

# Swindon Borough Council

## Cabinet

**Wednesday, 5 June 2019**

Committee Room 6, Civic Offices

At 6.00 p.m. or at the Conclusion of the Cabinet Open Forum

### **Conservative Councillors**

David Renard (Chair)

Oliver Donachie

Brian Ford

Dale Heenan

Russell Holland

Mary Martin

Cathy Martyn

Maureen Penny

Gary Sumner

Keith Williams

**Committee Officer:** Douglas Campbell (Telephone 07779 413886)

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**Access Arrangements** - The venue is wheelchair accessible and an infrared receiver hearing system is provided. If you have any special requirements to enable you to attend the meeting or would like to receive any of the pages contained in this agenda in a larger print size, please contact the Committee Officer as soon as possible prior to the date of the meeting.

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## **AGENDA**

### **NOTE:**

**A Cabinet Open Forum is held at 6:00 p.m. prior to the start of each scheduled Cabinet Meeting. The Open Forum is similar to the 'public question time' that happens at most Council meetings. It provides the chance to meet with Cabinet Members as well as Corporate Directors and Directors to discuss matters relevant to the Cabinet and its responsibilities. It provides an opportunity to raise issues and give views. The Forum will normally close at 6.30 pm and the Cabinet will then reconvene for the start of the formal Cabinet meeting. If the Open Forum completes its business earlier than anticipated then the Cabinet Meeting will commence at 6:15pm or at the Forum's conclusion.**

**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 also 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 20<sup>th</sup> March 2019.

**4. Public Question Time.**

See explanatory note below. Please phone the Committee Officer whose name and number appears at the top of this agenda if you need further guidance.

**5. Exempt Items - Exclusion of Press and Public.**

*Certain items are expected to include the consideration of exempt information and the Cabinet is, therefore, recommended to resolve "That, in accordance with Section 100A(4) of the Local Government Act 1972, the public be excluded during the discussion of the matters referred to in the items listed below, on the grounds that they involve the likely disclosure of exempt information, as defined in the respective paragraph of Part 1 of Schedule 12A of the Act".*

| <u>Item No.</u> | <u>Paragraph No.</u> |
|-----------------|----------------------|
| <b>12</b>       | <b>3</b>             |

**6. Budget Management 2018/19** DF (CM: RH) (Pages 13 - 22)

**7. Capital Programme Monitoring Out-Turn 2018/19** DF (CM: RH) (Pages 23 - 34)

**8. Treasury Performance Management 2018/19** DF (CM: RH) (Pages 35 - 44)

**9. Debt Management** HRB (CM: RH) (Pages 45 - 58)

**10. Financial Inclusion Policy** HRB (CM: RH) (Pages 59 - 64)

**11. Councillors' Allowances 2020/21 - Recommendations of the Independent Remuneration Panel** CIRP (CM: DR) (Pages 65 - 104)

**12. Operational management of town centre premises** HPA (CM: KW) CE (Pages 105 - 112)

**Date of Despatch:** 28 May 2019

**Key:**

**Officers:**

CIRP                      Chair of the Independent Remuneration Panel  
DF                        -      Director of Finance (Section 151 Officer)  
HRB                        Head of Revenues and Benefits

**Wards**

CE                        Central

### **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 Finance, Education and Skills |
| OD |   | Oliver Donachie | Cabinet Member for Economy and Place  |
| BF | - | Brian Ford      | Cabinet Member for Adults and Health  |
| DH | - | Dale Heenan     | Cabinet Member for the Town Centre  |
| 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 and the Environment   |
| GS |   | Gary Sumner     | Cabinet Member for Strategic Planning   |
| KW |   | Keith Williams  | Cabinet Member for Corporate Services and Operational Excellence  |

### **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:

[http://www.swindon.gov.uk/info/20029/people\\_and\\_communities/309/diversity\\_impact\\_assessments](http://www.swindon.gov.uk/info/20029/people_and_communities/309/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.

Questions in writing should be sent to the Committee Officer whose contact details appear on the agenda above or to the Director of Law and Democratic Services, we will publish it, along with the answer, alongside the Minutes. The process associated with asking a public question is set out in Part 5 of the Council's Constitution ("Public Question Time at Council Meetings - Protocol and Guidance"), available on the Council's Website (see link below) or from the Committee Clerk named above.

<http://www5.swindon.gov.uk/moderngov/ecSDDisplay.aspx?NAME=SD6032&ID=6032&RPID=5783709>

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**CABINET**

**WEDNESDAY, 20 MARCH 2019**

PRESENT:- Councillors David Renard (Chair), Oliver Donachie, Brian Ford, Dale Heenan, Mary Martin, Cathy Martyn, Maureen Penny, Gary Sumner and Keith Williams

Apologies for absence were received from Councillors Russell Holland

Councillor Bob Wright attended the meeting in respect of Minute nos.71, 72, 73 and 75.

Councillor Stan Pajak attended the meeting in respect of Minute Nos. 72, 74 and 78.

Councillor Jane Milner-Barry attended the meeting in respect of Minute nos. 72 and 74.

**66. Declarations of Interest.**

The Chair reminded members of the need to declare known interests in any matters to be considered at the meeting.

**67. Minutes.**

Resolved – That the minutes of the meeting held on 6<sup>th</sup> February 2019 be confirmed and signed as a correct record.

**68. Public Question Time.**

There were no public questions.

**69. Exempt Items - Exclusion of Press and Public.**

Resolved – That, in accordance with Section 100A(4) of the Local Government Act 1972, the public be excluded during the discussion of the matters referred to in the item listed below, on the grounds that it involves the likely disclosure of exempt information, as defined in the respective paragraph of Part 1 of Schedule 12A of the Act, and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

| Item Nos. | Paragraph No. | Minute Nos. |
|-----------|---------------|-------------|
| 14        | 3             | 78          |

**70. Budget Management Update**

Councillor Russell Holland, the Cabinet Member for Finance, and the Director of Finance submitted a joint report providing Cabinet with an update on the position in relation to the 2018/19 forecast outturn.

In the absence of Councillor Holland, Councillor David Renard, the Leader of the Council, introduced the report, highlighting the following main issues:

- The forecast that, as at the end of January 2019, the outturn will be delivered within budget for 2018/19, an improvement of £1.3m since the last report.
- The settlement of a claim for a backdated VAT refund resulting in one off income of £3m. This has mitigated the in-year position and reduced the planned use of the cashflowing reserve required to support the 2018/19 budget.
- Recognition of the work of Cabinet colleagues and budget managers in delivering requisite service area budget savings, and the particular success of Adult services in delivering savings.

The report also responded to Council motions on issues relating to the Toothill Farmhouse and how procurement might grow and provide increased benefit to local suppliers within The Public Services Social Value Act.

Resolved – That (a) the in-year forecast outturn for 2018/19, (b) the response to the “Protect Toothill Farmhouse” petition, and (c) the update on the application of the Public Services (Social Value) Act 2012, be noted.

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

## **71. Capital Monitoring Quarter 3 2018/19**

Councillor Russell Holland, the Cabinet Member for Finance, and the Director of Finance submitted a joint report presenting to Cabinet the third quarter’s monitoring position for the Council’s capital programme and some proposed changes to the programme.

In the absence of Councillor Holland, Councillor David Renard, the Leader of the Council, introduced the report, highlighting the following additions to the programme:

- A £1.5m investment to maintain the Health Hydro over the next 5 years
- £420k to replace the lighting in 6 multi-storey car parks with LED alternatives, and to incorporate sensors & timers to provide more efficient lighting during opening hours.
- £455k for capital investment in provision for pupils with Special Educational Needs.
- £139k for pothole repairs, to be included within existing Highways budgets to deliver improvements on the roads.
- The increased budget provision to facilitate the Junction 16 improvements.

Councillor Bob Wright was in attendance and commented on the positive impact that the proposed upgrade of the Health Hydro will have on the Heritage Action Zone and future town centre development.

Resolved – (1) That the forecast capital expenditure, set out in Table 1 & 2 of the report and Appendix 1 to the report, be noted.

(2) That the changes detailed at paragraphs 3.2 to 3.3 of the report be noted and that the required funding adjustments be approved.

(3) That the additions to the programme, set out at section 3.4 of the report, be

approved.

(4) That the changes to the HRA capital programme, detailed at paragraph 3.5 of the report, be noted, and that the required funding adjustments be approved.

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

## **72. Swindon's Art and Museum collections and cultural provision**

Councillor Dale Heenan, the Cabinet Member for the Town Centre, and the Head of Planning, Regulatory Services and Heritage, submitted a joint report on Swindon's heritage and its established and diverse arts and cultural offer. The report recognised that the offer is currently provided at a number of locations, some with limited visibility, and that some of the facilities housing historic or cultural items and activities are difficult to access and in need of investment.

The report advised of the requirement for a co-ordinated and cohesive strategy for how heritage, arts and culture are accessed in the future, and that the most immediate priority was the Swindon Museum and Art Gallery (Swindon MAG).

It was noted that the Council owns and operates Swindon MAG, which houses an outstanding modern art collection of national importance, alongside largely locally-sourced artefacts of historic significance and that the collections deserve greater visibility, bringing cultural and educational benefits to a wider audience.

The report recognised that, in line with the adopted Town Centre Masterplan, great potential exists for the development of a wider cultural quarter and civic offer focussed around the Wyvern\Old Town Hall\Regent's Circus area and recommended that work is undertaken towards scoping a comprehensive cultural quarter providing a permanent solution. It was felt that this will also give the best opportunity to display the collection and ensure the long term sustainability of Swindon MAG.

It was noted that the report also responded to the motion at Full Council on 24th January which agreed to "ask the Leader of the Council (to) present a report to Cabinet considering the options of how the Council can organise Swindon's own trail with sculptures decorated by local artists and use it to raise money for the GWH Brighter Futures appeal". In response to the motion, the report proposed that a Member Working Group be established to determine how this project could be taken forward, unlocking opportunities for private sector sponsorship.

Councillor Heenan introduced the report and responded to questions put by Councillors Bob Wright, Stan Pajak and Jane Milner-Barry on the following issues:

- The opportunity to use revenue from the sale and/or redevelopment of the civic offices for investment in the maintenance, improvement, and sustainability of Swindon's heritage buildings.
- The need to ensure community engagement on proposals relating to the wider development opportunity for the area around, and including, the Wyvern Theatre.
- The possibility of developing a hybrid approach, where 'pop up' exhibitions and displays of the art and museum artefacts could take place.

- The viability of the current operating model for Swindon MAG and the mitigation of the proposed £20k budget reduction in its operating costs.

Resolved – (1) That the production of a viable and deliverable masterplan for a rebuild of the Wyvern Theatre, that includes (but is not limited to) a theatre, a new civic focus and a replacement Swindon Museum and Art Gallery, as a cultural quarter for Swindon, informed and supported by a master planning exercise to be funded through a Swindon and Wiltshire Local Enterprise Partnership (SWLEP) grant of £250,000, be approved.

(2) That the principle that appropriate items from Swindon's art and museum collection should be displayed at 'pop up' or rotating exhibitions within heritage and civic buildings around the town, and, subject to relevant safeguards being in place, be made available for local business display, be endorsed.

(3) That a one off budget of up to £100,000 be approved to support the use of space for this wider display of existing art and museum artefacts.

(4) That a budget of up to £400,000 be approved to undertake essential improvements at the Swindon MAG at Apsley House.

(5) That a new Council pledge, that "Every Child will be encouraged to visit the Council's museums including the Swindon Museum and Art Gallery as a learning opportunity while they are at school", be approved.

(6) That the Council's role as a facilitator to support accessible art and culture, including short term sculpture trails, which promote local talent, and may be auctioned for charitable causes, be endorsed.

Councillor Milner- Barry made a personal, non-prejudicial declaration of interest in her capacity as a "Friend of the Museum".

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

### **73. Swindon Local Transport Plan Implementation Plan 2019/20**

Councillor Maureen Penny, the Cabinet Member for Highways and the Environment, and the Corporate Director of Communities and Housing, submitted a joint report seeking Cabinet's approval for the adoption of the Local Transport Plan Implementation Plan for 2019/20 and for the Local Transport Plan Capital Programme budget apportionment for 2019/20.

It was noted that the Local Transport Plan (LTP) is the principal means of delivering the Council's transport programme and is the statutory document that contains the transport policies and programmes of the local transport authority. It is listed in Article 4 of the Council Constitution as a key document in forming the policy framework for the Council and it is subject to an annual report to the Cabinet in order to ensure transparency in the apportionment of the funding and aid the delivery of the programme.

