 29 &30 | | To confirm that the fees and costs are developed in line with the Regulations, they cover the costs of the scheme only, and are proportionate to the value added by issuing a permit. | Refer to Cost-Benefit Analysis |
| 8 | 4(g) | | The proposed implementation date. | 1.1.3 |
| 9 | 4(h) | | Details of any transitional arrangements which the Permit Authority would wish to apply in relation to the Permit Scheme coming into effect. | Legal Order |
| 10 | 3 & 4 (1) (g) | | Consultation Report – changes to scheme clearly shown in response to the consultation. | Consultation Review |
| 11 | | | References to nationally significant initiatives, for example, implementation of Superfast Broadband or similar. | 10.4.3 |

Full Checklist

| | Permit Scheme Regulations | Statutory Guidance | Subject | Reference |
|----|---------------------------|--------------------|---|------------------------------|
| | | | Consultation | |
| 1 | r3 (1) (a) | 2.2 – 2.9 | Consulted all statutory undertakers and s50 holders in the area – regulation 3. | Post Consultation Activities |
| 2 | r3 (1) (b) | 2.2 – 2.9 | Consulted all authorities whose streets/areas are included or affected by the scheme – regulation 3. | |
| 3 | r3 (1) (c) | 2.2 – 2.9 | Consulted TfL – only applicable if scheme is in or borders TfL network. | |
| 4 | r3 (1) (d) | 2.2 – 2.9 | Consulted any PTE if the scheme covers their area. | |
| 5 | r3 (1) (e) | 2.2 – 2.9 | Consulted the emergency services which operate in the area covered by the scheme. | |
| 6 | r3 (1) (f) | 2.2 – 2.9 | Consulted the Secretary of State for Transport – as set out in regulation 3. | |
| 7 | r4(i) | 1.35 | The proposal contains a summary of responses to the consultation and the changes made in the light of the consultation. | |
| 8 | | | It is good practice to consider providing all activity promoters operating within the permit area, and all those consulted on the proposed scheme, with the details of post consultation changes before the scheme goes live. | |
| | | | Scheme objectives, design, cost-benefit analysis and evaluation arrangements | |
| 9 | r4(b) | 1.21 | The scheme must state its objectives. | 2 |
| 10 | | 1.28 | There is an explanation of the Permit Authority's chosen design for the permit scheme – 100% of the network, or an area largely defined by its significantly significant | Consultation Overview |

| | | | | |
|----|------------|-----------------|--|---|
| | | | streets. | |
| 11 | r4(c) | 9.4 – 9.7 | The scheme sets out how the permit authority will ensure non - discrimination between permit applicants. | 4.7 |
| 12 | | 1.35 | The scheme is designed to ensure, as far as possible, parity of treatment between both types of works by evidence of compliance with KPIs. | 4.7, 2.4 |
| 13 | r4(d) | 2.10 – 2.13 | The scheme sets out how and when the permit authority will evaluate the scheme to ensure that the stated objectives are met. | 2.4 |
| 14 | r4 (1) (e) | 2.12 & 3.70 | The submission sets out the costs and benefits of the scheme and the consultation considers responses to the consultation. | Refer to Cost-Benefit Analysis Consultation Report |
| | | | Coverage of the scheme | |
| 15 | r4(2) | 2.10 – 2.13 | The Permit Authority will need to be able to confirm that the scheme has been prepared in accordance with and complies with these regulations. | 1.1.1 |
| 16 | r7(1) | 1.33-1.35 | The scheme states the area it will cover. | 4.2 |
| 17 | r8(1) | 1.28 – 1.30 | The scheme states the streets within the area that are included in the scheme. | 4.3 |
| 18 | r6(1) | 3.2 – 3.4 | The scheme states the types of works the scheme applies to. | 4.4 |
| 19 | | 1.55 | The scheme includes both highway and statutory undertakers' works. | 4.4 |
| 20 | | 1.37–1.41 & 7.1 | All works comprising “registerable works” in terms of the 2007 Notices Regulations under NRSWA are included in the scheme. | 4.4 |
| 21 | r9(2) | 3.9 & 3.10 | The scheme states which specified people or types of people do not have to apply for a permit, and in which circumstances. | 4.4 |

| | | | Implementation and transition | |
|----|--------|-------------------------|--|----------------|
| 22 | r4(g) | 1.35 & 4.3 | The scheme states the date when the permit scheme is going to start operation. | 1.1.3 |
| 23 | r4(h) | 1.35 & 9.8 – 9.9 | The scheme sets out any transitional arrangements that the authority proposes to implement. | Legal Order |
| | | | Compliance with general technical and definitional requirements | |
| 24 | | 1.42 | The scheme is set up to receive applications, issue notices and otherwise communicate electronically. | 4.9 |
| 25 | | 1.42 | The scheme is designed to operate in a manner which complies with the Technical Specification (EToN) and follows its requirements. | Not Applicable |
| 26 | | 1.43 | The scheme uses a nationally consistent local street gazetteer for identifying streets. | 4.3.4 |
| 27 | | 1.44 | The scheme provides that a “street” refers to that length of road associated with a single USRN, i.e. to part of a whole street where a street is subdivided. | 4.3.4 |
| 28 | | 1.45 | The permit authority’s local street gazetteer is upgraded to level 3. | Not applicable |
| 29 | r33(2) | 7.1 – 7.5 & 7.20 – 7.22 | The permit authority is committed to creating and maintaining a register containing the names of each street included in the scheme and specifying whether such streets have been designated as protected, of special engineering difficulties, or traffic-sensitive. | 4.8 |
| 30 | | 7.1-7.5 | The permit authority is committed to maintaining a register in connection with their permit scheme containing information about all registerable activities on those streets. | 4.8 |
| 31 | | 7.10-7.11 | The permit authority is committed to ensuring that all the information held in permit registers is referenced to the Elementary Street Unit Identifier, and the Unique Street Reference Number (USRN) and that permit registers follow the street works equivalent by being GIS (Geographic Information System) based. | 4.3.4 |

| | | | | |
|----|--------|-------------|---|--------|
| 32 | | 1.4 | <p>The scheme uses the same or equivalent definitions or requirements as are used in the NRSWA notice system for:</p> <ul style="list-style-type: none"> Registerable activities/works; Categories of activities/works (major, standard, minor and immediate activities/works); Street gazetteers, including street referencing by means of Unique Street Reference Number (USRN) and Associated Street Data (ASD); Street reinstatement categories as defined in the NRSWA Reinstatement Specification; The distinction between main roads and minor roads, where such distinctions are relevant; and Streets designated as protected, having special engineering difficulty or traffic-sensitive. | 4.11.5 |
| | | | Provisional Advance Authorisations (PAAs) | |
| 33 | | 3.2 | If the scheme requires a PAA for major works then the promoter should be required to provide the final detailed information in support of its application for a permit at least 10 working days before the activity is due to commence. | 5.3.2 |
| 34 | | 3.19 & 3.51 | The scheme incorporates a requirement for PAAs in relation to major permits only. | 5.3.1 |
| 35 | r11(2) | 3.19 | Where a scheme requires PAAs to be applied for it specifies the information that should be included in the application for a PAA. | 5.3.3 |
| 36 | | 3.19 – 3.20 | The scheme requires an application for a PAA to specify proposed start and end dates for the relevant activities, although the scheme should allow sufficient flexibility to enable the dates to be reasonably adjusted when a permit is ultimately issued. | 5.3.3 |
| 37 | | 3.16 | The information stipulated by the scheme to support an application for a PAA should be equivalent to, and certainly should not exceed, that required in support of an application for a permit. | 5.3.3 |
| 38 | r11(6) | | Where a scheme requires a PAA to be applied for, it requires that a copy of the PAA is sent to a relevant authority or any other body having apparatus in the street when it is requested by that body. | 5.6 |

| | | | | |
|----|--|--|---|--------------------|
| 39 | | | Where a PAA has been given but a full permit has not yet been issued and proposals change, the scheme stipulates that the Permit Authority has to be informed of the proposed changes and a revised application for PAA or permit made. | 8.2 |
| | | | Immediate activities | |
| 41 | | | <p>Immediate Activities are defined as emergency works as defined in section 52 of NRSWA, or activities (not being emergency works) whose execution at the time they are executed is required (or which the person responsible for the works believes on reasonable grounds to be required)—</p> <p>(i) to prevent or put an end to an unplanned interruption of any supply or service provided by the promoter;</p> <p>(ii) to avoid substantial loss to the promoter in relation to an existing service; or</p> <p>(iii) to reconnect supplies or services where the promoter would be under a civil or criminal liability if the reconnection is delayed until after the expiration of the appropriate notice period;</p> <p>This includes works that cannot reasonably be separated or severed from such works.</p> | 4.4 Definitions |
| 42 | | | That the scheme provides that the initial (emergency) stage of emergency works are exempt from requiring a permit. | 5.2 |
| 43 | | | The scheme requires promoters of immediate activities to apply for a permit within two hours of the activity starting. | 6.2.1 |
| 44 | | | The scheme is able to link an immediate activity and the conditions attached to it prior to a permit being issued with the application for a permit for that immediate activity when it is made. | 4.6.4 |
| 45 | | | The scheme has different procedures in place for immediate works & fault finding (e.g. for identifying the exact position of gas leaks) | 9.4 |
| 46 | | | The ASD must be marked with any streets for which the scheme requires a promoter to ring the authority when starting immediate works. | 9.5 |

| | | | Other works requiring permits | |
|----|-------|--|--|--------|
| 47 | r9(1) | | The scheme includes a provision requiring a permit to be obtained before specified works are carried out in a specified street. | 4.1.2 |
| 48 | r9(8) | | The scheme provides that each phase of work requires a separate permit, e.g. a separate permit would be required for interim and permanent reinstatements. | 4.4.12 |
| 49 | | | Standard activities are defined in the scheme as those activities, other than immediate or major activities, that have a planned duration of between 4 and 10 working days inclusive. | 4.4.8 |
| 50 | | | The scheme stipulates that a standard permit is applied for 10 days in advance of works commencing. | 6.2.1 |
| 51 | | | Minor Activities are defined in the scheme as activities other than immediate or major activities, where the planned working is 3 working days or less. | 4.4.8 |
| 52 | | | The scheme stipulates that a minor permit is applied for 3 days in advance of works commencing. | 6.2.1 |
| | | | Applications for permits | |
| 53 | | | The scheme requires promoters applying for permits or PAAs to copy their applications to any authority or undertaker that has requested to see permit applications on certain streets. | 5.6 |
| 54 | r9(3) | | The information that has to be included in a permit application is specified in the scheme. | 7 |
| 55 | r9(4) | | The scheme requires that each application for a permit only covers one street. | 5.1.2 |
| 56 | r9(5) | | The scheme requires each application for a permit or a variation of a permit to include an estimate of the likely duration of the works. | 7.6 |

| | | | | |
|----|--|--|---|-------|
| 57 | | | The scheme requires a sufficiently detailed description of the activities to be provided to allow the street authority to assess the likely impact of the activity. | 7.8 |
| 58 | | | The scheme requires promoters to include an accurate location in their application based on National Grid References, one in the centre of the excavation for small excavations and one at each end of trenches, along with the dimensions of the space taken up by the activity in the street. | 7.3 |
| 59 | | | The scheme requires each application for a permit to include proposed start and end dates, and should require applicants to indicate whether they wish the permit to cover work at weekends and on Bank Holidays (where applicable). | 7.6 |
| 60 | | | The scheme allows the Permit Authority to require the applicant to provide an illustration of the works (including plans, digital photographs etc.) in appropriate cases. Activities on streets with Special Engineering Difficulty will in any case require a plan and section. This should include details of what the works are, whether they are likely to affect more than one lane of the street and if possible a numerical measure of estimated disruption. | 7.5 |
| 61 | | | The scheme requires applicants to supply details of the planned techniques to be used, such as open cut, trench share, minimum dig technique or no dig. | 7.8 |
| 62 | | | The scheme requires applicants to supply details of their traffic management proposals including applications for approval for portable light signals, including any requirement for action by the local authority, such as the need for Temporary Traffic Regulation Orders to facilitate the works. | 7.7 |
| 63 | | | The scheme requires that activity promoters provide their best estimate of the excavation depth as part of the application. | 7.8.3 |
| 64 | | | The scheme requires applicants to indicate whether the activity is intended to be completed with interim or permanent reinstatement or a mixture of both. If the latter, then details would need to be provided as to where interim or permanent reinstatements will be completed within that permit. | 7.4.1 |

| | | | | |
|----|-------|--|---|-------|
| 65 | | | The scheme requires applications to include the provisional number of estimated inspection units appropriate to the activity. | 7.4.2 |
| 66 | | | The scheme requires all applications to include the contact details of the person appointed by the activity promoter to deal with any problems that may occur during the activity, including any provision made for out of hours contact by the promoter. | 7.2 |
| | | | Permit content and conditions | |
| 67 | r9(6) | | The scheme provides for each permit to specify the duration within which the specified works on a specified street are by that permit authorised. | 4.5 |
| 68 | | | There is a commitment to date permits in calendar days not working days. | 4.5.2 |
| 69 | | | The scheme is designed so that in relation to category 0, 1, 2, and traffic-sensitive streets the planned commencement date and finishing date for the activity are the start date and end dates respectively on the permit. The permit will not be valid before the start date on the permit and will cease to be valid once the end date has passed unless a variation is granted. | 9.2 |
| 70 | | | The scheme is designed so that category 3 and 4 streets that are not traffic-sensitive are effectively treated as 'noticing' – they will provide for permit start and end dates which should allow for flexibility in the start of the activity, but once the activity is started it must be completed within the activity duration period specified in the permit. The starting window should be 5 working days for major and standard activities and 2 working days for minor activities. | 9.2 |
| 71 | | | The scheme is designed to ensure that working at weekends or on bank holidays is reflected in the permit start and end dates and are subject to any legislative controls. | 4.5.2 |
| 72 | | | The scheme provides for the national permit conditions to be applied where appropriate. | 4.6 |
| 73 | | | The scheme provides that the permit will specify in detail the activity it allows and the conditions attached. | 4.9.4 |

| | | | | |
|----|--|--|---|----------------|
| 74 | | | The scheme provides that any constraints in the original application should be reflected in conditions in the permit. | Not applicable |
| 75 | | | The scheme provides that an issued permit will contain all the conditions attached to the permit so that there is no ambiguity about the validity and terms of the permit. | 4.9.4 |
| 76 | | | The scheme imposes a national condition that requires the permit reference number to be prominently displayed for each set of works. | 4.6 |
| | | | Time limits for responses to applications | |
| 77 | | | The scheme sets out times in which the permit authority will respond to applications for: PAAs, variations of permits; and permit conditions. | 6.2 |
| 78 | | | The time limits for the permit authority to respond to a permit application are set out in the statutory guidance. | 6.2 |
| | | | Issue of permits: procedure | |
| 79 | | | The scheme provides that permits will be sent to the promoter electronically through the EToN system. | Not applicable |
| 80 | | | The scheme provides that the permit will be placed on the permit register and copied to any undertaker, authority or other relevant body that has asked to be informed about activities on a particular street. | 4.8 |
| 81 | | | The scheme provides that a permit will be issued to the promoter for every permit that is granted. | 6.3.5 |
| 82 | | | The scheme provides that all permits will be given a unique reference number (following the EToN numbering conventions). | Not applicable |

| | | | | |
|----|--------|--|--|-------------|
| 83 | | | The scheme provides that permits will be marked so as to indicate cross references to any linked permits which have also been issued. | 4.4.18 |
| | | | Revocation and variation of permits | |
| 84 | r15(1) | | The scheme includes provisions to enable the permit authority to vary and/or revoke permits and permit conditions. | 8.3 and 8.4 |
| 85 | r10(6) | | Where a condition is specified in a permit the Permit Authority must use the wording and numbering for that condition set out in the Statutory Guidance – Permit Scheme Conditions issued 17 March 2015. | 4.6 |
| 86 | | | The scheme includes a statement of the Permit Authority's policy as to the circumstances in which it will review, vary or revoke permits on its own initiative. | 8.4 |
| 87 | | | The scheme sets out the process by which: a promoter who no longer requires a permit for an activity can request the authority to revoke or cancel a permit that has already been issued; or an authority can cancel or withdraw an application that has been submitted but for which a permit has not yet been granted. | 8.5 |
| 88 | | | The scheme sets out clearly how applications for variations to permits or conditions should be made. It provides that where the existing permit has more than 20% of its duration or more than two working days to run, whichever is the longer, the promoter shall apply for a variation electronically. | 6.3 |
| 89 | | | The scheme stipulates that in any other case the promoter shall first telephone the Permit Authority to ascertain whether the Authority is prepared to grant a variation and only apply, again electronically, if the Authority is so prepared. | 6.3.2 |
| 90 | r15(2) | | The scheme specifies the information that needs to be included in an application for a variation or revocation of a permit or permit condition. | 8.1.4 |
| | | | Other miscellaneous aspects of scheme content | |

| | | | | |
|----|----------|--|--|--------------------------------|
| 91 | | | Part 8 of the Regulations amend NRSWA section 58 (restrictions on works following substantial road works) and section 74 (charge for occupation of the highway where works unreasonably prolonged) for undertakers' works only. The scheme provides similar arrangements for highway authorities' works, in the interests of parity. | Not applicable |
| 92 | | | The permit scheme has taken into account any known national infrastructure projects. For example: Broadband roll out and rail projects etc. | Not applicable |
| 93 | r13 | | If a scheme has specified types of works where a permit does not apply, but still wants to apply national conditions to these types of works, then the scheme specifies how these conditions are to be identified and how these will be brought to the attention of the undertaker. | Not applicable |
| | | | Fees | |
| 94 | r4(f) | | The proposal provides the evidence considered by the permit authority when deciding on the proposed fee levels, and the reasons for their decisions. | Refer to Cost-Benefit-Analysis |
| 95 | R29 & 30 | | Permit fees are within the maximum specified and appropriate only to the added value being added. | Refer to Cost-Benefit-Analysis |
| 96 | r30(2) | | Where applicable the scheme sets out the range of fees that may be charged and the criteria which are taken into account when determining how the applicable fee is identified from the range. | Refer to Cost-Benefit-Analysis |
| 97 | | | The scheme provides that where a permit variation would move an activity into a higher category, the promoter will be required to pay the difference between the permit fees for the two categories as well as the permit variation fee. | 10.2.5 |
| 98 | | | The scheme provides that where, through no action, failing or fault on the part of the promoter, the Permit Authority revokes the promoter's permit, no fee should be payable for the new permit. | 10.3.1 |
| 99 | | | The permit scheme sets out the circumstances in which the permit fees are discounted. | 10.4 |

| | | | 'Linked schemes' – looking for economies of scale | |
|-----|------|--------|--|----------------|
| 100 | Sg14 | 16 (4) | Schemes may need to demonstrate to each other (and via their approving structure) that they have fully discussed and come to an agreement on the economies of scale they are working to achieve – so they can evaluate outcomes. | Not Applicable |
| 101 | | | Schemes may wish (where relevant) to appoint a person to be responsible for financial accounting. | Not Applicable |
| 102 | | | Schemes may wish to consider sharing (and being able to demonstrate effective) network management duty. | Not Applicable |

School Admission Arrangements and Mainstream Home to School Transport Policies 2022-23

Cabinet

Date: 3rd February 2021

Author: Cabinet Member for Commercialisation, Education and Skills
Commissioner Education Place Planning and Admissions

Wards: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 To seek Cabinet's agreement to put in place co-ordinated admission arrangements for the normal point of entry (Reception, Year 3, Year 7), In-year admission arrangements for all Swindon Schools, and the Admissions Policy and Published Admission Numbers (PAN) and Catchment Areas for Community and Voluntary Controlled Schools in Swindon for September 2022.
- 1.2 To seek Cabinet's agreement on the Mainstream Home to School Transport Policy for 2022-23
- 1.3 This report particularly links to the Council's updated study of long-term school place planning. It also relates the Vision priority 2: "Offer education opportunities that lead to the right skills and right jobs in the right places."

2. Recommendations

Cabinet is recommended to:

- 2.1 Approve the co-ordinated scheme of admission arrangements for the normal point of entry (Reception Year, Year 3 and Year 7) for all primary schools and secondary schools in Swindon from September 2022 (attached at Appendix 1);
- 2.2 Approve the co-ordinated In Year admission arrangements for all primary schools and secondary schools in Swindon from September 2022 (attached at Appendix 4);
- 2.3 Approve the admission numbers and arrangements for Community and Voluntary Controlled schools from September 2022 (attached at Appendix 2);
- 2.4 Approve the Mainstream Home to School Transport Policy 2022-23 (attached at Appendix 5).

3. Detail

Admission Arrangements

- 3.1 The admission arrangements and co-ordinated scheme are consulted upon annually. There is a proposed change with the timeframe and the way the Admissions Team will

Further information on the subject of this report can be obtained from Emily Heaton, eheaton@swindon.gov.uk.

School Admission Arrangements and Mainstream Home to School Transport Policies 2022-23

Cabinet

Date: 3rd February 2021

process in-year admissions through the in-year coordinated scheme, with further implementation of the admissions process online. We have also incorporated changes in the arrangements that would ensure they are compliant with the new School Admissions Code, should this be approved and become law.

- 3.2 The school admission arrangements are used for the purpose of allocating school places at the point of entry for children at age 4 (Reception), 7 (Infant to Junior) and 11 (Secondary).
- 3.3 There are a number of different elements relating to arranging an overall admissions process, especially with the rapidly changing education landscape and greater autonomy granted to schools. It is the responsibility of all admission authorities to ensure that admission arrangements are compliant with the School Admissions Code.
- 3.4 The following table outlines where the responsibility lays for the different admissions processes:

Table 1 Different admissions processes

| Type of School | Admission Authority |
|------------------------------------|----------------------|
| Academies (including Free Schools) | Academy Trust |
| Community Schools | Local Authority (LA) |
| Voluntary Aided Schools | Governing Body |
| Voluntary Controlled Schools | LA |

- 3.5 An admission authority is responsible for determining their admission policy, published admission number (PAN), oversubscription criteria including the determination of catchment areas if appropriate. Individual admission authorities within Swindon are required to consult the LA on their admission policies. However, the LA is not responsible for the contents of their arrangements; this is the responsibility of the Academy Trust or Governing body as indicated in the above table.
- 3.6 In addition to the responsibilities set out in paragraph 3.4, the LA is required to formulate a co-ordinated scheme for the point of entry to manage the application process for all schools within the LA area.
- 3.7 This report outlines those policies written and consulted on by the LA with regard to the allocation of school places. The document contains the following sections:
- 3.7.1 Co-ordinated admissions scheme (applicable to all schools);
- 3.7.2 In Year Admissions Scheme (applicable to all schools – even those that are opting out of the scheme)

Further information on the subject of this report can be obtained from Emily Heaton, eheton@swindon.gov.uk.

School Admission Arrangements and Mainstream Home to School Transport Policies 2022-23

Cabinet

Date: 3rd February 2021

- 3.7.3 Admission Policy and oversubscription criteria (Community and Voluntary Controlled Schools only), which also includes Published Admissions Numbers and School Catchment Areas for these particular type of schools.

Consultation

- 3.8 The School Admissions Code places a duty on the LA and all admission authorities to consult upon its admission arrangements above for a minimum of 6 weeks, which must be completed by 31st January in the determination year. The consultation ran between the 23rd November until the 8th January 2021.
- 3.9 The School Admissions Code outlines the list of relevant bodies that must be consulted as outlined in section 6 below. The LA publicised the consultation on its website , members bulletin and through all local schools and the pre-schools, neighbouring Local Authorities and the Diocesan Boards of Education,
- 3.10 Schools were also asked to advertise the consultation on their websites, publish information in their school newsletters, and by displaying posters.
- 3.11 Survey responses could be made in writing or by using an online survey tool. The survey tool allowed responses to all the arrangements. The LA received a total of 2 responses to the consultation, both online.

Admissions Consultation responses:

- 3.12 In terms of the Admission Arrangements for Community and Voluntary Controlled Schools 2021, we have 2 responses with 100% agreement
- 3.13 For the proposed In Year Co-ordinated Scheme, we have 2 responses with 100% agreement

Co-ordinated Admissions Scheme for the Point of Entry

- 3.14 The LA is legally required to consult on the co-ordinated admission arrangements that all the schools and admissions authorities in their area must comply.
- 3.15 The Education Act 2002 introduced the statutory requirement for every LA to draw up a scheme for co-ordinating admission arrangements to cover every maintained school in its area. The regulations also require Local Authorities to co-ordinate arrangements across LA boundaries. Therefore, the scheme sets out the admissions timetable and the responsibility to exchange information between schools and Local Authorities to ensure Swindon makes one fair offer to all residents of the Borough.

Further information on the subject of this report can be obtained from Emily Heaton, eheaton@swindon.gov.uk.

School Admission Arrangements and Mainstream Home to School Transport Policies 2022-23

Cabinet

Date: 3rd February 2021

-
- 3.16 The purpose of the co-ordinated scheme is to ensure that every parent of a child living in Swindon who has applied for a school place receives the offer of one school place on the same day.
- 3.17 This applies to admission for the point of entry for Reception, Year 3 and Year 7 for all categories of schools including Community, Voluntary Controlled, Voluntary Aided, Foundation and Academies. The proposed co-ordinated scheme and timescales for the 2022-23 academic year is attached in Appendix 1.

Admission Arrangements

- 3.18 All schools are required to set fair and transparent arrangements for assessing priority for admission.
- 3.19 The key part of the admission arrangements is to set criteria used to determine admission where more parents / carers have expressed a preference for a particular school than it has places available in a particular year. The published oversubscription criteria must be applied to decide which preferences should be met.
- 3.20 The oversubscription criteria must be set out clearly and unambiguously, making clear not only what the criteria are but also the way and order in which they will be applied.
- 3.21 The proposed admission arrangements for Community and Voluntary Controlled Schools are set out in Appendix 2. A full analysis of the response is set out within Appendix 3.

In Year Coordinated Admissions

- 3.22 In Year Admissions in Swindon have been considered under the In Year Coordinated Admissions Scheme since September 2017. The scheme operates a shorter version of the co-ordinated scheme from paragraph 3.14 by opening and closing on average 20 admissions rounds during the course of the year. The scheme is efficient and effective in ensuring that an entire application (preferences 1 to 3) can be considered at the same time, children can be offered places quickly, and that the LA is aware of every child in the Borough at the time the application is received, increasing safeguarding. The scheme is also much easier for parents to navigate having only to apply to the LA who will coordinate the application with all schools on the parent's behalf.
- 3.23 The scheme was further enhanced in September 2018, when the School Admissions Team implemented the In Year Co-ordinated Admissions Scheme as an online process, which has been hugely successful and we now receive 100% of in year applications online. This online process has a number of benefits for the user and includes parents / carers being able to make their applications in the comfort of their own home day or night, receive an automatic email to confirm receipt of the application and receive

Further information on the subject of this report can be obtained from Emily Heaton, eheaton@swindon.gov.uk.

School Admission Arrangements and Mainstream Home to School Transport Policies 2022-23

Cabinet

Date: 3rd February 2021

notifications of the offer of a school place via email. This also allows the offers to be accessed instantly instead of waiting 2-3 days for a letter in the post and has reduced printing costs of the team significantly, as the LA no longer sends any hard copy letters.

- 3.24 The number of in year admissions in Swindon is high, and on average the School Admissions Team receive approximately 260 applications per month via the online process. As part of the coordinated process if parents are unsuccessful in gaining a place at one of their preferred schools and they do not have a school place, then we will allocate them a place the next nearest school with a place available. Last academic year we allocated 280 places to children within this category, all of which otherwise would have been out of school for much longer whilst they reapplied for a school place. It is also important to note that 53 % of the applications received are from those that are new to the area with no school place, and therefore this cohort it is extremely important that school places are offered quickly.
- 3.25 The LA continues to improve the in-year scheme and is in the process of implementing the Admissions Portal which is an online platform that will allow Swindon Schools that are part of the scheme to see the entire online application form and be able to rank the applications. This will mean that the LA will no longer need to send the Schools lists of applications, which will speed up the admissions process. This will ensure the admissions cycles are more efficient and therefore more effective, and the time saved by this Portal will be used to reduce the length of the cycles.
- 3.26 We have therefore proposed that applications will be processed within 15 days from receipt of application, thus reducing the amount of time a child is out of school if they are new to Swindon. If the new code comes in to force this will be reduced to 10 days to be compliant with the 2021 code.
- 3.27 The LA has been informed by some schools, which are their own admitting authority that they will be opting out of the scheme. The scheme is not a statutory requirement of the School Admissions Code and despite the benefits of the scheme for Swindon parents and children, own admitting authority schools are able to opt out of this if they consult to do so through the proper processes. From September 2021, we are aware of 1 primary school (Holy Family Primary school) and 3 Secondary Schools (Lydiard Park Academy, Abbey Park and St Joseph's Catholic College) that will be opting out of the scheme.
- 3.28 Through the consultation process for 2022 admission arrangements, we are also aware of 4 other Primary Schools that will be opting out. This is result in all Catholic Schools in Swindon no longer being part of the in year coordinated scheme from September 2022. We have contacted the Clifton Diocese and they confirmed that it is the policy of the Diocese that these schools retain and administer their own in year admissions in all LA's.
-

Further information on the subject of this report can be obtained from Emily Heaton, eheaton@swindon.gov.uk.

School Admission Arrangements and Mainstream Home to School Transport Policies 2022-23

Cabinet

Date: 3rd February 2021

In accordance with this, the LA has included a section in the In Year Scheme – Part 4 for those schools to adhere to if they opt out. The LA will endeavour to work with these schools to ensure that they are adhering to the School Admissions Code and that parents applications are considered correctly and timely and that there is no adverse effect to the schools opting out of the scheme. We will also ensure that the LA is still informed about any applications made to those schools, and decisions made, to ensure that a child is not unknown to the Borough. This is paramount to ensure that the LA maintains safeguarding of all children in the Borough.

3.29 The proposal in this report is to agree the In Year Co-ordinated Admissions Scheme for the 2022-23 taking into account the new online process and timescales.

3.30 The proposed In Year Coordinated Scheme is included as Appendix 4.

Published Admission Numbers (PAN)

3.31 All schools must have an admission number for each age group. The admission number is the upper limit of pupils that will be offered places in the particular year. Admission numbers should be set with regard to the capacity assessment for the school.

3.32 Once an admission number has been set, the Admission Authority must respect that number. Pupils should not be admitted above the published admission number unless exceptional circumstances apply.

3.33 As above, Governing bodies of Academies and Voluntary Aided Schools are responsible for setting their own PAN and the LA is a stakeholder in their consultation. This section relates to the PANs set by the LA in consultation with schools as the Admission Authority for Community and Voluntary Controlled Schools.

3.34 The proposed published admission numbers have been included as part of Appendix 2. Under the School Admissions Code 2014, the LA, as the Admitting Authority for Community and Voluntary Controlled schools, is not required to consult on the admissions number as part of the consultation on admission arrangements if they are requesting the school to increase or keep the same PAN. However, they must consult the Governing Body of the school. Consultation would be required where it is intended to reduce the published admission number.

Community and Voluntary Controlled Schools were asked to inform the LA if they disagreed with the proposed PAN for their school for 2022-23. The LA received notification from the Governing bodies of Wroughton Infants and Greenmeadow Primary that in accordance with their forecast numbers for the area they wished to reduce their PAN September 2022. The LA have agreed with these request. The LA also received a request to reduce the PAN of Even Swindon to 60 for September 2022, but

Further information on the subject of this report can be obtained from Emily Heaton, eheaton@swindon.gov.uk.

School Admission Arrangements and Mainstream Home to School Transport Policies 2022-23

Cabinet

Date: 3rd February 2021

due to the most recent birth data, which shows an increase of births in the area, the LA, have not agreed this.

Catchment Areas

- 3.35 All existing catchment areas remain the same. The catchment areas were available on the Council's website for comments.

Impact of Brexit

- 3.36 As we have passed the transition period for leaving the European Union (EU) the new guidance for processing applications from children overseas has come into effect. We have updated the in year Co-ordinated scheme to incorporate these and ensure it is compliant.
- 3.37 Up until the 31st December 2020 children needed to be resident in the UK for in year application to be considered. This has now changed and any application must be considered, regardless of where the child is residing.

New School Admissions Code:

- 3.38 A new School Admissions Code was consulted upon last year is due to be laid before Parliament in the Spring 2021. The changes to the Code seek to clarify admission authority and local authority responsibilities in relation to managing the in-year admission and Fair Access Protocol (FAP) processes, stipulating a specific timescale all admitting authorities must follow. It also proposes to extend the provisions already in place for LAC to also extend to those previously looked after in state care outside England. These changes are primarily intended to support the most vulnerable children and come in response to the recommendations and conclusions from the Children in Need Review and the Domestic Abuse White Paper.
- 3.39 The new Code also introduces changes to the Fair Access Protocol to improve its effectiveness by:
- 3.39.1 Making clear the purpose of Fair Access Protocols, what they should be used for and setting out a clear process as to how they should operate.
 - 3.39.2 Introducing timescales as to when placement decisions need to be made by.
 - 3.39.3 Extending the specific categories of children who may be admitted via the Fair Access Protocol to include children on a Child in Need/Child Protection Plan and children in refuge and those in safe accommodation

Further information on the subject of this report can be obtained from Emily Heaton, eheaton@swindon.gov.uk.

School Admission Arrangements and Mainstream Home to School Transport Policies 2022-23

Cabinet

Date: 3rd February 2021

3.39.4 Clarifying the provisions relating to the use of Fair Access Protocols for children with challenging behaviour, including setting out what is meant by challenging behaviour in that context.

3.40 The arrangements for 2022 have been written in line with the new Code should it be agreed to ensure that the LA is compliant. One of the most significant changes is to the timescale for in year admissions, as these must be considered within 10 school days of receipt of the application. We are already best placed to deliver this with our in year coordinated scheme.

Mainstream Home to School Transport Policies 2022-23.

3.41 For the Mainstream Home to School Transport Policy, all 2 respondents were in agreement. The Mainstream Home to School Transport Policy is attached as **Appendix 5**.

3.42 The Transport policy was included with the Admission Arrangements consultation and was sent to the same bodies as reported in paragraph 3.9

3.43 The LA has a legal duty, following consultation, to publish by September of each year its transport policy, which will apply 12 months later. The previous Education Transport Policy was made up of both the Mainstream and SEND policies, but these have now been separated into defined policies in order to make it clear to parents / carers and children which policy applies.

3.44 Free home to school transport is set out within the Education Act 1996, which was extended in and provides for free home to school transport to be offered to all pupils who meet the following criteria:

3.44.1 Are of statutory school age (5-16);

3.44.2 Attend their designated appropriate area school (or another school at which the LA has offered a place); and

3.44.3 Live more than three miles from their catchment area school (or two miles if under eight years of age) or do not have a safe walking route when accompanied by an adult to their catchment area school.

3.45 In addition, the Education & Inspections Act 2006 widened statutory home to school transport for pupils from low-income families, in certain circumstances. Low-income families are defined as those who are entitled to free school meals or are in receipt of their maximum level of Working Tax Credit. These provisions are therefore, as follows:

3.45.1 Primary – to the nearest suitable school if more than two miles from home;

Further information on the subject of this report can be obtained from Emily Heaton, eheaton@swindon.gov.uk.

School Admission Arrangements and Mainstream Home to School Transport Policies 2022-23

Cabinet

Date: 3rd February 2021

- 3.45.2 Secondary – to any of the three nearest suitable schools if between two and six miles from home (which, in practice, applies to all Swindon pupils who travel beyond two miles);
- 3.45.3 Primary/Secondary – to the nearest school preferred on the grounds of religion or belief (as defined by the Equality Act 2006) if between two and fifteen miles from home.
- 3.46 As mentioned above in paragraph 3.1, children must currently be attending the ‘designated appropriate area school’ and live over the 2 or 3 mile statutory distances, in order to qualify for assistance with transport.
- 3.47 The Education Transport Policy 2014 introduced ‘designated transport areas’ which defined the designated transport area for a school
- 3.48 If a parent chooses to send their child to a school other than the designated appropriate area school, then (apart from the provisions of the Education & Inspections Act 2006) free school transport is not provided and the parent is responsible for any travel costs.
- 3.49 Due to the addition of William Morris Primary School opening in September 2019, and the forthcoming Primary School, Abbey Farm Primary School, in North Swindon, the designated transport areas for Primary Abbey Park / Great Western, Secondary Abbey Park / Great Western and Secondary Highworth areas for September 2022. This ensures that the LA can offer a school within the designated transport within the statutory distance criteria.

4. Alternative Options

- 4.1 The School Admissions Arrangements and Transport Policies must be determined annually for parents / carers applying for school places in the following year. In relation to the arrangements proposed there are no alternatives proposed that differ from the arrangements for 2022-23.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 The admission budget is funded through the Dedicated Schools Grant (DSG) for 2022-23 and therefore no corporate funding is required to support this service. However, changes to the admissions policy may have direct impact on the number of pupils in each school, which will affect the level of funding which they receive from the DSG. There are also implications more generally for the DSG of creating additional school places in terms of both set up funding and on-going revenue funding.

Further information on the subject of this report can be obtained from Emily Heaton, eheaton@swindon.gov.uk.

School Admission Arrangements and Mainstream Home to School Transport Policies 2022-23

Cabinet

Date: 3rd February 2021

-
- 5.2 Mainstream Home to School Transport is funded by the general fund, but there is no impact from any changes made from recommendations in this report to the budget.

Legal and Human Rights Implications

- 5.3 The Council is required to comply with the statutory provisions referred to in the report. All other legal and human rights implications have been considered in the preparation of this report. The recommendations are considered compatible with Convention Rights.

- 5.4 Under Section 89b of the School Standards and Framework Act 1998 and associated regulations, in its role as a LA, has to determine the co-ordinated scheme and other admission arrangements.

Climate Change Impact

- 5.5 The proposals would not bring a change in service delivery and Officers believe that there is no expected effect on the Council's carbon footprint

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.6 The proposals for additional school places comply with Section 17 of the Crime and Disorder Act 1998 to develop school policy to maximise school attendance.

Diversity Impact Assessment

- 5.7 A Diversity Impact Assessment was undertaken and a copy can be obtained from the report author.

- 5.8 The admission arrangements in the report are used for the purposes of prioritising individual applications for admission to school based on family arrangements and the distance they reside from a school. The admission criteria set out in the report are based on published guidance from the Department for Education to ensure that they are arranged and operated in a clear, fair and transparent way according to a nationally imposed timescale.

- 5.9 It is considered that the admission arrangements set out in the report do not discriminate against disability, ethnicity, religion, sexual orientation, marital/civil partnership status or pregnancy/maternity

Risk Management

- 5.10 The co-ordinated admissions scheme, including in year admissions, has strengthened the measures in place for safeguarding children as the Admissions Team are aware of every child in Swindon and are aware of transfers coming into or out of the Borough. This will continue if the proposals for in year admissions are agreed.

Further information on the subject of this report can be obtained from Emily Heaton, eheaton@swindon.gov.uk.

School Admission Arrangements and Mainstream Home to School Transport Policies 2022-23

Cabinet

Date: 3rd February 2021

6. Consultees

- 6.1 The Corporate Director of Finance and Assets (s151 officer) and Chief Legal Officer (Monitoring Officer) are consulted in respect of all reports.

7. Background Papers

- 7.1 None

8. Appendices

- 8.1 Appendix 1 - Proposed Co-ordinated Scheme 2022-23 and the Delayed and Deferred Admissions Policy.
- 8.2 Appendix 2 – Proposed Admission Arrangements for all Community and Voluntary Controlled Schools 2022-23
- 8.3 Appendix 3 – Consultation responses
- 8.4 Appendix 4 – Proposed In Year Coordination Scheme for 2022-23
- 8.5 Appendix 5 – Mainstream Home to School Transport Policy 2022-23

9. Key Decision/Decision in Cabinet Work Programme and Forward Plan

- 9.1 This is Key Decision and is included in the Cabinet Work Programme and Forward Plan for February 2021

This page is intentionally left blank

**Swindon Borough Council
School Admissions Co-ordinated Schemes
Academic Year 2022-23**

1. Introduction

In accordance with the School Admissions (Admission Arrangements and Co-ordination of Admission Arrangements) (England) Regulations 2012 Swindon Borough Council must formulate a scheme which outlines how it intends to manage admissions to all maintained schools¹ in its area and all admission authorities¹ must participate in this scheme. This scheme will apply where an applicant is resident within the Swindon Local Authority area.

A revised School Admissions Code is anticipated in the early part of 2021; changes may be required to this policy before or after the date of determination.

Interpretation and Glossary

In this scheme –

“the LA” means Swindon Borough Council acting in their capacity as a Local (Education) Authority;

“the LA area” means the Borough of Swindon;

“Primary education” has the same meaning as in section 2(2) of the Education Act 1996;

“Primary school” has the same meaning as in section 5(2) of the Education Act 1996;

“Secondary education” has the same meaning as in section 2(2) of the Education Act 1996;

“Secondary school” has the same meaning as in section 5(2) of the Education Act 1996;

“school” means – a Community, Voluntary Aided, Voluntary Controlled, Trust School, Foundation School, Academy, University Technical College, Studio School or Free School

“admission authority” in relation to a Community or Voluntary controlled school means the LA and, in relation to an Academy, Foundation, Voluntary Aided or Free school means the governing body of that school;

“the specified year” means the school year beginning in September 2022

“admission arrangements” means the determined arrangements which govern the procedures and decision making for the purposes of admitting pupils to a school.

¹ References to schools in this scheme includes, community, voluntary controlled, voluntary aided, foundation or trust schools, academies, free schools and University Technical Colleges. All schools with the exception of community and voluntary controlled schools are their own admission authority.

2. Key Information for phased entry 2022-23

| | | Primary and Infant | Junior | Secondary |
|-----|---|---|---|---|
| 1. | Relevant Year Group | Reception (Yr 0) | Year 3 | Year 7 |
| 2. | For children born between | 1 st September 2017 and 31 st August 2018 | 1 st September 2014 and 31 st August 2015 | 1 st September 2010 and 31 st August 2011 |
| 3. | Applications can be made from | 1 st September 2021 | 1 st September 2021 | 1 st September 2021 |
| 4. | Maximum number of preferences | 3 | 3 | 3 |
| 5. | Deadline for ontime applications | Saturday 15 th January 2022 | Saturday 15 th January 2022 | Sunday 31 st October 2021 |
| 6. | Applications to be forwarded to other LA and Swindon admission authorities | Friday 11 th February 2022 | Friday 11 th February 2022 | Wednesday 2 nd December 2021 |
| 7. | Ranked lists to be returned by Swindon admission authorities | Friday 11 th March 2022 | Friday 11 th March 2022 | Wednesday 12 th January 2022 |
| 8. | Deadline for proof and changes of address to be received | Friday 11 th March 2022 | Friday 11 th March 2022 | Wednesday 12 th January 2022 |
| 9. | Swindon LA to notify schools of offers made | Friday 1 st April 2022 | Friday 1 st April 2022 | Friday 11 th February 2022 |
| 10. | Offers made to Swindon residents | Tuesday 19 th April 2022 | Tuesday 19 th April 2022 | Tuesday 1 st March 2022 |
| 11. | Deadline for parents to accept place | Friday 29 th April 2022 | Friday 29 th April 2022 | Tuesday 15 th March 2022 |

Table 1

- 2.1. The primary and secondary co-ordinated scheme will apply to all admission authorities within the LA area in relation to children wishing to join the normal year of entry during the primary/infant phase, junior or secondary phase in Swindon for September 2022.
- 2.2. Table 1 indicates the following information for each phase
 - 2.2.1. Relevant Year Group
 - 2.2.2. The relevant dates of birth for the normal point of entry
 - 2.2.3. The maximum number of preferences which can be made
 - 2.2.4. The date from when applications can be made
 - 2.2.5. The deadline for on-time applications
 - 2.2.6. The date when the LA will forward applications to other LAs and Swindon Admission Authorities
 - 2.2.7. The date by which Swindon Admission Authorities are required to return the ranked list of applications
 - 2.2.8. The deadline for changes of address
 - 2.2.9. The date when the LA will forward details of those offered a place to Swindon schools
 - 2.2.10. The date that parents will be notified in writing of the offer made
 - 2.2.11. The deadline for parents to accept the school place.
- 2.3. In Swindon, children can start school at the earliest from the September following their fourth birthday. Full time provision will be made available in all reception classes for all relevant children from September 2022
- 2.4. Parents can defer the date their child is admitted to school until later in the school year but not beyond the point at which they reach compulsory school age² or, for children born between 1 April and 31 August, not beyond the beginning of the final term of the school year for which the offer was made;
- 2.5. Parents can also request that their child takes up the place offered part time until the child reaches compulsory school age.
- 2.6. The LA will publicise the coordinated admissions process for each phase of education. This will be done by:
 - publishing a composite prospectus online by 12 September 2022 for children due to start the Reception year and Junior School for the first time;
 - publishing a composite prospectus online by 12 September 2022 for children due to transfer from Year 6 in a junior or primary school to Year 7 in a secondary school called;
 - publicising coordinated admission arrangements on the LA public website;
 - producing posters and/or other advertising information;
 - making arrangements to enable parents to apply online;
 - Sending out information to early years providers including Child Minders to advertise the process
 - Sending information to all schools in Swindon about the process for them to send out to parents via newsletters, texts, and letter.
 - writing to parents of children regarding the possibility of transferring from Year 9 in a

² Compulsory school age is set out in section 8 of the Education Act 1996 and the Education (Start of Compulsory School Age) Order 1998. A child reaches compulsory school age on the prescribed day following his or her fifth birthday (or on his or her fifth birthday if it falls on a prescribed day). The prescribed days are 31 December, 31 March and 31 August.

secondary school to Year 10 in a Studio School or UTC.

- 2.7 The Governing Bodies or Academy Committees and/or Directors of OAA schools covered by the scheme remain responsible for setting admission rules, applying them and determining the offer of places. Where an OAA school consults on a change to its admission arrangements and/or rules, which it must at least once every seven years or when a change is made to those arrangements or rules (whichever happens sooner), it must consult, determine and publish according to the timescales laid down in the School Admissions Code 2014 (and 2020 if the proposed Code is agreed).
- 2.8 For all OAA schools, the parent will receive the official offer from the LA as the 'clearing house' made on behalf of the school or Governing Body or Academy Committee or Directors. Offers for the transfer phases listed in 2.8 above **must not** be sent directly by the school, Governing Body, Academy Committee, or Directors.

3. Making an application

- 3.1. Parents will be able to make an online application directly to Swindon Borough Council as the LA. The online facility will be available from 1 September 2021 (or nearest working day) up until the closing date indicated in **Table 1**.
- 3.2. The online application form will be known as the Swindon Local Authority (LA) Common Application Form used for the admission of pupils into the relevant year group.
- 3.3. Swindon Local Authority (LA) Common Application Form will be available for Swindon residents wishing to apply for a school place, either within or outside of the Borough of Swindon.
- 3.4. Swindon LA's Common Application Form, must be used as a means of expressing one or more preferences by a parent wishing to apply for a school place for their child either within or outside the Borough of Swindon. The child must live in Swindon.
- 3.5. Parents will be asked to express no more than 3 preferences in ranked order for schools both within and outside the Swindon Borough with the opportunity to express reasons for their particular preferences.
- 3.6. Parents are required to submit one application only per child. Where the LA receives more than one application for the same child before the closing date, the LA will only consider the latest submitted application and the other application will be discarded. If two late applications are received (after the closing date), the latest application by date will be the application considered.
- 3.7. Each preference will be considered equally. This means that Swindon LA will consider all applications against the published admissions criteria without reference to how the school applied for has been ranked on the application form. As far as possible applicants will be offered a place at a school to which they have expressed a preference. Where the applicant has made more than one preference the LA will make an offer at the highest ranked preference school with available places in accordance with the standard admission criteria. Where it is not possible to offer a place at a preferred school, and the applicant lives in Swindon, the LA will allocate a place at the next nearest school with a place, The distance between the applicant's home and school is taken as a straight line between the Local Land

and Property Gazetteer (LLPG) address point of the applicant's home address and of the school with those living closest to school receiving higher priority.

- 3.8. The governing body of a Foundation, Voluntary Aided School, Academy or Free School can ask parents who have expressed a preference for their school on the online Common Application Form, to provide additional information on a supplementary form or additional evidence, only if the additional information is required in order to apply their oversubscription criteria to the application. Where a supplementary form or additional evidence is required, it is the responsibility of the parent to complete the form and return to the school concerned.
- 3.9. Where a school receives a supplementary form it may not be regarded as a valid application unless the parent has also completed a Common Application Form which expressed a preference for that school. The Common Application Form must have been returned to the LA.
- 3.10. Swindon LA must receive the application by the deadline date (by midnight) indicated in Table 1 (Row 5)

4. Application Process

- 4.1 The LA will consider in the first instance those applications received before the closing date.
- 4.2 Applications received after the closing will be considered as late. Applications can be submitted after this date but they will be considered as late for the purposes of the co-ordinated scheme. This means they will be considered after all on time applications. The LA will endeavour to deal with late applications before the offer date, but it may not be possible to do this in every circumstance.
- 4.3 Swindon LA will have forwarded applications for schools in other LA's to the maintaining LA's and forwarded applications to other admission authorities with any supporting evidence the parent submitted by the date indicated in Table 1 (Row 6).
- 4.4 Relevant information concerning a preference for a school as part of one of the transfers listed in 4.3 above, will be shared securely with other LAs where a preference has been requested for a school in that LA's area. This is in line with the General Data Protection Regulations and the 2018 Data Protection Act.
- 4.5 Foundation, Voluntary Aided Schools and Academies will apply their admissions criteria and send Swindon LA a list indicating the order in which all applicants have priority according to oversubscription criteria by the date indicated in Table 1 (Row 7).
- 4.6 Academies may choose to delegate the consideration of applications to the LA.
- 4.7 Swindon LA requires all evidence of changes in circumstances (e.g. proof of move / address) by the date indicated in Table 1 (Row 8).
- 4.8 Pupils with an Education, Health and Care Plan (EHCP) will be admitted to the school named on their statement or plan. Applications of children with a statement or EHCP are considered by the Special Educational Needs Assessment Team (SENAT Team). Once a statement or plan reaches the formal proposed stage, this scheme does not apply as any placement is finalised by SENAT.
- 4.9 The LA will apply the agreed scheme and all applications for Community and VC schools will be considered using the oversubscription criteria for Community Schools and those lists provided by Swindon authorities and other LA schools. The LA will offer the highest rank available as indicated on the parent's application. Swindon will then compare the lists for all schools in the area. Where a child qualifies for one of the available places at more than one school, Swindon will provisionally allocate a place at the school ranked highest by the parent in their application. The lists will be adjusted for any other school for which a preference was expressed, moving another child who was previously not eligible for a place up the list to the provisional place that has been vacated.
- 4.10 Swindon LA will inform other LA's of offers made to their residents. Other LA's have responsibility to inform their residents.
- 4.11 If a child resident in Swindon remains unplaced Swindon LA will consider how to place them in schools within the area. Swindon LA will then offer places at the nearest available school (measured in a straight line) with places when children remain unplaced.

- 4.12 Children who have been refused a place at all of their named preferences, will be offered a place at an alternative school (excluding Catholic Schools unless agreed with the school's governing body) with a place available
- 4.13 Swindon LA will then offer places to late applicants subject to the places available and oversubscription criteria.
- 4.14 Swindon schools will be informed by Swindon LA of the final results by the date indicated in Table 1 (Row 9).
- 4.15 Offers will be made to parents by Swindon LA, on the national offer day (or the next working day where the national date is on a weekend). This date is indicated in Table 1 (Row 10).
- 4.16 Parents are only able to apply through the online system and those that have requested an email notification will be notified on the offer day. Parents / Carers that do not have access to this can contact the LA for assistance with this.
- 4.17 Those children refused places at higher preferences for Community or Voluntary Controlled schools will be placed on a waiting lists and informed of their right of appeal.
- 4.18 Parents must accept or refuse the place offered by the deadline indicated in Table 1 (Row 11)
- 4.19 Appeals against the refusal of a place at a preferred school will be heard within 40 school days of the closing date for appeals to be lodged. A timetable for appeals will be published on the Swindon Borough Council website by 28th February of the relevant year of admission.

5. In-year admissions

- 5.1 If parents/carers decide to transfer their children during the academic year after the normal admissions round, this is referred to as an In Year Transfer. Parents/carers who wish to transfer their child/ren in year to a Swindon school they must apply online on Swindon Borough Council's website and through the Boroughs In-Year Coordinated Scheme.
- 5.2 Please see the In Year Co-ordinated Scheme document for full details.

6. Sampling of Admission Applications to detect suspected fraud

- 6.1. The LA reserves the right to undertake sampling of applications as and when it determines necessary. All parents should be aware of this and therefore ensure that the information they submit on their application form is correct. By signing the application form, or submitting the form online, the parent is confirming that the information they have provided is correct.
- 6.2. If the LA undertakes sampling of applications, it will write to parents to ask that they submit proof of their address. Evidence of proof of address will be checked and parent will need to submit at least 2 of the following:
- Council Tax bill
 - Child Benefit letter
 - Child Tax Credit
 - Official Rental Agreement
 - Solicitor's letter (not older than one month).
 - Drivers Licence
 - Utility Bill
- 6.3 The LA may check the information given on the application form or the evidence submitted with other parties such as Council Tax, Electoral roll or GP. Please note that the LA may do this at any time if they suspect fraud.
- 6.4 If evidence is not submitted, or the evidence is not sufficient, then the LA will either not consider the application as an on time application, which may have implications for the child being allocated their preferred school, or it may withdraw the offer of a school place, whichever is appropriate depending on the time the sampling is done. If a parent applies for a school place falsely (using false information), they will lose all the preferences stated on the application form and the whole application will become invalid. The application would then be treated as a late application. (A fresh application would need to be made which would be treated as a late application and if a place is refused at the preferred schools, the parents would have right of an appeal against the refusal.)
- 6.5 If the LA finds that fraud has been committed and the child has already started at the school, there may also be consequences for any other sibling of that child who may not be able to start at the preferred school.
- 6.6 If the LA withdraws a place for a child on the suspicion of fraud, the place will be reallocated.
- 6.7 If parents or schools suspect someone has applied fraudulently they should contact the Council at schooladmissions@swindon.gov.uk

7. Definitions

Deferred admissions

Parents can request that the date that their child is admitted to school is deferred later in the academic year or until the term in which the child reaches compulsory school age. However, please note that the place must be taken up in the same academic year that it was originally offered and admission cannot be delayed beyond the statutory school start date. Notification of the intention to defer should be given directly to the school concerned as soon as possible once a place has been offered.

1st September 2017 and 31st December 2017

Admission will be September 2022 or can be deferred until January 2023

1st January 2018 and 31st March 2018

Admission will be September 2022 or can be deferred until January or April 2023

1st April 2018 and 31st August 2018

Admission will be September 2022 or can be deferred until January or April 2023

Delayed admission should not be confused with deferred admission which involves putting off admission to the Reception class within the same academic year. Deferred admission children remain in their chronological year group.

Delayed Admission to Reception

A summer-born child is one whose birthday is between 1 April and 31 August.

This is an opportunity to discuss any concerns parents have about the child's readiness for school. Children in Reception and in an Early Years setting all receive the Early Years Foundation Stage curriculum, which is largely play-based learning.

As with any request for admission outside a child's normal age group, the admissions authority will have two decisions to make:

1. it must first decide on the age group the child should be admitted to
2. it then decides whether a place can be offered in that age group.

It can be difficult to reach a decision about the appropriate age group for a child more than a year in advance of admission as it will not be easy to assess how the child will develop in that time. Therefore, it would be helpful for parents to provide as much information on the child as possible, particularly with any relevant professional social or medical evidence.

The process in Swindon is that the parent is encouraged to make an application for the child's normal age group at the usual time and make a request for delayed admission at the same time. This enables the LA to reach a decision on age group before the national offer day. If the request is agreed, the application can be withdrawn by the parent before a place is offered and the parent will then make a fresh application in the next normal admissions round. If the request is refused, the application for the normal age group will continue in the process and an offer of a school place will be made on national offer day. Parents can then decide to accept the school place, defer to a later start date (see below) or defer until their child's admission until Year One for the following September, when they would be statutory school age. Please note that if the parent would like their child to start at the school allocated in Year 1 they would need to start school in the

last academic term (April) for the place to be held for their child. Otherwise, the school place will be removed and the parent will need to make a new application for a school place in Year 1.

In reaching a decision, we will consider the circumstances of the case as we would with any request for admission outside the normal age group. Our decision will be made in the best interests of the child and will be set out in writing for the parent. We recognise, along with the Department for Education, that requests for delayed admission to Reception differ from other requests for admission outside the normal age group as it is only in these circumstances that a child is being admitted to school for the first time. Delayed admission is not an opportunity for a child to retake the Reception year.

There is no right of appeal if a parent is offered a place but it is not in the year group they would like. They may make a complaint through the LA's complaints procedure if they are unhappy with a decision.

Applications outside the Normal Age of Admission

Parents may request that their child is admitted outside of their normal age group. They should include a request with their application, specifying any reason why admission out of the normal age group is being requested. We will decide based on the circumstances of the case and in the best interests of the child concerned. We will ask parents to provide as much supporting evidence as they wish to say why they are requesting admission outside the normal age group for a child.

We will consider:

- the parent's views;
- the views of the school's head teacher;
- information about the child's academic, social and emotional development submitted by the parent;
- information about the child's medical history and the views of a relevant medical professional submitted by the parent;
- whether the child has previously been educated out of their normal age group;
- guidance from the Department for Education on the admission of summer-born children to Reception;
- whether the child may have fallen into a lower age group if it were not for being born prematurely.

Parents should consider the implications of a child being taught out of the normal age group. Any school the child later moves on to will not be obliged to continue to educate their child out of the normal age group.

We will reach a decision on which Year Group is appropriate for the child. We will then reach a decision whether a place can be offered as it would for any application in that Year Group. Admission Authorities must make decisions on the basis of the circumstances of each case, informing parents of their statutory right to appeal. This right does not apply if they are offered a place in another year group of the school.

In the instance that the child has not started school (or is not statutory school age), or it is before the child needs to apply for a school place, the Admitting Authority for the school (LA for maintained schools or Governing Body of the School) may have discretion to decide would only be used in exceptional circumstances where it would have to be proved that it was in the child's interest. This may have already been considered by the Special Educational Needs Assessment Team (SENAT) through the Early Years Panel.

Summer born children

A summer born child is one born between 1st April and 31st August. A parent of a “summer born” child may request for the child to be admitted to a year group later than that of their natural cohort and this request will be considered.

Please see Appendix 1 to these arrangements, Delayed and Deferred Admissions.

Relevant Age Group

The age group to which children are normally admitted. Each relevant age group must have admission arrangements, including an admission number. Some schools (for example schools with sixth forms which admit children into the sixth form) may have more than one relevant age group.

Statement of Special Educational Needs (SEN)

A Statement of Special Educational Need is a statement made by the local authority under Section 324 of the Education Act 1996, specifying the special educational provision required for that child.

Education, Health and Care Plan

An Education, Health and Care plan is a plan made by the local authority under Section 37 of the Children and Families Act 2014 specifying the special education provision required for that child.

Proof of Address

The LA reserves the right to ask parents for proof of their address. If the parents' current address is different to that held on the LA's computerised system the LA may ask parents to provide proof of the new address if one is indicated. Acceptable proof of address includes:

- A copy of your Council Tax Bill
- A solicitor's letter stating contracts have been exchanged and specifying a completion date
- A copy of the Child Tax Credit or Working Tax Credit award letter
- A signed and dated tenancy agreement plus proof of residency (e.g. copy of recent utility bill)

If parents fail to provide proof of a new address then, the LA will use the old address for admission purposes. If parents indicate they will be moving house, even if they provide the relevant proof of that address, they must move into that property by at least the end of the first term. The LA reserves the right to check that parents are living in the address indicated within that timescale. If parents are not living in that address, the applications will be investigated and the place allocated may be withdrawn

Applications

Online Common Application Form

For the normal admissions round, an online Common Application Form (CAF) must be completed by all parents applying for Admission for 2022-23. All parents who list their preferred schools on the LA's CAF are regarded to as having made a valid application.

In-year admission application

For in-year applications, the online Swindon In-year application form must be completed by all parents applying for Admission applying to transfer during the 2022-23. If parents are applying for a school that has opted out of the in year co-ordinated scheme they will need to apply directly to

that school using the schools application form. Details of those schools that have opted out are listed on the Council's website.

Supplementary forms and additional evidence / information

An additional supplementary form (SIF) or additional evidence may be required by an Academy, Foundation or Voluntary Aided school who require additional information in order to consider the application, this is available from the school. This may be for in-year and normal admissions round.

Children from Overseas

Children who hold a full British Citizen passport or children whose passport has been endorsed to show they have a right of abode in the country are entitled to apply for a place at a maintained school. The passport or visa should be made available for inspection before an offer of a school place can be made. Asylum Seekers should make available evidence of their right of abode as provided by the National Asylum Support Service.

During the normal admissions round applications on behalf of children currently living outside the UK will be considered, but until the children are resident in the country of their home address will be considered as being their place of residence outside the UK. Exceptions to this would be instances where the children are of parents returning from foreign postings such as UK service personnel and other crown servants as indicated above (including diplomats) who have been posted abroad on a fixed term contract and who are returning to live within the UK. Proof of future residency will be required if the application is made to an oversubscribed school.

Overseas nationals entering the UK to check that they have a right of abode or the conditions of their visas otherwise permit them access to a state funded school.

Where Age is Disputed

A parent may be required to provide evidence of the child's date of birth if he or she has not been previously admitted to a school in the United Kingdom. Where it is required, a short birth certificate is acceptable, as is a passport or a national identity card.

Where the child is in the Care of a LA and his or her age is unclear or in dispute, the child's age will be determined before the offer of a school place or as soon as is reasonably possible following the emergence of a dispute over age. Where necessary, the child will be referred to a social care officer for assessment.

Duplicate Applications

The LA requires parents to submit one application only per child. Where the LA receive more than one application for the same child before the closing date, the LA will only consider the latest submitted application and the other application will be discarded. If two late applications are received (after the closing date), the latest application by date will be the application considered.

Late applications

The closing date for applications is defined in Table 1. Applications can be submitted after this date but they will be considered as late for the purposes of the coordinated scheme. This means they will be considered after all the on time applications. The LA will endeavour to deal with late applications before the offer date, but it may not be possible to do this in every circumstance.

Preferences

Parents will be invited to state up to three ranked preferences. Each preference will be considered equally. This means that Swindon LA will consider all applications against the published admissions criteria without reference to how the school applied for has been ranked on the application form. As far as possible applicants will be offered a place at a school to which they have expressed a preference. Where the applicant has made more than one preference the LA will make an offer at the highest ranked preference school with available places in accordance with the standard admission criteria. Where it is not possible to offer a place at a preferred school, and the applicant lives in Swindon, the LA will allocate a place at the next nearest school with a place.

The next nearest school with a place will relate to any maintained mainstream school, whether it be Community, Voluntary Aided, Voluntary Controlled, Foundation, Academy or Free School (excluding Catholic Schools unless agreed with the school's governing body).

Change of preference

A parent may change their mind about the preferences they have made after the closing date indicated in Table 1, if they have a genuine reason for doing so, which may be that they are moving house. The Admissions Team would need any request to change a preference in writing from the parent. Any change in preference received after the deadline for ontime applications, regardless of the circumstance, will be considered as a late application.

Any evidence that is needed to accompany the change in preference would be required to be with the Admissions Team by the deadline for address changes in Table 1 (Row 8).