Following her introduction of the report, Councillor Penny, supported by the Council's Service Manager Highway infrastructure, responded to questions put by Councillors Bob Wright and Brian Ford regarding Town Centre Highway Management and the scheduling of improvements in Manchester Road and Corporation Street, the future of bus movements within the Railway Village Conservation Area, and surface treatment programmes.



Resolved – (1) That the Local Transport Plan (LTP) Implementation Plan for 2019/20 be approved.

(2) That the Local Transport Plan Capital Programme budget categories and total spend of £4,104k for 2019/20, as detailed in Tables 1 to 7 of the Implementation Plan attached as Appendix 3 to the report, be approved.

(3) That the Corporate Director of Communities and Housing, in consultation with the Cabinet Member for Highways and the Environment, be authorised to:

- a) Prioritise schemes in accordance with Vision for Swindon priorities;
- b) Approve scheme progression in accordance with the updated Protocol (attached as Appendix 2 to the report and originally approved by the Cabinet in July 2010);
- c) Amend the Protocol to reflect changing job titles, organisational restructuring and improved input from and visibility to members;
- d) Vary allocations between different budget categories;
- e) Approve variations in scheme costs;
- f) Add/substitute schemes, provided expenditure is contained within the approved total budget; and
- g) Add additional schemes to the 2019/20 programme subject to receipt of the Pothole Action Fund allocation for 2019/20.

(4) That the Corporate Director of Communities and Housing, in consultation with the Cabinet Member for Highways and the Environment, be authorised to develop and submit a bid / bids during 2019/20 for relevant funding opportunities that might be launched by Government, or other funding agencies, for transport schemes that will benefit Swindon and which are in accordance with Vision for Swindon priorities.

(5) That the Highways and Transport Minor Works Requests process, set out in Appendix 4 to the report, be continued.

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

#### **74. Air Quality Management Area Declaration**

Councillor Cathy Martyn, the Cabinet Member for Housing and Public Safety, and the Director of Public Health submitted a joint report inviting Cabinet to approve the draft Air Quality Action Plan for the Kingshill Air Quality Management Area.

It was noted that Cabinet approved the declaration of an Air Quality Management Area for a stretch on the Kingshill in February 2018, this following a review and assessment of air quality within the Borough of Swindon, the Department for Environment, Food and Rural Affairs (DEFRA) objectives for Air Quality, with respect to Nitrogen Oxides (NOx) not being achieved in the Kingshill area.

Following her introduction of the report, Councillor Martyn, supported by the Public Health Consultant, responded to questions put by Councillors Stan Pajak and Jane Milner-Barry regarding the effectiveness of the Air Quality Steering Group's investigation, particularly in respect of its engagement with the public, and the Joint Strategic Needs Assessment (JSNA) of Air Quality in Swindon.

Resolved – (1) That the following priorities to improve air quality in the Air Quality Management Area be approved:

1. To investigate sustainable options for reducing emissions from road vehicles

on Kingshill Road; particularly in the uphill, South-East direction.

2. To facilitate a shift to more sustainable modes of travel, more active travel, better planned journeys, and more sustainable fuels.

(2) That the draft Air Quality Action Plan for the Kingshill Air Quality Management Area, as set out in appendix 1 to the report, be approved.

(3) That the Director of Public Health be authorised to consult with DEFRA, the Environment Agency and neighbouring Local Authorities on the draft Action Plan for the Kingshill Air Quality Management Area and to report back to Cabinet following such consultation for final approval of the plan.

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

## **75. The Bus Boulevard at Fleming Way. Bid to the Future High Street Fund**

Councillors Dale Heenan, the Cabinet Member for Town Centre Development, and Maureen Penny, the Cabinet Member for Highways and the Environment, and the Chief Executive, submitted a joint report seeking Cabinet's approval of (i) an outline strategy for how Swindon should approach the challenges and future of the town centre's High Street, and (ii) an application for £25m funding through the Future High Streets Fund for the Bus Boulevard public transport interchange at Fleming Way, Kimmerfields.

In addition, the report recommended that the emerging Town Centre Movement Strategy, test the Whalebridge Junction north south movement to offer greater permeability of traffic movements at this junction.

Councillor Heenan responded to questions put by Councillor Bob Wright regarding the absence of public toilet provision within the concept design for the Bus, the need for a Right turn from Islington Street into Whalebridge, and the implications of the scheme for the Council's air quality aspirations for Swindon.

Resolved – (1) That the themes set out at paragraph 3.12 to 3.19 of the report, that will inform the development of a vision for Swindon Town Centre which will accompany the capital bid for the Bus Boulevard to the Future High Street Fund, be endorsed.

(2) That the concept design for the Bus Boulevard scheme attached at Appendix 1 to the report, along with the accompanying artistic impressions at Appendix 2, be approved.

(3) That the Chief Executive, in consultation the Cabinet Member for Finance, be authorised to apply for external funding to deliver the Bus Boulevard scheme.

(4) That the Director of Finance, in consultation with the Cabinet Member for Resources and Cabinet Member for the Town Centre, be authorised to identify available funding, as detailed at paragraph 3.21 of the report, as a match element of the Future High Street Fund bid and bring the detailed allocation to a future Cabinet meeting for approval prior to the submission of a Phase 2 bid.

(5) That improvements to the Whalebridge Junction be supported and the Head of Highways, in consultation with the Cabinet Member for Highways and the Environment, be authorised to undertake detailed modelling linked with the emerging Town Centre Movement Strategy, as outlined in paragraphs 3.42 to 3.45 of the report.

(6) That the Head of Town Centre Development, in consultation with the Head of

Property Assets and Director of Finance, be authorised to settle compensation claims pursuant to the issue of a General Vesting Declaration relating to the compulsory purchase of land to facilitate the Kimmerfields development, utilising budgets previously authorised by Cabinet (Cabinet minutes 22, 2013/14 and 37, 2017/18 refer).

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

## **76. Swindon Borough Local Development Scheme Review 2019**

Councillor Gary Sumner, the Cabinet Member for Strategic Planning and Sustainability, and the Corporate Director of Communities and Housing, submitted a joint report seeking agreement for the revised Swindon Borough Local Development Scheme (LDS) 2019, which establishes the work programme for the production of Local Development Plans, (principally the Local Plan), including joint working arrangements with Wiltshire Council, and of the arrangements to make it publicly available.

It was noted that the LDS was last published in September 2017 and that, since then, the revised National Planning Policy Framework (NPPF2018) has been published which has implications for the production of the Swindon Local Plan review and joint working arrangements with Wiltshire Council. It was also noted that, in order to formally commence the Review, it was critical that an updated LDS is published to inform stakeholders and the public on the work programme and key dates in its production.

Resolved – (1) That the Swindon Borough Local Development Scheme, as attached at Appendix 1 to the report, be approved and that it be published in accordance with the arrangements set out in paragraph 3.24 of the report.

(2) That the Head of Planning, Regulatory Services, and Heritage, in consultation with the Cabinet Member for Strategic Planning and Sustainability, and the Interim Director of Law, be authorised to make minor non-material changes to the content of the Swindon Borough Local Development Scheme if required, prior to publication.

(3) That the preparation of a Statement of Common Ground with Wiltshire Council, to clarify the strategic cross boundary issues between the two authorities, be supported.

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

## **77. References from Other Council Bodies - Health and Wellbeing Board**

Councillor Brian Ford, the Cabinet Member for Adults, and the Corporate Director Adults' Services, submitted a joint report regarding a recommendation of the Health and Wellbeing Board, at its meeting on 13<sup>th</sup> March 2019, concerning proposed Multi-agency Safeguarding Arrangements for Children and Adults at Risk.

Resolved – That the recommendations of the Health and Wellbeing Board, at its meeting on 13<sup>th</sup> March 2019, that (a) the proposed multi-agency safeguarding arrangements, set out in Appendix 1 to the report to the Board, be endorsed and (b) that a Swindon Safeguarding Partnership, with the Swindon Clinical Commissioning

Group and Wiltshire police, be established, be approved.

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

#### **78. Proposed Sale of the County Ground Stadium, Central Swindon**

Councillor David Renard, the Leader of the Council, and the Chief Executive, submitted a joint report advising Cabinet of an offer for the council's freehold ownership of the County Ground Stadium and inviting Cabinet to consider if it wished to consider the sale of the site.

Councillor Renard introduced the report, highlighting the key benefits of the proposal to members, and responded to a question put by Councillor Stan Pajak regarding the proposed uses of the site. In response to a second question by Councillor Pajak, Councillor Renard advised that the area of the freehold proposed for sale was clearly defined and would not impinge on the adjoining cricket ground.

Resolved – (1) That the sale of the Council's freehold ownership of the County Ground Stadium, as identified in the plan appended to the report, based on the heads of terms referred to in the main body of the report, to the Party as identified in the main body of the report, for the reasons and for the sum also identified in the main body of the report, be approved.

(2) That the Chief Executive, in consultation with the Leader of the Council, be authorised to negotiate finalised terms for the disposal, on such terms and conditions that are considered appropriate in order to protect the Council's interests.

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

## Budget Management 2018/19

**Cabinet**

**Date: 5<sup>th</sup> June 2019**

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Authors: Cabinet Member for Finance, Education and Skills  
Director of Finance

Wards: All

Parishes Affected: All

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### **1. Purpose and Reasons**

- 1.1 This report presents the provisional revenue position for 2018/19, subject to audit by Grant Thornton, the Council's external auditors.
- 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 helps ensure that the Council consistently makes the best use of all available resources as well as providing focus for the Council's improvement programmes.

### **2. Recommendations**

Cabinet is recommended to:

- 2.1 Note the 2018/19 revenue out-turn for each service area set out in Table 1 and Appendix 1;
- 2.2 Note that the underspend on the General Fund of £587k has resulted in an increase in the General Reserve to £6.6m and ask the Chief Executive to thank all staff for helping achieve this;
- 2.3 Note the flexible use of capital receipts in 2018/19, as set out in Appendix 2;

### **3. Detail**

2018/19 General Fund Out-turn

- 3.1 The Council achieved an underspend of £587k for the financial year ending 31<sup>st</sup> March 2019 which has resulted in an increase in the Council's general reserves to £6.6m.
- 3.2 The significant changes since the last report to Cabinet are:
  - 3.2.1 Reduction in costs relating to financing the Council's capital expenditure in 2018/19;

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Further information on the subject of this report can be obtained from Mick Bowden on Direct Dial No. 07392 109917 or Email [mbowden@swindon.gov.uk](mailto:mbowden@swindon.gov.uk)

## Budget Management 2018/19

Cabinet

Date: 5<sup>th</sup> June 2019

- 3.2.2 Lower than projected car parking income, combined with an increase in service running costs;
- 3.2.3 Continued early delivery of savings planned for 2019/20 in Adults;
- 3.2.4 Improvement relating to income from the Department of Work and Pensions relating to housing benefit subsidy and grant income.
- 3.2.5 Finally, the overall net improvement meant that there was no requirement for the planned use of £2.8m from the cashflowing reserve. Instead, £191k has been transferred to the cashflowing reserve. The variance between the planned used of and the contribution to the cashflowing reserve is £3.015m which is value of the one off VAT refund that was reported to Cabinet in March.
- 3.3 The budget and out-turn by Department is set out in Table 1 below.

Table 1 – General Fund Out-turn By Department

| Department   | Budget<br>2018/19<br>£'000 | Actual<br>Out-turn<br>£'000 | Actual<br>Variance<br>£'000 | Movement<br>since last<br>report<br>£'000 |
|--|----------------------------|-----------------------------|-----------------------------|---|
| Adult Services                                     | 84,357                     | 81,141                      | (3,216)                     | (408)                                     |
| Children Services                                  | 34,230                     | 41,936                      | 7,706                       | (104)                                     |
| Communities and Housing                            | 26,145                     | 26,003                      | (142)                       | 400                                       |
| Economy  | (2,277)                    | (2,431)                     | (154)                       | (47)                                      |
| Resources  | 20,395                     | 18,396                      | (1,999)                     | (597)                                     |
| Corporate  | (19,802)                   | (25,599)                    | (5,797)                     | (1,055)                                   |
| <b>Total Before Use of<br/>Cashflowing Reserve</b> | <b>143,048</b>             | <b>139,346</b>              | <b>(3,602)</b>              | <b>(1,811)</b>                            |
| Transfer to/(from)<br>Cashflowing Reserve          | (2,824)                    | 191                         | 3,015                       | 1,224                                     |
| <b>Total General Fund</b>                          | <b>140,224</b>             | <b>139,537</b>              | <b>(587)</b>                | <b>(587)</b>                              |

Further information on the subject of this report can be obtained from Mick Bowden on Direct Dial No. 07392 109917 or Email [mbowden@swindon.gov.uk](mailto:mbowden@swindon.gov.uk)

# Budget Management 2018/19

Cabinet

Date: 5<sup>th</sup> June 2019

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## General Fund Reserves

- 3.4 A comparison of the actual change in significant reserves, compared to the planned support for the 2018/19 budget is set out below.

Table 2 – Key Budgeted Transfers To/(From) Reserves

|                        | Planned<br>£m | Actual<br>£m | Variance<br>£m |
|------------------------|---------------|--------------|----------------|
| Children's Social Care | (5.0)         | (5.0)        | 0.0            |
| Cashflowing            | (2.8)         | 0.2          | 3.0            |
| General Fund           | 0.0           | 0.6          | 0.6            |
|                        | (7.8)         | (4.2)        | 3.6            |

- 3.5 Against an overall planned use of £7.8m of reserves to support the 2018/19 budget, the final position is a drawdown of £4.2m. In recognition of the fact that the ongoing use of reserves is not sustainable the 2019/20 budget assumes the use of the remaining £2.5m of the Children's Social Care reserve only.

## Housing Revenue Account (HRA)

- 3.6 During the year the HRA achieved a breakeven position, an improvement of £413k on the last reported position
- 3.7 The principal reasons for the change were:
- 3.7.1 The recharging of capital work undertaken by the in-house workforce
- 3.7.2 A reduction in the capital financing charges
- 3.8 Revenue reserves have also been adjusted for a net surplus on service charges during the year of £141k leaving a balance of £11.6m at March 2019.

## Dedicated Schools Grant (DSG)

- 3.9 The final total of the Dedicated Schools Grant (DSG) for 2018/19 is estimated at £83.648m, compared to the budget of £87.205m.
- 3.10 The DSG final total is lower than the budget due to the retention of funding by the Education and Skills Funding Agency (ESFA) following a number of in year academy conversions. Following conversion, budget share payments are paid directly by the ESFA for the remainder of the year and the DSG is adjusted accordingly.

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Further information on the subject of this report can be obtained from Mick Bowden on Direct Dial No. 07392 109917 or Email [mbowden@swindon.gov.uk](mailto:mbowden@swindon.gov.uk)

# Budget Management 2018/19

**Cabinet**

**Date: 5<sup>th</sup> June 2019**

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- 3.11 Other significant changes from budget are:-
- 3.11.1 Cost pressure relating to increases in demand and complexity of needs for High Needs Top ups (£900k);
  - 3.11.2 Cost pressure relating to the recoupment of funding as a result of a change to ESFA policy on permanent exclusions (£200k);
  - 3.11.3 The receipt of additional High Needs Funding (£524k);
  - 3.11.4 Savings due to a reduction in placement costs in External Placements (£263k).
- 3.12 The year-end underspend for the DSG was £332k and this has been transferred to the DSG reserve. The DSG reserve balance is £956k of which £352k is committed to support the 2019/20 DSG budget.

## Flexible Use of Capital Receipts

- 3.13 In March 2016, the Government issued statutory guidance on the flexible use of capital receipts. This enables councils 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
- 3.14 The February meeting of the Cabinet endorsed the Council's existing approach to use the capital receipts flexibility to meet expenditure related to the delivery of future long term savings, with specific reference to:
- 3.14.1 Costs of delivering projects within the Swindon Programme,
  - 3.14.2 Reorganisation and restructuring costs that deliver financial savings, and
  - 3.14.3 Transitional investment that delivers long/term financial benefits by reducing future service costs.
- 3.15 In accordance with this approach the following items of expenditure in 2018/19 have been funded from capital receipts:
- 3.15.1 Restructuring costs relating to headcount reduction;
  - 3.15.2 Modernisation of Customer Services;
  - 3.15.3 Swindon Programme project capacity.
- 3.16 In summary the one-off costs of these items amounted to £0.6m and are anticipated to deliver ongoing annual savings of £1m. Additional expenditure of

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£0.9m has been invested in the Swindon Programme project capacity that is necessary to support the work to enable the savings to be realised which, for 2018-19 was £11.2m in total with a further £21.6m planned for 2019-20. Further details are set out in Appendix 2.

## 4. Alternative Options

- 4.1 None as this report is for information only.

## 5. Implications, Diversity Impact Assessment and Risk Management

### Financial and Procurement Implications

- 5.1 The general fund underspend of £587k has meant that it has not been necessary to utilise any of the £2.8m one off resources approved by Council in February 2018 to support the overall 2018/19 budget (Council Minute 72(1), 2017/18 refers). It has also resulted in an increase in the general fund reserve to £6.6m.

### 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.

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

- 5.3 There are no such direct implications.

### Diversity Impact Assessment

- 5.4 A Diversity Impact Assessment (DIA) has not been done as this report is reporting performance in the last financial year and does not make any recommendations to reprioritise the future funding of services.

### Risk Management

- 5.5 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 Director of Finance (Section 151 Officer) and Interim Director of Law (Monitoring Officer) are consulted in respect of all reports.

## 7. Background Papers

- 7.1 None

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Further information on the subject of this report can be obtained from Mick Bowden on Direct Dial No. 07392 109917 or Email [mbowden@swindon.gov.uk](mailto:mbowden@swindon.gov.uk)

# **Budget Management 2018/19**

**Cabinet**

**Date: 5<sup>th</sup> June 2019**

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## **8. Appendices**

8.1 Appendix 1 – Actual Out-turn by Department 2018/19

8.2 Appendix 2 – Flexible Use of Capital Receipts

## **9. Key Decision/Decision in Cabinet Work Programme**

9.1 This is not a key decision and is included in the Cabinet Work Programme for June 2019.

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Further information on the subject of this report can be obtained from Mick Bowden on Direct Dial No. 07392 109917 or Email [mbowden@swindon.gov.uk](mailto:mbowden@swindon.gov.uk)

| Fund         | Tier 1 Pillar           | Tier 2 Function  | Budget<br>2018/19<br>£'000 | Actual<br>£'000    | Actual<br>Variance<br>£'000 | Movement<br>since last<br>report<br>£'000 | Commentary on Variance Since Last Report  |  |
|--------------|-------------------------|--|----------------------------|--------------------|-----------------------------|---|---|--|
| General Fund | Resources               | Internal Audit and Health & Safety Finance               | 891                        | 727                | (164)                       | (17)                                      | Improvement on benefit subsidy (£185k), grant income from the DWP (£94k) and backdated court cost fees being at lower rate (£41k).  |  |
|              |                         |  | 5,296                      | 4,177              | (1,119)                     | (399)                                     |   |  |
|              |                         | Human Resources and Organisational Development           | 1,840                      | 1,758              | (82)                        | (63)                                      |   | Vacancy savings  |
|              |                         | Corporate  | (19,802)                   | (25,599)           | (5,797)                     | (1,055)                                   |   | Reduction in costs relating to financing the Council's capital expenditure   |
|              |                         | Corporate - Use of Cashflowing Reserve                   | (2,824)                    | 191                | 3,015                       | 1,224                                     |   | Overall net improvement meant that there was no requirement for the planned use of £2.8m from the cashflowing reserve. Instead £191k was transferred to the reserve.             |
|              |                         | Digital Services and Corporate Programmes                | 8,287                      | 7,848              | (439)                       | (130)                                     |   | Savings on IT operational budgets.   |
|              |                         | Law & Democratic Services                                | 2,854                      | 2,872              | 18                          | 80  |   | Increase in temporary staff costs.   |
|              | Economy                 | Performance, Organisation Improvement and Communications | 1,227                      | 1,014              | (213)                       | (68)                                      | Savings from vacancies (£44k) and other operational budgets.  |  |
|              |                         | Property & Assets  | (2,231)<br>(3,326)         | (7,012)<br>(3,586) | (4,781)<br>(260)            | (428)<br>(40)                             | Additional covenant release charge income   |  |
|              |                         | Strategic Growth Town Centre                             | 557<br>492                 | 481<br>674         | (76)<br>182                 | (1)<br>(6)                                |   |  |
|              | Children Services       | Routes to Employment & Libraries                         | (2,277)<br>2,307           | (2,431)<br>2,130   | (154)<br>(177)              | (47)<br>(130)                             |   | The main movement relates to an increase in Library income compared to the January forecast (£69k). There has also been a reduction in expected spend across the service (£61k). |
|              |                         | Skills & Attainment                                      | 2,056                      | 1,952              | (104)                       | (13)                                      |   |  |
|              |                         | Children, Families and Community Health Services         | 29,867                     | 37,854             | 7,987                       | 39  | An increase in cost pressures relating to Legal services and Disabled Children's services have been partially offset be a reduction in spend in Early Help Services, a reduction in agency spend and from additional contributions to External placements.  |  |
|              | Adult Services          | Adults   | 34,230<br>70,827           | 41,936<br>68,025   | 7,706<br>(2,802)            | (104)<br>(286)                            | The service area have continued to deliver the 19/20 savings plan which has had a positive impact on the outturn for 18/19.   |  |
|              |                         | Public Health  | 13,530                     | 13,116             | (414)                       | (122)                                     | Reductions in staffing costs due to delay in filling vacant post and additional income in Public Protection.  |  |
|              | Communities and Housing | Streetsmart and Supported Employment                     | 84,357<br>15,871           | 81,141<br>15,546   | (3,216)<br>(325)            | (408)<br>(85)                             | Increase in underspend due to improved trading results for Enterprise Works (£150k), reduced disposal costs for residual and green waste due to lower tonnages (£33k), vacancy savings (£64k) and underspends across other operational budgets. This improvement has mitigated cost pressures on the fleet and stores operation due to additional costs for materials, fuel, vehicle hire and year end stock adjustments (£250k).   |  |
|              |                         | Housing Services   | 402                        | 11                 | (391)                       | (85)                                      | Increase in underspend as a result of the work to reduce the use of Private Sector Landlords (PSLs).  |  |
|              |                         | Highways & Transport                                     | 7,792                      | 8,304              | 512                         | 620                                       | Off street parking income was lower than projected for both season ticket (£90k) linked to a fall in demand and Pay & Display (£280k) which appears to be due to a change in the pattern of parking duration. In addition costs were higher than projected mainly due to additional NNDR (£70k), one-off costs to upgrade machines to accept credit cards to comply with GDPR requirements (£30k), higher cash collection costs (£25k), additional repairs and security costs due to antisocial behaviour (£80k) and a provision to carry forward the balance of the additional funding to tackle anti-social behaviour (£45k). |  |
|              |                         | Planning, Regulatory and Heritage Services               | 925                        | 1,233              | 308                         | 59  | A further worsening of the trading results for catering (£34k), income from taxi licensing was less than previously forecast (£30k) and costs higher (£18k); fee recoveries for Development control were lower than forecast (£61k). This has been partly mitigated by an improvement on heritage site results (£81k).  |  |
|              |                         | Facilities Management                                    | 1,155                      | 909                | (246)                       | (109)                                     | Additional net income generated by both the in house security team (£47k) and Architecture & Construction team (£70k).  |  |
|              |                         |  | 26,145                     | 26,003             | (142)                       | 400                                       |   |  |
|              | General Fund Total      |  |                            | 140,224            | 139,637                     | (587)                                     | (587)   |  |