8. Swindon Schools

Primary, Infant and Junior Schools

| School Name | Type of School |
|---|----------------------|
| Abbey Meads Community Primary School | Academy |
| Badbury Park Primary School | Academy |
| Beechcroft Infant School | Community |
| Bishopstone CE Primary School | Voluntary Controlled |
| Bridlewood Primary School | Community |
| Brook Field Primary School | Academy |
| Catherine Wayte Primary School | Academy |
| Chiseldon Primary School | Community |
| Colebrook Infant Academy | Academy |
| Colebrook Junior School | Community |
| Covingham Park Primary School | Community |
| Drove Primary School | Academy |
| East Wichel Community Primary School | Community |
| Eastrop Infant Academy | Academy |
| Eldene Primary School | Community |
| Even Swindon Primary School | Community |
| Ferndale Community Primary School | Academy |
| Goddard Park Primary School Academy Trust | Academy |
| Gorse Hill School | Academy |
| Grange Infant School | Academy |
| Grange Junior School | Academy |
| Greenmeadow Primary School | Community |
| Haydon Wick Primary School | Academy |
| Haydonleigh Primary School | Community |
| Hazelwood Academy | Academy |
| Holy Cross Catholic Primary School | Academy |
| Holy Family Catholic Primary School | Academy |
| Holy Rood Catholic Primary School | Academy |
| Kingfisher Academy | Academy |
| King William Street CE Primary School | Academy |
| Lainesmead Primary School | Community |
| Lawn Primary School | Community |
| Lethbridge Primary School | Academy |
| Liden Primary School | Community |
| Millbrook Primary School | Academy |
| Moredon Primary School | Academy |
| Mountford Manor Primary School | Academy |
| Nythe Primary School | Academy |
| Oakhurst Primary School | Community |
| Oaktree Primary School | Community |
| Oliver Tomkins CE Infant School | Voluntary Aided |
| Oliver Tomkins CE Junior School | Voluntary Aided |
| Orchid Vale Primary School | Academy |
| Peatmoor Primary School | Academy |
| Red Oaks Primary School | Academy |
| Robert Le Kyng Primary School | Community |
| Rodbourne Cheney Primary School | Academy |
| Ruskin Junior School | Academy |
| Seven Fields Primary School | Academy |

| | |
|--|-----------------|
| Shaw Ridge Primary School | Academy |
| Southfield Junior School | Academy |
| South Marston CE Primary School | Academy |
| St Catherine's Catholic School | Academy |
| St Francis CE Primary School | Voluntary Aided |
| St Leonards' Primary Academy | Academy |
| St Mary's Catholic Primary School | Academy |
| Swindon Academy | Academy |
| Tadpole Farm Church of England Primary Academy | Academy |
| The Croft Primary School | Academy |
| Tregoze Primary School | Academy |
| Wanborough Primary School | Community |
| Westlea Primary School | Academy |
| Westrop Primary School | Community |
| William Morris Primary School | Academy |
| Wroughton Infant School | Community |
| Wroughton Junior School | Community |

Secondary Schools

| School Name | Type of School |
|------------------------------|----------------|
| Lawn Manor Academy | Academy |
| Highworth Warneford School | Academy |
| Abbey Park Academy | Academy |
| Kingsdown School | Academy |
| Lydiard Park Academy | Academy |
| Nova Hreod Academy | Academy |
| St Joseph's Catholic College | Academy |
| Swindon Academy | Academy |
| The Commonweal School | Academy |
| The Dorcan Academy | Academy |
| The Ridgeway School | Academy |
| Great Western Academy | Academy |
| The Deanery | Academy |

We also anticipate that Abbey Farm Primary School will also open in September 2022.

9. Appendices

9.1. Appendix 1 – Delayed and Deferred Admissions

This page is intentionally left blank



School Admission Arrangements
(Community and Voluntary Controlled Schools)
2022-23

Admission Arrangements 2021-22 (Community and Voluntary Controlled Schools)

1. Introduction

This policy applies solely to applications for places at Community and Voluntary Controlled (VC) schools in Swindon. Foundation, Voluntary Aided (VA) and Academy Schools are their own admission authorities and therefore the Governing Bodies of the schools are responsible for determining their own admission arrangements and policies.

This document should be read in conjunction with the Co-ordinated Scheme for 2022-23, and the In Year Coordinated Scheme 2022-23 which applies to all schools within the Swindon LA area.

The closing dates for applications are:

Primary, Infant and Junior – 15th January 2022 and offers are made on 19th April 2022
Secondary - 31st October 2021 and offers are made on 1st March 2022

Applications must be made for children transferring from nursery to infant or primary school and for children transferring from infant to junior school.

A revised School Admissions Code is anticipated in the early part of 2021; changes may be required to this policy before or after the date of determination

2. Oversubscription Criteria

If there are more applications than there are places at the school, then the oversubscription criteria are applied.

The over-subscription criteria for all Swindon Community and Voluntary Controlled Schools are as follows:

A child who has a Education, Health and Care Plan (EHCP) is required to be admitted to the school named on the child's statement.

| | |
|---|---|
| A | <p>A looked after child or previously looked after child, and those that have been in state care outside of England.</p> <p><i>A looked after child or a child that was previously looked after looked after within England and outside of England, but ceased to be so because they were adopted (or became subject to a child arrangements order or special guardianship order</i></p> <p>This change will be introduced for children that appear to be looked after outside of England only as a mandatory requirement under a revised School Admissions Code 2021. We anticipate that the Code will be revised in spring 2021. If the revision</p> |
|---|---|

| | |
|---|---|
| | comes into force before this policy is determined, it will be included. If the revision comes into force after determination, it will be absent from the policy and will be added when we are required to do so |
| B | Any child who has a sibling attending the preferred school at the same time as he or she is due to be admitted; |
| C | Any child living within the school's catchment area; |
| D | Any child not living in the school's catchment area. |

Decider

For Community and Voluntary Controlled schools distance will be determined from the applicant's home address to the school on the following basis –

The distance between the applicant's home and school is taken as a straight line between the Local Land and Property Gazetteer (LLPG) address point of the applicant's home address and of the school with those living closest to school receiving higher priority.

Children with an Education, Health and Care Plan

Pupils with a statement of special educational needs or Education, Health and Care Plan at the time of allocation are required to be admitted to the school named on their statement or plan. Once a statement reaches the formal proposed stage the administration of the admission of the young person becomes the responsibility of Special Educational Needs Assessment Team (SENAT) at which point this policy no longer applies.

Looked After Child

A 'looked after child' or a child who was previously looked after but immediately after being looked after became subject to an adoption, child arrangements, or special guardianship order including those who appear [to the admission authority] to have been in state care outside of England and ceased to be in care as a result of being adopted. A looked after child is a child who is (a) in the care of a local authority, or (b) being provided with accommodation by a local authority in the exercise of their social services functions (see the definition in Section 22(1) of the Children Act 1989).

If children have ever been Looked After or Adopted or subject to a residency or special guardianship order evidence would need to be provided and the LA reserve the right to ask the parent to provide this.

This change will be introduced for children that appear to be looked after outside of England only as a mandatory requirement under a revised School Admissions Code 2021. We anticipate that the Code will be revised in spring 2021. If the revision comes into force before this policy is determined, it will be included. If the revision comes into force after determination, it will be absent from the policy and will be added when we are required to do so.

Sibling

A sibling is defined as a child attending the preferred school at the same time as he or she is due to be admitted, who is a;

- brother or sister;
- half brother or sister;
- adopted brother or sister;
- step brother or sister, or
- the child of the parent/carer's partner where the child for whom the school place is sought is living in the same family unit at the same address as that sibling.

Where the sibling of the child making the application is under assessment for a Statement of Special Educational Needs or Education Health and Care Plan, then they will be counted as a sibling from the time that the school is named on the final plan.

Catchment area

A catchment area is a geographical zone served by a school. The address that determines a child's catchment area is the place where s/he is ordinarily resident with his/her parent(s) or legal guardian(s). Most schools have a catchment area but some addresses fall within areas shared by two or more schools. Children living outside the Borough boundary are treated as if the children live within Swindon but outside the catchment area for the school(s) in question. Maps of each catchment area are held by the LA and can be viewed on request or on the council's website

Distance

In all cases where schools are oversubscribed, distance is as a straight line between the Local Land and Property Gazetteer (LLPG) address point of the applicant's home address and of the school within each oversubscription criteria. If the direct distance measurement does not separate applicants, places will be offered by random allocation.

3. Other definitions

Address

Home address

The home address given on the application form must be the address where the child resides for most of the week with his or her parent or carer. The LA will not accept more than one address as the child's home address. The terms of a residency order may clarify the home address. Where necessary to determine which address to recognise and in the absence of a residency order, the LA will consider the home address to be with the parent with primary day to day care and control of the child.

In reaching this decision, evidence may be requested to show the address to which any Child Benefit is paid and from which the child is registered with a medical GP. If the Child Benefit letter is not available, a copy of the most recent bank statement where the Child Benefit is credited may be taken as residency, or the address stated on the NHS Medical Card of the child. Any other evidence provided by parents will also be considered by the Admissions Manager in reaching a decision on the home address for admissions purposes. This may be necessary for instance

where parents do not agree on the child's home address. Parents are urged to reach agreement but where they do not, the LA will determine the home address.

Applications

An application for a place at a primary or secondary school for September 2022 must be made online using the Local Authority's online common application form. This is made via the Council's online admission system.

Children of UK Service Personnel

Applications for children of service personnel with a confirmed posting to the area will be considered in advance of the family arriving in the area provided the application is accompanied by an official letter from the commanding officer that declares a relocation date. Admissions will accept the Unit postal address, quartering or private address as the home address for the purpose of allocation. All applications must be included in the normal admissions round if possible. The LA will not refuse a service child a place because the family does not currently live in the area, and will not reserve blocks of places for these children.

An in-year application will be considered in the normal way and if a reasonable alternative cannot be offered, the child may be admitted as an 'excepted pupil' under the School Admissions (Infant Class Sizes) (England) Regulations 2012. In circumstances where placing a child at a school that is deemed a reasonable alternative would mean admitting above the PAN, the LA will take into account the organisational structure of the school to determine whether it is the best interests of the child and children already attending the school.

A reasonable alternative is defined as a school which is within the statutory maximum walking distance of 2 miles for a child who is under 8 years old and 3 miles for a child who is over 8 years old.

Late applications

Applications received after the closing date will be considered as late applications. This means that they will be considered after all on-time applications have been considered. This applies to primary applications received after 15th January 2023 and secondary applications received after 31st October 2022. We will continue to co-ordinate with other LA's for late applications unless the parent has a confirmed move to the Swindon area.

Multiple births

The LA will endeavour to place siblings born at the same time (e.g. twins, triplets etc.) at the same school, if necessary the school will admit over its PAN to accommodate such children. In the case of Infant Class Sizes (Reception, Year 1 and Year 2) class sizes must not contain more than 30 pupils with a single school teacher, however, additional children may only be admitted in limited exceptional circumstances, and in accordance with the School Admissions Code, twins and children from multiple births are classed as 'excepted pupils' to this legislation. Therefore, if one child of a multiple birth is offered the last available space at the school (according to the PAN), then offers will be made to all the children of that particular multiple birth. Those children would remain an exception to infant class size for the entire time they are in an infant class or until the class numbers fall back to the current infant class size limit.

Parent/carer

This is defined as a person with parental responsibility (PR) or legal residency of the child. This could include a person who is not a parent but who has a Court Order giving parental responsibility to them.

Shared responsibility

Where two adults have shared responsibility for a child they should agree before submitting an application form which school(s) to name as their preference(s). In cases of dispute, or where two applications from the adult with whom the child is living are received, the LA will ask parents to agree on the school applied for, or if that is not possible the LA will ask the parent to seek a Specific Issues Order through the Courts to gain the authority to make an application.

In the absence of a parental agreement or either of the parents obtaining a Court order determining the issue, the LA will be required to decide which preference(s) to be recorded and this will be done by using the application made by the person who lives at the property where the child is resident at their home address as defined below

(In reaching a decision on the address to use as the 'home address', evidence may be requested to show the address to which any Child Benefit is paid and from which the child is registered with a medical GP. Any other evidence provided by parents will also be considered by the Admissions Manager in reaching a decision on the home address for admissions purposes.)

Applications outside the Normal Age of Admission

Parents may request that their child is admitted outside of their normal age group. They should include a request with their application, specifying any reason why admission out of the normal age group is being requested. We will decide based on the circumstances of the case and in the best interests of the child concerned. We will ask parents to provide as much supporting evidence as they wish to say why they are requesting admission outside the normal age group for a child. We will consider:

- the parent's views;
- the views of the school's head teacher;
- information about the child's academic, social and emotional development submitted by the parent;
- information about the child's medical history and the views of a relevant medical professional submitted by the parent;
- whether the child has previously been educated out of their normal age group;
- guidance from the Department for Education on the admission of summer-born children to Reception;
- whether the child may have fallen into a lower age group if it were not for being born prematurely.

Parents should consider the implications of a child being taught out of the normal age group. Any school the child later moves on to will not be obliged to continue to educate their child out of the normal age group.

We will reach a decision on which Year Group is appropriate for the child. We will then reach a decision whether a place can be offered as it would for any application in that Year Group. Admission Authorities must make decisions on the basis of the circumstances of each case, informing parents of their statutory right to appeal. This right does not apply if they are offered a

place in another year group of the school.

In the instance that the child has not started school (or is not statutory school age), or it is before the child needs to apply for a school place, the Admitting Authority for the school (LA for maintained schools or Governing Body of the School) may have discretion to decide would only be used in exceptional circumstances where it would have to be proved that it was in the child's interest. This may have already been considered by the Special Educational Needs Assessment Team (SENAT) through the Early Years Panel.

Delayed Admission to Reception

Delayed admission is where a summer-born child delays admission into a Reception class until the start of the September after the **fifth** birthday and not the September after the **fourth** birthday. This means admission would be out of the normal age group. A summer-born child is one whose birthday is between 1 April and 31 August.

Parents of summer-born children can request that admission to Reception is delayed to the following academic year - the start of the next September term will be when the child reaches compulsory school age. We recommend that parents visit and contact the school so that they can explain the provision that is on offer to children in the Reception class, how it is tailored to meet the needs of the youngest children and how their needs will be met as they move through the school. This is an opportunity to discuss any concerns parents have about the child's readiness for school. Children in Reception and in an Early Years setting all receive the Early Years Foundation Stage curriculum which is largely play-based learning.

As with any request for admission outside a child's normal age group, the admissions authority will have two decisions to make:

1. it must first decide on the age group the child should be admitted to
2. it then decides whether a place can be offered in that age group.

It can be difficult to reach a decision about the appropriate age group for a child more than a year in advance of admission as it will not be easy to assess how the child will develop in that time. Therefore, it would be helpful for parents to provide as much information on the child as possible, particularly with any relevant professional social or medical evidence.

The process in Swindon is that the parent is encouraged to make an application for the child's normal age group at the usual time and make a request for delayed admission at the same time. This enables the LA to reach a decision on age group before the national offer day. If the request is agreed, the application can be withdrawn by the parent before a place is offered and the parent will then make a fresh application in the next normal admissions round. If the request is refused, the application for the normal age group will continue in the process and an offer of a school place will be made on national offer day. Parents can then decide to accept the school place, defer to a later start date (see below) or defer until their child's admission until Year One for the following September, when they would be statutory school age. Please note that if the parent would like their child to start at the school allocated in Year 1 they would need to start school in the last academic term (April) for the place to be held for their child. Otherwise, the school place will be removed and the parent will need to make a new application for a school place in Year 1.

In reaching a decision, we will consider the circumstances of the case as we would with any request for admission outside the normal age group. Our decision will be made in the best interests of the child and will be set out in writing for the parent. We recognise, along with the Department for Education, that requests for delayed admission to Reception differ from other requests for admission outside the normal age group as it is only in these circumstances that a child is being admitted to school for the first time. Delayed admission is not an opportunity for a child to retake the Reception year.

There is no right of appeal if a parent is offered a place but it is not in the year group they would like. They may make a complaint through the LA's complaints procedure if they are unhappy with a decision.

Please see Appendix 1 to these arrangements, Delayed and Deferred Admissions.

Deferred admissions

Parents can request that the date that their child is admitted to school is deferred later in the academic year or until the term in which the child reaches compulsory school age. However, please note that the place must be taken up in the same academic year that it was originally offered and admission cannot be delayed beyond the statutory school start date. Notification of the intention to defer should be given directly to the school concerned as soon as possible once a place has been offered.

1st September 2017 and 31st December 2017

Admission will be September 2022 or can be deferred until January 2023

1st January 2018 and 31st March 2018

Admission will be September 2022 or can be deferred until January or April 2023

1st April 2018 and 31st August 2018

Admission will be September 2022 or can be deferred until January or April 2023

Delayed admission should not be confused with deferred admission which involves putting off admission to the Reception class within the same academic year. Deferred admission children remain in their chronological year group.

Published Admissions Number

Each school will operate with a Published Admission Number for its intake year(s). This will be determined by the admission authority for the school as part of the admission arrangements. Once determined, this will be the minimum number of children to be admitted throughout that intake Year should there be sufficient demand.

At any time after determination, the admission authority for an Academy may increase the PAN where it identifies that it has additional demand for places and those additional admissions would not prejudice efficient education or the efficient use of resources. The LA must be informed in good time to adjust the offers of places in line with the increased PAN.

A PAN cannot be reduced after determination without a variation being approved by the Office of the School's Adjudicator or from the Education and Skills Funding Agency. This would follow a request by the admission authority, successfully demonstrating that there had

been a significant and unforeseen change in circumstances at the school. While in most cases, the PAN for the cohort will become the Admission Number (AN) at the end of the intake year, it may be amended to reflect a change in circumstances at the school.

Waiting lists

Waiting lists will be maintained for all Community and Voluntary Controlled schools from the initial point of entry until the end of that academic year. For the September 2022 intake this will be from the national offer date until 31st August 2023.

For all other year groups (Years 1 – 6 and 8-11) the waiting list will be discarded on 31st August 2022 and new applications will be invited from 1st September 2022.

Placement will be determined by applying the oversubscription criteria published in the Admissions Guide. Names will be removed from the lists if requested or if the offer of a place that becomes available is not accepted. Positions on waiting lists may change due to new applications received.

Waiting lists for Foundation, Voluntary Aided Schools and Academies are outlined in the individual schools own admission arrangements.

Placing a child's name on a waiting list does not affect the parents' right of appeal against an unsuccessful application.

Parents may only apply and appeal once per school per academic year. The LA may consider a fresh application if there is a significant and material change in circumstances of the parent, child or school since the original application was made. An example of this may be that the family have moved house.

Appeals procedure

Parents have a right of appeal to an independent panel against any decision made by or on behalf of the LA as to the school at which education is to be provided for their child. Information about the appeal procedure will be provided where a place at one or more of the preferred schools has been refused.

For appeals for September 2022 a timetable for hearing appeals will be published by 28th February 2022 and be available on the relevant schools or Local Authority website. Appellants should make the appeal using the link provided on their refusal letter using the link below.

<https://www.swindon.gov.uk/forms/form/439/en/a>

For any issues regarding making an online appeal parents to contact the Appeals Clerk on 01793 445500 or email admissionappeals@swindon.gov.uk

In-year admissions

3.1 If parents/carers decide to transfer their children during the academic year after the normal admissions round, this is referred to as an In Year Transfer.

- 3.2 The LA has a coordinated In Year Admissions Scheme and all Community and Voluntary Controlled Schools are part of this scheme for September 2022-23.
- 3.3 Please refer to the In Year Coordinated Admissions Scheme for more information on this.

4. Published Admission Numbers

The following list of schools are community and voluntary controlled which the Local Authority is the admission authority. The Local Authority are consulting upon the admission number for the 2022-23 academic year. The Published Admission number (PAN) applies to the relevant year group for admission in September 2022-23 and these are in the table below.

| School Name | Type of School | Published Admission Number 2021-22 | Published Admission Number 2022-23 |
|--------------------------------------|-------------------------|---------------------------------------|---------------------------------------|
| Beechcroft Infant School | Community | 90 | 90 |
| Bishopstone CE Primary School | Voluntary Controlled | 8 | 8 |
| Bridlewood Primary School | Community | 30 | 30 |
| Chiseldon Primary School | Community | 30 | 30 |
| Colebrook Junior School | Community | 50 | 50 |
| Covingham Park Primary School | Community | 60 | 60 |
| East Wichel Community Primary School | Community | 60 | 60 |
| Eldene Primary School | Community | 60 | 60 |
| Even Swindon Primary School | Community | 90 | 90 |
| Greenmeadow Primary School | Community | 40 | 30 |
| Haydonleigh Primary School | Community | 90 | 90 |
| Lainesmead Primary School | Community | 60 | 60 |
| Lawn Primary School | Community | 60 | 60 |
| Liden Primary School | Community | 60 | 50 |
| Oakhurst Primary School | Community | 60 | 60 |
| Oaktree Primary School | Community | 55 | 55 |
| Robert Le Kyng Primary School | Community | 60 | 60 |
| Wanborough Primary School | Community | 30 | 30 |
| Westrop Primary School | Community | 45 | 45 |
| Wroughton Infant School | Community | 90 | 60 |
| Wroughton Junior School | Community | 90 | 90 |

5. Appendices

5.1 Appendix 1 – Delayed and Deferred Admissions


This page is intentionally left blank

School Admission Arrangements 2022-23, and Mainstream Home to School Transport Policies 2022-23

1. Privacy Statement


2. School Admission Arrangements - Community and Voluntary Controlled Schools

1. Do you agree with the Proposed School Admission Arrangements for 2022- 2023 and Published Admissins Numbers fro Community and Voluntary Controlled Schools?

| | | | Response Percent | Response Total |
|---|-----|--|------------------|----------------|
| 1 | Yes |  | 100.00% | 2 |
| 2 | No | | 0.00% | 0 |
| | | | answered | 2 |
| | | | skipped | 0 |


3. Designed Catchment Areas for Community and Voluntary Controlled Schools 2022- 23

2. Do you argee with the propsed catchement areas for our Community and Voluntary Controlled Schools for 2022-23

| | | | Response Percent | Response Total |
|---|-----|--|------------------|----------------|
| 1 | Yes |  | 100.00% | 2 |
| 2 | No | | 0.00% | 0 |
| | | | answered | 2 |
| | | | skipped | 0 |


4. Coordinated Admissions Scheme

3. Do you agree with the proposed Coordinated Admissions Scheme for 2022-2023?

| | | | Response Percent | Response Total |
|---|-----|--|------------------|----------------|
| 1 | Yes |  | 100.00% | 2 |
| 2 | No | | 0.00% | 0 |
| | | | answered | 2 |
| | | | skipped | 0 |


5. In Year Coordinated Admissions Scheme

4. Do you agree with the proposed In Year Coordinated Admissions Scheme for 2022-2023 ?

| | | | Response Percent | Response Total |
|---|-----|--|------------------|----------------|
| 1 | Yes |  | 100.00% | 2 |
| 2 | No | | 0.00% | 0 |
| | | | answered | 2 |
| | | | skipped | 0 |


6. Mainstream Home to School Transport Policy 2022-2023

5. Do you agree with the Mainstream Home to School Transport Policy for 2022-2023

| | | | Response Percent | Response Total |
|---|-----|---|------------------|----------------|
| 1 | Yes |  | 100.00% | 2 |
| 2 | No | | 0.00% | 0 |
| | | | answered | 2 |
| | | | skipped | 0 |


7. Designated Transport Areas 2022-2023

6. Do you agree with the Designated Transport Areas for 2022-2023


| | | | Response Percent | Response Total |
|---|-----|--|------------------|----------------|
| 1 | Yes |  | 100.00% | 2 |
| 2 | No | | 0.00% | 0 |
| | | | answered | 2 |
| | | | skipped | 0 |

8. Respondent Details



7. Please tick the box that best describes you:

| | | | Response Percent | Response Total |
|---|---|---|------------------|----------------|
| 1 | I am a parent / carer of a child at Primary, Infant or Junior School in |  | 50.00% | 1 |


7. Please tick the box that best describes you:

| | | | Response Percent | Response Total |
|---|--|---|------------------|----------------|
| | Swindon | | | |
| 2 | I am parent / carer of a child at a Secondary School in Swindon | | 0.00% | 0 |
| 3 | I am a parent of a child in a School outside of Swindon | | 0.00% | 0 |
| 4 | I represent a Primary, Infant or Junior School in Swindon |  | 50.00% | 1 |
| 5 | I represent a Secondary School in Swindon | | 0.00% | 0 |
| 6 | I represent a School outside of Swindon | | 0.00% | 0 |
| 7 | I am a Parish, Town or Ward Councillor for Swindon Borough Council | | 0.00% | 0 |
| 8 | other | | 0.00% | 0 |
| | | | answered | 2 |
| | | | skipped | 0 |

9. Do you consider yourself to have a disability?

| | | | Response Percent | Response Total |
|---|-----|---|------------------|----------------|
| 1 | Yes |  | 50.00% | 1 |
| 2 | No |  | 50.00% | 1 |
| | | | answered | 2 |
| | | | skipped | 0 |

10. What do you consider, best describes your ethnicity?

| | | | Response Percent | Response Total |
|---|-----------------|--|------------------|----------------|
| 1 | White British |  | 100.00% | 2 |
| 2 | White European | | 0.00% | 0 |
| 3 | White Other | | 0.00% | 0 |
| 4 | Black African | | 0.00% | 0 |
| 5 | Black British | | 0.00% | 0 |
| 6 | Black Caribbean | | 0.00% | 0 |

10. What do you consider, best describes your ethnicity?

| | | | Response Percent | Response Total |
|----|-------------------------------|--|---------------------|-------------------|
| 7 | Black Other | | 0.00% | 0 |
| 8 | Asian Indian | | 0.00% | 0 |
| 9 | Asian Bangladeshi | | 0.00% | 0 |
| 10 | Asian British | | 0.00% | 0 |
| 11 | Asian Pakistani | | 0.00% | 0 |
| 12 | Asian Other | | 0.00% | 0 |
| 13 | Mixed White & Black Caribbean | | 0.00% | 0 |
| 14 | Mixed White & Asian | | 0.00% | 0 |
| 15 | Mixed White and Black African | | 0.00% | 0 |
| 16 | Mixed Other | | 0.00% | 0 |
| | | | answered | 2 |
| | | | skipped | 0 |

**In Year Coordinated School Admissions Scheme for
Reception to Year 11**

2022-23

In-Year Coordinated School Admissions Scheme - September 2022-23

A revised School Admissions Code is anticipated in the early part of 2021; changes may be required to this policy before or after the date of determination

- 1.1 The scheme covers admissions for entry to all Community and Voluntary Controlled, Academy, Free School, Voluntary Aided, and Foundation schools in Swindon outside the normal admissions rounds for children transferring between phases of education (see the Coordinated Admissions Scheme for more details) for entry to year groups Reception through Year 11 (inclusive).
- 1.2 An Own Admitting Authority School (OAA) may opt out of this scheme but must inform the LA in writing by the last working day in February 2021 so that details can be published in the Scheme and online by 15 March 2021. Any school that opts out would be doing so from 2022 and would need to consult on this in the normal way.
- 1.3 Any OAA school that has withdrawn from the Scheme must adhere to the requirements set out in Part 4 of this Scheme.
- 1.4 A list of OAA schools in Swindon that are not part of the Scheme will be published online by 15 March 2021 and as part of the determined Scheme.
- 1.5 Applications outside the normal round of admissions (see the Co-ordinated Admissions Scheme) will be referred to in the Scheme as “in-year applications”.
- 1.6 The Local Authority (LA) has delegated the responsibility for admissions to Sixth Form (Years 12 and/or 13) to schools to administer locally. Parents should apply direct to schools for Sixth Form places.
- 1.7 The LA will coordinate in-year admissions to all mainstream schools in Swindon that are part of the Scheme. Therefore, applications from both residents and non-residents of Swindon for places in schools in Swindon that are part of the Scheme must be made to the LA. If Swindon residents wish to apply for a place outside of Swindon they will need to apply to the school / or that Local Authority directly, and not through this system
- 1.8 The Governing Bodies or Academy Committees of OAA schools that are part of the Scheme remain responsible for setting admission rules, applying them and determining the offer of places. The LA **will not** make admissions decisions on behalf of OAA schools.

2. The Application:

- 2.1 Parents must apply online using the Swindon Borough Council's online system at https://www.swindon.gov.uk/info/20071/school_places_and_admissions/422/changing_or_transferring_to_a_swindon_school for schools that are part of the In Year Co-ordinated scheme. For those schools that are not part of the coordination, applications must be made to the

school direct, the application forms for these schools can be obtained from the school direct or from the Swindon Borough Council website

- 2.2 Parents will be able to request a maximum of 3 preferences on their application. These preferences can be for any mainstream school in Swindon that is part of the Scheme.
- 2.3 If parents are moving into Swindon they will need to provide proof of their address (see definitions below) and submit this at the time they submit their application. The Admissions Team will need the proof of address by the closing date. If the evidence is not provided the application will be considered on the current address and this may impact the consideration of the application in terms of the oversubscription criteria.
- 2.4 All applications will be considered under the Equal Preference Scheme and therefore all preferences will be considered at the same time. This speeds up the consideration of each application as every parent will have an offer / refusal on the entire application (all 3 preferences). Under the Equal Preference Scheme, places will be offered to the highest preference possible
- 2.5 Information regarding children's applications will be sent electronically to schools. This is only information that is relevant to the consideration of the application.
- 2.6 All applications will be considered in process periods (batches) and not individually in preference order. The process periods will be 15 school days from receipt of application.
- A revised School Admissions Code is anticipated in the early part of 2021; changes may be required to this policy before or after the date of determination
- 2.7 An in year calendar of dates will be published on the Council's website to show when each process period is open, closed and when places will be offered and parents notified.
- 2.8 Each process period has an open and close date, and within this period the LA will receive applications. On each closing date any application must be submitted online by **12 noon** of that day for it be considered in that process period.
- 2.9 Some OOA schools require parents to also complete a Supplementary Information Form (SIF) in order to find out what criteria the child would come under e.g. if they are Baptised Catholic.
- 2.10 The SIF is available on the schools website. However, the SIF must be submitted at the same time as the application (or before the closing date). If these are not submitted it may affect the rank of the application.
- 2.11 Supplementary forms must be submitted directly to the school. Please note that a Supplementary Form alone is not an application for a school place, parents must have also

completed an online admissions application. Please note this is only relevant to OAA that are in the in year scheme.

2.12 The Admissions Team will send the applications received in each process period to the OAA school, and those not buying into the LA's traded service, for them to rank in order of their oversubscription criteria, and to send back to the LA within the required time limit. These will be sent using the School Admissions Portal.

2.13 Even if schools have space, they must not admit the child until they have completed an in year application online and the application has been processed by the School Admissions Team. This is to ensure that the correct application is considered for any place available.

3. Processing Applications and Offering Places

- 3.1 When reaching an admissions decision, Admissions Authorities **must** comply with Paragraph 2.7 of the 2014 School Admissions Code, which states that one individual must not make the decision. For mainstream OAA schools whether they are part of the Scheme or not, the decision must be made by the whole Governing Body or Admissions Committee or all Directors or an admissions committee established to make the decisions.
- 3.2 For schools that are their own OAA and have not bought into the LA's traded service, relevant details of a preference for a mainstream OAA school that is part of the Scheme will be forwarded by the LA to the school concerned so that a decision can be made by the Admissions Authority. The Admissions Authority will then be responsible for determining whether a place can be offered and for notifying the LA of the outcome of the preference within the timeframe specified in the calendar of dates.
- 3.3 OAA schools that have not bought into the LA's traded service, will hold admissions meetings as necessary (see 3.1 above) to ensure that the timescales set within the Scheme can be met. The Department for Education (DfE) advises that decisions of this kind can be taken by a minimum of two appointed representatives (Governors or Directors) and the meeting can be virtual.
- 3.4 The school must offer or refuse admission according to the number on roll and its own oversubscription criteria. The expectation is that the application will be successful except where the school can establish that there would be a prejudice to efficient education or the efficient use of resources should the child be admitted and where admission would breach the Infant Class Size Legislation which limits the class with a single teacher to 30 children where all or the majority are Reception , Year 1 or Year 2 age
- 3.5 If there are places available in the relevant year group and the number of applications is fewer than the number of available places, the Admissions Authority (which may be the LA or the LA acting on behalf of the mainstream OAA school that has asked the LA to act as its agent and process applications on its behalf) **must** comply with Paragraph 2.8 of the 2014 (School Admissions Code and offer a place to every child who has applied for one.

- 3.6 If there are places available in the relevant year group but the number of applications exceeds the number of available places, the Admissions Authority (which may be the LA or the LA acting on behalf of a mainstream OAA school) **must** decide to whom the place or places are to be offered by prioritising the applications according to the determined and published over-subscription criteria.
- 3.7 If there are no places available in the relevant year group, the Admissions Authority (which may be the LA or the LA acting on behalf of the mainstream OAA School) **must** prioritise the applications according to the determined and published oversubscription criteria but will be unable to offer a place to any of the applicants.
- 3.8 Where the LA is the Admitting Authority or is acting on behalf of the OAA, the LA will apply the admissions criteria determined and published for that school to determine which children should be offered a place as set out in 3.6 to 3.7 above.
- 3.9 On the offer dates specified in the In Year Calendar, the LA will send all schools an electronic list of all the children offered a place at their schools. On the parent notified dates, the LA will send out the offer of a place via email.
- 3.10 Where the LA processes an in-year application and it is not possible for a place to be offered at any of the preferred schools requested by the parent on the application, and the child is resident in Swindon and is attending a Swindon School or is Home Educated, the LA will not offer an alternative school place.
- 3.11 Where the LA processes an in-year application and it is not possible for a place to be offered at any of the preferred schools requested by the parent on the application, and the child is resident in Swindon and the child has no school place (is out of school), the LA will determine the nearest school within a reasonable distance that has a place available.
- 3.12 The Alternative school will be the next nearest school with a place available at that time.
- 3.13 If the nearest school within a reasonable distance that has a place available (see 3.11) is a mainstream OAA school that is not part of the Scheme, the LA will approach the school to request a place on behalf of the applicant as if an application for a place had been made direct to the school by the parent. The Admissions Authority for the school will consider the application on the same basis as if the LA's notification were an application (or preference) made by the child's parent direct to the school falling within Section 86 of the 1998 School Standards & Framework Act. The LA will notify the parent that the nearest school within a reasonable distance that has a place available is a school that is not part of the Scheme and advise the parent to make a direct application for a place at that school.
- 3.14 For all schools that are part of the Scheme, the LA will send formal written notification of the offer and/or refusal. Individual schools **must not** contact the parent in writing or by any other method until the LA has sent formal written notification.

- 3.15 If the child lives in England but outside Swindon, the LA will notify the current home LA that a place has been offered at a Swindon school (or an application was made for a place at a Swindon school(s) and no place was offered).
- 3.16 An offer of a school place will normally be available for no longer than 28 school days from the date on which the offer is made.
- 3.17 The School Admissions Team will require up to date numbers for children in each year group for all schools on a regular basis to ensure that the correct number of places can be offered. Schools must provide this on the dates specified in the in year calendar. For those schools that are not part of the in year coordination numbers must be provided to the school admissions team when requested and provided within 2 days of the request.
- 3.18 If a place is refused at a school in any year group, the child will be placed on the waiting list for the school. Parents should refer to each individual schools admissions policy with regards to how they hold waiting lists and for how long children are on waiting lists.
- 3.19 If a child is offered a place at a lower preference, they will remain on the waiting list for any higher preferences.
- 3.20 There will be very exceptional cases that can be considered outside of a process period, for instance Looked After Children (LAC), Children who are subject to Domestic Violence and living at the Women's Refuge / or appropriate alternative, Asylum Seekers or Refugees. LAC applications will be processed within 5 school days.
- 3.21 If parents are making applications for more than one child, the LA (or OAA schools) will consider each application separately. If one child is offered a place it does not necessarily mean that the other child will also be offered a place as this depends on the number of places available. The application form does request that that parents specify if they would like to be allocated places at one school for all children even if this means it is a lower preference.
- 3.22 All schools within the Scheme must inform the LA as soon as a child starts or leaves their school by via the Vacancy Spreadsheet sent to the LA.
- 3.23 Children will be expected to remain on roll at the current school (if it is a Swindon school) and attending there, whilst their transfer to another school is in progress, unless they are new to the Country or area.

4. Requirements on state-funded mainstream OAA schools that are not part of the Scheme

If parents are applying for a school place at a school that has opted out of the in-year co-ordinated scheme, the parent must complete a separate application form, available on the Council's website and on the schools website directly. This must be sent to the school directly

and not the LA. If the LA does receive any application for OAA schools that are not part of the scheme the LA will pass these on to the school as soon as possible, within 2 school days.

As per the Code, all OAA must consider and determine applications made to them.

A revised School Admissions Code is anticipated in the early part of 2021; changes may be required to this policy before or after the date of determination.)

- 4.1 There is a legal requirement for schools to notify the LA of any in-year application submitted to them and its outcome. Mainstream OAA schools that are not part of the scheme must comply with this legal requirement.
- 4.2 In the interests of safeguarding, the LA would ask that OAA School's notify the LA of any in-year application on the day it is received by the school if possible, but within 2 school days at the most. The OAA must scan and email the application to the Admissions Officer for the School at the LA at schooladmissions@swindon.gov.uk
- 4.3 The OAA must send a copy of the decision letter, once the application has been considered by the Governing body, to the Admissions Officer for the School at the LA at schooladmissions@swindon.gov.uk

Mainstream OAA schools that are not part of the Scheme **must** send a formal written notification to the parent of the outcome of the application within 10 school days as per the School Admissions Code. Where an offer is made, the school **must** specify a date by when the child should join the school. This start date *should* not be more than 28 school days after the date of the offer. If a place cannot be offered, the school **must** provide details of its Waiting List. A revised School Admissions Code is anticipated in the early part of 2021; changes may be required to this policy before or after the date of determination.

- 4.4 If a place cannot be offered, the school **must** inform the parent of their right to a school admissions appeal and how they can lodge such an appeal. If a place cannot be offered, and the child is resident in Swindon and has no school place (is out of school), the school **must** provide a copy of the original application and the formal written notification without delay, so that the LA can determine the nearest school within a reasonable distance that has a place available or refer to the Fair Access Panel
- 4.5 The LA requires correct information about where places are available. Therefore, all mainstream schools in Swindon **must** regularly update the LA about the number of children on roll in each year group and/or the number of places available in each year group. Schools that are not part of the Scheme **must** provide this information within 2 days of the request
- 4.6 If the LA does not receive the information in 4.4 above, the LA will contact the individual school in the first instance to try to resolve the issue. It is of paramount importance for the child that the LA is notified within 2 days at the latest, of every application that the OAA receives to ensure the LA is aware of every child in the Borough. The LA will also report non-compliance that has not been resolved in its annual report to the Office of the Schools Adjudicator.

4.7 All schools in Swindon **must** inform the LA when a child leaves the School for any circumstances i.e. if they have moved to another Swindon School or if they have moved away. The school must also advise the LA when children have started at their school. Leaver / Starter forms will be available for this online.

5. School Admission Appeals

- 5.1 For all mainstream schools that are part of the Scheme, the LA will provide parents with details when sending the formal written notification of how to lodge a school admissions appeal where a place could not be offered that was listed as a higher preference on the application than the school offered.
- 5.2 Appeals for all Community and Voluntary Controlled schools in Swindon are handled by the Appeals Clerk, Democratic Services department of Swindon Borough Council, which is separate to the School Admissions Team. Parents will receive information about the online appeals process available at:
https://www.swindon.gov.uk/info/20071/school_places_and_admissions/973/school_admission_appeals
- 5.3 Some mainstream OAA schools in Swindon that are part of the Scheme have purchased the school appeals service offered by the Appeals Clerk Services and parents will receive information about the online appeals process available if they have been refused a place through the Scheme.
- 5.4 Own admission authority schools must inform the local authority by **1 August** each year whether they intend to be part of the local authority's in-year co-ordination scheme (where this is offered) or whether they will be managing their own in-year admissions. By the same date, they must also provide the local authority with all the information that it is required to publish on its website, including application forms

6. Glossary and Definition of Key terms

In this scheme –

- “the LA” means Swindon Borough Council acting in their capacity as a Local (Education) Authority;
- “the LA area” means the Borough of Swindon;
- “Primary school” has the same meaning as in section 5(2) of the Education Act 1996;
- “Secondary school” has the same meaning as in section 5(2) of the Education Act 1996;
- “school” means – a Community, Voluntary Aided, Voluntary Controlled, Trust School, Foundation School, Academy, University Technical College, Studio School or Free School
- “Own admission authority”(OAA) in relation to a Community or Voluntary controlled school means the LA and, in relation to an Academy, Foundation, Voluntary Aided or Free school means the governing body of that school;
- “the specified year” means the school year beginning in September 2022

- “admission arrangements” means the determined arrangements which govern the procedures and decision making for the purposes of admitting pupils to a school.

Applications outside the Normal Age of Admission

Parents may request that their child is admitted outside of their normal age group. They should include a request with their application, specifying any reason why admission out of the normal age group is being requested. We will decide based on the circumstances of the case and in the best interests of the child concerned. We will ask parents to provide as much supporting evidence as they wish to say why they are requesting admission outside the normal age group for a child. We will consider:

- the parent’s views;
- the views of the school’s head teacher;
- information about the child’s academic, social and emotional development submitted by the parent;
- information about the child’s medical history and the views of a relevant medical professional submitted by the parent;
- whether the child has previously been educated out of their normal age group;
- guidance from the Department for Education on the admission of summer-born children to Reception;
- whether the child may have fallen into a lower age group if it were not for being born prematurely.

Parents should consider the implications of a child being taught out of the normal age group. Any school the child later moves on to will not be obliged to continue to educate their child out of the normal age group.

We will reach a decision on which Year Group is appropriate for the child. We will then reach a decision whether place can be offered as it would for any application in that Year Group. Admission Authorities must make decisions on the basis of the circumstances of each case, informing parents of their statutory right to appeal. This right does not apply if they are offered a place in another year group of the school.

In the instance that the child has not started school (or is not statutory school age), or it is before the child needs to apply for a school place, the Admitting Authority for the school (LA for maintained schools or Governing Body of the School) may have discretion to decide would only be used in exceptional circumstances where it would have to be proved that it was in the child’s interest. This may have already been considered by the Special Educational Needs Assessment Team (SENAT) through the Early Years Panel.

.

Evidence may be required in these circumstances information about the child’s academic, social and emotional development and where relevant, their medical history and the views of a medical professional and/or other relevant professionals. Swindon LA (as the admitting authority of LA maintained schools) will carefully consider applications for children outside the normal age group, but for all year groups the decision will be made between the parents and the primary school based on the individual circumstances of each case.

In the instance that the child has not started school (or is not statutory school age), or it is before the child needs to apply for a school place, the LA (as the admitting authority of LA maintained schools) may have discretion to decide whether the child would need to be put back an academic year on the circumstances outlined above. Evidence may be required in these circumstances information about the child's academic, social and emotional development and where relevant, their medical history and the views of a medical professional and/or other relevant professionals.. This discretion would only be used in exceptional circumstances where it would have to be proved that it was in the child's interest to be put back an academic year. This may have already been picked up by the Special Educational Needs Assessment Team (SENAT) through the Early Years Panel.

Relevant Age Group

The age group to which children are normally admitted. Each relevant age group must have admission arrangements, including an admission number. Some schools (for example schools with sixth forms which admit children into the sixth form) may have more than one relevant age group.

Education, Health and Care Plan

An Education, Health and Care plan is a plan made by the local authority under Section 37 of the Children and Families Act 2014 specifying the special education provision required for that child.

Proof of Address

The LA reserves the right to ask parents for proof of their address. If the parents' current address is different to that held on the LA's computerised system the LA may ask parents to provide proof of the new address if one is indicated. Acceptable proof of address includes:

- A copy of your Council Tax Bill
- A solicitor's letter stating contracts have been exchanged and specifying a completion date
- A copy of the Child Tax Credit or Working Tax Credit award letter
- A signed and dated tenancy agreement plus proof of residency (e.g. copy of recent utility bill)

If parents fail to provide proof of a new address then, the LA will use the old address for admission purposes. If parents indicate they will be moving house, even if they provide the relevant proof of that address, they must move into that property by at least the end of the first term. The LA reserves the right to check that parents are living in the address indicated within that timescale. If parents are not living in that address, the applications will be investigated and the place allocated may be withdrawn

For Overseas's nationals we will require proof of intention to move to the area if not received we will use the address they currently reside in. If this is in another country, it would give the child a lower priority for admission to most schools.

- Mortgage or Rental Agreement for a property in the area
- Deeds for a property in the area
- A letter from an employer showing a transfer date to the area
- Registration with a local GP

Applications

In-year admission application

For in-year applications, the online Swindon In-year application form must be completed by all parents applying for Admission applying to transfer during the 2022-2023

Supplementary Information Forms

An additional supplementary information form (SIF) may be required by an Academy, Foundation or Voluntary Aided school who require additional information in order to consider the application, this is available from the school. This may be for in-year and normal admissions round.

Children from Overseas

Where applications are received from outside the United Kingdom, they will not be considered unless they the applicant can provide a photocopy or scan of his or her passport confirming a right of abode in this country; or a photocopy or scan of his or her passport including a valid visa or other document allowing for entry into the United Kingdom.

No offer of a school place will be made which may influence the decision of the United Kingdom Border and Immigration Agency.

Where a child is not currently in the United Kingdom, an application will be accepted:

- with a photocopy or scan of his or her passport confirming a right of abode in this country; or
- with a photocopy or scan of his or her passport including a valid visa or other document allowing for entry into the United Kingdom.

Where a child who is not a UK citizen has been resident in the UK before or after an Application is submitted and then leaves the country, evidence of right of return will be Required. It will not be assumed that a child will be in position to return to the country or to a Previous address.

Children who hold a full British Citizen passport or children whose passport has been endorsed to show they have a right of abode in the country are entitled to apply for a place at a maintained school. The passport or visa should be made available for inspection before an offer of a school place can be made. Asylum Seekers should make available evidence of their right of abode as provided by the National Asylum Support Service.

Overseas nationals entering the UK who wish to apply for a state-funded school must check that they have a [right of abode](#) or the conditions of their visas otherwise permit them to access a state-funded school.

Where Age is Disputed

A parent may be required to provide evidence of the child's date of birth if he or she has not been previously admitted to a school in the United Kingdom. Where it is required, a short birth certificate is acceptable, as is a passport or a national identity card.

Where the child is in the Care of a LA and his or her age is unclear or in dispute, the child's age will be determined before the offer of a school place or as soon as is reasonably possible following the emergence of a dispute over age. Where necessary, the child will be referred

to a social care officer for assessment.

Duplicate Applications

The LA requires parents to submit one application only per child. Where the LA receive more than one application for the same child before the closing date, the LA will only consider the latest submitted application and the other application will be discarded.

Preferences

Parents will be invited to state up to three ranked preferences. Each preference will be considered equally. This means that Swindon LA will consider all applications against the published admissions criteria without reference to how the school applied for has been ranked on the application form. As far as possible applicants will be offered a place at a school to which they have expressed a preference. Where the applicant has made more than one preference the LA will make an offer at the highest ranked preference school with available places in accordance with the standard admission criteria. Where it is not possible to offer a place at a preferred school, and the applicant lives in Swindon, the LA will allocate a place at the next nearest school with a place.

The next nearest school with a place will relate to any maintained mainstream school, whether it be Community, Voluntary Aided, Voluntary Controlled, Foundation, Academy or Free School (excluding Catholic Schools and schools that are not part of this scheme, unless agreed with the school's governing body).

PAN Published Admission Number

Each school will operate with a Published Admission Number for its intake year(s). This will be determined by the admission authority for the school as part of the admission arrangements. Once determined, this will be the minimum number of children to be admitted throughout that intake Year should there be sufficient demand. At any time after determination, the admission authority for an Academy may increase the PAN where it identifies that it has additional demand for places and those additional admissions would not prejudice efficient education or the efficient use of resources. The LA must be informed in good time to adjust the offers of places in line with the increased PAN.

A PAN cannot be reduced after determination without a variation being approved by the Office of the School's Adjudicator or from the Education and Skills Funding Agency. This would follow a request by the admission authority, successfully demonstrating that there had been a significant and unforeseen change in circumstances at the school.

While in most cases, the PAN for the cohort will become the Admission Number (AN) at the school end of the intake year, it may be amended to reflect a change in circumstances at the

7. Schools that are not part of this Scheme for 2021-22:

To be inserted once the LA has been informed:

This page is intentionally left blank



Mainstream Home to School Transport Policy 2022-23

Contents

| | |
|---|----|
| Contents..... | 2 |
| 1. Introduction..... | 3 |
| 2. Legislation | 4 |
| 3. Mainstream School Transport Policies | 6 |
| 4. Mainstream School Transport – Discretionary | 11 |
| 5. Post 16 (16-18)Mainstream Education transport policy | 13 |
| 6. Other Key Policy Areas..... | 14 |
| 7. School Transport Appeals | 16 |
| 8. Contacts | 20 |
| Appendix 1 – Designated transport areas | 21 |

1. Introduction

- 1.1 This document sets out the Local Authority's duties and responsibilities on school transport.
- 1.2 The aim of this document is to set out policies and approaches that provide the very best service to our customers by producing information in one document that is widely available to all parties with an interest in school transport.
- 1.3 It therefore clarifies the Local Authority's responsibilities for the delivery of mainstream, Special Educational Needs and post-16 transport and includes additional policies on transport for students, school transport operations in extreme weather conditions, behaviour and drugs and alcohol policy on school transport.
- 1.4 The policy is reviewed on a regular basis in consultation with other Council directorates and stakeholders, including schools, transport providers, neighbouring Local Authorities and Diocesan Authorities.
- 1.5 This policy only applies to those students living within the borough boundary of Swindon.
- 1.6 This document has been reviewed in line with the Home to School travel and transport guidance published by the Department for Education (DfE) in July 2014 and the Post – 16 transport and travel support to education and training (DfE) January 2019.
- 1.7 For the purposes of this document, the Local Authority (LA) is defined as the department within Swindon Borough Council that administers Education.
- 1.8 For further information and advice on this document, please contact:

Strategic School Admissions
Manager

School Admissions
Swindon Borough Council
Wat Tyler House
Beckhampton Street
Swindon
Wiltshire
SN1 2JH

Telephone – 01793 445500
Email –
schooladmissions@swindon.gov.uk

2. Legislation

- 2.1 The Education and Inspections Act 2006 inserted sections 508B and 508C into the Education Act 1996 (The Act). These sections place a duty on Local Authorities to ensure that suitable travel arrangements are made where necessary to facilitate the student's attendance at school. Please note that 508B refers to travel arrangements for 'eligible children' of compulsory school age. This is a mandatory requirement. 508C refers to travel arrangements for children other than 'eligible' children. This is a discretionary requirement
- 2.2 The duty applies for home to school travel arrangements made at the start of the day and school to home travel arrangements at the end of the day for students of compulsory school age. It does not relate to travel between educational institutions during the school day.
- 2.3 Parents are responsible for ensuring that their children attends school regularly. However section 444 of the Act outlines the situation where a parent may have a defence in law against prosecution by a Local Authority for their child's non-attendance at school. Section 444(3)(b) provides a defence if he or she provides that:
- a. The qualifying school at which the student is a registered student is not within statutory walking distance.
 - b. No suitable arrangements have been made by the Local Authority for boarding accommodation at or near to the school
 - c. No suitable arrangements have been made by the Local Authority for enabling the student to become a registered student at a qualifying school near to his/her home
 - d. The Local Authorities has a duty to make travel arrangements in relation to the student under section 508B and has failed to discharge that duty.
- 2.4 The definition of eligible students is set out in (Schedule 35B) of the Act in respect of whom travel arrangements will be required.
- 2.5 Section 508B prescribes that travel arrangements must be provided free of charge. In cases where students do not qualify for free transport, section 508C provides a discretionary power for authorities to provide assistance by paying all or part of the student's reasonable travel expenses. Each authority decides whether and how to exercise these powers.
- 2.6 The Special Educational Needs and Disability Regulations 2014 section 53) indicate that the following must be published in the local offer in relation to transport assistance. Schedule 2(14) Transport arrangements for children and young people with special educational needs or a disability to get to and from school or post-16 institution, or other institution in which they are receiving

special educational provision or training provision including—

- (a) arrangements for specialist transport;
- (b) arrangements for free or subsidised transport;
- (c) support available in relation to the cost of transport, whether from the local authority or otherwise.

3. Mainstream School Transport Policies

Eligibility

- 3.1 Students will be entitled to free travel assistance from a suitable pick up point near to their home to a suitable set down point near the school they attend if:
- a. They attend the designated appropriate school
- and either**
- b. They are aged between five and seven years old and live more than 2 miles (3.218688 kilometres) from the school they attend;
- or**
- c. They are aged between eight and sixteen years old and live more than 3 miles (4.828032 kilometres) from the school they attend;
- 3.2 Distances will be measured by the safest walking route as defined by Swindon Borough Council using mapping software.
- 3.3 To qualify for transport assistance the student must be attending the designated appropriate school **AND** qualify under the distance criteria.

The designated appropriate school

- 3.4 The designated appropriate school for the purposes of assessing eligibility is the school within the **designated transport area** for the home address in **Appendix 1**.
- 3.5 When such a school is unavailable (i.e. there is no space in the relevant year group), the designated appropriate school will be considered to be the next nearest school with a place available. The next nearest school is measured as a straight line between the Local Land and Property Gazetteer (LLPG) address point of the applicant's home address and of the school with those living closest to school receiving higher priority.

Home address

- 3.6 Transport to and from school will be determined and approved from a single permanent residence. This is the one where the student spends most time with the parent/guardian and has been used for admission purposes and the school.
- 3.7 Transport provision will normally cease if there is a change in the home address that would lead to attendance not being at the designated appropriate school for the new address.

- 3.8 In exceptional circumstances, where there is a change in the student's home address, or placement if in public care, the Local Authority may consider the continued attendance at the current school to be the student's best interest. Consideration will be given to whether the change of address was entirely outside any parental control.
- 3.9 Recognised exceptions to the rules given above are as follows
- 3.9.1 In some cases of temporary disability of the student on the advice of the Local Health Authority. Evidence of this would be required.
- 3.9.2 For some students resident in Swindon in Year 10-13 whose families move out of the designated area for the Swindon school they are attending and live more than three miles by a safe walking route and receive Income Support or income-based Job Seeker's Allowance, to help them complete a GCSE or A-level Course.
- 3.9.3 Where a student studies somewhere other than the designated appropriate area school, sixth form or college to follow a course that is not provided, in broadly similar terms by the designated area colleges and the student's family receive Income Support or income-based Job Seeker's Allowance.

Road Safety

- 3.10 Transport is assessed for a safe walking route using "Assessment of Walked Routes to School Guidelines" published by Road Safety GB which identifies hazards and the assessment of risk of walked routes to school.

The assessment of a safe walking route

- 3.11 As it is the duty of parents to ensure that students attend school, the law on safe walking routes assumes that a responsible adult will accompany students to and from school.
- 3.12 A safe route will be on footpaths along the majority of its length. Short sections of road with a speed limit of 30mph or less may be acceptable, subject to assessment.
- 3.13 Crossings of major routes, including all routes with a speed limit of more than 30mph, will either be by controlled crossing or by under- or over-pass. This can legitimately involve a diversion or even doubling back on a route, but any additional distance will be included in the route measurement.
- 3.14 In determining entitlement to free transport, the route used in assessing the distance is the shortest safest available walking route in accordance with National Road Safety Guidance.

Primary School Aged Students

- 3.15 Transport can be provided, on road safety grounds if the journey to the designated appropriate school would involve the use of roads without footpaths or lighting.

Secondary School Aged Students

- 3.16 There are a number of criteria that need to be met for Secondary School students to receive transport on road safety grounds. The following criteria are based on the expectation that parents will accompany their children to and from school where they consider it necessary:

- a. There is no footway, or;
- b. Students have to walk along a dual carriageway with a speed limit of 40 mph or higher, and they have to cross a dual carriageway, and there is no safe crossing point available. A safe crossing point is defined as any of the following:

Light Operated Crossings
Zebra Crossing
Pedestrian Refuge
Foot Bridge
Underpass
School Crossing Patrol in Operation

Students (without an EHCP) unable to walk to school by reason of their disability, or mobility problem (including temporary medical conditions).

- 3.17 Where a student is attending their nearest qualifying school (or designated school if this is not the nearest) which is within the relevant walking distance (i.e. within 2 miles if aged under 8, and 3 miles if aged over 8), but is unable to walk to that establishment (accompanied as necessary) by reason of their SEN and/or disability, he or she will be eligible for transport assistance by providing appropriate evidence from their consultant, for example:

- Long term severely restricted independent mobility (something that is likely to last at least a year, this can include sporadic conditions such as epilepsy or multiple sclerosis).
- a physical disability e.g. severe cerebral palsy which may necessitate the daily use of significant mobility aids such as a wheelchair,
- a medical condition resulting in severe persistent pain and/or extreme fatigue, an example of this might be juvenile arthritis,
- a medical condition resulting in serious persistent health and safety risks. Examples of this might be intractable epileptic seizure disorders

- 3.18 Transport may be provided to the designated appropriate school on medical grounds for either short-term provision, where a student has a temporary medical problem or on a long-term basis if the student has a particular long-term condition. In both cases recommendations must be received from the Local Health Authority.
- 3.19 Evidence would be required and any application would be considered on a case by case basis. In all cases recommendations must be received from an appropriate medical officer from the Local Health Authority, this should be a Consultant looking after the student.
- 3.20 If assistance is granted this would be reviewed termly, with the need for new evidence to be submitted. If assistance is granted the LA, in the first instance would seek to provide petrol expenses. If a parent cannot provide evidence from the Local Health Authority, the LA will remove that assistance.

The Nature of Transport Arrangements

- 3.21 The arrangements for assisted travel which may be made under this policy will be at the LA's discretion and area made on the most cost-effective basis. These arrangements may take the form of:
 - a. Travel pass for use on public transport (season ticket);
 - b. A parent consenting to use their car in return for a mileage allowance;
 - c. Travel pass or other authorisation for use on private contract services;

Parental preference

- 3.22 The Local Authority has no duty to provide transport where parents exercise their right to express a preference for their child to
 - a. Attend a particular school other than the school which the LA has designated as serving the area where they live, or
 - b. Attend a particular school other than the designated appropriate school.

Education and Inspections Act 2006

- 3.23 The Education and Inspections Act 2006 provides extended right for students from low income groups.
- 3.24 Low income groups are defined as where the student is entitled to free school meals or where the parents receive the maximum Working Tax Credit are entitled as follows
 - a. Students aged between eight and eleven years old – where the nearest suitable school is beyond two miles
 - b. Students aged between eleven and sixteen

- i. To one of the three closest schools to the home address between 2 and 6 miles, or
 - ii. To a school between 2 and 15 miles where preferred on the grounds of religion or belief
- 3.25 The LA may review all eligibility for transport on a yearly basis. If the student is no longer eligible for transport assistance on these grounds then the transport will be withdrawn and the parent / carer will be informed.
- 3.26 There is a right of appeal for parents or students to the Education Transport Appeals Sub-Committee for transport on road safety grounds, in relation to the issue of their ability to accompany their children to school. (The need for parents to be at work would not usually be considered as a reason why transport should be provided). Details of the Appeals process are set out later in the document.

Timetable and process for applications

- 3.27 Applications are to be made online, via the LA website
https://www.swindon.gov.uk/info/20032/schools_and_education/414/school_travel_support/2
- 3.28 Whilst applications can be made at any time, applications for travel support to commence at the start of a new academic year should be made by 1st July.
- 3.29 The LA will accept application forms after this time, however the LA cannot guarantee travel support will be available for the start of the academic year

4. Mainstream School Transport – Discretionary

The Key policies involving discretionary transport are:

Students of pre-statutory school age

- 4.1 Transport may be provided for students of pre-statutory school age where transport is already running and where there are spaces available on current transport.

Education other than at School (EOTAS) and elective home education

- 4.2 Where parents, in conjunction with the school if appropriate, have chosen to educate their child other than at school, no assistance will be available from the LA in connection with any transport need arising.

Education other than at School (EOTAS) and referral units

- 4.3 Where the LA arranges for a student to have education other than at school, the LA will provide transport subject to normal eligibility rules on home to school transport.

Students without an Education, Health and Care Plans (EHCP)

- 4.4 All transport for students without EHCPs who are attending mainstream schools will be provided on the basis of normal eligibility criteria.
- 4.5 If a Local Authority places a student with an EHCP at a school or unit this will be deemed as the **designated appropriate school** for school transport purposes irrespective of the Local Authority's normal zoning arrangements, and these applications will be considered under the SEND Transport Policy.

Children in the care of the Local Authority

- 4.6 The school at which a student is placed by the LA will be deemed the **designated appropriate school** for school transport purposes irrespective of the LA's normal zoning arrangements in order to provide continuity of educational provision for such students. The allocation of a school place will be reviewed as part of the student's regular Care Plan review.

Continuity

- 4.7 Where students resident within the Borough move home during Years 10 and 11 out of the designated area for the current Swindon school in which they are studying, the LA may provide free home to school transport.
- 4.8 This is applicable when the current Swindon school is more than 3 miles from home and the parents are in receipt of the relevant qualifying benefits, (Universal Credit). This is to assist the student to complete their GCSE courses.
- 4.9 Any entitlement under continuity grounds must fulfil all the criteria in the paragraph above.

- 4.10 Any child whose entry to school has been delayed and may reach school leaving sooner than their peers (in Year 10), will continue to be eligible for school transport assistance if they are already in receipt of it for continuity purposes.

School Transport Appeals

- 4.11 Parents have a right of appeal to the Education Transport Appeals Subcommittee of Swindon Borough Council set out in part 7 of this policy

Provision of Passenger Assistants

- 4.12 A Passenger Assistant will only be provided following the outcome of an assessment of the student's Special Educational Needs and / or medical needs in order to meet the needs of the students travelling to and from school. This determination will be made by the Special Educational Needs and Disability Assessment Team, and any other appropriate professionals, in liaison with the Passenger Transport Team taking into account:
- 4.12.1 A student's medical needs, particularly where rescue medication is required. Passenger Transport Assistants employed by the LA are trained in Emergency Aid, but it is not part of their role to administer medication. If a student has medical needs that are likely to require intervention whilst travelling, consideration will be given to the provision of a specialist health carer from the NHS.
- 4.12.2 Where an individual student's needs create a clear danger or health and safety risk to themselves and other passengers on the vehicle
- 4.12.3 Where an assessment of the students on the vehicle and the journey to be undertaken highlight a clear danger or health and safety risk to all passengers on the vehicle.

5. Post 16 (16-18)Mainstream Education transport policy

- 6.1 There is no legal requirement for Local Authorities to provide transport beyond the completion of Year 11
- 6.2 This policy aims to ensure access to further education opportunities to all 16-19 year olds living in the Borough of Swindon, as required under the Education Act 2002.
- 6.3 Given the urban nature of the Borough, Swindon offers good transport accessibility within its boundaries, with extensive public transport provision. This presents very few barriers to learning for the majority of mainstream students.

Policy

There is no automatic discretionary subsidised support for pupils accessing mainstream Post 16 education although the transport on the school bus will be provided to the Ridgeway School 6th form from within the Ridgeway Transport Area if over 3 miles or due to an unsafe walking route. This will require an annual parental contribution of £495.

6. Other Key Policy Areas

Other relevant, key policies are set out below:

- 7.1 The home address given on the application form must be the address where the student resides for most of the week with their parent or carer. Where a student has a joint address or the parents have dual responsibility, then the address that the child benefit is paid will be taken as the students's home address. The LA may ask parents or carers to provide proof of these circumstances. Please note that transport, if provided, will only be provided to one address.
- 7.2 If you move house please let us know in advance as this may affect your child's entitlement to transport or they may need to be on a different bus. If you have any queries about the area you are moving into please contact us and we will be able to tell you the catchment areas for the school your child attends.
- 7.3 Students may be required to walk up to one mile from home to the pick-up point and, where students use public service routes, they may be required to walk up to one mile from the setting-down point to the school or 1.5 miles to a 16-18 provider.
- 7.4 Requests for changes in transport arrangements will be considered but changes, such as additional stops, are not always possible for reasons of safety and timing.
- 7.5 Students aged eight years of age who are entitled to free transport under the distance criteria will continue to receive free transport until the end of the academic term in which they reach the age of eight.
- 7.6 Where, for any reason, transport facilities have been approved in error, the LA reserves the right to withdraw that provision at any time convenient to the LA, and will normally do so, after giving due notice of its intention to do so.
- 7.7 Transport is only provided if the student attends the nearest education establishment offering the qualification irrespective of the module content.
- 7.8 Students who do not have an Education Health and Care Plan but who are deemed to have a level of special needs below that required for a formal statement, would not normally be entitled to free transport but would have the right to appeal for transport to the Education Transport Appeals Panel.

School Transport operations in extreme weather conditions

- 7.9 When there is snow, ice or flooding, school transport may be disrupted. If the bad weather occurs overnight, parents must contact the transport operator or listen to local radio / website / school to find out if the transport is running. If parents/carers cannot find out for certain and school transport is over 20 minutes late then it should be assumed that

the school bus is not operating at all. If a parent decides to take their child into school themselves, they must also be able to collect their child in the afternoon because school transport may still not be able to operate.