| Fund                          | Tier 1 Pillar                     | Tier 2 Function  | Budget<br>2018/19<br>£'000 | Actual<br>£'000 | Actual<br>Variance<br>£'000 | Movement<br>since last<br>report<br>£'000 | Commentary on Variance Since Last Report  |
|-------------------------------|-----------------------------------|--|----------------------------|-----------------|-----------------------------|---|---|
| Health                        | Health Adults<br>Health Childrens | Health Adults<br>Children's Health Delivery<br>Services - CCG Funded<br>Children's Health<br>Commissioning | 0<br>0<br>0                | 0<br>0<br>0     | 0<br>0<br>0                 | 0<br>0<br>(317)                           | These budgets are funded by the CCG and any variances are cleared at year end.  |
| Health Total                  |                                   |  | 0                          | 0               | 0                           | (317)                                     |   |
| Dedicated<br>Schools<br>Grant | DSG<br>Commissioning              | DSG Skills and Attainment  | 87,205                     | 83,648          | (3,557)                     | (131)                                     | Early Years estimated take up lower than previously expected but will also receive less DSG as below (£0.075m), Funding for mainstream schools and special schools retained by Education and Skills Funding Agency (ESFA) to pay directly following academy conversion (£0.461m). External Placement costs (£0.155m) offset by increased demand for High Needs top ups £0.267m. Net minor variances (£0.040m).<br>The DSG budget nets to nil at year end and the final DSG balance is a transfer to reserves of £0.332m (mainly due to Early Years funding for sufficiency of places to be spent 19/20 if agreed by Schools Forum).   |
| Dedicated<br>Schools<br>Grant | DSG<br>Commissioning              | DSG Skills and Attainment  | (87,205)                   | (83,648)        | 3,557                       | 166                                       | DSG funding retained for newly converted academies to be paid directly by ESFA and adjustment to DSG for fewer Early Years placements taken up, net £0.166m   |
| Dedicated Schools Grant Total |                                   |  | 0                          | 0               | (0)                         | 35  |   |
| Housing<br>Revenue<br>Account | Housing Revenue<br>Account        | Supervision & Management   | (35,565)                   | (35,436)        | 129                         | (63)                                      | The impact of voids on Council Tax charges and lost rent rose by £89k. This has been offset by a reduction in postage and stationery costs combined with further savings on vacant posts<br>Underspend reported during the year have been transferred to earmarked service charge reserves.<br>A higher level of recharge for work to the capital planned maintenance programme as a result of the use of the in-house team has mitigated Increased spend on materials and contractors in the last two months.<br>An improvement in the level of debt impairment required and a reduced contribution to Capital Financing and has mitigated the net overspend elsewhere on the HRA. |
|                               |                                   | Special Services   | 450                        | 428             | (22)                        | 151                                       |   |
|                               |                                   | Repairs  | 10,115                     | 10,356          | 241                         | (153)                                     |   |
|                               |                                   | HRA Capital Financing  | 25,000                     | 24,652          | (348)                       | (348)                                     |   |
| Housing Revenue Account Total |                                   |  | 0                          | 0               | 0                           | (413)                                     |   |

|                                    | Investment<br>Expenditure<br>2018-19 | Planned Savings<br>2019-20   |
|------------------------------------|--------------------------------------|--|
|                                    | £'000                                | £'000  |
| Headcount Reduction                | 465                                  | (799)  |
| Modernisation of Customer Services | 153                                  | (231)  |
| Corporate Programme Team Costs     | 906                                  | Swindon Programme project capacity<br>essential to the delivery of savings in 18-19<br>(£11.2m) and 19-20 (£21.6m) |
|                                    | <b>1,524</b>                         |  |

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## Capital Monitoring Outturn 2018/19

**Cabinet**

**Date: 5<sup>th</sup> June 2019**

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Authors: Cabinet Member for Finance, Education and Skills  
Director of Finance

Wards: All

Parishes Affected: All

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### **1. Purpose and Reasons**

- 1.1 This report presents the capital programme position as at the end of 2018/19 and proposed changes to the programme.
- 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 Note the latest 2018/19 Capital Programme position as at financial year end as detailed in paragraphs 3.1 to 3.4.
- 2.2 Approve the changes to the programme in sections 3.5 to 3.6.

### **3. Detail**

Capital Programme – 2018/19 monitoring

- 3.1 Table 1 below provides a summary of the out-turn position ("forecast spend to completion" column) compared with the approved total scheme budgets, as at the end of March 2019. The projected out-turn position represents the expected total spend for the scheme to completion over all remaining years. Table 2 shows how the capital programme is expected to be funded.

# Capital Monitoring Outturn 2018/19

Cabinet

Date: 5<sup>th</sup> June 2019

**Table 1 - Budget Forecasts and Variances**

| Service                         | Budget Remaining 2018/19 Onwards | Forecast Scheme Spend to Completion | Projected Variances |
|---------------------------------|----------------------------------|-------------------------------------|---------------------|
| Group                           | £'000                            | £'000                               | £'000               |
| Community Works                 | 1,035                            | 1,035                               | -                   |
| Corporate Projects              | 69,754                           | 70,092                              | 338                 |
| Section 106 (S106)              | 9,330                            | 9,330                               | -                   |
| Schools                         | 17,687                           | 17,687                              | -                   |
| Social Care                     | 1,250                            | 1,250                               | -                   |
| Transport                       | 111,955                          | 111,955                             | -                   |
| <b>Total General Fund</b>       | <b>211,011</b>                   | <b>211,349</b>                      | <b>338</b>          |
| HRA                             | 64,056                           | 64,056                              | -                   |
| <b>Total Existing Programme</b> | <b>275,067</b>                   | <b>275,405</b>                      | <b>338</b>          |
| New Approvals                   | 236                              | 236                                 | 236                 |
| <b>Revised Total programme</b>  | <b>275,303</b>                   | <b>275,641</b>                      | <b>574</b>          |

**Table 2 - Capital Programme funding**

|  | Current Funding Requirement | New Funding Required | Amended Funding Requirement |
|--|-----------------------------|----------------------|-----------------------------|
|  | £'000                       | £'000                | £'000                       |
| Capital Receipts   | 11,312                      | -                    | 11,312                      |
| Section 106 Deposits   | 10,493                      | 236                  | 10,729                      |
| Grant Funding  | 131,455                     | -                    | 131,455                     |
| Revenue Contributions  | 9,568                       | -                    | 9,568                       |
| HRA balances   | 37,516                      | -                    | 37,516                      |
| Salix funding (Interest free loan)   | 6,000                       |                      | 6,000                       |
| Invest to save borrowing repaid from future revenue budgets                  | 420                         | -                    | 420                         |
| Increase in Borrowing Requirement  | 68,579                      | 338                  | 68,877                      |
| <b>Total to be financed</b>  | <b>275,303</b>              | <b>574</b>           | <b>275,877</b>              |
| <b>There is a revenue impact from the additional borrowing of circa £27k</b> |                             |                      |                             |

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](mailto:iburbidge@swindon.gov.uk)



## Capital Monitoring Outturn 2018/19

Cabinet

Date: 5<sup>th</sup> June 2019

- 3.2 The total spend incurred in 2018/19 and how it was funded is shown below:

Table 3: Capital Expenditure Funding

|                                   | £'000s        |
|-----------------------------------|---------------|
| Actual Capital Spend 2018/19      | 75,039        |
| <b>Funded by:</b>                 |               |
| Capital Receipts                  | 4,045         |
| S106 Deposits                     | 5,224         |
| Grant                             | 21,800        |
| HRA balances                      | 18,849        |
| CIL                               | 1,340         |
| Increase in Borrowing Requirement | 23,781        |
| <b>Total</b>                      | <b>75,039</b> |

- 3.3 The detailed capital monitoring for 2018/19 is attached at Appendix 1.

### Projected Variances

- 3.4 Cabinet is asked to note the following variances to projects within the capital programme. Appendix 1 contains details of all schemes in the capital programme, together with their forecast closing position.

- 3.4.1 Line 56 - M4 Junction 16 – The projected outturn cost for the Junction 16 Improvements scheme has increased, above the total budget for the scheme of £12.8m. The majority of this is due to the results of the adjudication processes. While the Council benefitted most from the outcome, the impact was still significant when considering both the initial settlement and the associated technical and legal costs. Other cost increases are associated with site supervision and contract management, where the initial estimates were lower than the likely outturn.

### Variations to current approvals

- 3.5 Cabinet is asked to approve the following changes to the existing programme

- 3.5.1 Cabinet was previously advised that the Disabled Facilities Grant award for 2019/20 was expected to be £1.067m, but this has now been confirmed at £1.151m.

- 3.5.2 Outline plans and costing have been completed for the extension at Fessey House at an estimated cost of £3m. There will be further costs required for site preparation, fixtures and fittings etc so it is recommended to keep the overall budget for the scheme at £5m.

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# Capital Monitoring Outturn 2018/19

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Architects have now been commissioned and the overall budget requirement will be reviewed once this work is complete and planning permission is secured.

- 3.5.3 Line 49 - Stronger Together – It is proposed to merge this budget with Line 47 – Skype for Business.

## Addition to current programme

- 3.6 Cabinet is asked to approve the following changes to the existing programme

- 3.6.1 Library Management System (LMS) - £71k funded from S106 contributions. The current LMS is coming to the end of its current contract, and soft market testing has indicated an upper capital cost of £71k. It is proposed to tender jointly with Gloucestershire CC to achieve better value for money. The new solution may increase revenue costs, with any increase being met by savings from within the service.
- 3.6.2 Link Centre wet side changing rooms - £165k funded from S106 contributions. Built in 1985 the pool changing rooms are now outdated, a poor use of space, and in need of improvement. It is proposed to reconfigure, upgrade and decorate the current male and female wet side changing rooms, vanity area and family changing area.

## **4. Alternative Options**

- 4.1 Cabinet could choose not to approve the proposed additions to the capital programme.

## **5. Implications, Diversity Impact Assessment and Risk Management**

### Financial and Procurement Implications

- 5.1 The net overspend of £0.338m, against current the capital budget, will result in an additional cost pressure of £27k in the general fund capital financing budget (based on a typical 25 year repayment profile).

### 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.

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

- 5.3 There are no such direct implications.

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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](mailto:iburbidge@swindon.gov.uk)

# Capital Monitoring Outturn 2018/19

Cabinet

Date: 5<sup>th</sup> June 2019

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## Diversity Impact Assessment

- 5.4 A Diversity Impact Assessment (DIA) has not been done as this report does not make any new recommendations that would have a detrimental impact on services.

## Risk Management

- 5.5 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 Director of Finance (Section 151 Officer) and Interim Director of Law (Monitoring Officer) are consulted in respect of all reports.

## **7. Background Papers**

- 7.1 None

## **8. Appendices**

- 8.1 Appendix 1 – Detailed Capital Budget Monitoring 2018/19 Schemes

## **9. Key Decision/Decision in Cabinet Work Programme**

- 9.1 This is a key decision and is included in the Cabinet Work Programme for June 2019.

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| Ref | Scheme Name                                 | 18/19<br>Budget<br>Remaining<br>£000's | 18/19<br>Actual<br>Spend<br>£000's | Projected<br>Outturn for<br>Report<br>£000's | Projected<br>Variance for<br>Report<br>£000's |
|-----|---|--|------------------------------------|--|---|
| 1   | Asset Liability Management                  | 106                                    | 54                                 | 106  | -   |
| 2   | Flood Defence Grant                         | 104                                    | -                                  | 104  | -   |
| 3   | Hay lane Caravan Site                       | 111                                    | 3                                  | 111  | -   |
| 4   | Hodson Road embankment stabilisation        | 326                                    | 5                                  | 326  | -   |
| 5   | Playground Refurb                           | 8                                      | 8                                  | 8  | -   |
| 6   | Private Sector Renewal Grants               | 300                                    | 46                                 | 300  | -   |
| 7   | Village Centres 13/14                       | 80                                     | 9                                  | 80   | -   |
|     | <b>Community Works</b>                      | <b>1,035</b>                           | <b>125</b>                         | <b>1,035</b>                                 | <b>-</b>                                      |
| 8   | A419 Sound Barrier - Feasibility            | 15                                     | -                                  | 15   | -   |
| 9   | Asbestos Management                         | 280                                    | 30                                 | 280  | -   |
| 10  | Aspen House                                 | 122                                    | 18                                 | 122  | -   |
| 11  | Avaya Telephony Stabilisation               | 330                                    | -                                  | 330  | -   |
| 12  | Barbury Castle                              | 223                                    | -                                  | 223  | -   |
| 13  | Barnfield Solar Scheme                      | 2,025                                  | 699                                | 2,025  | -   |
| 14  | Buildings Demolition & Redevelopment        | 484                                    | -                                  | 484  | -   |
| 15  | Capital Repairs and Maintenance             | 2,362                                  | 1,695                              | 2,362  | -   |
| 16  | Car park Lighting                           | 420                                    | -                                  | 420  | -   |
| 17  | Carriage works Unit 3 @ Railway Village     | 26                                     | 26                                 | 26   | -   |
| 18  | Carriage works Unit 5 @ Railway Village     | 1,078                                  | 1,050                              | 1,078  | -   |
| 19  | Carriage works Unit 7 & 9 @ Railway Village | 2,400                                  | 127                                | 2,400  | -   |
| 20  | Carriage works Unit 11 @ Railway Village    | 1,198                                  | 78                                 | 1,198  | -   |
| 21  | Cavendish Square - Acquisition              | 3,316                                  | 3,315                              | 3,316  | -   |
| 22  | Children's ICS Project                      | 718                                    | 185                                | 718  | -   |
| 23  | Contribution to Superfast Broadband         | 240                                    | -                                  | 240  | -   |
| 24  | Disabled Facilities Grant                   | 1,192                                  | 1,141                              | 1,192  | -   |
| 25  | Drakes Meadow Park property purchase        | 5,789                                  | 5,789                              | 5,789  | -   |
| 26  | Equity Share Properties                     | 250                                    | 144                                | 250  | -   |
| 27  | Faringdon Road 1-3                          | 276                                    | 212                                | 276  | -   |
| 28  | Feasibility Studies                         | 261                                    | 28                                 | 261  | -   |
| 29  | Fessey Extension                            | 5,000                                  | 4                                  | 5,000  | -   |
| 30  | Health Hydro Improvements                   | 1,500                                  | -                                  | 1,500  | -   |
| 31  | HR & Finance System                         | 3,500                                  | -                                  | 3,500  | -   |
| 32  | IT Infrastructure                           | 1,100                                  | 510                                | 1,100  | -   |
| 33  | Kimmerfields - site access road             | 1,500                                  | 107                                | 1,500  | -   |
| 34  | Kimmerfields Compulsory purchase            | 2,753                                  | (16)                               | 2,753  | -   |
| 35  | Localities - buildings - Project Complete   | 6                                      | -                                  | -  | (6)   |
| 36  | Lydiard House - Backlog Maintenance         | 913                                    | 39                                 | 850  | (63)  |
| 37  | Lydiard House - Redevelopment of Pool Room  | 100                                    | -                                  | 100  | -   |
| 38  | Lysander House - Project Complete           | -                                      | -                                  | -  | -   |
| 39  | Mechanics Institute                         | 5                                      | 5                                  | 5  | -   |
| 40  | Moredon Recreation - Multi Sports Hub       | 3,650                                  | 112                                | 3,650  | -   |
| 41  | Museum Artefacts Storage                    | 46                                     | 10                                 | 46   | -   |
| 42  | Net Work Rail Land Purchase                 | 5,556                                  | 5,555                              | 5,556  | -   |
| 43  | NWOW  | 44                                     | 14                                 | 44   | -   |

|    |   |               |               |               |            |
|----|---|---------------|---------------|---------------|------------|
| 44 | Office Accommodation - Wyvern House - Project Complete                      | 32            | 20            | 20            | (12)       |
| 45 | Redevelopment of Dorcan House (Eldene Shopping Centre)                      | 250           | 7             | 250           | -          |
| 46 | Regulatory & Statutory Services Case Management System                      | 75            | 38            | 75            | -          |
| 47 | Skype for Business  | 127           | 51            | 127           | -          |
| 48 | SMAG Improvements (Apsley House)  | 400           | -             | 400           | -          |
| 49 | Stronger Together   | 319           | -             | 319           | -          |
| 50 | Swindon Museum & Art Gallery  | 4,817         | 16            | 4,817         | -          |
| 51 | Waterside Depot - Proposed New Road Layout                                  | 709           | 54            | 709           | -          |
| 52 | Waterside Fleet Vehicles  | 703           | 120           | 703           | -          |
| 53 | Wichelstowe District Centre   | 11,457        | 6,382         | 11,457        | -          |
| 54 | Wichelstowe District Centre - Housing Parcel Feasibility - Project Complete | 72            | -             | -             | (72)       |
| 55 | Wichelstowe District Centre - Parcel 2 & 3 - Project Complete               | 126           | 67            | 67            | (59)       |
| 56 | Wichelstowe J16 Improvements  | 1,989         | 2,008         | 2,539         | 550        |
|    | <b>Corporate Projects</b>   | <b>69,754</b> | <b>29,640</b> | <b>70,092</b> | <b>338</b> |
| 57 | 1 - 7 Purton Road   | 79            | -             | 79            | -          |
| 58 | Angel Ridge Play Area   | 28            | 13            | 28            | -          |
| 59 | Brimble Hill  | 84            | 84            | 84            | -          |
| 60 | CCTV  | 60            | 50            | 60            | -          |
| 61 | County Ground Athletics Track Resurface and Clubhouse                       | 1,057         | 357           | 1,057         | -          |
| 62 | East Wichel Major Open Space  | 342           | 3             | 342           | -          |
| 63 | Ermin Street, Blunsdon  | 245           | -             | 245           | -          |
| 64 | Flemming Way & Whalebridge  | 238           | -             | 238           | -          |
| 65 | Great Western Community Forest  | 331           | 22            | 331           | -          |
| 66 | Green Spine   | 5             | 1             | 5             | -          |
| 67 | Greenbridge Road Mini Roundabout  | 38            | 6             | 38            | -          |
| 68 | Havelock Square - Public Realm  | 48            | 11            | 48            | -          |
| 69 | Highdown Play Area  | 39            | -             | 39            | -          |
| 70 | Kingsdown Crossroads Traffic Signals  | 81            | 62            | 81            | -          |
| 71 | Landscape improvements at Greenbridge & Blagrove                            | 59            | 25            | 59            | -          |
| 72 | Mouldon Hill Country Park   | 371           | 4             | 371           | -          |
| 73 | NDA - Management of Protected Species Reserve                               | 43            | -             | 43            | -          |
| 74 | North Star roundabout and Cocklebury Roundabout Great Western Way           | 1,665         | -             | 1,665         | -          |
| 75 | Oakhurst way Crossing   | 71            | 36            | 71            | -          |
| 76 | Pentylands Country Park   | 35            | -             | 35            | -          |
| 77 | Reception remodelling at Steam Museum                                       | 1             | -             | 1             | -          |
| 78 | Regent Circus Highway Improvements Scheme                                   | 167           | -             | 167           | -          |
| 79 | Spring Gardens Refurbishment  | 106           | 31            | 106           | -          |
| 80 | St Marks Recreation Ground  | 101           | 5             | 101           | -          |
| 81 | STEAM - Operations & Retail Management System                               | 2             | -             | 2             | -          |

|     |  |               |              |               |          |
|-----|--|---------------|--------------|---------------|----------|
| 82  | STEAM Museum Frontage Improvements                             | 6             | 3            | 6             | -        |
| 83  | Tadpole Farm Transport Projects                                | 96            | -            | 96            | -        |
| 84  | Thamesdown Drive Speed Amelioration                            | 47            | 47           | 47            | -        |
| 85  | Transfer Bridges   | 3,474         | -            | 3,474         | -        |
| 86  | Tree and Landscape Improvements                                | 19            | 1            | 19            | -        |
| 87  | Wanborough Footpaths Upgrade                                   | 85            | 85           | 85            | -        |
| 88  | Wanborough Primary School                                      | 48            | 48           | 48            | -        |
| 89  | Whitbourne / Fessy Renovations                                 | 147           | 61           | 147           | -        |
| 90  | Wichelstowe Off Site Landscape and Nature Conservation         | 103           | 6            | 103           | -        |
| 91  | Wroughton War Memorial   | 7             | 7            | 7             | -        |
| 92  | WW1 Memorial Restoration Project                               | 2             | 1            | 2             | -        |
|     | <b>S106</b>  | <b>9,330</b>  | <b>969</b>   | <b>9,330</b>  | <b>-</b> |
| 93  | Abbey Meads  | 5             | 5            | 5             | -        |
| 94  | Bridlewood   | 350           | 4            | 350           | -        |
| 95  | Brimble Hill   | 100           | -            | 100           | -        |
| 96  | Capital Works - St Lukes                                       | 775           | 371          | 775           | -        |
| 97  | Condition Works Identified within the Asset Management Plan    | 1,533         | 368          | 1,533         | -        |
| 98  | Crowdys Hill   | 1,240         | 1,049        | 1,240         | -        |
| 99  | Devolved Formula Capital                                       | 785           | 785          | 785           | -        |
| 100 | Early Years provision - Grow 2gether disadvantaged 2 Year Olds | 175           | 175          | 175           | -        |
| 101 | Early Years provision - Wroughton Library                      | 130           | 130          | 130           | -        |
| 102 | EOTAS  | 1,224         | 1,246        | 1,224         | -        |
| 103 | Headlands School   | 505           | 6            | 505           | -        |
| 104 | Oliver Tomkins Primary School and Nursery                      | 40            | 40           | 40            | -        |
| 105 | Orchid Vale PFI Expansion                                      | 20            | (9)          | 20            | -        |
| 106 | Plas Pencelli Lodge Extension                                  | 260           | 279          | 260           | -        |
| 107 | PRU Conversion - St Lukes                                      | 225           | -            | 225           | -        |
| 108 | Special Education Needs and Disability Capital Investment Fund | 1,433         | 264          | 1,433         | -        |
| 109 | William Morris School  | 8,887         | 2,912        | 8,887         | -        |
|     | <b>Schools</b>   | <b>17,687</b> | <b>7,625</b> | <b>17,687</b> | <b>-</b> |
| 110 | ASC Equipment  | 411           | 135          | 411           | -        |
| 111 | Estate Rationalisation - CSS systems upgrade                   | 492           | 194          | 492           | -        |
| 112 | Extra care sheltered accommodation                             | 112           | -            | 112           | -        |
| 113 | H&SC Joint Working Projects                                    | 115           | -            | 115           | -        |
| 114 | Housing Options - Shared Living Accommodation                  | 120           | -            | 120           | -        |
|     | <b>Social Care</b>   | <b>1,250</b>  | <b>329</b>   | <b>1,250</b>  | <b>-</b> |
| 115 | Backlog Maintenance  | 595           | 333          | 595           | -        |
| 116 | Car Parks - Major Maintenance of MSCP                          | 590           | 90           | 590           | -        |
| 117 | Concrete Light Column replacement                              | 108           | 2            | 108           | -        |
| 118 | Cooperative Intelligent Transport Systems                      | 114           | 1            | 114           | -        |
| 119 | Drainage Schemes   | 413           | 31           | 413           | -        |
| 120 | Footpath 5   | 185           | 2            | 185           | -        |
| 121 | Footway Maintenance  | 265           | 189          | 265           | -        |
| 122 | Gateway signage (incl car park directions)                     | 328           | 2            | 328           | -        |

|     |  |                |               |                |            |
|-----|--|----------------|---------------|----------------|------------|
| 123 | Great Stall Bridge   | 34             | 34            | 34             | -          |
| 124 | Highways Asset Management Grant  | 8              | 8             | 8              | -          |
| 125 | Highways Infrastructure  | 1,241          | 973           | 1,241          | -          |
| 126 | LED Street Lighting  | 7,600          | 7             | 7,600          | -          |
| 127 | Local Sustainable Transport Fund   | 547            | 547           | 547            | -          |
| 128 | LTP Bus Priority & Infrastructure  | 13             | 10            | 13             | -          |
| 129 | LTP Integrated - Traffic Management  | 987            | 100           | 987            | -          |
| 130 | LTP Maintenance  | 855            | 736           | 855            | -          |
| 131 | LTP Safety Schemes   | 581            | 399           | 581            | -          |
| 132 | LTP Sustainable Transport  | 117            | 1             | 117            | -          |
| 133 | M4 Junction 15   | 3,700          | -             | 3,700          | -          |
| 134 | Mead Way Junction Improvements   | 3,986          | 549           | 3,986          | -          |
| 135 | NEV A420 Corridor  | 3,969          | 471           | 3,969          | -          |
| 136 | NEV Greenbridge Roundabout   | 69             | 69            | 69             | -          |
| 137 | Non Highways Structures (bridges within parks etc.)  | 382            | 12            | 382            | -          |
| 138 | NON LTP Maintenance  | 695            | 548           | 695            | -          |
| 139 | NON LTP Traffic Signals  | 293            | 203           | 293            | -          |
| 140 | Pavement Condition Management  | 305            | -             | 305            | -          |
| 141 | Rapid Transit - Quality Bus Corridors  | 9,006          | 3,179         | 9,006          | -          |
| 142 | Rights of way Improvement Plan   | 162            | 16            | 162            | -          |
| 143 | Road Markings  | 49             | 36            | 49             | -          |
| 144 | Sheppard Street Improvements   | 23             | -             | 23             | -          |
| 145 | Southern Connector Road  | 10,765         | 1,045         | 10,765         | -          |
| 146 | Strategic Highways Model update  | 66             | -             | 66             | -          |
| 147 | Street Lighting  | 1,276          | 212           | 1,276          | -          |
| 148 | Structural Maintenance   | 798            | 242           | 798            | -          |
| 149 | Swindon Bus Exchange   | 2,892          | 926           | 2,892          | -          |
| 150 | Town Centre Parking Strategy   | 50             | 4             | 50             | -          |
| 151 | Union Square Car Park  | 163            | -             | 163            | -          |
| 152 | Wellington Street Improvements   | 763            | 275           | 763            | -          |
| 153 | West of A419 - Package 2   | 1,956          | 155           | 1,956          | -          |
| 154 | White Hart Junction  | 27,754         | 1,147         | 27,754         | -          |
| 155 | Wichelstowe Southern Access  | 28,220         | 442           | 28,220         | -          |
| 156 | Wroughton Park and Ride bus entrance Traffic Signals Removal and other entry modifications | 32             | -             | 32             | -          |
|     | <b>Transport</b>   | <b>111,955</b> | <b>12,996</b> | <b>111,955</b> | <b>-</b>   |
|     | <b>General Fund Total</b>  | <b>211,011</b> | <b>51,684</b> | <b>211,349</b> | <b>338</b> |
|     |  |                |               |                |            |