- 7.10 Where very bad weather is forecast or prolonged, the LA will make a decision after 2 p.m. the previous day as to whether to provide transport. In these instances information will be available on the local radio station and Council website.

Behaviour on School Transport:

- 7.11 The majority of students travelling to and from school behave well. For a few, this is not so and these few can make the journey very unpleasant for others. Unacceptable behaviour will not be tolerated and in all instances of unacceptable behaviour the school and parents of those concerned will be contacted. Bullying, vandalism or unruly behaviour can result in exclusion from transport.

7. School Transport Appeals

- 8.1 In accordance with the revised guidance for transport appeals, since September 2016, the LA has adopted a 2 stage review and appeal process.
- 8.2 This appeals policy is applicable to children who live within the Borough of Swindon that are attending mainstream and special schools. This appeals policy applies to children with or without an Education, Health and Care Plan (EHCP).

Right to Appeal

- 8.3 Where a parent has been refused transport assistance they can challenge the decision for the following reasons
- 8.3.1 The nature of the transport arrangements offered
 - 8.3.2 Their child's eligibility
 - 8.3.3 The distance measured in relation to statutory walking distances; and
The safety of the route

Stage 1

- 8.4 Within 20 working days from the receipt of the local authority's home to school transport decision, a parent can make a request asking for a review of the decision.
- 8.5 A parent will be advised of the right for a review within the decision letter.
- 8.6 The request for review should be made by completing the transport appeal form online. A link will be provided by email. The parent should state the reason why the decision should be reviewed and given details of any personal and/or family circumstances the parent believes should be considered when the decision is reviewed.
- 8.7 Within 20 working days of the receipt of the parent's written request a senior officer will review the original decision and will notify the parent by way of detailed written notification of the outcome of the review.
- 8.8 The decision letter will contain the following
- 8.8.1 The nature of the decision reached;
 - 8.8.2 How the review was conducted (including any standards followed e.g., Road Safety GB)
 - 8.8.3 Information regarding other parties consulted
 - 8.8.4 What factors were considered
 - 8.8.5 Information how the parent can escalate their case to stage 2 if appropriate

Stage 2

- 8.9 Following the receipt of the local authority's stage one decision notification, a parent can within 20 working days submit a request to escalate the matter to Stage 2.
- 8.10 A parent should complete a transport appeal form online. A link will be provided by email.
- 8.11 Within 40 days of receipt an appeal will be scheduled with the Education (Transport) Appeals Sub-Committee who will consider both written and verbal representation from both parents and officers involved in the case.
- 8.12 The parent will be notified of the outcome by telephone following the outcome of the appeal panel and will receive formal notification of the outcome within 5 working days. The notification will include
- 8.12.1 The nature of the decision reached;
 - 8.12.2 How the review was conducted (including any standards followed e.g., Road Safety GB)
 - 8.12.3 Information regarding other parties consulted
 - 8.12.4 What factors were considered
 - 8.12.5 If refused, information about how the parent can refer to the case to the Local Government Ombudsman
- 8.13 Where an appeal is upheld, this does not guarantee funding throughout the school life of the child, and the circumstances under which the appeal was upheld would be kept under review.

Education Transport Appeals Sub-Committee

- 8.14 An Education Transport Appeals Sub-Committee will meet to consider transport appeals. The membership of this Sub-Committee is made up of three Councillors selected from a pool appointed by the Appeals Committee. These Councillors will not have been involved with the case previously and should not have any close connection with the appellant. If one of the Councillors does have a remote connection with the appellant, they may be allowed to take part in the hearing if neither the LA's representative nor the appellant objects
- 8.15 The Education Transport Appeals Sub-Committee will consider case papers for each appeal consisting of the reasons as to why the LA have refused to provide transport assistance, any other relevant information and the parents appeal giving reasons as to why they are appealing against this decision.
- 8.16 Each Councillor will remain a Committee member for at least one year but there will be no limit on how long they wish to continue as a member providing there is no conflict of interest in the areas mentioned above.
- 8.17 All Councillors on the Appeals Committee will undertake training on the Transport Policy at least once per academic year to ensure that Councillors become 'expert' in this field.

- 8.18 The Education Transport Appeals Sub-Committee will consider all appeals on their individual merits. The decision of the Sub-Committee is final with no further rights of appeal.
- 8.19 The Education Transport Appeals Sub-Committee must operate within the Transport Policy at all times.
- 8.20 The Education Transport Appeals Sub-Committee must take into consideration the cost of transport should the appeal be upheld.
- 8.21 If the Education Transport Appeals Sub-Committee agrees to uphold an appeal, it must indicate the length of time for which the transport has been agreed.
- 8.22 Once the appeal has been heard the Education Transport Appeals Sub-Committee will make its decision that day and the Committee Officer will endeavour to contact the parent by telephone the same day to give the result of the appeal. A decision letter outlining the Education Transport Appeals Sub-Committee decision and its reasons will follow usually within one week.
- 8.23 If parents are not happy with the decision of the Education Transport Appeals Sub-Committee then they are able to contact the Ombudsman. The Ombudsman will only be able to look at the way the appeal was conducted and establish whether the LA followed all its processes in the correct manner.
- 8.24 If the Appeal is in relation to a placement made by order of an SEN & Disability Tribunal, the Appellant and the Local Authority may be bound by any decision relating to travel that the Tribunal has made. The SEN and Disability Tribunal may have specifically come to a decision about placement based on the inclusion of travel costs.
- 8.25 For appeals on the grounds of road safety, parents can only appeal if they believe that they are unable to accompany their child to school. However, the Appeals Sub-Committee will not usually accept the need for parents to be at work as the reason why transport should be provided.
- 8.26 The Education Transport Sub-Committee is able to consider applications for assistance from parents of children receiving nursery education as per the School Standards and Framework Act 1998.

Grounds Under Which the Education Transport Appeals Sub-Committee can Uphold an Appeal

- 8.27 The grounds under which the Education Transport Appeals Sub-Committee can allow / uphold an appeal are:
- 8.27.1 The Transport Policy has not been applied properly.
- 8.27.2 There are discrepancies in the way the application has been handled.

8.27.3 The individual circumstances put forward by the applicant outweigh the normal policy considerations and are considered to be exceptional circumstances.

8.28 Examples of exceptional circumstances are:

8.28.1 If there are exceptional circumstances within the immediate family unit where the child lives that affects the child ability to attend their designated school such as domestic violence. Evidence would be required to support this.

8.28.2 Death or serious illness of parent with whom the child has been living.

8.28.3 In cases of students with Special Educational Needs – additional evidence of need that the Education Transport Appeals Sub-Committee is asked to consider.

8. Contacts

Please contact Education Transport at:
educationtransport@swindon.gov.uk

Or for travel advice for students with an EHCP, please contact the SEND Travel Advisor at:
senttravel@swindon.gov.uk

Please also refer to the local offer <http://children.mycaremysupport.co.uk/>

Appendix 1 – Designated transport areas

The maps outlining the designated transport areas are found in a separate document to be read in association with this document (this can be made available on request to educationtransport@swindon.gov.uk)

.

This page is intentionally left blank

Carbon Reduction Strategy

Cabinet

Date: 3rd February 2021

Author: Cabinet Member for Climate Change
Director of Economy, Growth and Place

Wards: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 This report seeks Cabinet's approval of the final Carbon Reduction Strategy included at appendix 1 .
- 1.2 The report follows the draft Carbon Reduction Strategy that was presented to and approved by Cabinet on 21st October 2020 (Minute 29, 2020/21 refers) and provides an update by way of a final strategy for Cabinet's consideration and approval. The final strategy would set out the overarching objectives that will guide the actions that need to be taken to reduce the Council's carbon emissions and to influence those of the wider borough.
- 1.3 The final strategy aligns with the Council's Vision for Swindon: 'By 2030, Swindon will have all of the positive characteristics of a British city with one of the UK's most successful economies; a low-carbon environment with compelling cultural, retail and leisure opportunities and excellent infrastructure. It will be a model of well managed housing growth which supports and improves new and existing communities.'

2. Recommendations

Cabinet is recommended to:

- 2.1 Approve content of the final Carbon Reduction Strategy as summarised in the body of the report and attached at Appendix 1.

3. Detail

Background

- 3.1 Council voted to ensure the Council's strategic decisions, budgets and approaches to planning decisions are in line with a shift to zero carbon by 2030 (Council Minute 67 2019/20 refers). Following this, Cabinet approved a draft strategy and authorised a consultation process on 21st October 2020 (Cabinet Minute 59, 2020/21 refers).

Swindon Borough Council's Carbon Reduction Strategy

- 3.2 The following section summarises the salient points of the CRS included at appendix 1. This document is formed of two distinct sections: Part 1 covers the direct emissions from Swindon Borough Council's activities that are directly managed and controlled.

Further information on the subject of this report can be obtained from Rob Fulford, 07866 005191, rfulford@swindon.gov.uk.

Carbon Reduction Strategy

Cabinet

Date: 3rd February 2021

Part 2 will cover the wider borough and indirect emissions. Each section explains why it is important for Swindon Borough Council to develop a carbon management programme and how the Council plans to achieve the carbon dioxide reduction targets set. To do this the strategy addresses four areas:

- 3.2.1 Scope 1: Carbon emissions from sources that directly burn the fossil fuel, such as gas boilers and combustion engines,
- 3.2.2 Scope 2: Carbon emissions from electricity usage,
- 3.2.3 Scope 3: Carbon emissions from sources that the council does not directly control (a subset of this group is the Council's housing stock, which is owned by the Council however the usage is outside the Council's control),
- 3.2.4 Wider Borough Emissions: Carbon emissions that are wholly outside of the council's control. These are emissions the Council will look to influence and encourage the reduction of, through effective partnership working.

How the Council will measure and reduce emissions

- 3.3 In order to understand better the Council's carbon emissions and outputs, a process to calculate a new baseline of Swindon Borough Council carbon output was undertaken in January 2020, providing a dataset that will serve as the basis for future comparison and benchmarking.
- 3.4 The baseline figure calculated will serve as a reference point for progress against both Scope 1 and 2 emissions. Progress in reducing these emissions will directly contribute towards the achievement of the Council's 2030 objective. This baseline figure has been calculated using data from the 2018/19 financial year, converting all outputs into a Carbon dioxide equivalent (CO₂e) figure using UK Government Green House Gas (GHG) Conversion Factors for Company Reporting 2018. The total for scopes 1 and 2 is 11,823 CO₂e.
- 3.5 For Scope Three emissions, further reviews are necessary to understand the use and emissions related to many of the areas including waste and staff commuting and these will be incorporated into the implementation plan as they are completed.
- 3.6 The Council's commitment to achieving carbon neutrality by 2030 is ambitious but necessary to ensure that the Council plays its part in the world's collaborative approach to climate change. As shown in the strategy, the Council has already taken strides towards reducing its carbon emissions through the commencement and completion of key projects in recent years but the Council need to do more to expedite progress. The Implementation Plan will build on the strategy's content and provides a more detailed breakdown of the actions the Council will take to reduce its carbon footprint. The

Further information on the subject of this report can be obtained from Rob Fulford, 07866 005191, rfulford@swindon.gov.uk.

Carbon Reduction Strategy

Cabinet

Date: 3rd February 2021

Implementation Plan will be developed throughout 2021 in conjunction with established carbon reduction working groups and other relevant internal and external stakeholders.

- 3.7 A set of objectives has been developed to drive change in Swindon, which are set out below. In order to set out how the Council will deliver these objectives an overarching Carbon Reduction implementation plan will be developed. The development of this plan will follow an extensive review of all Council activities and emission sources and consider the feedback received from the draft Carbon Reduction Strategy Consultation (Nov 2020 – Jan 2021). The Council will aim to publish the first iteration of this implementation plan by April 2021.
- 3.8 The carbon reduction objectives remain as follows:
- 3.8.1 Reduce the energy related emissions from the council's own building stock/ portfolio (including street lighting),
 - 3.8.2 Reduce the fuel related emissions from SBCs owned vehicle fleet,
 - 3.8.3 Reduce the emissions from SBC Staff business mileage carried out in personal vehicles,
 - 3.8.4 Reduce the emissions from SBC Construction and other related activities,
 - 3.8.5 Reduce energy related emissions from SBC owned housing stock (including sheltered housing schemes),
 - 3.8.6 Reduce emissions from SBC staff commuter journeys,
 - 3.8.7 Identify and reduce procurement/ supply chain related emissions,
 - 3.8.8 Reduce waste related emissions from direct SBC activities,
 - 3.8.9 Identify other council led interventions,
 - 3.8.10 Use policy levers to create change e.g. EV charging requirements in new build,
 - 3.8.11 Encourage emission reductions from Central Government, Swindon businesses and Swindon residents, through lobbying, influencing and example, and
 - 3.8.12 Use education to promote low carbon activity.
- 3.9 A set of suggested deliverables and key areas of focus are contained in the final strategy; this will inform and be superseded by the development of the Carbon Reduction Implementation Plan when published.

Further information on the subject of this report can be obtained from Rob Fulford, 07866 005191, rfulford@swindon.gov.uk.

Carbon Reduction Strategy

Cabinet

Date: 3rd February 2021

Wider Borough Emissions

- 3.10 Swindon Borough Council has taken the additional commitment to help the wider borough become Net Zero Carbon by 2050 and to support interventions which will support an earlier date. In order to help measure Borough wide emission the SCATTER tool will be utilised. SCATTER is a local authority focussed emissions tool and has been funded by the department for Business Energy and Industrial Strategy (BEIS) in collaboration with Nottingham City Council, the Anthesis Group and the Tyndall Centre.
- 3.11 SCATTER stands for Setting City Area Targets and Trajectories for Emissions Reduction. This tool generates a Greenhouse Gas emissions inventory following the Global Protocol for City-wide Greenhouse Gas emissions for local authority areas. A figure has been arrived at using this calculation, for the wider borough the total is 1,532,440 CO₂e.
- 3.12 A set of measures will be developed to address the emissions and influence behaviour and business practices and some of these are set out in the strategy; these will be developed and will inform the Carbon Reduction Strategy and be included as actions within the associated Implementation Plan

Project Governance

- 3.13 It is proposed that the Carbon Reduction Strategy Officer Group in consultation with the Climate Change Cabinet Member Advisory Group would be responsible for day-to-day the delivery of this project; they would meet at least every quarter, to ensure progress towards the overall net zero ambition.
- 3.14 Various officer sub-groups will also be created and deployed to focus on specific priority areas. It is expected that these sub-groups would meet much more regularly as the project dictates. It is expected that each sub-group will be contribute to the development and delivery of the Implementation Plan.
- 3.15 The two main groups, Carbon Reduction Strategy Group and Climate Change Cabinet Member Advisory Group will regularly liaise on priority actions and current focus to ensure that their work complement each other. However, the Council's formal decision-making process would still need to be applied as well as the project being subject to scrutiny from the relevant Overview and Scrutiny Committee.

Offsetting Strategy

- 3.16 Reducing emissions through direct action will be the main approach to becoming a carbon neutral organisation. But there will be a certain level of emissions which currently are not practically or financially possible to reduce within ten years. As the strategy and implementation plan develops, the Council hopes to be able to calculate and continually assess the level of offsetting that is required to help achieve the 2030

Carbon Reduction Strategy

Cabinet

Date: 3rd February 2021

target. The Council will develop and publish a carbon offset strategy to address this. Where possible offsetting activities will be kept within the Borough boundary.

- 3.17 It is likely that the main areas for offsetting focus will be biodiversity offsetting, through tree planting, protecting green spaces etc. Renewable energy technology offsetting through the installation of suitable projects within borough also energy efficiency subsidy schemes will be investigated with regard to suitability.
- 3.18 The Council are also embarking on an accelerated tree planting programme scheduled to commence in winter 2020. The programme will target tree planting in both urban and rural settings, the planting of extensive woodland blocks and significant numbers of individual trees on both public and private land. Using an adopted methodology from the Forestry Commission to calculate per hectare impact, we anticipate that by 2050, each hectare of developed woodland will capture between 180-240 tonnes of CO2 from the atmosphere.

Public Consultation

- 3.19 Council embarked on a public consultation process from November 2020 – January 2021 in order to seek the engagement and feedback from businesses, residents and focus groups based within the borough of Swindon. The consultation process has provided support for the approach taken in the development of this strategy as well as highlighting suggested areas of focus within the creation and delivery of the Implementation Plan. Some key findings from the consultation process include:
- 3.19.1 The overwhelming majority of respondents (94.7%) agreed with all or some of the visions and principles of the carbon reduction strategy.
- 3.19.2 68.9% of respondents agree with the Council's target to become a carbon neutral organisation by 2030.
- 3.19.3 A significant majority of respondents agreed with the scope and breadth of all 12 objectives. For each of the 12 objectives, at least 79.9% selected 'strongly agree' or 'agree'.
- 3.19.4 A number of respondents felt that the Council could do more to engage more organisations working to reduce carbon emissions and work with residents at a local level. This includes suggested closer working with Parish Councils going forward.
- 3.20 The Council will explore the feasibility of making consultation responses publicly available in the future.

Further information on the subject of this report can be obtained from Rob Fulford, 07866 005191, rfulford@swindon.gov.uk.

Carbon Reduction Strategy

Cabinet

Date: 3rd February 2021

Next Steps

- 3.21 In light of the above, officers are recommending to Cabinet that the final strategy is approved. The strategy has been out for public consultation for a period of 8 weeks (Nov 2020 – Jan 2021) with comments collated, considered and included within the final draft attached for approval.
- 3.22 Work will continue on data gathering and benchmarking for the wider borough in order to create a set of interventions, which will work to influence business, residents and community organisations in the borough to identify and implement lower carbon practices.. Work to develop the Implementation Plan will continue throughout 2021.

4. Alternative Options

- 4.1 Cabinet could choose not to proceed to consultation with the final strategy. However, without it the Council will not have a final plan to become a net zero carbon organisation by 2030 and thus a basis to undertake co-ordinated and considered carbon reduction actions and activities.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 Any work streams arising would have to be managed within existing budgets. There are no immediate financial or procurement implications in this report. When the implementation plan agreed, a set of cost implications will be part of this and submitted for consideration.

Legal and Human Rights Implications

- 5.2 Legal and Human rights considerations have been taken fully into account in compiling this report. It is considered that the proposals within this report are compatible with Convention Rights.

Climate Change Impact

- 5.3 The recommendations would bring about a reduction in the Council's carbon footprint through the substantive content of the report. The subsequent implementation plan will set out the exact details of these reductions.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.4 This report has no specific implications other than those referred to in the report.

Carbon Reduction Strategy

Cabinet

Date: 3rd February 2021

Diversity Impact Assessment

- 5.5 A Diversity Impact Assessment has not been completed in relation to this report. The Diversity Impact Assessment will be integral to all implementation plans.

Risk Management

- 5.6 Risk is assessed as an ongoing activity as part of the Corporate Scorecard and Risk Register process.

6. Consultees

- 6.1 The Corporate Director of Finance and Assets (s151 officer) and Chief Legal Officer (Monitoring Officer) are consulted in respect of all reports.

7. Background Papers

- 7.1 None

8. Appendices

- 8.1 Appendix 1: Carbon Reduction Strategy

9. Key Decision/Decision in Cabinet Work Programme and Forward Plan

- 9.1 This is a Key Decision and is included in the Cabinet Work Programme and Forward Plan for February 2021.

This page is intentionally left blank

Swindon Borough Council Carbon Reduction Strategy 2020

**The Vision for a Carbon Neutral
Council and Borough**



Contents

| | |
|---|-----------|
| The Vision for a Carbon Neutral Council and Borough | 1 |
| Carbon Reduction Strategy Public Consultation | 4 |
| Section 1 – Swindon Borough Council Emissions | 6 |
| Where is the Council on Carbon Usage? | 6 |
| Swindon setting the standard | 10 |
| Recent carbon reduction projects and successes | 10 |
| Other associated SBC workstreams | 12 |
| Working with partners and their strategies | 13 |
| Swindon Borough Council's pathway to achieving neutrality by 2030 | 15 |
| Section 2 – Working to reduce the wider emissions of the Borough | 22 |
| Implementation Plan | 26 |
| Monitoring, Reporting and Governance | 27 |
| Offsetting Strategy | 30 |
| Glossary | 31 |



The Vision for a Carbon Neutral Council and Borough

Mission Statement – Swindon Borough Council recognises the impact of climate change and the need to be sustainable and as such will be carbon neutral as an organisation by 2030. In parallel to this, we will work with all interested groups in an effort to make the whole Borough carbon neutral by 2050 in line with national targets¹

The Climate Change Context

Climate change is the biggest environmental threat that the world currently faces and Governments and Administrations worldwide have responded to the evolving climate change issue by committing to reduce carbon emissions in the coming decades. In June 2019, the UK Government set a legally binding target for the UK to achieve net zero greenhouse gas emissions by 2050.

The Council's Ambition

Swindon Borough Council is committed to playing its part in helping the Borough reduce carbon dioxide by agreeing to reduce carbon emissions and become a net zero carbon organisation by 2030.

Further to this target, the Council recognises the wider issue of climate change and plans to set an example to businesses and residents across the Borough by working towards carbon neutrality by 2050.

Following these ambitions this document will be formed of two distinct sections; Part 1 covers the direct emissions from Swindon Borough Council's activities that it can manage and control. Part 2 will cover the wider borough and indirect emissions. Each section

¹ In July 2019 the Government increased the UK reduction target from 80% to 100% carbon reduction by 2050, <https://www.legislation.gov.uk/ukdsi/2019/9780111187654>

explains why it is important for the Council to develop a carbon management programme and how it plans to achieve its ambitions of achieving the carbon dioxide reduction targets. To achieve this, the strategy will look at four key areas of delivery:

- Scope 1 Emissions
- Scope 2 Emissions
- Scope 3 Emissions
- Wider Borough Emissions

These key areas have been expanded upon and defined in table 1 below:

Table 1 – Emission Scopes

| Scope | Definition | Examples | Target Date |
|--------------------------------|--|---|-------------|
| Scope 1 Emissions | Carbon emissions from sources that directly burn the fossil fuel, such as gas boilers and combustion engines | <ul style="list-style-type: none"> • Heating of SBC owned and managed assets e.g. offices, libraries • Staff business travel and SBC owned fleet mileage | 2030 |
| Scope 2 Emissions | Carbon emissions from electricity usage | <ul style="list-style-type: none"> • SBC owned and managed assets power e.g. offices, libraries and car parks • Electric vehicles and their charging points • Streetlighting and traffic signals | 2030 |
| Scope 3 Emissions | Carbon emissions from sources that the Council does not directly control; but over which it has some responsibility and influence | <ul style="list-style-type: none"> • SBC Housing stock and third party occupied buildings • SBC supply chain • SBC waste management • Staff commuter journeys | 2050 |
| Wider Borough Emissions | Carbon emissions that are outside of the Council's control. These are emissions the Council will look to influence and encourage the reduction of as a Local Authority | <ul style="list-style-type: none"> • Swindon businesses emissions • Swindon residents emissions | 2050 |

This Strategy aims to help set the direction for effective carbon management for both the Council and the wider borough. Following the release of this strategy the Council aims to develop an effective implementation plan for carbon reduction, in order to achieve this the Council will consider the drivers for change, explore where the organisation is from a carbon emissions perspective and consider the baseline data we have available to us. This proposed implementation plan will also capture the initiatives we have taken, are taking and will take to achieve council neutrality by 2030 and to influence borough wide reductions by 2050.

SBC's Commitment to Carbon Reduction

In recognition of the growing need to take action against climate change, Councillors passed a resolution in January 2020 to commit Swindon Borough Council to achieving carbon neutrality for its own operations by no later than 2030.

As agreed in January 2020, the Council is working an agreed resolution that:

"Commits the Council to an 80 per cent reduction in the council's corporate carbon emissions no later than 2030, striving towards 100 per cent with carbon offsetting by the same date, with the aim of making the council's estate and activities net-zero carbon by 2030"

The Local Authority's wider commitment to reducing its carbon footprint and environmental impact is embedded and evidenced within the values, priorities and pledges of Swindon Borough Council. Our Vision makes strong reference to our ambitions to reduce our carbon footprint:

"By 2030, Swindon will have all of the positive characteristics of a British city with one of the UK's most successful economies; a low-carbon environment with compelling cultural, retail and leisure opportunities and excellent infrastructure. It will be a model of well managed housing growth which supports and improves new and existing communities"

In addition, priority one states that the Council will:

"Improve infrastructure and housing to support a growing, low-carbon economy"

SBC and the Community

Swindon Borough Council has and continues to play a key role to play within the community. As a considerable consumer of energy, steps taken by the Council will help reduce borough wide carbon consumption and contribute to wider goals.

In addition, as an organisation of significance in the area, Swindon Borough Council is well placed to lead by example and demonstrate good practice to both business and residents.

Carbon Reduction Strategy Public Consultation

In recognition of the Council's key role within the community and the need continually engage with residents, businesses and interest groups, a public consultation was undertaken from November 2020 - January 2021 seeking feedback on the key principles of this strategy.

The public consultation attracted responses from both residents and businesses and highlighted a number of key focus areas that we will inform the delivery of our Implementation Plan.

Some of the key findings from the consultation process include:

- The overwhelming majority of respondents (94.7%) agreed with all or some of the visions and principles of the carbon reduction strategy.
- 68.9% of respondents agree with the Council's target to become a carbon neutral organisation by 2030.
- A significant majority of respondents agreed with the scope and breadth of all 12 objectives. For each of the 12 objectives, at least 79.9% selected 'strongly agree' or 'agree'.

We will also use the consultation responses to inform the development of our implementation plan and to build the foundation of engagement processes with stakeholders at all levels. We will explore a number of initiatives within our implementation plan to increase engagement levels with the borough community.

We will:

- Consider Parish Councils and how the Council can help them develop individual carbon reduction plans.
- Engage with schools to actively involve school children in Borough actions, investigate the formation of a youth parliament allowing school children to input into the carbon reduction work.
- Explore the viability of creating a community climate forum or citizens assembly to provide a foundation for further public engagement with carbon reduction initiatives.

Section 1 – Swindon Borough Council Emissions

In order to better understand our carbon emissions and outputs, a process to calculate a new baseline of Swindon Borough Council carbon output was begun in January 2020, providing a dataset that will serve as the basis for future comparison and benchmarking.

The baseline figure will serve as a reference point for progress against both Scope 1 and 2 emissions. Progress in reducing these emissions will contribute directly towards the achievement of the 2030 reduction target.

Scope 3 and the wider council emissions are covered further below. There are some Scope 3 activities that are likely to be addressed as a priority by the Council, for example the Council's Housing Stock will be a priority, as well as Council staff members commuter journeys and their emissions from working at home.

Where is the Council on Carbon Usage?

The baseline figure for Swindon Borough Council directly managed and controlled emissions have been calculated using data from the 2018/19 financial year, converting all outputs into a Carbon dioxide equivalent (CO₂e) figure² using UK Government GHG Conversion Factors for Company Reporting 2018:

² CO₂e – Carbon dioxide equivalent” or “CO₂e” is a term for describing different greenhouse gases in a common unit. For any quantity and type of greenhouse gas, CO₂e signifies the amount of CO₂ which would have the equivalent global warming impact

Table 2 – Swindon Borough Council Scope 1 emissions

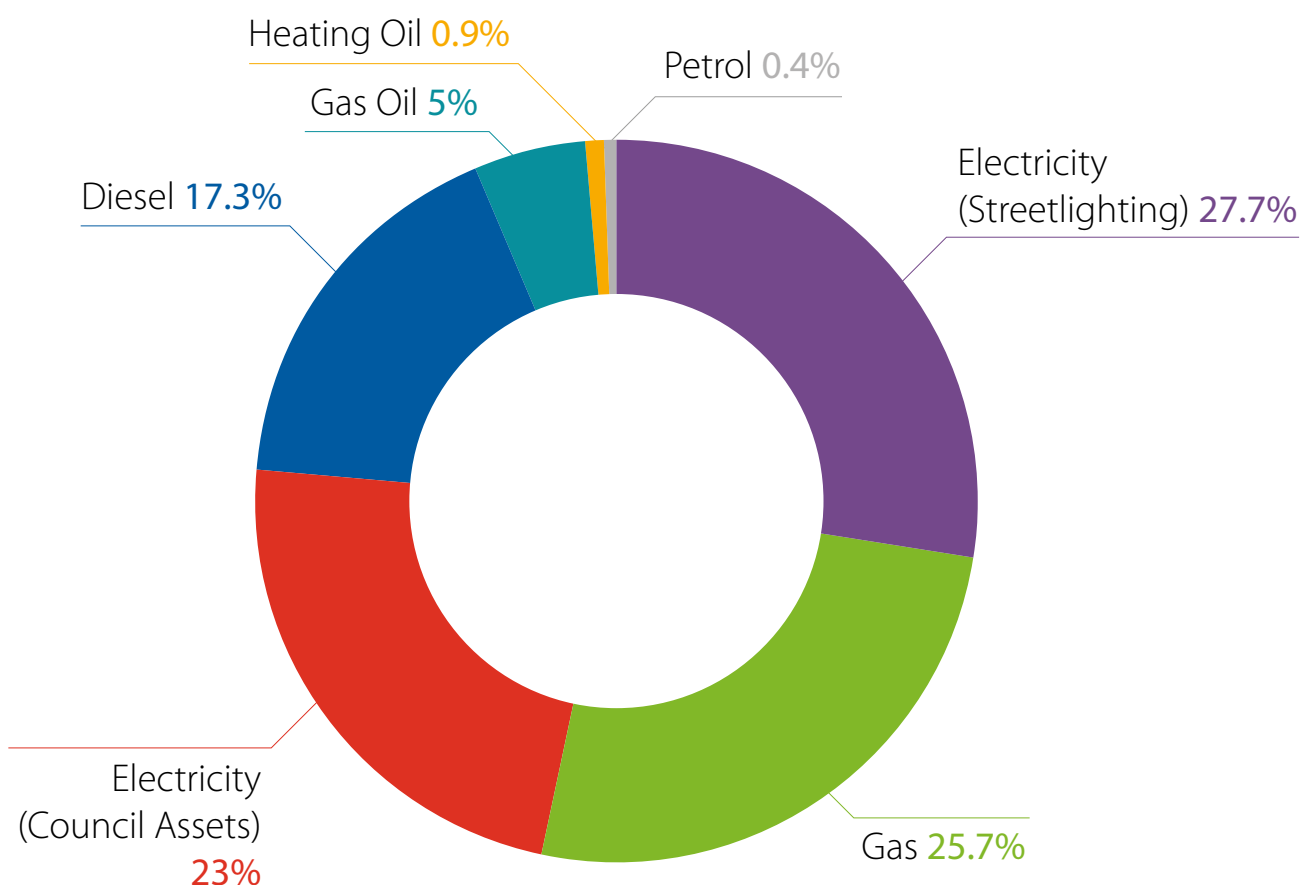
| 2018/19 Baseline – Scope One Emissions | | |
|--|--|--|
| Fuels | Comments | Tonnes of CO ₂ e |
| Petrol | Fleet Operations | 48 |
| Diesel | Fleet Operations | 2,044 |
| Heating Oil | Lydiard House | 101 |
| Gas Oil | Fleet Operations | 608 |
| Gas <i>Including:</i> | All direct council usage <ul style="list-style-type: none"> Waterside Park Social Care Buildings Offices Museums and Libraries Crematorium Misc/other | 3,033 645 504 399 383 226 876 |
| Scope 1 Emissions total | | 5,834 |

Table 3 – Swindon Borough Council Scope 2 emissions

| Scope Two Emissions | | |
|-------------------------------------|--|---|
| Fuels | Comments | Tonnes of CO ₂ e |
| UK Electricity <i>Including:</i> | All direct council usage <ul style="list-style-type: none"> Offices Car parks Museums and Libraries Landlord Supplies Misc/other | 2,720 449 423 372 295 1,181 |
| | Streetlighting including Traffic signals etc. | 3,269 |
| Scope 2 Emissions total | | 5,989 |

The target for Swindon Borough Council is to reduce our carbon emissions from 11,823 CO₂e down to Net Zero by 2030

Figure 1 – Scope 1 & 2 Emissions – Achieve Net Zero by 2030



Scope 3 carbon emissions relevant to the Council's activities to be included within the 2050 emissions reduction ambition, are shown opposite in table 4.

Table 4- Swindon Borough Council Scope 3 Emissions

| Scope Three Emissions | | |
|--------------------------------------|---|---|
| Waste | From Council Buildings - SBC commercial waste arrangements will be reviewed in line with our Net Zero Carbon ambition | Action – Full commercial waste review underway, current emissions to be calculated |
| Grey Fleet | All staff claimed mileage | 249 |
| Staff Commuting | Staff mileage to SBC office locations | Action - A staff travel survey will be conducted to gather this information and calculate emissions |
| Water | The use, disposal and treatment of water | 360 |
| Energy from Council Owned properties | Elderly Persons Group Dwellings | 3,391 |
| | Council Houses | 31,484 (estimated) |
| SBC construction Activities | All SBC construction activities, materials used and energy consumed. | Action - Review SBC construction activities, and calculate emissions |
| Supply of goods and services | A full procurement review shall be conducted in line with our net zero carbon ambition | Action - Action - Capture and calculate all supply chain emissions |

Information about the wider borough emissions are captured in Section 2 below, all SBC's scope 1,2 and 3 emissions will also be captured by the total borough figures.

Swindon setting the standard

Swindon has established a reputation as one of the leading towns in the UK for renewable energy, delivering a number of key initiatives in hydrogen and solar power:

- Swindon was home to the UK's first commercial hydrogen filling station, delivered in partnership with Honda and BOC.
- Wroughton Airfield Solar Farm with a capacity of 62 MW is one of the largest ground mount solar parks in the UK.
- Chapel Farm Solar Park was the first solar farm funded by a Council backed community solar bond, winning 2017 APSE award for Best Renewable Energy Initiative.
- Common Farm Solar Park was the first solar farm funded by an ISA-eligible renewable energy bond.

Recent carbon reduction projects and successes

Although this is a new Swindon Borough Council strategy, emission reduction activities are not new, and there has already been a large amount of work completed or in progress.

Following the publication of this strategy the next step will be the creation of a Carbon Reduction Implementation Plan that will help bring existing efforts together and unite projects with a common vision of achieving carbon neutrality and influencing the behaviour of others.

Some examples of the excellent carbon reduction work already completed or underway are detailed below in table 5, these projects have required significant investment from SBC:

Table 5 - Examples of carbon reduction projects

| | Investment | Expected CO2e Savings |
|---|-------------|--|
| Installation of EV charging infrastructure across the Borough (2014-2021) | Circa £150K | Contributing to reducing the number of fossil fuel cars on Swindon Roads |

| | | |
|---|-------------------------|--|
| Purchase and deployment of four new electric vans beginning the transition of council fleet to EV (Jan 2020) | Circa £60K | Contributing to reducing the number of fossil fuel cars on Swindon Roads |
| Delivery of project to replace 26,000 streetlights with LED alternatives due to complete in 2022 | £9.7 Million | Expected carbon reduction circa 2,000 tonnes CO2e |
| Completion of LED retrofit projects at North Swindon Library and the STEAM Museum, improving lighting efficiency by over 60% (2018) | Circa £20k | Carbon reduction circa 8 tonnes CO2e |
| Completion of SBC owned Multi-storey car park lighting upgrade resulting in around 60% reduction in energy use (Sept 20) | > £300k | Expected carbon reduction circa 233 tonnes CO2e |
| Purchase of Energy Management Software to improve monitoring ability of carbon emissions (2019) | Circa £7k | Potential to save in the region of 1-5% of SBC consumption through bill validation and increased monitoring Circa 250 tonnes CO2e per annum |
| Investment in the construction of 3 solar Farms within Swindon | > £4.5 Million | Opportunities to offset SBC electricity consumption with green energy generated at these solar farms |
| Development of planning policies that requires developers to install EV charge points in new residential and commercial developments | Zero | Encourages the uptake of electric vehicles and potentially reduces the number of fossil-fuelled cars on the roads |
| Print rationalisation project, moving from 15m pieces of paper a year to a paper-light, 1m a year by April 2021 | Zero – Behaviour change | Project to reduce the amount of paper printed for Council purposes |
| Since 2014, we have invested in new or improved off-carriageway cycle infrastructure. The 3 flyer routes have on average over 1,000 daily cycle trips | £4.5m | These journeys remove over a tonne of carbon everyday, if they had driven a car for the same journey |

Other associated SBC workstreams

In recent years, Swindon Borough Council has implemented a number of strategies and projects that have had a positive impact in reducing our carbon footprint. We have worked in active consideration and conjunction with:

- The SBC Waste Strategy (<https://www.sustainableswindon.co.uk>) – The main aim of the SBC Waste strategy will be for Swindon to not only recycle as much as possible but also to reduce the amount of waste Swindon produces. By encouraging everyone in Swindon, whether they are residents, businesses or visitors, to play their part in achieving that aim. SBC will also make sure the waste we do have to dispose of is processed in the most environmentally friendly way possible
- The SBC draft EV Strategy – This EV strategy sets out the options available to Swindon Borough Council in rolling out electric vehicle charging infrastructure over the next decade in order to meet the low emission ambitions of Swindon by 2030.
- SBC housing projects and initiatives – including an extensive boiler replacement scheme, to improve efficiency and reduce costs.
- The SBC Air Quality Action Group.
- The SBC Energy efficiency programme – identifying and implementing energy improvements across the Council's estate.
- Travel Choices and Car Share – Swindon Travel Choices was set up to help residents find sustainable ways to travel that save time or money, improve wellbeing and the local environment. Through community and workplace events, the website and targeted work in new developments, Swindon Travel Choices has produced and distributed thousands of copies of the Swindon Cycle Map, Get walking magazines and promoted the borough's car share scheme, car club and bus network.
The Borough car share and car club schemes help contribute to the reduction of journey made across the borough with an estimated 1500 miles a month driven in our car club vehicles. Our data shows that each car club car displaces 6.1 private cars and a further 12 purchases are deferred. We currently have 3 cars in Swindon and are looking to introduce a 4th with a transition to electric vehicles planned in future years.

Working with partners and their strategies

Public Power Solutions

As a wholly-owned company of Swindon Borough Council, Public Power Solutions Ltd (PPS) is an instrumental organisation that has already helped reduce the Council's carbon footprint and will continue to play a critical role in the future.

PPS have delivered a number of initiatives that continue to benefit the Council, its residents and the wider borough. Highlights include:

- The operation of a Solid Recovered Fuel (SRF) facility at Waterside Park, Swindon, processing 100% of Swindon's municipal waste, previously destined for landfill to produce a solid recovered fuel.
- The development of 30MW (planning permission for increase to 50MW) grid connected battery installation at Mannington.
- The development of a model for achieving a net biodiversity increase on the sites PPS asset manage.
- Facilitating investment in large scale renewable energy schemes for a number of local authority investors. For example, the establishment of one of the UK's largest solar farms based in Swindon, completed in partnership with the Science Museum.

As part of this strategic approach to carbon reduction, we will continue to work in partnership with PPS to deliver new and existing low carbon initiatives across the borough. Working in partnership with PPS will provide resource and expertise that will benefit the Council's efforts to deliver this strategy and the forthcoming Carbon Reduction Implementation Plan.

Swindon and Wiltshire Local Enterprise Partnership (SWLEP)

As part of the wider approach to reducing carbon emissions, the Council will continue to support the priorities of the SWLEP including their delivery of the Local Energy Strategy, which informs and aligns with the Council's work. This includes developing strategic approaches to enable Swindon and wider Wiltshire to take a more active role in carbon reduction and to better understand emerging technology trends.

This is part of Swindon's wider strategic work with SWLEP and this partnership has also developed the Local Industrial Strategy which contains plans for new energy vehicle infrastructure, a centre for excellence in sustainable technologies and other research and development opportunities in the region.

District Network Operators (DNO)

Both the Gas and Electric Network Operators are responsible for maintaining the gas and electricity grids, ensuring the provision of energy to the Swindon area. These DNOs have their own emission reduction strategies and targets to achieve, which include actions such as green gas (Hydrogen) injection into the gas grid, battery storage and wider encouragement of renewables.

SBC will actively engage with the DNOs to work collaboratively in ensuring Swindon progresses positively towards its Net Zero Carbon Ambition.

England's Economic Heartland

As part of the development of this strategy, we have considered the key aims and objectives of the Draft Transport Strategy set out by England's Economic Heartland (EEH). In particular the Pathways to Decarbonisation piece examines growth in terms of housing, population and transport infrastructure, and the ways to measure and mitigate impact through evidence and policy led actions. As part of this work EEH has also commissioned an Integrated Sustainability Appraisal – this will ensure that strategic connectivity is planned and delivered in order to realise the economic potential of the region whilst ensuring the principles of sustainable development are followed to deliver social and environmental benefit.

Association for Public Service Excellence (APSE)

Working on a not-for-profit basis, the extensive APSE network, more than 250 local authorities and organisations are able to share information and expertise on vital frontline services, ask for advice and innovative solutions, and develop new, viable ways forward in an effort to help one another.

APSE run a bespoke Local Authority Energy Collaboration which is a partnership developed by their member authorities which looks to leverage and maximise the opportunities afforded to local authorities by working together on a national scale in the green energy agenda. Swindon Borough Council will continue to work closely with APSE with our Carbon Reduction ambitions to ensure best practise can be identified and opportunities captured.

REGEN

Regen is a not-for-profit centre of energy expertise and market insight whose mission is to transform the world's energy systems for a zero carbon future. Regen offers independent expert advice and market insight on all aspects of sustainable energy delivery Swindon Borough Council are actively engaging with the initiatives that REGEN are developing particularly around locally led energy transition and identifying clean energy opportunities.

Inter Authority Climate Emergency Partnership

The Inter Authority Climate Emergency Partnership provides a collaborative platform for Local Authorities based in the South West to discuss climate change ideas, initiatives and share best practice.

Swindon Borough Council are active members of the network, contributing to the wider conversation around climate change.

Swindon Borough Council's pathway to achieving neutrality by 2030

The journey to achieving net zero carbon emissions as a Council by 2030 will entail investment in energy saving technologies, an increase in the use of renewable technologies such as electric vehicles and changing the way the Council operates on a day-to-day basis.

There will inevitably be instances where the Local Authority cannot reduce emissions further through direct activity. To tackle these emissions the Council will need to develop an offsetting strategy seeking opportunities within the Borough boundaries where possible. Carbon offsetting is a way to compensate for emissions by creating or funding a project that captures or creates an equivalent carbon dioxide saving elsewhere. Please see the following page for further details.

Developing an implementation plan to achieve neutrality

The Council's commitment to achieving carbon neutrality by 2030 is ambitious but necessary to ensuring Swindon play its part in the world's collaborative approach to the issue of climate change. As has been evidenced above, Swindon has already taken strides towards reducing its carbon emissions through the commencement and completion of key projects in recent years but more is needed to expedite the Council's progress.

Below are the 12 main objectives for this strategy, that will enable the Council to progress towards the Net Zero Carbon ambition:

Table 6 - SBC Carbon Reduction Objectives

| | |
|----|---|
| 1 | Reduce the energy related emissions from the council's own building stock/ portfolio (including street lighting) (Scope 1 & 2) |
| 2 | To reduce the fuel related emissions from SBCs owned vehicle fleet. (Scope 1) |
| 3 | To reduce the emissions from SBC Staff business mileage carried out in personal vehicles (Grey Fleet, Scope 3) |
| 4 | To reduce the emissions from SBC Construction and other related activities (Scope 3) |
| 5 | To reduce energy related emissions from SBC owned housing stock (including sheltered housing schemes). (Scope 3) |
| 6 | To reduce emissions from SBC staff commuter journeys (Scope 3) |
| 7 | To identify and reduce procurement/ supply chain related emissions (Scope 3) |
| 8 | To reduce waste related emissions from direct SBC activities (Scope 3) |
| 9 | To identify other council led interventions (Scope 1,2,3 and Wider Borough) |
| 10 | Use policy levers to create change e.g. EV charging requirements in new build (Wider Borough) |
| 11 | To encourage emission reductions from Central Government, Swindon Businesses and Swindon Residents, through lobbying, influence and example (Wider Borough) |
| 12 | Use education to promote low carbon activity (Wider Borough) |

Deliverables – How we will achieve the Objectives

In order to move these objectives forward the Council will develop an overarching Carbon Reduction implementation plan that will follow an extensive review of all Council activities and emission sources. It is intended that this implementation plan will be submitted to Cabinet for approval during 2021.

This document outlines the council's strategy for achieving net zero by 2030. The next stage will be to develop an implementation plan to deliver on that strategy, the following is a list of some suggested deliverables that we expect to form part of that plan.

Objective 1:

Reduce the energy related emissions from the council's own building stock/ portfolio (including street lighting) (Scope 1 & 2)

| Suggested Deliverable | Completion Date |
|--|-----------------|
| Deliver LED retrofit across all council multi-storey car parks | 2020 |
| Conduct a full review of the Council asset portfolio and plan the rollout of building energy surveys | 2021 |
| Production and rollout of Carbon Reduction and Climate Change Training to all staff and Councillors | 2021 |
| Develop the basis for staff behaviour campaign aimed at reducing carbon emissions in consideration of existing staff policies, procedures, controls and incentives. E.g establishing department climate champions within the Council | 2021 |
| Replacement 26,000 streetlights with LED alternatives | 2022 |

Objective 2:

To reduce the fuel related emissions from SBCs owned vehicle fleet.
(Scope 1)

| Suggested Deliverable | Completion Date |
|--|-----------------|
| Implement SBC Fleet Strategy and review in line with the Net Zero Carbon by 2030 ambition | 2021 |
| Explore the viability of using vehicle alternatives for short trips to be made between council sites | 2021 |

Objective 3:

To reduce the emissions from SBC Staff business mileage carried out in personal vehicles (Grey Fleet, Scope 3)

| Suggested Deliverable | Completion Date |
|--|-----------------|
| Further encourage uptake of meeting software to allow meetings to be held online | 2021 |
| Review the Council's business travel policy in line with the Net Zero Carbon ambitions | 2022 |

Objective 4:

To reduce the emissions from SBC Construction and other related activities (Scope 3)

| Suggested Deliverable | Completion Date |
|---|-----------------|
| Conduct a full review of our construction activities to determine baseline | 2020 |
| Review council construction policies in line with the Net Zero Carbon ambitions | 2021 |

Objective 5:

To reduce energy related emissions from SBC owned housing stock (including sheltered housing schemes). (Scope 3)

| Suggested Deliverable | Completion Date |
|---|-----------------|
| Review current Energy Performance Certificate (EPC) ratings for Council Housing Stock | 2021 |
| Review current maintenance and repair schedule in line with our Net Zero Carbon ambition | 2021 |
| Setup a sub group to investigate the resource requirement to raise the Housing Stock EPC rating | 2022 |

Objective 6:

To reduce emissions from SBC staff commuter journeys (Scope 3)

| Suggested Deliverable | Completion Date |
|---|-----------------|
| Review provision of cycle storage and changing facilities at all council premises | 2020 |
| Explore viability of incentive schemes to encourage purchase of electric vehicle alternatives | 2021 |
| Work with the Council's communications team to raise awareness of more sustainable travel options to the workplace in consideration of the evidence base from the work delivered by the Sustainable Travel Choices initiative | 2021 |
| Review staff working arrangements, encouraging staff members to work from home when they can | 2021 |

Objective 7:

To identify and reduce procurement/ supply chain related emissions (Scope 3)

| Suggested Deliverable | Completion Date |
|--|-----------------|
| Conduct a full review of the Council's supply chain to identify the embedded carbon baseline | 2020 |
| Integrate climate assessment into the Council's decision-making process | 2021 |
| Strengthen our carbon data capture within our procurement selection process | 2021 |

Objective 8:

To reduce waste emissions from direct SBC activities (Scope 3)

| Suggested Deliverable | Completion Date |
|---|-----------------|
| Set new recycling targets for waste from council buildings and increase the quality of waste separation | 2020 |
| Review SBC Waste Strategy in line with the Council's Net Zero Carbon ambitions | 2021 |

Objective 9:

To identify other council led interventions

| Suggested Deliverable | Completion Date |
|---|-----------------|
| Conduct a Green Audit of all public facing services provided by SBC to identify potential emission savings through digitisation for example | 2021 |
| Continue close working relationship with PPS to identify Carbon Reduction and efficiency initiatives | 2021 |
| Submit a formal bid for the Government's Electric Bus Town funding. If successful, the funding will help pay for a brand-new fleet of electric buses, reducing emissions across the borough | 2021 |
| Submit a formal bid for the Governments Green Homes Grant. If successful, the funding will help pay for energy efficiency improvement work across some of our housing stock | 2021 |
| Review the Local Plan in line with our Net Zero Carbon ambition. Including further use of Local Development Orders (LDOs) to encourage low carbon initiatives | 2022 |

Section 2 – Working to reduce the wider emissions of the Borough

As important as it is for the Council to achieve net zero carbon emissions by 2030, it is also imperative that the authority strives to influence others and act as an exemplar of good practice. The Council will work in partnership with local businesses, residents and suppliers to develop a proactive carbon reduction agenda that helps the wider Borough of Swindon to reduce their emissions to Net Zero by 2050. The Council will also work closely with wider Central Government agencies to deliver change, lobby, and influence where necessary.

We anticipate that partnership working and taking a collaborative stance will form the cornerstone of influencing others and will include:

- Working to co-create and deliver climate change initiatives, events and messages with new and established businesses within Swindon. For example, establishing borough wide action days and working in collaboration with organisations to deliver stronger, collective communications around climate change in the region.
- Engaging with members of the public across the borough through considered communications and campaigns, working to collect and action feedback in the process.
- Working with national agencies to deliver a regional thrust to key messages. For example working to reinforce UK Government advice and directives around how people can positively impact climate change at a local level.

Total borough emissions

Whilst the Council cannot directly influence the wider emissions of the borough, it is able to monitor the total emissions of the borough, using the tool detailed below, and report progress on an annual basis.

Swindon Borough Council has taken the additional commitment to help the wider borough become Net Zero Carbon by 2050. In order to help measure Borough wide emission the SCATTER tool will be utilised. SCATTER is a local authority focussed emissions tool and has been funded by the Department for Business Energy and Industrial Strategy (BEIS) in collaboration with Nottingham City Council, the Anthesis Group and the Tyndall Centre.

SCATTER stands for Setting City Area Targets and Trajectories for Emissions Reduction. This tool generates a greenhouse gas emissions inventory following the Global Protocol for City-wide Greenhouse Gas emissions for your local authority area.

Table 7 – Summary Greenhouse Gas emissions (tonnes CO2e) for for Borough of Swindon

| | Scope 1 | Scope 2 | Scope 3 | |
|--------------------------------------|-------------|-------------|--------------|------------------|
| Sub-sector | Total tCO2e | Total tCO2e | Total tCO2e | Total tCO2e |
| | Direct | Indirect | Other | Total |
| Residential buildings | 195,548 | 121,849 | 52,439 | 369,836 |
| Commercial buildings & facilities | 32,231 | 27,911 | 10,245 | 70,387 |
| Institutional buildings & facilities | 55,464 | 141,042 | 31,982 | 228,488 |
| Industrial buildings & facilities | 43,729 | 81,759 | 21,314 | 146,803 |
| Agriculture | 4,338 | 1 | 1,035 | 5,374 |
| On-road | 406,682 | IE | 105,112 | 511,794 |
| Rail | 2,618 | IE | 624 | 3,242 |
| Aviation | NO | IE | 116,329 | 116,329 |
| Off-road | 4,067 | - | NE | 4,067 |
| Solid waste disposal | 40,079 | - | IE | 40,079 |
| Wastewater | 13,724 | - | NO | 13,724 |
| Industrial process | 19,132 | - | - | 19,132 |
| Livestock | 18,022 | - | - | 18,022 |
| Land use | 15,006 | - | - | 15,006 |
| CHP generation | 137 | - | 25 | 163 |
| Local renewable generation | 6 | NO | - | 6 |
| | | | TOTAL | 1,532,440 |

IE – Integrated Elsewhere NE – Not Estimated NO – Not Occurring

* The emissions in this table cover the entire Borough of Swindon.

The target for the wider Borough of Swindon is to work towards Net Zero carbon emissions from 1,532,440 CO2e by 2050

To contribute to the reduction of the wider borough emissions, the Climate Change Working Group (CCWG) has developed a set of themes and using resources created by Friends of the Earth it is developing specific Borough wide deliverables that will form part of the Carbon Reduction Implementation Plan:

Below are the key objectives of the CCWG along with some suggested deliverables. Please note that these suggestions may be amended or superseded by the Carbon Reduction Implementation plan when it is approved.

Objective 10:

Use policy levers to create change e.g. EV charging requirements in new build

| Suggested Deliverable | Completion Date |
|--|-----------------|
| Finalise planning policy to include Electric Vehicle charging infrastructure in all new developments | 2020 |
| Work to influence the Licencing process in order to improve Borough emissions for example encouraging Taxis to transition to Electric Vehicles | 2021 |

Objective 11:

To encourage emission reductions from Central Government, Swindon Businesses and Swindon Residents, through lobbying, influence and example

| Suggested Deliverable | Completion Date |
|--|-----------------|
| To provide guidance and influence the private housing sector to improve the efficiency of housing stock | 2021 |
| Council demonstrate best practise - construction | 2020 onwards |
| To provide guidance and influence to all Swindon schools and academies to tackle their carbon emissions. | 2021 |

Objective 12:

Use education to promote low carbon activity

| Suggested Deliverable | Completion Date |
|--|-----------------|
| Explore possibility of promoting council carbon reduction initiatives through advertising outlets such as digital billboards | 2021 |
| Explore the potential to use the new learning from apprentices to develop Carbon Reduction initiatives further | 2021 |
| Explore wider partnership projects with Swindon Businesses and educational institutions | 2021 |

Implementation Plan

The development of a designated implementation plan will provide the foundation for action and detail the actions that the Council will take to reduce carbon emissions.

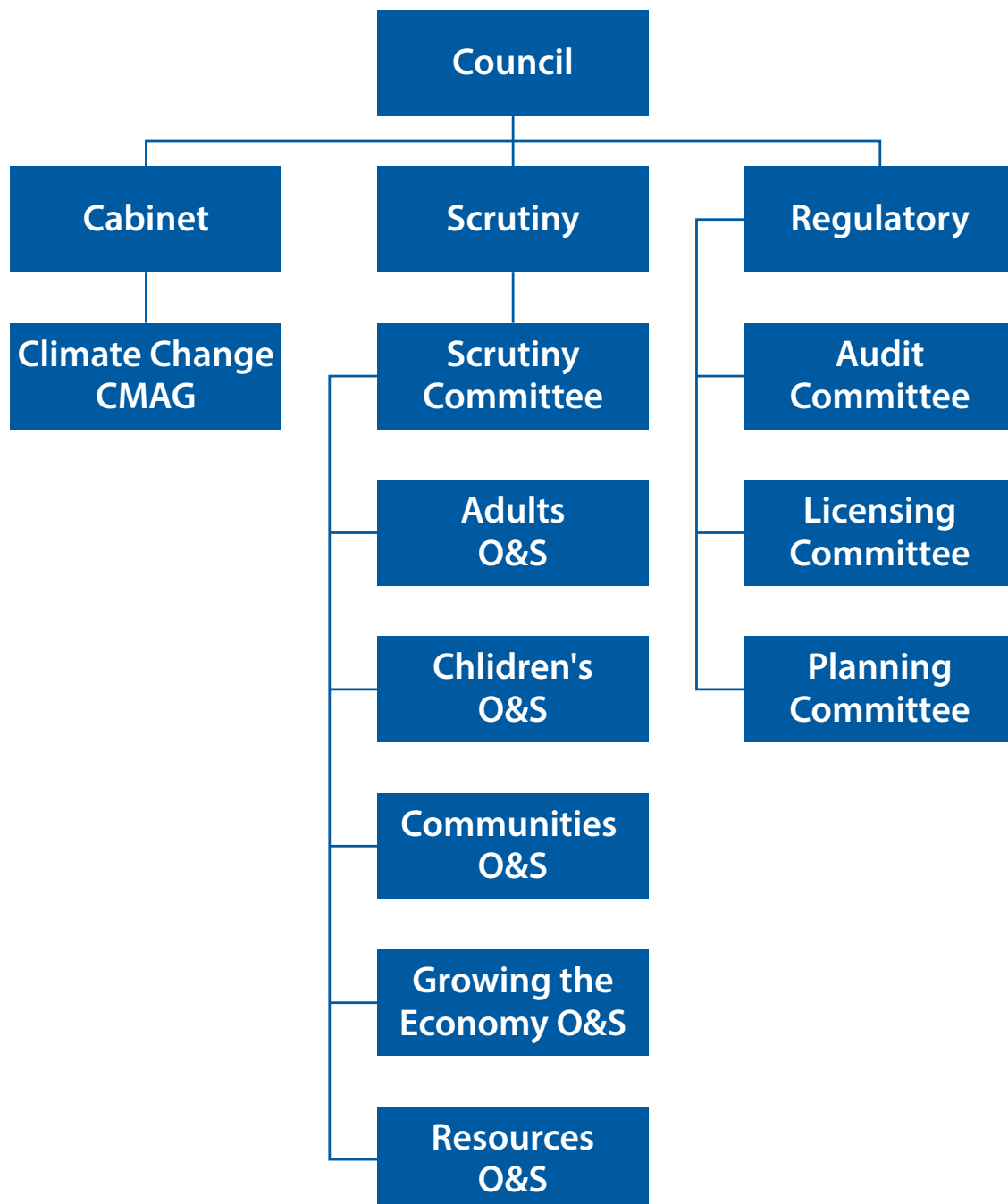
The implementation plan will exist as an active document that will be continually developed. The first iteration of the implementation plan will be completed in the first quarter of 2021 and updated annually thereafter. Upon completion, the implementation plan will supersede the suggest deliverables listed within this document.

The implementation plan will not only address direct emissions, but it will consider how the Council can facilitate the development of a low carbon economy within the region and how the Council can play a greater role in influencing residents and businesses.

Monitoring, Reporting and Governance

The Council will monitor its carbon emissions performance and publish its progress towards Net Zero on an annual basis. As part of the annual review, the Council will review progress against the established baseline data and metrics related to scope 1, 2

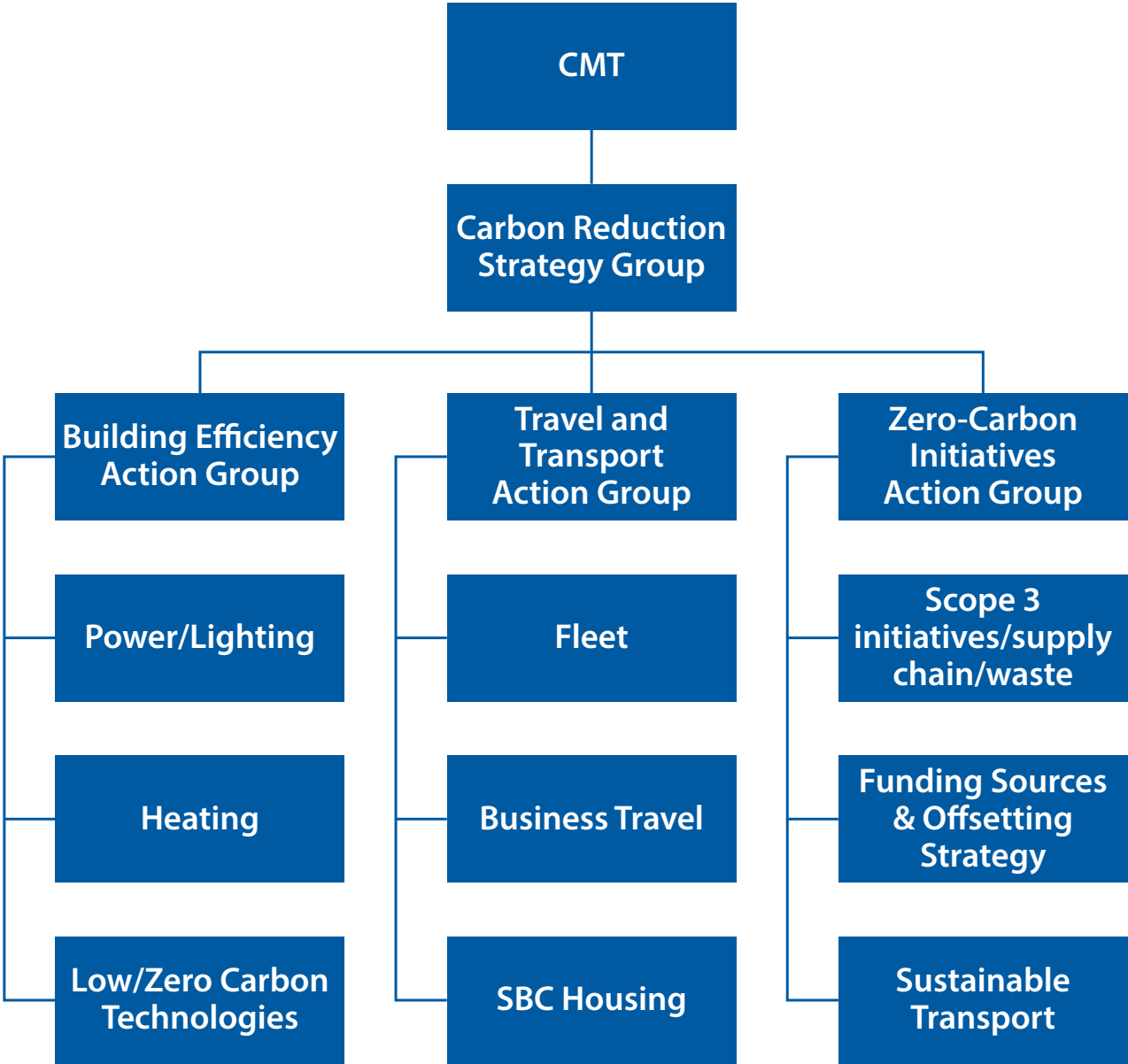
As Scope 3 and wider Borough Emissions are more difficult to monitor accurately, reduction estimates will be used to demonstrate performance.



The Carbon Reduction Strategy Group and the Climate Change Working Group shall be responsible for the delivery of this strategy; they will meet at least every quarter, to ensure progress towards the overall net zero ambition.

The various sub groups will be created and deployed to focus on specific priority areas with further action groups created as necessary. It is expected that these sub groups and action groups will meet much more regularly as the project dictates.

The two main groups, Carbon Reduction Strategy Group and Climate Change Working Group will regularly liaise on priority actions and current focus to ensure that their work compliments each other.



Carbon Reduction Strategy Project Team

A core project team has been created to steer this project and drive the emission reductions required:

| Carbon Reduction Strategy Group | Officer Role |
|---------------------------------|--|
| Cabinet Sponsor | Cabinet Member for Climate Change |
| Group Chair | Chief Operating Officer |
| Subject Matter Specialist | Energy & Climate Change Manager |
| Project Support | Strategic Growth Officer |
| Finance | Head of Finance |
| Communications | Head of Communications |
| IT | Head of IT |
| Staff Travel | Travel Plan Officer |
| SBC Property | Corporate Building Manager |
| Housing | Housing Strategy and Development Manager |
| Construction | Head of Construction |
| SBC Fleet | Head of StreetSmart |
| | Fleet Operations Manager |
| Planning | Planning Manager |
| Committee Services/ Democracy | Senior Committee Clerk |
| Procurement | Senior Procurement Officer |

Climate Change CMAG

| | |
|--|--|
| Chair and Cabinet Member | Cllr Keith Williams |
| Councillors | As nominated by the Party Groups/ accepted by Cllr Williams |
| Transport, Environment and Air Quality Sub Group Lead | |
| Buildings Sub Group Lead | |

Offsetting Strategy

Reducing emissions through direct action will be our main approach to becoming a carbon neutral organisation. But there will be a certain level of emissions which are currently not practically or financially possible to reduce within ten years. As the Strategy and Implementation Plan are developed and implemented the Council hopes to be able to calculate the level that this offset is likely to be. Officers will develop and seek approval of a carbon offset strategy to address this. Where possible this will keep offsetting activities within Borough boundary.

The main areas for offsetting focus will be biodiversity offsetting, predominantly through tree planting. Renewable technology offsetting through the installation of suitable projects within the borough and suitable energy efficiency subsidy schemes will also be investigated.

The Council are embarking on an accelerated tree planting programme totalling 350 acres, scheduled to commence in 2021. The programme will target tree planting in both urban and rural settings, the planting of extensive woodland blocks and significant numbers of individual trees on both public and private land.