|     |                                 |                |               |                |            |
|-----|---------------------------------|----------------|---------------|----------------|------------|
| 157 | Aids & Adaptations              | 1,486          | 1,476         | 1,486          | -          |
| 158 | Bathrooms                       | 401            | 391           | 401            | -          |
| 159 | Central heating                 | 2,120          | 2,116         | 2,120          | -          |
| 160 | Contingent Major Repairs        | 600            | 251           | 600            | -          |
| 161 | Electrics                       | 969            | 850           | 969            | -          |
| 162 | Environmental & Communal Areas  | 27             | 13            | 27             | -          |
| 163 | Exceptional Extensive           | 1,400          | 579           | 1,400          | -          |
| 164 | External Walls                  | 45             | 41            | 45             | -          |
| 165 | External/Entrance Doors         | 357            | 350           | 357            | -          |
| 166 | Fire Safety - Residential Flats | 1,005          | 651           | 1,005          | -          |
| 167 | Improvements                    | 541            | 59            | 541            | -          |
| 168 | Kitchens                        | 2,733          | 2,729         | 2,733          | -          |
| 169 | Planned Maintenance             | 1,773          | 1,676         | 1,773          | -          |
| 170 | Refurbishment High-Rise Blocks  | 100            | -             | 100            | -          |
| 171 | Roofs                           | 1,330          | 1,327         | 1,330          | -          |
| 172 | Scooter stores sheltered        | 266            | 7             | 266            | -          |
| 173 | Windows.                        | 1,163          | 1,048         | 1,163          | -          |
| 174 | Acquisitions Programme          | 10,160         | 4,904         | 10,160         | -          |
| 175 | Bembridge Cl / Sycamore Gr      | 668            | 642           | 668            | -          |
| 176 | Bourne Road - Bungalows         | 7              | 7             | 7              | -          |
| 177 | Brookfield, Highworth           | 79             | 8             | 79             | -          |
| 178 | Cranmore Ave, Park South        | 829            | 677           | 829            | -          |
| 179 | Hawthorn, Gorse Hill            | 1,062          | 1,062         | 1,062          | -          |
| 180 | Penhill United Reform Church    | 2,011          | 1,496         | 2,011          | -          |
| 181 | Queens Drive Regeneration       | 30,095         | 480           | 30,095         | -          |
| 182 | Royal British Legion, Penhill   | 642            | 240           | 642            | -          |
| 183 | Sussex Place                    | 1,812          | 48            | 1,812          | -          |
| 184 | Townsend House                  | 33             | 33            | 33             | -          |
| 185 | Ventnor Close                   | 30             | -             | 30             | -          |
| 186 | Vehicle Acquisitions            | 312            | 194           | 312            | -          |
|     | <b>HRA</b>                      | <b>64,056</b>  | <b>23,355</b> | <b>64,056</b>  | <b>-</b>   |
|     | <b>Council Overall Total</b>    | <b>275,067</b> | <b>75,039</b> | <b>275,405</b> | <b>338</b> |

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## Treasury Management Performance 2018/19

Cabinet

Date: 5<sup>th</sup> June 2019

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

Wards: All

Parishes Affected: All

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### 1. Purpose and Reasons

- 1.1 This report sets out the Treasury Management performance for 2018/19.
- 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:

- 2.1 Note the 2018/19 Treasury Management performance as detailed at paragraphs 3.1 to 3.21 and the Prudential Indicators shown at Appendix 2.

### 3. Detail

#### Treasury Management Performance 2018/19

- 3.1 The Council is involved in two types of treasury activity:
  - 3.1.1 Borrowing, both long term (for more than 1 year) for capital expenditure purposes and borrowing (for less than 1 year) for temporary cash flow purposes and
  - 3.1.2 Lending, for investment of surplus cash relating to reserves and for cash flow purposes.
- 3.2 The activity and performance in respect of each of these two activities is summarised in the sections below. Further detail is provided at Appendix 1.
  - Borrowing
- 3.3 The Council's Treasury Management Strategy sets out that the Council's long-term borrowing is currently lower than its underlying need to borrow to finance its capital investment, and that this position will be kept under review. Given the low long-term interest rates available to the Council, particularly in March 2019, a total of £30m of new long-term borrowing was undertaken. These comprise six loans of £5m each with varying maturities between 2028 and 2069 and interest rates ranging from 1.96% to 2.27%.

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Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial 07769 281641, or Email [iburbidge@swindon.gov.uk](mailto:iburbidge@swindon.gov.uk).

# Treasury Management Performance 2018/19

Cabinet

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- 3.4 A number of long-term loans totalling £11.501m matured during the year. These were running at an average rate of 1.74%. Total long-term debt has therefore increased from £307.8m to £326.3 over the year. The average maturity period on all existing long-term debt, including the new £30m of loans, is 18.1 years and the average rate on all long-term debt over the year was 3.35% (17/18 18.5 years/3.48%)
- 3.5 Short-term borrowing as at 31<sup>st</sup> March 2019 was £15.0m at an average of 0.90% (17/18 £8.0m/0.48%). The increased short term borrowing rate reflects the increase in bank base rate in August 2018. This figure fluctuates daily and reflects the Council's daily cash flow requirements which are dependent on the timings of receipts and payments.
- 3.6 The average rate the Council paid on all external debt (both long term and short term) over the whole of 2018/19 was 3.25%. (2017/18 3.34%)

## Investments

- 3.7 During 2018/19 there was an average daily investment balance of £48 million (17/18 £56m) which was a mixture of internally managed cash investments and an externally managed property fund (Local Authority Property Fund or "LAPF"). The balance at 31<sup>st</sup> March 2019 of £45.7m was a decrease from £48.0m at 31<sup>st</sup> March 2018. This balance is comprised of working capital (where we hold cash temporarily as a result of timing differences between receipts and payments) as well as general reserve balances which are more stable.
- 3.8 In total, interest of £0.887m was earned in 2018/19 on all investments (cash and LAPF) at an average rate of 1.84%. (2017/18 1.67%). The investment benchmark used by the Council (the 3 month London Interbank Offer Rate) was 0.8% for 2018/19.
- 3.9 The LAPF returned 4.24% in 2018/19 and the valuation of the fund increased from £14.97m to £15.2m over the year to March 2019. The other investments had an average balance of £33m returning an average rate of 0.75%.
- 3.10 The Prudential Code also sets out that authorities report their Non Treasury Investments which includes loans, shares and investment property. These are set out in Appendix 1.

## Prudential Indicators (PIs)

- 3.11 In order to demonstrate that local authorities have fulfilled the objectives of the Cipfa Prudential Code, the code sets out a basket of indicators that must be prepared and used. It should be noted that the prudential indicators are not for comparison between authorities, but are a means to support and record local decision-making. The PIs do not in themselves indicate either a good or bad

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# Treasury Management Performance 2018/19

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financial position, they are merely a statement of fact. Further detail is provided in Appendix 2.

## Capital Financing Requirement

3.12 The Council undertakes capital expenditure on long-term assets. These activities may either be:

3.12.1 Financed immediately through the use of capital or revenue resources (such as capital receipts, capital grants or revenue contributions), which has no resultant impact on the Council's borrowing need, or

3.12.2 If insufficient funding is available, or a decision is taken not to apply other funding, the capital expenditure will give rise to a **borrowing requirement** to ultimately fund the expenditure.

3.13 The Council's underlying borrowing requirement is measured through the **Capital Financing Requirement** ("CFR") and is simply the total ultimate borrowing requirement, regardless of whether that borrowing has yet taken place.

3.14 Part of the Council's treasury activity is to address the funding requirements for this borrowing need and the treasury management team organises the Council's cash position to ensure sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the PWLB or the money markets), or utilising temporary cash resources within the Council until that borrowing takes place.

3.15 The CFR (the ultimate borrowing requirement) is always higher than the actual level of borrowing, the difference being termed "internal borrowing" which represents the temporary funding of capital spend from existing cash balances and working capital as a short-term measure.

3.16 The table below shows the CFR and actual borrowing positions for March 2018 and March 2019 plus the original estimate for March 2019 presented as part of the Treasury Strategy to Cabinet last year:

| CFR and BORROWING POSITION            | 31-Mar-18<br>Actual<br>£m | 31-Mar-19<br>Actual<br>£m | Change<br>£m   |
|---------------------------------------|---------------------------|---------------------------|----------------|
| CFR General Fund (£m)                 | £348.23                   | £368.78                   | £20.55         |
| CFR HRA (£m)                          | £114.02                   | £109.02                   | (£5.00)        |
| <b>Total CFR incl PFI liabilities</b> | <b>£462.25</b>            | <b>£477.80</b>            | <b>£15.55</b>  |
| Gross borrowing position              | £307.76                   | £326.25                   | £18.49         |
| PFI Liability                         | £51.28                    | £49.56                    | (£1.72)        |
| <b>Under / over funding of CFR</b>    | <b>£103.21</b>            | <b>£101.99</b>            | <b>(£1.22)</b> |

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# Treasury Management Performance 2018/19

Cabinet

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- 3.17 This table shows an under-borrowed position of £101.99m i.e. there is a requirement for a further £102m of long-term borrowing to finance capital expenditure already incurred. This relates fully to the general fund as the HRA is fully funded.
- 3.18 As set out in the Capital Outturn report elsewhere on this agenda, the Council incurred general fund capital expenditure of £51.7m in 2018/19. This has been funded from S106 (£5.3m), CIL receipts (£1.3m), capital grant (£19.0m) and capital receipts (£2.3m) plus £23.8m of borrowing. The £23.8m was further reduced by £1.5m of MRP (a revenue provision for repayment of debt) and a reduction of £1.7m in the PFI liability leaving an increase in the General Fund CFR of £20.6m as shown in the table above.
- 3.19 The HRA made an MRP repayment of £5m reducing its CFR to £109m.
- 3.20 Appendix 2 contains detailed CFR calculations for both the General Fund and the HRA.

## Compliance with Treasury Limits

- 3.21 During the 2018/19 Financial Year all Treasury activity was carried out within the Council's Treasury limits and Prudential Indicators as set out in the Council's Treasury Policy Statement and annual Treasury Strategy Statement, as noted in the table below.

| <b>TREASURY LIMITS</b>                                     | <b>2018/19<br/>£m</b> |
|--|-----------------------|
| <b>Authorised limit</b>                                    | <b>£495.06</b>        |
| Maximum gross borrowing position during the year incl. PFI | £375.81               |
| <b>Operational boundary</b>                                | <b>£490.06</b>        |
| Average gross borrowing position                           | £309.70               |

## **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 report contains full details of the treasury activity undertaken during the year.
- 5.2 The 2019/20 budget has assumed a similar level of investment balances and interest will be achieved in 2019/20
- 5.3 The Director of Finance (Section 151 officer) has put in place provisions to reduce the dependency on internal borrowing that will take advantage of the historically low long term interest rates, thus protecting the Council from a sudden

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# Treasury Management Performance 2018/19

Cabinet

Date: 5<sup>th</sup> June 2019

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peak in borrowing costs. This process is in line with the Treasury Management Strategy approved by the Council.

## Legal and Human Rights Implications

- 5.4 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.

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

- 5.5 There are no such direct implications.

## Diversity Impact Assessment (DIA)

- 1.1 A Diversity Impact Assessment (DIA) has not been done as this report does not make any new recommendations that would have a detrimental impact on services.

## Risk Management

- 5.6 There are no direct risks arising from this report.

## **6. Consultees**

- 6.1 The Director of Finance (Section 151 Officer) and Interim Director of Law (Monitoring Officer) are consulted in respect of all reports.

## **7. Background Papers**

- 7.1 None

## **8. Appendices**

- 8.1 Appendix 1 – Treasury Portfolio

- 8.2 Appendix 2 – Prudential Indicators

## **9. Key Decision/Decision in Cabinet Work Programme**

- 9.1 This is not a Key Decision and is included in the Cabinet Work Programme for June 2019.

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# Treasury Management Performance 2018/19

## Appendix 1 – Treasury Portfolio

Cabinet

Date: 5<sup>th</sup> June 2019

| 1 .DEBT PORTFOLIO                     | 31-Mar-18 Principal | Rate/ Return | Average Life yrs.' | 31-Mar-19 Principal | Rate/ Return | Average Life yrs.' |
|---------------------------------------|---------------------|--------------|--------------------|---------------------|--------------|--------------------|
| Fixed rate funding:                   | £m                  |              |                    | £m                  |              |                    |
| -PWLB                                 | £267.76             | 3.39%        | 16.7               | £296.25             | 3.26%        | 17.7               |
| -Market                               | £40.00              | 3.59%        | 21.1               | £30.00              | 4.30%        | 30.6               |
| <i>Of which</i>                       |                     |              |                    | £m                  |              |                    |
| -HRA                                  | £120.53             |              |                    | £115.53             |              |                    |
| -General Fund                         | £187.22             |              |                    | £210.72             |              |                    |
| <b>Long Term Debt</b>                 | <b>£307.76</b>      | <b>3.34%</b> |                    | <b>£326.25</b>      | <b>3.25%</b> |                    |
| PFI liabilities                       | £51.28              |              |                    | £49.56              |              |                    |
| <b>Total long term debt incl. PFI</b> | <b>£359.04</b>      |              |                    | <b>£375.81</b>      |              |                    |
| -Short Term Debt                      | £8.00               | 0.48%        | 0.1                | £15.00              | 0.90%        | 0.2                |
| Total investments                     | (£47.97)            | 1.67%        |                    | (£45.70)            | 2.06%        |                    |
| <b>Net debt</b>                       | <b>£319.07</b>      |              |                    | <b>£315.11</b>      |              |                    |
|                                       |                     |              |                    |                     |              |                    |
| <b>CFR</b>                            | <b>£462.25</b>      |              |                    | <b>£477.80</b>      |              |                    |
| Total debt incl. PFI                  | £359.04             |              |                    | £375.81             |              |                    |
| <b>Over / (under) borrowing</b>       | <b>£103.21</b>      |              |                    | <b>£101.99</b>      |              |                    |

| 2. MATURITY OF DEBT            | 31-Mar-18 Actual | 2018/19 Maximum limit | 31-Mar-19 Actual |
|--------------------------------|------------------|-----------------------|------------------|
|                                | £m               | £m                    | £m               |
| Under 12 months                | £19.50           | £69.34                | £16.50           |
| 12 months and within 24 months | £1.50            | £138.67               | £11.50           |
| 24 months and within 5 years   | £34.05           | £184.90               | £26.05           |
| 5 years and within 10 years    | £66.98           | £184.90               | £84.18           |
| 10 years and within 20 years   | £79.92           | £231.12               | £69.22           |
| 20 years and within 30 years   | £28.00           | £231.12               | £31.00           |
| 30 years and within 40 years   | £25.80           | £231.12               | £32.80           |
| 40 years and within 50 years   | £60.00           | £231.12               | £70.00           |
| <b>Total</b>                   | <b>£315.76</b>   |                       | <b>£341.25</b>   |

# Treasury Management Performance 2018/19

## Appendix 1 – Treasury Portfolio

Cabinet

Date: 5<sup>th</sup> June 2019

| <b>3. NEW LOANS</b> |                |                     |               |                 |
|---------------------|----------------|---------------------|---------------|-----------------|
| Lender              | Principal      | Type                | Interest Rate | Maturity        |
| PWLB                | £5.00m         | Fixed interest rate | 2.00%         | 9.7 years       |
| PWLB                | £5.00m         | Fixed interest rate | 1.96%         | 10.5 years      |
| PWLB                | £5.00m         | Fixed interest rate | 2.27%         | 45 years        |
| PWLB                | £5.00m         | Fixed interest rate | 2.27%         | 47 years        |
| PWLB                | £5.00m         | Fixed interest rate | 2.27%         | 48 years        |
| PWLB                | £5.00m         | Fixed interest rate | 2.22%         | 50 years        |
| <b>Total</b>        | <b>£30.00m</b> |                     | <b>2.17%</b>  | <b>35 years</b> |

| <b>4. INVESTMENT PORTFOLIO</b>                            | Actual<br>31-Mar-18<br>£m | Actual<br>31-Mar-18<br>% | Actual<br>31-Mar-19<br>£m | Actual<br>31-Mar-19<br>% |
|---|---------------------------|--------------------------|---------------------------|--------------------------|
| <b>Treasury investments</b>                               |                           |                          |                           |                          |
| Banks   | £15.00                    | 31%                      | £15.00                    | 33%                      |
| Local authorities   | £11.00                    | 23%                      | £15.50                    | 34%                      |
| Money Market Funds  | £7.00                     | 15%                      |                           |                          |
| <b>Total managed in house</b>                             | <b>£33.00</b>             | <b>69%</b>               | <b>£30.50</b>             | <b>67%</b>               |
| Property funds  | £14.97                    | 31%                      | £15.20                    | 33%                      |
| <b>Total managed externally</b>                           | <b>£14.97</b>             | <b>31%</b>               | <b>£15.20</b>             | <b>33%</b>               |
| <b>TOTAL TREASURY INVESTMENTS</b>                         | <b>£47.97</b>             | <b>100%</b>              | <b>£45.70</b>             | <b>100%</b>              |
| <b>Non Treasury investments</b>                           |                           |                          |                           |                          |
| Loans to Subsidiary Companies                             |                           |                          |                           |                          |
| - <i>Public Power Solutions Ltd</i>                       | £8.90                     | 37%                      | £8.90                     | 38%                      |
| - <i>Swindon Housing (Development) Co. Ltd</i>            | £1.80                     | 7%                       | £0.56                     | 2%                       |
| - <i>Swindon Common Farm Solar Community Interest Plc</i> | £2.95                     | 12%                      | £2.90                     | 12%                      |
| - <i>Swindon Chapel Farm Solar Plc</i>                    | £2.97                     | 12%                      | £2.94                     | 12%                      |
| Shares in Subsidiaries                                    | £0.03                     | 0%                       | £0.03                     | 0%                       |
| Property  | £7.47                     | 31%                      | £8.25                     | 35%                      |
| <b>TOTAL NON TREASURY INVESTMENTS</b>                     | <b>£24.12</b>             | <b>100%</b>              | <b>£23.58</b>             | <b>100%</b>              |
|   |                           |                          |                           |                          |
| <b>Treasury investments</b>                               | £47.97                    | 67%                      | £45.70                    | 66%                      |
| <b>Non Treasury investments</b>                           | £24.12                    | 33%                      | £23.58                    | 34%                      |
| <b>TOTAL OF ALL INVESTMENTS</b>                           | <b>£72.09</b>             | <b>100%</b>              | <b>£69.28</b>             | <b>100%</b>              |

# Treasury Management Performance 2018/19

## Appendix 2 – Prudential Indicators

Cabinet

Date: 5<sup>th</sup> June 2019

### The Capital Prudential Indicators 2018/19

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.

| 1. PRUDENTIAL INDICATORS  | 2017/18<br>Actual<br>£m | 2018/19<br>Estimate<br>£m | 2018/19<br>Actual<br>£m |
|---|-------------------------|---------------------------|-------------------------|
| <b>Capital Expenditure</b>  |                         |                           |                         |
| Non - HRA   | £38.80                  | £197.79                   | £51.68                  |
| HRA (applies only to housing authorities)   | £31.92                  | £63.39                    | £23.36                  |
| <b>TOTAL</b>  | <b>£70.72</b>           | <b>£261.19</b>            | <b>£75.04</b>           |
| The 2018/19 estimate included capital expenditure phased across all years whereas the 2018/19 Actual is based on only 2018/19 actual spend. |                         |                           |                         |
| <b>Ratio of financing costs to net revenue stream</b>   |                         |                           |                         |
| Non - HRA   | 8.1%                    | 8.0%                      | 8.7%                    |
| HRA   | 44.3%                   | 39.3%                     | 38.8%                   |
| <b>CFR</b>  |                         |                           |                         |
| Non – HRA   | £348.23                 | £361.09                   | £368.78                 |
| HRA   | £114.02                 | £109.02                   | £109.02                 |
| <b>TOTAL</b>  | <b>£462.25</b>          | <b>£470.11</b>            | <b>£477.80</b>          |
| <b>Annual change in Cap. Financing Requirement</b>  |                         |                           |                         |
| Non – HRA   | £13.95                  | £12.86                    | £20.55                  |
| HRA   | (£5.00)                 | (£5.00)                   | (£5.00)                 |
| <b>TOTAL</b>  | <b>£8.95</b>            | <b>£7.86</b>              | <b>£15.55</b>           |
|   |                         |                           |                         |

# Treasury Management Performance 2018/19

## Appendix 2 – Prudential Indicators

Cabinet

Date: 5<sup>th</sup> June 2019

| 2. TREASURY MANAGEMENT INDICATORS               | 2017/18<br>Actual<br>£m | 2018/19<br>Original<br>£m | 2018/19<br>Actual<br>£m |
|---|-------------------------|---------------------------|-------------------------|
| <b>Authorised Limit for external debt -</b>     |                         |                           |                         |
| borrowing                                       | £307.76                 | £445.50                   | £326.25                 |
| other long term liabilities                     | £51.28                  | £49.56                    | £49.56                  |
| <b>TOTAL</b>                                    | <b>£359.04</b>          | <b>£495.06</b>            | <b>£375.81</b>          |
| <b>Operational Boundary for external debt -</b> |                         |                           |                         |
| borrowing                                       | £307.76                 | £440.50                   | £326.25                 |
| other long term liabilities                     | £51.28                  | £49.56                    | £49.56                  |
| <b>TOTAL</b>                                    | <b>£359.04</b>          | <b>£490.06</b>            | <b>£375.81</b>          |
| <b>Actual external debt</b>                     | <b>£307.76</b>          | <b>£445.50</b>            | <b>£326.25</b>          |

| 3. HRA INDICATORS              | 2017/18<br>Actual<br>£m | 2018/19<br>Original<br>£m | 2018/19<br>Actual<br>£m |
|--------------------------------|-------------------------|---------------------------|-------------------------|
| Notional HRA debt cap*         | £172.60                 | £172.60                   | £172.60                 |
| HRA CFR 31st March             | £114.02                 | £109.02                   | £109.02                 |
| <b>Notional HRA headroom</b>   | <b>£58.58</b>           | <b>£63.58</b>             | <b>£63.58</b>           |
| HRA Average investment balance | £28.50                  | £25.00                    | £19.00                  |
| Number of HRA dwellings        | 10,299                  | 10,279                    | 10,279                  |
| <b>Debt per dwelling</b>       | <b>£11,070.53</b>       | <b>£10,605.64</b>         | <b>£10,605.64</b>       |

*\*Abolition of HRA debt cap. In October 2018, Prime Minister Theresa May announced a policy change of abolition of the HRA debt cap. The Chancellor announced in the Budget that the applicable date was 29.10.18. The debt cap therefore is only notional going forward.*

## Debt Management

**Cabinet**

**Date: 5<sup>th</sup> June 2019**

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Author: Cabinet Member for Finance, Education and Skills  
Director of Finance / Head of Revenues & Benefits

Wards: All

Parishes Affected: All

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### **1. Purpose and Reasons**

- 1.1 The Council's Debt Management Policy requires officers to submit an annual report of write offs to the Cabinet. Debt management is a key component of the Council's Value for Money Strategy and help achieve the "Best use of Resources."
- 1.2 Reducing the requirement for Council Tax recovery action helps households avoid costs and help protect "our most vulnerable." The Council's Priority number four is to help people to help themselves, while always protecting the most vulnerable children and adults. Pledge 17 is to 'Provide early support so that Swindon residents are financially included and avoid getting into debt.'

### **2. Recommendations**

Cabinet is recommended to:

- 2.1 Note collection rates for Council Tax, Housing Rents and Car Parking Penalty Charge Notices improved and Business Rates collection remained at a high level (see appendix one).
- 2.2 Note the number of Car Parking Penalty Charge Notices being referred to Enforcement Agents (or Bailiffs) reduced in 2018/19. The number of Council Tax debts referred to Enforcement Agents did increase, although the number of households involved was lower.

### **3. Detail**

Council Tax Recovery

In order to reduce the use of Bailiffs, the Council telephones customers prior to undertaking recovery proceedings for non-payment. Customers are requested to make payment of part or all of the arrears or if unable to, are offered a revised payment arrangement. This and an increased use of text reminders to residents' mobile phones did lead to a reduction in the number of summonses being issued in the years from 2014-2017, but in the last two years the number has increased. The numbers of summonses issued is shown below:

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Further information on the subject of this report can be obtained from Andy Stevens, (01793) 464607, [anstevens@swindon.gov.uk](mailto:anstevens@swindon.gov.uk).

## Debt Management

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|                       | 2013/14 | 2014/15 | 2015/6 | 2016/7 | 2017/8 | 2018/19 |
|-----------------------|---------|---------|--------|--------|--------|---------|
| Council Tax Summonses | 14,024  | 11,016  | 9,416  | 8,642  | 9,630  | 10,598  |

- 3.1 Although the number of summonses has increased, the telephone calls to Council Taxpayers who have been sent reminders prevented 1,769 Summonses in 2018/19. The numbers of telephone calls made and answered in 2018/19 was 2,703. The summonses were prevented by obtaining payments or revising instalment payments. The 10,598 summonses in 2018/19 represented 10.9% of the 97,275 households in the Swindon area as at 31<sup>st</sup> March 2019, whilst the 14,024 summonses in 2013/14 represented 15.2% of the 92,565 households as at 31<sup>st</sup> March 2014.
- 3.2 During 2018/19 the 'in year' Council Tax 'excluding credits' collection rate increased from 96.38% in 2017/18 to 96.45% in 2018/19. The 'excluding credits' rate increased from 97.37% in 2017/18 to 97.47% in 2018/19. The 'in year' collection rates are shown in appendix 1 and 2. This year the Council has reported the excluding credits figure, since the credits are used to offset liability owed in the next financial year. The Council continues to collect outstanding Council Tax after the financial year has ended and eventually 99% (excluding credits) of Council Tax is collected.
- 3.3 As at 31<sup>st</sup> March 2019 the collection of Council Tax for the six previous financial years was:

|         | Collection Rate (Excluding Credits) |
|---------|-------------------------------------|
| 2012/13 | 99.03%                              |
| 2013/14 | 98.89%                              |
| 2014/15 | 98.84%                              |
| 2015/16 | 98.76%                              |
| 2016/17 | 98.56%                              |
| 2017/18 | 98.02%                              |

\*\* Full review of discounts took place in 2017/18

- 3.4 Comparisons with other Unitary Councils show that many have experienced a slight reduction in their Council Tax collection rates.
- 3.5 Debt and Benefits advice is provided to help customers and the Council works with residents to ensure that debts are paid in accordance with Council

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# Debt Management

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requirements, and to avoid creating hardship. Before undertaking recovery proceedings, residents are encouraged and assisted in making realistic repayment arrangements. Those with low incomes are given help to claim Benefits to help pay their debts. The Benefits Service ensures that claims for Council Tax Support are paid expediently. If recovery proceedings have been undertaken Attachments of Benefits or Earnings are utilised in preference to Enforcement Agent (Bailiff) referral.

- 3.6 The Council works closely with Citizens' Advice, Christians Against Poverty, and other local partners in order to promote assistance for those having difficulty paying. Through "Financial Inclusion" advice on budgeting supporting, debt advice, cheaper credit, credit union membership and reducing energy tariffs have all been promoted.
- 3.7 From 1<sup>st</sup> April 2018, Council Tax Discounts and Exemptions have been automatically granted to Swindon Care leavers under the age of 21. 21 individuals have been supported and a total of £13,855 Council Tax has been discounted. Those that reach 21 are offered further support, but none have asked for this from the Revenues and Benefits teams.
- 3.8 In 2018/9, the Council Tax office issued 67,031 telephone text messages when instalment payments were missed. Where payments are still not made, paper reminders are issued later in the month or at the beginning of the following month. The number of Council Tax 'text' and 'paper' reminders issued in the last six financial years is shown below:

|         | 'Text' Reminders issued prior to 'Paper Reminders' | Paper Reminders |
|---------|--|-----------------|
| 2013/14 | 43,660   | 42,280          |
| 2014/15 | 50,547   | 32,374          |
| 2015/16 | 51,114   | 32,969          |
| 2016/17 | 61,190   | 34,542          |
| 2017/18 | 55,089*  | 36,484          |
| 2018/19 | 67,031   | 36,115          |

\*Due to a system issue no text reminders could be produced in May 2017 and so this led to a reduction in the numbers of texts during 2017/18.

- 3.9 In 2019 the Council Tax office is implementing email and voice message reminders in order to issue more reminders before undertaking recovery

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# Debt Management

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proceedings. Residents can ask to opt out of any of these and will still receive 'paper' reminders.

- 3.10 The number of Council Tax debts referred to Enforcement Agents (bailiffs) increased to 8,119 in 2018/9. Analysis has shown that 3,907 of these referrals were 'repeat' referrals, where a debt was being passed to a second Enforcement Agent to collect. The actual number of households owing Council Tax debts referred to Enforcement Agents reduced in 2018/19 to 4,449 from 4,628 in 2017/18.

| Debts Referred to Bailiffs | 2013/14 | 2014/15 | 2015/6 | 2016/17 | 2017/18 | 2018/19 |
|----------------------------|---------|---------|--------|---------|---------|---------|
| Council Tax debts          | 7,200   | 8,003   | 6,104  | 6,921   | 7,192   | 8,119   |
| Car Parking PCNs           | 2,057   | 3,260   | 3,931  | 6,651*  | 5,737*  | 5,706*  |

\* Includes Bus Lane Contraventions

- 3.11 The number of complaints regarding bailiffs were:

| Number of Complaints Recorded     | 2013/4 | 2014/5 | 2015/6 | 2016/7 | 2017/8 | 2018/9 |
|-----------------------------------|--------|--------|--------|--------|--------|--------|
| Council Tax Complaints – Bailiffs | 34     | 20     | 11     | 11     | 14     | 11     |
| Car Parking Complaints - Bailiffs | 5      | 6      | 6      | 19     | 36     | 27     |

## Business Rates

- 3.12 The Council's Business Rates 'in year' Collection Rate for both 2017/18 and 2018/19 was recorded as 98.7%.
- 3.13 Business Rates limiting large increases schemes continued during 2018/19. For businesses that received Small Business Rates Relief in 2016/17 increases are limited to £600 per annum (this has benefited 11 business). Public Houses with a rateable value of less than £100,000 have been offered a £1,000 reduction for both 2017/18 and 2018/19. 40 businesses have been granted this. Thirdly medium sized businesses that could have faced increases of up to 42% have had increases limited to 12.5% in 2017/18 and 2018/19. 31 businesses have benefited from this relief, but many businesses were not eligible due to the state aid regulations.
- 3.14 A new retail relief scheme is operating in 2019/20 offering small and medium sized shops, cafes, restaurants and public houses a 33.3% reduction in their rates bills, again subject to state aid reliefs. This discount was automatically applied to those businesses that the Council believed would be eligible and 542 businesses were issued bills in April 2019 showing the 33.3% reduction. The value of the reduction granted is £1,581,319.

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# Debt Management

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## Business Improvement District Charges

- 3.15 The Council collects Business Improvement District (BID) charges on behalf of InSwindon Ltd, which is responsible for Swindon Town Centre management. A collection rate of 96.3% was achieved in 2018/19, which is above the 95% target. The amount collected was £394,827.

## Housing Rents

- 3.16 Housing reported a 98.24% in rent collection during 2018/19. This includes current, former and garage rent arrears.

| Percentage of Rent Collected |         |         |         |         |         |         |
|------------------------------|---------|---------|---------|---------|---------|---------|
|                              | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| Swindon                      | 98.61%  | 98.63%  | 98.78%  | 98.06%  | 96.91%  | 98.24%  |

- 3.17 Current rent arrears have reduced in the past year.

| Balance of Current Housing Rent Arrears |            |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|------------|
| April 2005                              | April 2013 | April 2014 | April 2015 | April 2016 | April 2017 | April 2018 | April 2019 |
| £1.2m                                   | £0.63m     | £0.65m     | £0.76m     | £0.75m     | £1.06m     | £1.28m     | £1.06m     |

- 3.18 The rent arrears have reduced due to increased automation of the rent arrears processes and some Government changes in the administration of Universal Credit (UC) have helped. New U.C. claims now receive their first payment after five weeks instead of six, existing Housing Benefit claimants transferring to U.C. receive an additional two weeks of Housing Benefits before their Housing Benefit ends and U.C. Claimants claiming Advance payments now have 12 months to repay the advance (previously this was 6 months).
- 3.19 In March 2018, the Council registered as a Trusted Partner which gives access to the UC Landlord Portal. The portal allows social landlords to verify a U.C. claimant's rent, request an Alternative Payment Arrangement (APA) which will result in direct payment to the landlord and allows recovery of rent arrears. This has the benefit of speeding up the associated processes as it replaces the email verification process for landlords and it streamlines the matching of rent verification data.
- 3.20 Improvements have been made to the Housing I.T. system to automate the issuing of arrears letters or text messages to tenants with arrears each week.

Further information on the subject of this report can be obtained from Andy Stevens, (01793) 464607, [anstevens@swindon.gov.uk](mailto:anstevens@swindon.gov.uk).

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This has allowed the Tenancy Services team to focus their work on the more complex rent recovery cases, making telephone calls or visits to tenants with higher levels of the arrears. The officers making home visits now use tablets and so have all the associated rent and arrears information available to them when visiting and are able to update the system in real time. This is ensuring that Housing officers are able to provide intensive support to those tenants in the greatest need.

- 3.21 There were 18 evictions during 2018/19, compared to 20 in 2017/18. Every effort is made to focus on early intervention and prevention. It is a long process to reach the stage of eviction. Tenants are given intensive support to ensure they are given every assistance and advice to avoid eviction.

## Overpaid Housing Benefits

- 3.22 The value of overpayments created reduced in 2018/19 to £1,455,801 (compared to £2,221,182 in 2017/18). The transfer of claimants to Universal Credit and data matching with the Department of Works and Pensions (DWP) has reduced the Council's claimant caseload and subsequent overpayments.
- 3.23 The amount collected in the financial year was £1,547,642 as many of the Overpayments created in previous years were collected.
- 3.24 Many overpayments are caused by claimants failing to advise the Council of changes to their financial circumstances promptly. The Benefits Team limit the number and value of overpayments, since claims are suspended as soon as the Council becomes aware of improvements in the financial circumstances of claimants. The Council receives electronic information from the Department of Works and Pensions (DWP), when there are changes to claimant's DWP Benefits or Tax Credits. Overpayments created by error or delay are low and under the threshold set by the DWP, and so the Council receives maximum 'Benefits subsidy'.
- 3.25 Many customers continue to pay back their overpayments in regular instalments based upon their means. These arrangements often exceed 12 months.
- 3.26 The DWP have recently introduced a new system, under which addresses and places of employments for former Housing Benefit claimants with overpayments can be found and this has helped improve the collection of these debts.

## Car Parking Penalty Charge Notices

- 3.27 The collection rate for Penalty Charge Notices issued in 2018/19 and collected by 31<sup>st</sup> March 2019 was shown as 75.79%. The outstanding amounts will be continued to be pursued for collection.

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# Debt Management

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- 3.28 Comparisons by Marstons Enforcement Agency has shown Swindon has some of the highest collection rates achieved by similar local authorities for bus lane and parking contraventions for debts referred to an Enforcement Agent.

## Miscellaneous Debtors

- 3.29 The value of debts written off from the 'Miscellaneous Debtors' system was £261,261.
- 3.30 The collection rate in respect of Miscellaneous Debts is above average compared with other Unitary authorities. Prompt issuing of reminder notices and telephoning of large value debts has helped maintain this collection rate.

## Debt Management Summary

- 3.31 The total value of debt written off in 2018/19 is £2.76 million as detailed in Appendix 4. Whilst it is a significant sum, it is important for Members to note that it represents less than 1% of the total that is collectable for the year. In most cases the debts that were written off also fell due in previous financial years, and a breakdown of the years during which the Council Tax fell due is shown in Appendix 5.
- 3.32 Officers will continue to pursue all debts in 2019/20 and to administer amounts written off in accordance with the criteria set out for irrecoverable debts contained in the Council's Debt Management Policy.

## **4. Alternative Options**

- 4.1 Since this report is for Information only no alternative options are suggested.

## **5. Implications, Diversity Impact Assessment and Risk Management**

### Financial and Procurement Implications

- 5.1 Improved Council Tax and debt collection