Using an adopted methodology from the Forestry Commission to calculate per hectare impact, we anticipate that by 2050, each hectare of developed woodland will capture between 180-240 tonnes of CO₂ from the atmosphere.³

³ Based on a % calculation of the Forestry Commission methodology referenced within the Woodland Carbon Code

Glossary

Carbon footprint

The amount of carbon dioxide released into the atmosphere as a result of the activities of a particular individual, organisation or community.

Carbon offsetting

Is a way to compensate for our emissions by creating or funding a project that captures or create an equivalent carbon dioxide saving elsewhere.

Climate change

A large-scale, long-term shift in the planet's weather patterns and average temperatures

Offsetting

Carbon offsetting is used to compensate for emissions which may have reached their limit of reduction by using low carbon technology, natural environment or funding an equivalent carbon dioxide saving.

Green House Gas

Greenhouse gas, any gas that has the property of absorbing infrared radiation (net heat energy) emitted from Earth's surface and reradiating it back to Earth's surface, thus contributing to the greenhouse effect.

Net Zero Carbon

Where some emissions are still being generated by an organisation after carbon reductions, these emissions are being offset making the overall net emissions zero.

Economy and Growth

Swindon Borough Council
Wat Tyler House
Beckhampton Street
Swindon
SN1 2JH

www.swindon.gov.uk

This information can be reproduced in large print
or other accessible formats by emailing:
customerservices@swindon.gov.uk

Apprenticeships

Cabinet

Date: 3rd February 2021

Author: Cabinet Member for Commercialisation, Education and Skills.
Head of Skills and Education Partnerships.

Wards: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 The purpose of this report is outline the role that Apprenticeships play in the Inclusion Early Years, Education and Skills Strategy to provide an alternative pathway to skills, qualifications and career progression for Employers and our residents. The report provides an overview of the work overseen by the Growing the Economy Overview and Scrutiny Committee to identify the key opportunities and challenges to increase Apprenticeship numbers and to set out the key recommended activity to achieve an increase in Apprenticeships offered and taken up in Swindon.
- 1.2 Apprenticeships play a key role in ensuring there is a skilled workforce to meet the needs of business to enable growth and ensuring young people and residents are able to gain the skills and qualifications for work through a vocational work based learning approach. It has been identified that further work is required to support businesses and raise the profile of Apprenticeships as an inclusive and alternative pathway for young people and adults in Swindon.
- 1.3 This report links directly to Priority 2 of the Council’s vision to 2030 “To offer educational opportunities that lead to the right skills and the right jobs in the right places”.

2. Recommendations

Cabinet is recommended to:

- 2.1 Approve the recommendation that Apprenticeships specifically and vocational and technical pathways more broadly are firmly positioned in the Inclusion, Early Years, Education and Skills Strategy as a clear alternative to academic pathways to enable young people and residents to gain the skills and qualifications to achieve their potential in education, employment and training.
- 2.2 Approve the priority activity to increase the number of Apprenticeships outlined in the paper and in the Apprenticeship Action Plan (attached at Appendix One).
- 2.3 Acknowledge the progress that has been made by the work of the Growing the Economy Overview and Scrutiny Committee, led by Councillors Kevin and Barbara Parry, and thank them for their significant contribution.

Further information on the subject of this report can be obtained from Sally Burnett on sburnett@swindon.gvo.uk; Direct Dial Telephone Number 07718918197.

Apprenticeships

Cabinet

Date: 3rd February 2021

-
- 2.4 Authorise the Head of Skills and Education Partnerships in consultation with the Cabinet Member for Commercialisation, Education and Skills to implement the measures set out in the paper.

3. Detail

Apprenticeships as an important element of the Inclusion, Early Years, Education and Skill Strategy

- 3.1 The focus on Apprenticeships should be seen in the context of National Policy on vocational, technical and work based career pathways which are set out in the national Post 16 Skills Plan. The plan outlines an academic and technical pathway where qualifications and skills can be gained in sixth forms, colleges or the work place but both routes can lead to qualifications to a high level (up to Master's Degree level). The policy includes the introduction of 'T' Levels, as an alternative to 'A' levels which are being delivered at New College, Swindon from 2021.
- 3.2 Locally and nationally, vocational and technical pathways including Apprenticeships, do not have the same profile and are not as well understood as academic pathways (GCSE and A levels). In order to achieve our ambition to raise aspirations and achievement in Swindon and enable more young people and residents to be successful to gain qualifications and skills for sustained employment and their chosen career path, it is recommended that the Council's Inclusion Early Years, Education and Skills Strategy includes a priority to raise the profile and value of different learning options including Apprenticeships to improve outcomes.
- 3.3 The priority to raise the profile and value of learning and the different opportunities and pathways, reinforces the ambition for Swindon to be a 'Learning Town', where all our children, young people and residents have access to inclusive learning and skills provision that meets their needs as part of a lifelong learning approach. Apprenticeships offer a different way to learn new skills and supports the need for diverse provision that enables all our young people and residents to gain skills and qualifications.

Apprenticeship Reforms and the role of the Council

- 3.4 In December 2015, the Government set out its vision to put employers at the heart of the delivery of Apprenticeships to address skills shortages, raise the nations productively and to ensure that Apprenticeships provide a high quality and prestigious path to successful careers across all sectors of the economy and at all levels. The reforms highlighted that England has low numbers of apprenticeships compared to other countries. The national reforms included the introduction of an Apprenticeship 'levy' to increase investment in Apprenticeships, improving the quality and availability of apprenticeships across employment sectors and increasing apprenticeships at the

Apprenticeships

Cabinet

Date: 3rd February 2021

higher levels, resulting in apprenticeships being available from GCSE equivalent (level 2) to Masters equivalent (level 7). The reforms set a target of 3 million additional Apprenticeships by 2020.

3.5 The Council has two key roles in relation to Apprenticeships.

3.5.1 The first is the delivery of Pledge 9: Increase the number of people starting an apprenticeship. This is a strategic role to champion the needs of employers and residents and work with key stakeholders including training providers, schools and colleges, the Local Enterprise Partnership and the Department for Education (DfE) to maximise opportunities to increase Apprenticeships in the area.

3.5.2 The second is the role of the Council as an employer. The Public Sector Apprenticeships Target was introduced in 2017 with a requirement to employ an average of at least 2.3% of staff as apprentices as new recruits or as part of career development of existing staff.

3.6 Nationally and locally there has been significant progress with the development of Apprenticeships available at all levels and across a wide range of sectors but there has also been some significant challenges with achieving the target set. The latest data is summarised at Appendix 2. The data shows that since the Apprenticeship reforms in 2017, there has been a decline in the number of Apprenticeship starts. There has been the highest increases in Higher and Degree Apprenticeships and a significant reduction at level 2 (GCSE level). Business, Admin & Law along with Health, Public Service and Care Sectors represent largest number of apprenticeship starts followed by Engineering and Manufacturing.

The work of the Growing the Economy Overview and Scrutiny Committee and the Apprenticeship Action Plan.

3.7 At the Growing the Economy Overview and Scrutiny meeting on 30th September, the Terms of Reference for an Apprenticeship Task Group was agreed with the aim of reviewing the key challenges to apprenticeship growth and working with stakeholders to agree an updated plan of action. The Task Group has been set up in the form of a local Apprenticeship Ambassador Network with representation from employers, employer representative groups, schools, and other stakeholders. The chairs of the Growing the Economy Overview and Scrutiny Committee and the Children's Health, Education and Social Care Overview and Scrutiny Committee have agreed to be champions for this work.

3.8 The group has explored the key opportunities and challenges that Apprenticeships present. The opportunities can be summarised as the following:

Apprenticeships

Cabinet

Date: 3rd February 2021

- 3.9 An approach to enable employers to upskill and re-skill current employees and new recruits, to address skills shortages and provide employers with the workforce of the future.
- 3.10 A key route for residents to continue learning and gaining additional qualifications while working and an alternative to academic study; provides the skills and knowledge for individuals to succeed and progress in a chosen career.
- 3.11 Apprenticeships present a key opportunity to make a considerable contribution to the draft Inclusion Early Years, Education and Skills Strategy to raise aspirations of your young people and residents and provide inclusive and alternative pathways to gain skills to support sustained employment.
- 3.12 Government has recently invested heavily in additional funding for Apprenticeships. Until the end of March 2021, businesses that hire apprentices will benefit from a new payment of £2,000 per apprentice for those under the age of 25; and £1,500 for those aged 25 and over. This money is in addition to the existing £1,000 payment for new 16 to 18 year old apprentices and those aged under 25 with an Education, Health and Care plan.
- 3.13 There have also been incentives and enhancements to schemes, which provide more opportunities that could lead to an Apprenticeship; for example, Traineeships is a skills development programme helping 16-24 year olds, without appropriate skills or experience, to get ready for an apprenticeship or job. They include a work placement which can last from 6 weeks to 1 year, and employers who offer work placements as part of the traineeship scheme may also receive an incentive payment of £1,000 per learner, for up to 10 learners, up to the end of July 2021.
- 3.14 In addition, the Kickstart Scheme also provides a route into apprenticeships, and includes funding to employers to create high quality 6 month work placements for 16 to 24 year olds covering 100% of the relevant National Minimum Wage for 25 hours a week, plus the associated employer National Insurance contributions and pension contributions. Employers will also receive up to £1,500 additional funding to cover associated costs for set up, support and training.
- 3.15 Many employers have used Apprenticeships to fill roles that are more difficult to fill or to address skills shortage areas. Training providers are now also focusing on areas where there are significant opportunities in the future, for example Digitech.
- 3.16 Apprenticeships are now available to Degree and post graduate level. Residents can gain higher level skills through this route and as an alternative to a traditional university route. The Institute of Technology (IOT) due to open in Swindon in 2021 will offer increased opportunities locally at higher levels.

Further information on the subject of this report can be obtained from Sally Burnett on sburnett@swindon.gvo.uk; Direct Dial Telephone Number 07718918197.

Apprenticeships

Cabinet

Date: 3rd February 2021

- 3.17 The Plan of Action addresses the main challenges identified, which are as follows:
- 3.18 Many Small to Medium Sized Enterprises (SMEs) have difficulty in navigating the apprenticeship landscape, due to the limitations of resource, time and consequently expertise within their organisations. The support available is not always meeting needs and the information available is not easy to access.
- 3.19 Complexity of apprenticeship funding and guidance, and commitment to the requirement to provide 20% off-the-job training presents a particular challenge for all businesses.
- 3.20 The awareness of the benefits of Apprenticeships amongst employers and within the wider community has improved recently. However the profile of Apprenticeships needs to continue to be raised so they are regarded as a key means of developing skills, and subsequently a pathway to acquiring new skills as well as upskilling, reskilling and ultimately a route into specific careers and sustained employment.
- 3.21 There has been increased activity within the school setting through the Apprenticeship Support and Knowledge (ASK) Program and the Young Apprenticeship Ambassador Network (YAAN). However, we need to build on this so that awareness of apprenticeships is consistent across all schools, 6th Forms, colleges and training providers and residents, ensuring that opportunities in the Swindon area are promoted. There is also a need for greater awareness of Higher Level and Degree Apprenticeships as an alternative route into Higher Education and acquiring the skills required by employers.
- 3.22 Provision of apprenticeships locally will be enhanced with the Swindon and Wiltshire Institute of Technology opening in Swindon in September 2021, which will offer a range of apprenticeships in Science, Technology, Engineering and Maths (STEM) areas where we currently have skills gaps. However, the range and quality of courses need to continue to meet demand from local employers, from entry level through to Higher Level apprenticeships ensuring we have an inclusive range of options, providing pathways for all residents to progress in their chosen career.
- 3.23 There is evidence that the introduction of the Apprenticeship Levy had a considerable impact on the number of Apprenticeship starts from 2017 when it was introduced, as has Covid-19 more recently, both at a local and national level, with slightly higher % of Apprenticeship starts in Swindon over the 5 years from 2015 to 2020. We have also seen a drop in Level 2 (GCSE level) apprenticeships, but a steady increase in Higher Level and Degree apprenticeships over this timeframe, again reflecting the national picture.

Achievements to date

- 3.24 A summary of the key activity and achievements to date are outlined below.
-

Further information on the subject of this report can be obtained from Sally Burnett on sburnett@swindon.gvo.uk; Direct Dial Telephone Number 07718918197.

Apprenticeships

Cabinet

Date: 3rd February 2021

- 3.24.1 Swindon hosted the sixth JobFest at the Steam Museum, during National Apprenticeship Week in February 2020. This event has become an important platform for Swindon employers to reach out to local young people and meet their future workforce. The event brought together nearly 60 local employers offering apprenticeships and employment opportunities to almost 1,000 young people and residents.
- 3.24.2 Extracts from the JobFest 2020 video featured on the South West Apprenticeship Ambassador Network (SWAAN) 'Celebrating Success' video at the annual conference, raising the profile of Swindon across the South West area in the realms of apprenticeships.
- 3.24.3 An employer- led Swindon Apprenticeship Network Group has been established, with the main aim being for businesses to support each other in navigating the complexities of the apprenticeship landscape, and working on a collaborative approach to solutions.
- 3.24.4 A series of Redundancy events were led by SBC, with one of the events focusing on apprenticeships as a route to upskilling and reskilling all residents.
- 3.24.5 A programme of Apprenticeship Awareness sessions have taken place throughout the year for internal teams and stakeholders, raising the profile of apprenticeships within SBC.
- 3.24.6 The introduction of the Careers Hub has resulted in all schools and college working towards achieving the Gatsby Benchmarks which represent the 8 key elements of an effective Careers Education and Guidance Programme and improving understanding and awareness of post 16 options.
- 3.24.7 With the conclusion of the merger of Swindon College and New College, Swindon, the Institute of Technology (IOT) has progressed through 2020 and will open in September 2021. 50% of the IOT's provision will be focusing on apprenticeships, and will enhance the offer across the town and county, particularly around STEM subjects.
- 3.24.8 Higher Level and Degree Level apprenticeships have increased as a % of all apprenticeships, rising from 4% in 2015/16 to 23% in 2019/20.
- 3.24.9 Swindon (at 73%) has achieved more of our 5 year target for apprenticeship starts than England overall (at 70%)
- 3.25 The Council currently has 77 Apprentices employed by Swindon Borough Council and this represents 2.5% of our workforce. There have been some interruptions to some studies due to Covid-19 but officers have been very successful in ensuring that

Further information on the subject of this report can be obtained from Sally Burnett on sburnett@swindon.gvo.uk; Direct Dial Telephone Number 07718918197.

Apprenticeships

Cabinet

Date: 3rd February 2021

Apprentices continue to be well supported and have been able to make progress and adapt to the changing ways of working necessary at this time.

The Apprenticeship Action Plan objectives.

- 3.26 The four objectives and a summary of the activity for each objective is included below. The approach is for the Council to ensure the resources across the system from all key stakeholders are maximised to address the specific challenges that have been identified.
- 3.27 Objective 1. Enable all businesses, and in particular SMEs, to access the expertise and resources to navigate the apprenticeship landscape.
- 3.27.1 Set up a Swindon Ambassador Network Group to inform the action plan and monitor progress.
- 3.27.2 Ensure employers have easy access to fit for purpose information and support with sign posting of all support from one on-line central point.
- 3.27.3 Identify a group of partners and local employers who have experience of employing apprentices and can provide mentoring and support to small businesses.
- 3.28 Objective 2. Increase awareness of apprenticeships as a pathway to careers, new skills, upskilling and reskilling (for employers and young people/residents).
- 3.28.1 Deliver a marketing campaign to raise awareness of apprenticeships across employers and young people/residents.
- 3.28.2 Ensure there are a number of local case studies that promote the range of Apprenticeships that are available across the area.
- 3.28.3 Increase the number of young people who are Apprenticeship Ambassadors and are able to inspire other young people to take up apprenticeships.
- 3.28.4 Ensure all schools and colleges are providing specific opportunities to promote Apprenticeships as part of Careers Education, information Advice and Guidance Programmes with an increase in young people applying for Apprenticeships.
- 3.29 Objective 3. Ensure that we have an inclusive range of options from entry level through to higher apprenticeships across the area, providing pathways for all residents to progress to/in their chosen career.
- 3.29.1 Further develop the information on Apprenticeships available to young people, parents and residents on the Local Offer Website.

Further information on the subject of this report can be obtained from Sally Burnett on sburnett@swindon.gvo.uk; Direct Dial Telephone Number 07718918197.

Apprenticeships

Cabinet

Date: 3rd February 2021

- 3.29.2 Clearly outline the pathways to enter an Apprenticeships for young people and residents who need additional steps to gain the experience and qualifications to enter an Apprenticeship.
- 3.29.3 Increase the number of Traineeships, supported internships and other pre Apprenticeship opportunities for young people
- 3.29.4 Work with New College Swindon to promote the opportunities available from September 2021 through the Institute of Technology.
- 3.30 Objective 4. Pioneer the role of apprenticeships within SBC so that we can facilitate and lead the way in encouraging other stakeholder groups to support the action plan.
 - 3.30.1 Outline the SBC preparation for work and apprenticeships offer for young people in 2021/22 to support being an inclusive Council. This includes experiences of the work place, traineeships, supported internships, Kickstart and Apprenticeships.
 - 3.30.2 Recruit 10 Kickstart posts during 2021 (fully funded 6 month work placements) for young people claiming Universal Credit and where appropriate, support these roles to access progression to Apprenticeship Opportunities.
 - 3.30.3 Put in place a process to ensure that managers consider Apprenticeship opportunities for all new vacancies.
 - 3.30.4 Identify skills and resourcing gaps and opportunities for 2021/22 across the organisation as part of workforce planning and talent management.
 - 3.30.5 Ensure we continue to support partner organisation who will benefit from accessing Apprenticeship Levy transfers to who are supporting SBC priorities as per current policy and process.
 - 3.30.6 Where it is considered appropriate, embed social value requirements into tendering and contract processes, ensuring the Councils priorities, including to increase apprenticeships is reflected in the supply chain and contracting process.

Monitoring and Accountability of the Apprenticeship Plan Outcomes.

- 3.31 The Apprenticeship Plan and the outcomes outlined in the plan will be monitored twice yearly by the Growing the Economy Overview and Scrutiny Committee.

4. Alternative Options

- 4.1 A number of options and approaches have been considered to increase the number of Apprenticeships offered in Swindon and the actions summarised in this paper is a result

Further information on the subject of this report can be obtained from Sally Burnett on sburnett@swindon.gvo.uk; Direct Dial Telephone Number 07718918197.

Apprenticeships

Cabinet

Date: 3rd February 2021

of work with a wide range of stakeholders. The Council could decide not to progress the activity outlined in the paper at this time.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 There are no direct financial or procurement implications arising from this report. The activity outlined will take place within existing resources and by maximising the resources of stakeholders. The Head of Finance for Children Services was consulted in relation to this report.

Legal and Human Rights Implications

- 5.2 There are no direct legal or human rights implications arising from this report.

Climate Change Impact

- 5.3 The proposals would not bring a change in service delivery and Officers believe that there is no expected effect on the Council's carbon footprint

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.4 There are no other direct implications arising from this report. Any further implications will be identified when a topic is reviewed by the Scrutiny Committee and in any recommendation made by the Scrutiny Committee.

Diversity Impact Assessment

- 5.5 A Diversity Impact Assessment (DIA) has been completed. No adverse or other significant issues were found. A copy of the DIA can be obtained from the report author.

Risk Management

- 5.6 Risk management is integrated into all service planning across the directorate and the key risks in relation to Education are incorporated into the Children Services risk register.

6. Consultees

- 6.1 The Corporate Director of Finance and Assets (s151 officer) and Chief Legal Officer (Monitoring Officer) are consulted in respect of all reports.

7. Background Papers

- 7.1 None

Further information on the subject of this report can be obtained from Sally Burnett on sburnett@swindon.gvo.uk; Direct Dial Telephone Number 07718918197.

Apprenticeships

Cabinet

Date: 3rd February 2021

8. Appendices

8.1 Appendix 1 - Apprenticeship Action Plan.

8.2 Appendix 2 – Apprenticeship Data.

9. Key Decision/Decision in Cabinet Work Programme and Forward Plan

9.1 This is a key decision and is included in the Cabinet Work Programme and Forward Plan for February 2021.

Apprenticeships Action Plan Jan 2021 - Dec 2021

SWLEP Strategic Objective: Achieve a step change in take-up and achievement of apprenticeships

Updated: 4th January 2020

| | | | | |
|---|---|--|---|---|
| Lead Officer: M Morag Sullivan | | | Progress monitored by Growing the Economy Overview and Scrutinee Committee | |
| AIM 1: Enable all businesses, and in particular SMEs, to access the expertise and resources to navigate the apprenticeship landscape | | | | |
| Item | Objectives | Owner (PM) | Key progress & Critical Issues | What good looks like: |
| 1.1 | Set up an employer led Swindon Apprenticeship Network Group to consider the barriers to apprenticeship recruitment and to work on a collaborative approach to solutions | HE and Apprenticeships Project Manager | First meeting took place on 30th November 2020 and will be held bi-monthly | Network Group set up |
| 1.2 | Establish an employer mentoring group in Swindon to support other employers in navigating the apprenticeship landscape | Swindon Apprenticeship Network Group | 17th Dec - Employers willing to mentor have been identified, and the mechanics of how this would work now need to be identified and the service then promoted | Employer mentoring system in place |
| 1.3 | Work with Wiltshire Council to set up a group of partners and Intermediaries to engage and support SMEs to employ apprentices | Head of Skills and Education Partnerships | This operates through Wiltshire EESAG (Education, Employment and Skills Action Group) | EESAG meet and provide solutions to barriers raised by employers |
| Page 375 | 1.4 | Create a series of guides to help simplify the process for employers | Swindon Apprenticeship Network Group | More SMEs encouraged to recruit apprentices due to processes and funding rules being simplified |
| | 1.4.1 | Develop an easy to read guide to recruiting an apprentice and promote on various channels | Providers | Easy to Read Guide accessible |
| | 1.4.2 | Develop resources to assist employers in selecting a provider and promote on various channels | Providers | Easy to Read Guide accessible |
| | 1.4.3 | Develop an aid to provide employers with tips on on-boarding apprentices virtually, mentoring them in the first few months of their employment and promote | Providers | Easy to Read Guide accessible |
| | 1.4.4 | Identify best practice to achieve the 20% off the job training requirement and share in a guide for employers | Providers | Easy to Read Guide accessible |
| 1.5 | Ensure all Businesses including those moving into Swindon receive information on Apprenticeships and are sign posted to information and support on recruiting Apprenticeships. | SBC Business & Economy Manager | | All employers receive information on recruiting apprentices |
| 1.6 | Identify ways to assist non-levy employers with registering on the Apprenticeship Service portal to enable them to access apprenticeship funding and incentive payments and promote | Providers | New College, Swindon have a session aimed at SMEs during National Apprenticeship Week | Apprenticeship funding is accessible to all non-levy employers |
| AIM 2: Increase awareness of apprenticeships as a pathway to careers, new skills, upskilling and reskilling (for employers and young people/residents). | | | | |
| Item | Objectives | Owner (PM) | Key progress & Critical Issues | What good looks like: |

| | | | | |
|-----|---|--|---|---|
| 2.1 | Education and Inclusion Strategy includes a priority to raise the profile and value of different learning options including Apprenticeships to improve outcomes. | Head of Skills and Education Partnerships | | SMART actions in the Education and Inclusion Strategy Implementation Plan to achieve this. |
| 2.2 | Extend the Young Apprentice Ambassador Network in Swindon from 2 to 4, and improve utilisation of Ambassadors in Swindon schools | Swindon Apprenticeship Network Group/ASK/SBC | | We have a total of 4 YAA in Swindon, working with ASK and Schools to help promote apprenticeships to young people |
| 2.3 | Increase awareness and engagement consistently across all Borough Schools and colleges, particularly at Higher and Degree Level | Careers Hub Lead | ASK programme is embedded within Careers Hub activity. All schools/colleges offered the chance to participate in ASK activities. All stand alone apprenticeship offers/activities communicated with schools/colleges on an ongoing basis and through monthly newsletter. | All schools/colleges reporting 100% achievement for BM 7 sub question on providing students with information on the full range of learning opportunities and particularly apprenticeship routes |
| 2.4 | Include and showcase apprenticeship news and case studies in the Heads Newsletter and at SASH Meetings, particularly HL Apprenticeships so that they are recognised as an alternative route to university | Head of Skills and Education Partnerships | | Apprenticeship news included in Newsletter at least monthly, and quarterly at SASH Meetings |
| 2.5 | Identify schools who require support in engaging with the ASK programme, and put plans in place to assist | Head of Skills and Education Partnerships | Schools who have not yet had their planning meeting in place have been identified and this has been escalated | 80% of mainstream schools in Swindon are engaged with ASK with at least 1 activity organised by end of July as a minimum |
| 2.6 | Identify further support and information that schools require to promote apprenticeships | Careers Hub Lead | Action planning meetings have taken place with all institutions by Dec 2020, those who have not achieved this activity have had a target set and support provided. | All schools/colleges reporting 100% achievement for BM 7 sub question on providing students with information on the full range of learning opportunities and particularly apprenticeship routes |
| 2.7 | Promote the opportunities for Business to get involved in Careers Education Programmes in schools including offering experiences of the workplace. | O&S Committee/ Careers Hub Lead | Offer to employers via Speakers for Schools is being finalised and will be made to employers in January 2021. Initial workshop meeting to take place on 19th January 2021. Wider Enterprise offer is made to businesses on a rolling basis with a recruitment campaign to be launched by the CEC in January | All EA vacancies in Swindon to be filled and a database of employer offers to be secured through Work Wiltshire's Be Involved pledge system. |
| 2.8 | Collate the events occurring across Swindon and Wiltshire for National Apprenticeship Week 2021 and promote across a wide variety of different channels | SBC Comms/SWLEP Comms | MS Teams has been set up for SBC/Wiltshire Council/SWLEP to collaborate. Started to pull together the events so we can raise the profile | Mulitple events organised across SWLEP area and promoted across SWLEP and SBC Comms to raise the awareness of apprenticeships amongst all stakeholder groups |

| | | | | |
|--------|---|---|---|--|
| 2.9 | Collate Case studies of apprenticeship success stories from both apprentices and employers and showcase across a variety of platforms throughout the year | HE and Apprenticeships Project Manager | MS teams has been set up and we have started gathering case studies together. Meeting with Local Offer to discuss suitability of this site to showcase apprenticeship stories | Suitable SBC platform identified that is engaging and visual, with a variety of case studies being showcased and added to. This will be in addition to similar on SWLEP Growth Hub and also Work Wiltshire which already exists, that we can signpost to |
| 2.10 | Use all available resources to promote apprenticeships to SMEs and encourage more SMEs to employ an apprentice | SWLEP Skills and Enterprise Adviser Network | Enterprise Adviser Network is currently made aware of sources of information on apprenticeships through monthly Careers Hub newsletter and ongoing comms. | Success Measures: More SMEs employing an apprentice and the actions need to go to providers who have large teams of employer engagement staff for this purpose Impact: More SMEs benefiting from the apprenticeship scheme |
| 2.11 | Leverage the use of nationally available resources to promote the benefits of apprenticeships | SWLEP Skills Lead | | Success Measures: Clear sign posting to nationally available resources in all of our comms Impact: Progression pathways employed in a way to achieve maximum benefit in closing skills gaps |
| 2.12 | Work to secure investment to support apprenticeships to counteract the impact of Covid-19 | SWLEP Skills Lead | | Success measures: Increase in the number of apprenticeship opportunities and takeup Impact: Apprenticeships for young people and those that lost their jobs used to close skills gaps |
| 2.13 | Run a marketing campaign, targeting parents and students, to increase awareness of apprenticeships as a key career choice; aligned with National Apprenticeship Week (Feb /Mar) | SWLEP Digital Marketing Apprentice | | Success Measures: Marketing campaign implemented Impact: More apprenticeship starts |
| 2.14 | Support FE colleges to achieve successful implementation of T-levels through high quality business engagement | SWLEP Growth Hub Manager | | Success Measures: More work placements people completing T levels Impact: More *This activity is planned to commence Sept 21 |
| 2.15 | Use the SWLEP platforms, including developing new virtual tools, to promote apprenticeship and career opportunities to young people and career changers | SWLEP Marketing Executive | | Success Measures: Regular reports produced, SWLEP website hosts information which is linked to SM activity. Impact: Gatsby BM achievement meets targets set by CEC, unemployment figures improve |
| 2.16 | Work with the Swindon and Wiltshire Local Enterprise Partnership (SWLEP) to ensure that information on employer demand highlighted as part of the Swindon Action Plan is well understood by the Skills and Talent Sub Group (a sub group of the SWLEP Board) and Apprenticeship support and provision meets employer needs. | Sally Burnett | Information on the Apprenticeship provision needs of employers will be collated through the Swindon Network Group as one channel for capturing this information | More employers stay within the town for apprenticeship delivery as more courses are offered which are in demand |
| 2.17 | Acquire LMI tool for Careers Hub to promote apprenticeships to school leavers | Careers Hub Lead | Career Explorer module licence purchased and installed on SWLEP website. | Success Measures: Year on year increase in school leavers on intermediate and advanced apprenticeships Impact: More apprenticeship starts in the areas of skills shortage |
| AIM 3: | Ensure that we have an inclusive range of options from entry level through to higher apprenticeships across the area, providing pathways for all residents to progress | | | implemented |

| Item | Objectives | Owner (PM) | Key progress & Critical Issues | What good looks like: |
|------|---|---------------------------------|---|---|
| 3.1 | Clearly outline the pathways to enter an Apprenticeships for young people and residents who need additional steps to gain the experience and qualifications to enter an Apprenticeship. | SBC Skills Team | | Guide developed and promoted through various channels |
| 3.2 | Further develop the information on Apprenticeships available to young people, parents and residents on the Local Offer Website. | SBC Skills Team | Meeting set up Dec 20 with personnel involved to scope out functionality and content | Comprehensive site with all info on apprenticeships as engaging as possible |
| 3.3 | Increase the number of Traineeships, supported internships and other pre Apprenticeship opportunities for young people | SBC Skills Team | Monthly meeting has been set up with local providers, and plans are in place to help facilitate solutions | Supply meets demand for these programmes |
| 3.4 | Work with New College Swindon to promote the opportunities available from September 2021 through the Institute of Technology. | IOT Marketing Manager/SBC Comms | | Courses are offered which are in demand by employers, and are filled viably by young people and residents |

Aim 4 Pioneer the role of apprenticeships within SBC so that we can facilitate and lead the way in encouraging other stakeholder groups to support the action plan.

| Item | Objectives | Owner (PM) | Key progress & Critical Issues | What good looks like: |
|-------|---|----------------------------------|--|---|
| 4.1 | Encourage SBC apprentices to register as a Young Apprentice Ambassador and actively engage with promoting apprenticeships to schools and young people | Apprenticeship Coordinator | | 1 SBC apprentice signed up to YAA and actively involved in schools |
| 4.2 | Identify a suite of data to be used internally within SBC | Data Team | | Data sets decided, and monitored with targets agreed |
| 4.3 | Embed social value requirements into our tendering and contract processes, ensuring our priorities to increase Apprenticeships are reflected in the supply chain commissioning and contracting process. | HE & Apprenticeships Project Mgr | | Social Value focusing on our employment and skills priorities become the norm in all our procurement and planning discussions and contracts |
| 4.3.1 | Set up a tracking and monitoring system of the offers, to ensure any offers are delivered | HE & Apprenticeships Project Mgr | We have started to collate the offers from the major construction supply chain | Tracker set up, and monitored regularly with stakeholder groups to ensure delivery by supply chain |
| 4.4 | Increase the number of apprentices recruited in our Early Years settings, as a solution to the skills shortage | Early Years Business Manager | Discussions commenced with JCP on SWAPS, as well as how to reach employers to inform and help them address their shortages through apprenticeships | identify number of apprentices in place, and devise plan to address skills shortages in Early Years settings |

| | | | | |
|-----|--|--|---|--|
| 4.5 | Work towards growing our number of apprentices across maintained schools | Sally Burnett | Identifying the schools who have/have not hired apprentices, and organised event during NAW for this group to promote awareness | Action plan in place to increase numbers |
| 4.6 | Put in place a process to ensure that managers consider Apprenticeship opportunities for all new vacancies | HROD and Recruitment Teams | Work has commenced to amend relevant recruitment documentation to ensure Line Managers have considered an apprentice as part of their recruitment and upskilling strategy | Process is in place and 1 existing employee transitions to apprenticeship per quarter as part of upskilling of workforce |
| 4.7 | Continue to offer Council Levey transfers to partner organisation who are supporting SBC priorities as per current policy and process. | HE & Apprenticeships Project Mgr/HROD Team | Pilot has commenced with Voluntary Action Swindon and Create Studios. First apprentice is due to commence mid-January | Gradual transfer of funds, to equate to 5% by end of Dec |
| 4.8 | Encourage apprentices to submit Case Studies to raise the profile of apprenticeships | Apprenticeship Coordinator | Critical issue: suitable SBC platform needs to be identified and maintained | 1 case study obtained per quarter from SBC apprentices |
| 4.9 | Outline the SBC preparation for work and apprenticeships offer for young people in 2021/22 to support being an inclusive Council. This includes experiences of the work place, traineeships, supported internships, Kickstart and Apprenticeships. | SLT/HROD and Recruitment Teams | Cross Council working group being set up early 2021 to progress | Implementation of Kickstart programme for cohort of 5 young people, and plan to extend the various programmes so these offers become embedded in the culture |

| Page 379 | Outcome Matrix | | Achieved by |
|----------|----------------|--|-------------|
| | 1.2 | 4 Employer champions volunteering to mentor other employers | Mar-21 |
| | 1.2 | 10 Employers attending the Swindon Apprenticeship Network Group and supporting the plan | Jan-21 |
| | 1.4 | Suite of Easy to Read Guides for Employers accessible on SBC website | Jun-21 |
| | 2.2 | 4 Young Apprentice Ambassadors in Swindon | Jun-21 |
| | 2.3 | All schools/colleges in Swindon reporting 100% achievement for BM 7 sub question on apprenticeship routes | Aug-21 |
| | 2.5 | 80% of mainstream schools in Swindon are engaged with ASK with at least 1 activity organised by end of July as a minimum | Jul-21 |
| | 2.7 | All EA vacancies within schools to be filled | Aug-21 |
| | 2.8 /2.13 /3.4 | 1 press release per month from Comms on apprenticeships, including IOT | Sep-21 |
| | 2.9 | Apprenticeship Case Study Page on SBC website with at least 3 case studies | Apr-21 |
| | 3.1 | Pathways to Apprenticeships Guide on SBC website for young people and residents to access | Mar-21 |
| | 4.1 | 1 SBC apprentice signed up to Young Apprentice Ambassador Network and actively involved in schools | Apr-21 |
| | 4.2 | Dataset identified and targets for apprenticeships agreed and monitored | Feb-21 |
| | 4.3.1 | Supply Chain Social Value Tracker set up | Feb-21 |
| | 4.6 | 1 existing employee transitions to apprenticeship per quarter as part of upskilling of workforce | Dec-21 |
| | 4.6 | 5 additional Apprenticeships as new recruits | Mar-22 |

| | | |
|-----|--|--------|
| 4.7 | 5% of Apprenticeship Levy fund transferred | Dec-21 |
| 4.8 | 1 x SBC Apprentice case study per quarter | Dec-21 |
| | | |

Key for RAG Ratings:

| | |
|-------|--|
| Red | Early development (plans and timescales to be agreed), or in progress but tasks have not been completed and/or timescales have slipped |
| Amber | Tasks are not fully on track but plans are in place to ensure progress by required date |
| Green | Tasks are progressing as expected and milestones are deemed to be on track |
| Blue | Objectives are achieved |

| Completion Date (Month ends) | RAG Progress | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---------------------------------|--------------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Nov-20 | B | | | | | | | | | | | | |
| Mar-21 | G | | | | | | | | | | | | |
| Oct-20 | B | | | | | | | | | | | | |
| Jun-21 | G | | | | | | | | | | | | |
| Feb-21 | G | | | | | | | | | | | | |
| Feb-21 | G | | | | | | | | | | | | |
| Apr-21 | G | | | | | | | | | | | | |
| May-21 | G | | | | | | | | | | | | |
| Jun-21 | G | | | | | | | | | | | | |
| May-21 | G | | | | | | | | | | | | |
| | | 2021 | | | | | | | | | | | |
| | RAG Progress | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |

| | | | | | | | | | | | | | |
|--------|---|--|--|--|--|--|--|--|--|--|--|--|--|
| Jan-21 | G | | | | | | | | | | | | |
| Jun-21 | | | | | | | | | | | | | |
| Aug-21 | G | | | | | | | | | | | | |
| Dec-20 | B | | | | | | | | | | | | |
| Jul-21 | A | | | | | | | | | | | | |
| Aug-21 | G | | | | | | | | | | | | |
| Aug-21 | G | | | | | | | | | | | | |
| Feb-21 | G | | | | | | | | | | | | |

| | | | | | | | | | | | | | |
|--------------------|---|------|--|--|--|--|--|--|--|--|--|--|--|
| Apr-21 | G | | | | | | | | | | | | |
| Mar-21 | | | | | | | | | | | | | |
| Mar-21 | | | | | | | | | | | | | |
| Dec-20 | | | | | | | | | | | | | |
| Page 383 Mar-21 | | | | | | | | | | | | | |
| Aug-22 | | | | | | | | | | | | | |
| Jul-21 | | | | | | | | | | | | | |
| Sep-21 | | | | | | | | | | | | | |
| Mar-21 | | | | | | | | | | | | | |
| | | 2021 | | | | | | | | | | | |

| | RAG Progress | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|--------|--------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Mar-21 | | | | | | | | | | | | | |
| Jul-21 | | | | | | | | | | | | | |
| Aug-21 | | | | | | | | | | | | | |
| Sep-21 | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| Apr-21 | G | | | | | | | | | | | | |
| Feb-21 | G | | | | | | | | | | | | |
| Oct-21 | G | | | | | | | | | | | | |
| Feb-21 | G | | | | | | | | | | | | |
| May-21 | G | | | | | | | | | | | | |

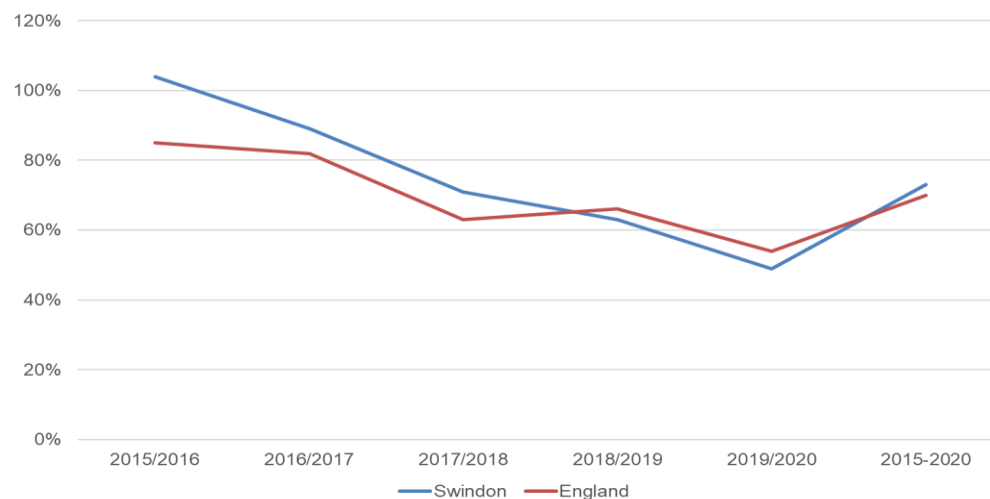
| | | | | | | | | | | | | | |
|--------|---|--|--|--|--|--|--|--|--|--|--|--|--|
| Jun-21 | G | | | | | | | | | | | | |
| Dec-21 | G | | | | | | | | | | | | |
| Dec-21 | G | | | | | | | | | | | | |
| Dec-21 | G | | | | | | | | | | | | |
| Aug-21 | G | | | | | | | | | | | | |

This page is intentionally left blank

Total Apprenticeship Starts between 2015-2020

| Key Performance Indicators | 2015/2016 | | 2016/2017 | | 2017/2018 | | 2018/2019 | | 2019/2020 | | 2015/2020 | |
|--------------------------------------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|-----------|
| | Swindon | England | Swindon | England | Swindon | England | Swindon | England | Swindon | England | Swindon | England |
| Target apprenticeship starts | 1868 | 600,000 | 2036 | 600,000 | 2220 | 600,000 | 2419 | 600,000 | 2637 | 600,000 | 11180 | 3,000,000 |
| Actual Apprenticeship Starts (Total) | 1950 | 509400 | 1820 | 494900 | 1580 | 375800 | 1530 | 393400 | 1280 | 322530 | 8160 | 2096030 |
| % Actual v Target | 104% | 85% | 89% | 82% | 71% | 63% | 63% | 66% | 49% | 54% | 73% | 70% |

Apprenticeship Starts as % of Target 2015-2020

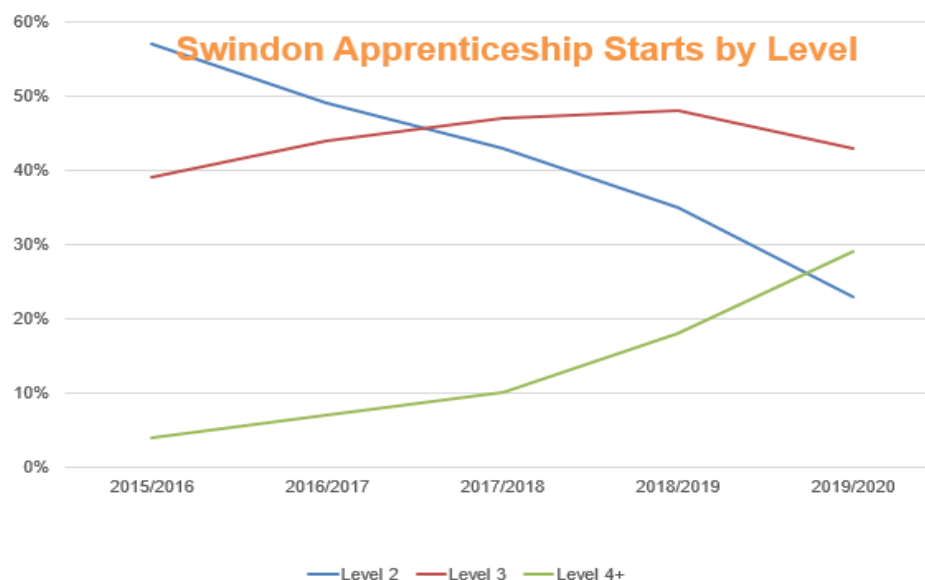


Apprenticeship starts decreased as a result of the Apprenticeship Reforms of May 2017, but over the 5 year period Swindon is still performing marginally better than in England overall

Apprenticeships Appendix 2. Key Data.

Total Apprenticeship starts by Level (2015-2020)

| | 2015/2016 | | | | 2016/2017 | | | | 2017/2018 | | | | 2018/2019 | | | | 2019/2020 | | | | 2015/2020 | | | |
|---|-----------|------------|---------|------------|-----------|------------|---------|------------|-----------|------------|---------|------------|-----------|------------|---------|------------|-----------|------------|---------|------------|-----------|------------|---------|------------|
| | Swindon | | England | | Swindon | | England | | Swindon | | England | | Swindon | | England | | Swindon | | England | | Swindon | | England | |
| Apprenticeship Level Starts | Number | % of Total | England | % of Total | Number | % of Total | England | % of Total | Number | % of Total | England | % of Total | Number | % of Total | England | % of Total | Number | % of Total | England | % of Total | Number | % of Total | England | % of Total |
| Total Starts | 1950 | | 509400 | | 1820 | | 494900 | | 1580 | | 375800 | | 1530 | | 393400 | | 1280 | | 322530 | | 8160 | | 2096030 | |
| Intermediate Apprenticeship (L2) | 1120 | 57% | 291330 | 57% | 890 | 49% | 260650 | 53% | 680 | 43% | 161390 | 43% | 530 | 35% | 143590 | 36% | 360 | 28% | 99220 | 31% | 3580 | 44% | 956180 | 46% |
| Advanced Apprenticeship (L3) | 760 | 39% | 190870 | 37% | 800 | 44% | 197660 | 40% | 740 | 47% | 166220 | 44% | 730 | 48% | 174730 | 44% | 550 | 43% | 140840 | 44% | 3580 | 44% | 870320 | 42% |
| Higher Apprenticeship (L4 + inc Degree Level) | 70 | 4% | 27160 | 5% | 130 | 7% | 36570 | 7% | 160 | 10% | 48150 | 13% | 280 | 18% | 75060 | 19% | 370 | 29% | 82460 | 26% | 1010 | 12% | 269400 | 13% |



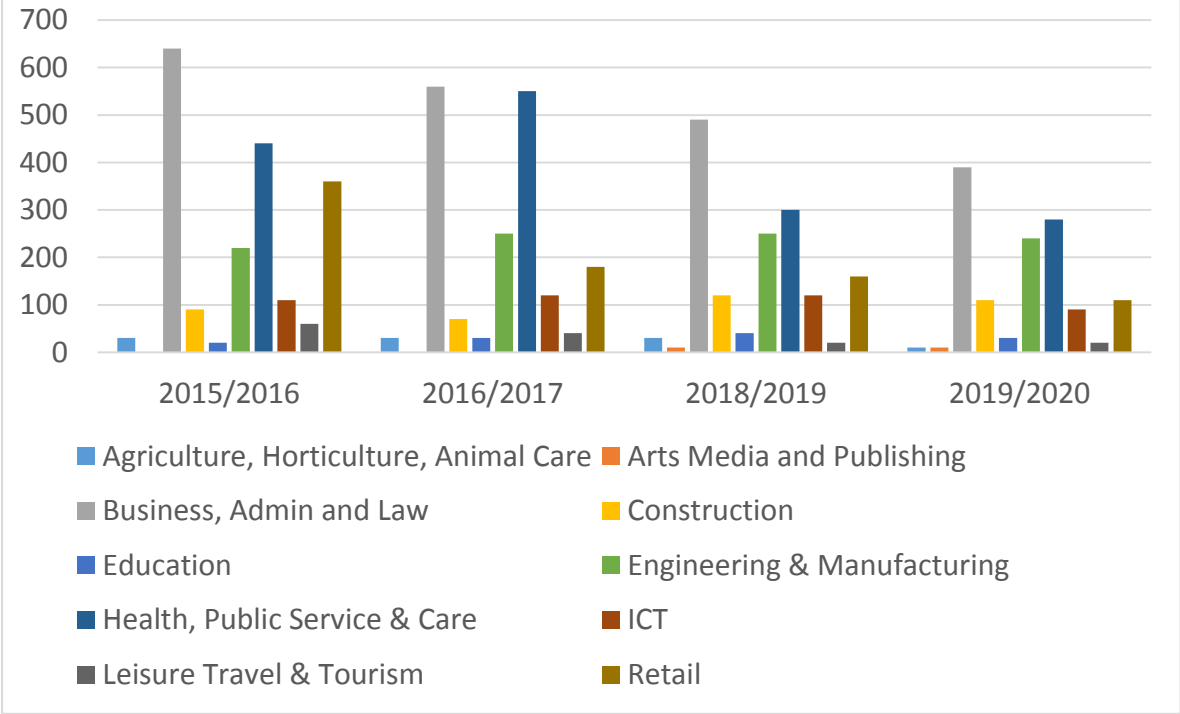
Level 2 Apprenticeships decrease while Higher Level and Degree Apprenticeships increase

Apprenticeships Appendix 2. Key Data.

Total Apprenticeship Starts by Sector (2015-2020)

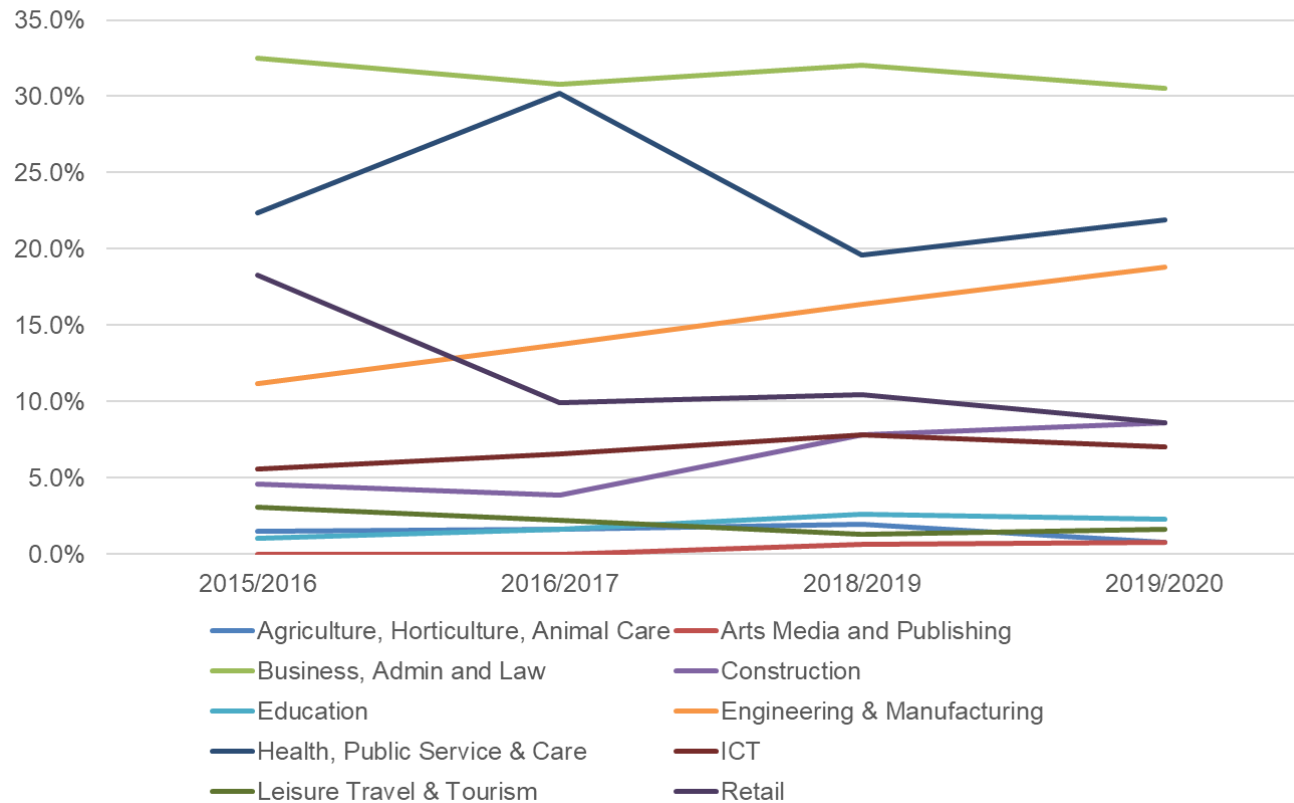
| | Agriculture, Horticulture, Animal Care | Arts Media and Publishing | Business, Admin and Law | Construction | Education | Engineering & Manufacturing | Health, Public Service & Care | ICT | Leisure Travel & Tourism | Retail | Total |
|-----------|--|---------------------------|-------------------------|--------------|-----------|-----------------------------|-------------------------------|------|--------------------------|--------|-------|
| 2015/2016 | 30 | 0 | 640 | 90 | 20 | 220 | 440 | 110 | 60 | 360 | 1970 |
| 2016/2017 | 30 | 0 | 560 | 70 | 30 | 250 | 550 | 120 | 40 | 180 | 1820 |
| 2018/2019 | 30 | 10 | 490 | 120 | 40 | 250 | 300 | 120 | 20 | 160 | 1530 |
| 2019/2020 | 10 | 10 | 390 | 110 | 30 | 240 | 280 | 90 | 20 | 110 | 1280 |
| | | | | | | | | | | | |
| | Agriculture, Horticulture, Animal Care | Arts Media and Publishing | Business, Admin and Law | Construction | Education | Engineering & Manufacturing | Health, Public Service & Care | ICT | Leisure Travel & Tourism | Retail | Total |
| 2015/2016 | 1.5% | 0.0% | 32.5% | 4.6% | 1.0% | 11.2% | 22.3% | 5.6% | 3.0% | 18.3% | 100% |
| 2016/2017 | 1.6% | 0.0% | 30.8% | 3.8% | 1.6% | 13.7% | 30.2% | 6.6% | 2.2% | 9.9% | 101% |
| 2018/2019 | 2.0% | 0.7% | 32.0% | 7.8% | 2.6% | 16.3% | 19.6% | 7.8% | 1.3% | 10.5% | 101% |
| 2019/2020 | 0.8% | 0.8% | 30.5% | 8.6% | 2.3% | 18.8% | 21.9% | 7.0% | 1.6% | 8.6% | 101% |

Total number of Apprenticeship Starts by Sector (2015-2020)



Business, Admin & Law along with Health, Public Service and Care Sectors represent largest number of apprenticeship starts

Apprenticeship starts by Sector as % of Total*



Engineering & Manufacturing, Construction and ICT increase share of total, while Retail and Admin sectors represent largest decreases

This page is intentionally left blank

Transfer of land at Clays Close, Swindon (former Stratton Education Centre) to Swindon Housing Company Ltd

Cabinet

Date: 3rd February 2021

| | |
|--------------------|---|
| Author: | Deputy Leader and Cabinet Member for Commercialisation, Economy and Skills Director of Housing |
| Wards: | St Margaret and South Marston |
| Parishes Affected: | Stratton St. Margret |

1. Purpose and Reasons

- 1.1 This report proposes the transfer of the site at the former Stratton Education Centre, Clays Close, Swindon in order for the Swindon Housing Company Ltd to redevelop the site for residential purposes.
- 1.2 As this is a proposal to dispose of land at a value that is less than could reasonably be obtained being lower than the current valuation for the site, the Commercial Investment Strategy Board (CISB) have referred this to Cabinet for consideration. The business case (attached at Exempt Appendix Two but not published as it is considered that it contains exempt information under Paragraph 3, Schedule 12A, Local Government Act 1972) was presented by the Housing Company, to the CISB on 1st December 2020.
- 1.3 The details of this report will help to deliver the Council's Priority 1: 'To improve infrastructure and housing to support a growing, low-carbon economy' and contribute to delivering Pledge 6F: 'Ensure there is a range of good quality housing options in Swindon, including affordable opportunities to buy and rent' and: 'Through the Local plan review, identify brown field and green field sites for housing to deliver homes...'

2. Recommendations

Cabinet is recommended to:

- 2.1 Authorise the Head of Property Assets in consultation with the Director of Housing to dispose of the freehold of the land at Clays Close, Swindon shown edged red on the plan attached as Appendix 1 ('the Site') to Swindon Housing Company Ltd at a value of 75,000. This disposal to be on such detailed terms and conditions as are determined by the Head of Property Assets in consultation with the Chief Legal Officer and as are considered necessary in order to protect the Council's interests.
- 2.2 To agree to a disposal at an undervalue of between £325k and £375k in order to secure wider benefits of retaining the Victorian building.

Further information on the subject of this report can be obtained from Michael Ash, Director of Housing, mash@swindon.gov.uk.

Transfer of land at Clays Close, Swindon (former Stratton Education Centre) to Swindon Housing Company Ltd

Cabinet

Date: 3rd February 2021

3. Detail

- 3.1 This proposed development forms part of the wider house building programme being developed by The Swindon Housing Development Company Ltd. The proposed scheme of 19 units (7 flats, 12 houses) would be delivered by the company for the benefit of the Council.
- 3.2 This site is one of a number of sites recently appraised by the Swindon Housing Company on land owned by the Council. The appraisal has taken account of the key factors and constraints of the site including a pre-application Planning submission which includes the retention of the existing Victorian school building. The Company has also made an assessment of the local housing market to establish potential sale prices.
- 3.3 The proposal includes the provision for 3 of the properties (15%) to be affordable homes however this will be subject to the planning application process, including a viability assessment.
- 3.4 The project can be funded by the Housing Company drawing down on a Council loan for the land acquisition, construction and associated fees. All profits arising from the completion and sale of the development will be returned to the Council as revenue, subject to the Company being able to declare a dividend, with the land sale returned as a capital receipt.
- 3.5 The key objectives for this project as proposed by the Housing company are:
 - 3.5.1 To retain and convert the Victorian building.
 - 3.5.2 Deliver 15% affordable housing provision subject to a viability assessment as part of the planning application process.
 - 3.5.3 To deliver a dividend to the Shareholder, as set out in the business case.
 - 3.5.4 To directly engage with the local housing market and improve the housing offer.
 - 3.5.5 Cabinet have previously agreed that disposals to the Housing Company would be at an open market valuation. This proposal departs from that principle. The proposed disposal to the Housing Company will ensure the Victorian building on the site is retained and converted. The building is of local significance but there is no guarantee that if the site is sold on the open market that the building can be protected from demolition. The disposal to the Housing Company will ensure its retention and therefore provides an environmental benefit to the local area that otherwise could not be secured. The Housing Company as stated above, would

Further information on the subject of this report can be obtained from Michael Ash, Director of Housing, mash@swindon.gov.uk.

Transfer of land at Clays Close, Swindon (former Stratton Education Centre) to Swindon Housing Company Ltd

Cabinet

Date: 3rd February 2021

also deliver 15% affordable housing provision, but this will be a matter for a separate viability assessment in accordance with Planning policy .

- 3.5.6 Discussions with planning officers have established that the building is considered to be of local significance and any proposals for development of the site would be required to retain the building. However, whilst the planning authority would require the building's retention, it is always possible that if the site is sold a purchaser would seek to challenge the planning authority's approach in this regard by way of appealing a refusal of an application to demolish the building. If an appeal is successful, demolition of the building could take place. Therefore reliance on planning powers does not guarantee the retention of the building. Also there is no way of ensuring that the Council as the current owner of the site can ensure through a sale on the open market that the building can be protected from demolition. The disposal to the Housing Company will ensure its retention and therefore provides an environmental benefit to the local area that otherwise could not be secured.

4. Alternative Options

4.1 Sell the land as a development site:

- 4.1.1 The site could be sold on the open market for the open market value recognising it is a potential residential development site as there is no existing planning approval for residential use.. The land could be sold by the Council either with or without planning permission, but with no guarantee of construction. The Council would receive a capital receipt for the land sale and diminished control over the retention of the Victorian building, relying solely on planning policies.

4.2 Do not pursue this specific project (Do nothing):

- 4.2.1 The Council could decide not to transfer the land to the company to develop the site. This would retain the area of land which could be used for alternative purposes or development for the future. Alternative sites for development are available but are yet to be fully developed to be brought forward through the current analysis process.

4.3 Re-design the scheme in its entirety:

- 4.3.1 The proposed development of the site could be re-designed entirely without retaining the Victorian building, subject to planning permission being obtained. This could result in a different size, form, layout or unit number of the development to meet an alternative outcome. As a result, the viability of the scheme would change and may lead to securing an open market valuation for

Further information on the subject of this report can be obtained from Michael Ash, Director of Housing, mash@swindon.gov.uk.

Transfer of land at Clays Close, Swindon (former Stratton Education Centre) to Swindon Housing Company Ltd

Cabinet

Date: 3rd February 2021

the land, and thereby affecting the return on investment, either positively or negatively. In order to facilitate any major amendment to the scheme, additional time and officer engagement would be required resulting in a delay.

4.4 Undertake minor amendments to the scheme:

4.4.1 There is the option to re-design less significant aspects of the development, such as the appearance of the properties or parking arrangements. There is no significant benefit to the Council in undertaking minor amendments to the design and layout.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 Funding for future housing developments is required through a loan from the Council to the Housing Company, which forms part of the £15M agreed at Council on 26th January 2017 (Council Minute 73, 2016/17 refers).
- 5.2 The loan from the Council to its Housing Company will be charged at a State Aid compliant rate of 6%.
- 5.3 The Government has introduced changes around accessing funding from the Public Works Loans Board. It cannot be used if the Council has any plans to buy investment assets primarily for commercial return and each Council's s151 officer is required to confirm that this is complied with.
- 5.4 This proposal is considered to be compliant as its purpose is to deliver the Council service priority of ensuring there is a range of good quality housing options in Swindon.
- 5.5 The Housing Company will be required to make payments on a monthly basis through a tightly controlled development cash flow. The company is expected to drawdown funding from the Council in line with the future cash flow requirements on a regular basis, in line with payment requirements which will reduce the risk to the Council and ensure the company keeps interest charges to a minimum.

Legal and Human Rights Implications

- 5.6 Section 123 of the Local Government Act 1972 requires any disposal of land to be at the best consideration reasonably obtainable, unless the prior approval of the Secretary of State has been obtained. The General Disposal Consent 2003 provides for specific consent not to be required where the local authority considers that a disposal at less than best consideration will help it secure the promotion or improvement of the economic, social or environmental well-being of its area and the difference between the

Further information on the subject of this report can be obtained from Michael Ash, Director of Housing, mash@swindon.gov.uk.

Transfer of land at Clays Close, Swindon (former Stratton Education Centre) to Swindon Housing Company Ltd

Cabinet

Date: 3rd February 2021

unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2M.

- 5.7 The Head of Property Assets has had the site valued and this has assessed the value of the site to be between £400k-£450k. The Housing Company has made provision in its business case to pay £75k for the site, which represents an undervalue of £325k- £375k. The unrestricted value of the land to be disposed of and the consideration for the disposal to the Housing Company does not exceed £2M therefore specific consent from the Secretary of State for the disposal is not required provided that the Council must be satisfied that the environmental benefit being secured from this proposed transaction as detailed in this report justifies the loss in value from an open market sale.
- 5.8 Any disposal at less than best consideration amounts to a subsidy to the Housing Company. Where this occurs we must ensure that the nature and amount of subsidy complies with the State Aid rules, particularly if there is no element of competition in the sale process. For most purposes, a *de minimis* level of aid of two hundred thousand Euros over three years applies.
- 5.9 If Cabinet are minded to approve this transaction, it is recommended that specific state aid advice is obtained prior to any disposal to ensure there is no breach of state aid rules.
- 5.10 It is considered that the proposal within this report is compatible with Convention Rights.

Climate Change Impact

- 5.11 The recommendations would bring about a reduction in the Council's carbon footprint with the development of quality, modern and energy efficient homes.
- 5.12 The Council is committed to building sustainable, energy and thermally efficient homes that are resilient to climate change. It will achieve this by creating great places to live, in mixed and balanced communities and contribute towards the Council's ambition towards net zero carbon.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.13 None.

Diversity Impact Assessment

- 5.14 No DIA has been undertaken at this time since the report does not propose any changes to service levels.

Further information on the subject of this report can be obtained from Michael Ash, Director of Housing, mash@swindon.gov.uk.

Transfer of land at Clays Close, Swindon (former Stratton Education Centre) to Swindon Housing Company Ltd

Cabinet

Date: 3rd February 2021

Risk Management

- 5.13 The current pandemic has seen delays with construction projects. The Company and its contractors are required to adhere to Government working practices that may contribute to such a delay.

Viability

- 5.14 The proposed development produces a lower return for the council as shareholder compared to a purely commercial scheme. However the scheme produces wider benefits of retaining the Victorian building as well as delivering additional affordable housing.

Costs

- 5.15 Cabinet are asked to be mindful that costs may fluctuate. Current costs are based on known benchmarks. The Company will need to mitigate and manage any cost pressures and keep the Council advised of any variances through its regular reporting requirements.

6. Consultees

- 6.1 The Corporate Director of Finance and Assets (s151 officer) and Chief Legal Officer (Monitoring Officer) are consulted in respect of all reports.

7. Background Papers

- 7.1 None.

8. Appendices

- 8.1 Appendix One: Plan of Clays Close site.
- 8.2 Appendix Two: Housing Company Business Case for development. This appendix is not for publication as it contains information that the Council considers exempt under Paragraph 3, Schedule 12A, Local Government Act 1972.

9. Key Decision/Decision in Cabinet Work Programme and Forward Plan

- 9.1 This is not a Key Decision and is included in the Cabinet Work Programme and Forward Plan for February 2021.



© Crown copyright 2020 Ordnance Survey 100053143



Neil Stapleton

**CLAYS CLOSE
SWINDON
SITE LAYOUT PLAN**

| Rev | Description | Date | Initial | Checked |
|-----|-------------|------|---------|---------|
| | | | | |

Client **The Swindon Housing Development Company Ltd.**
Project **NEW-BUILD**
Title **LOCATION-PLAN**

Status
SKETCH

Job Ref
84257

Drawing Number
SK-002

Drawn By
NS

Scale @ A3
1:500

PM/Checked by
APPROVED

Date Created
AUGUST-2020

Rev
.

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank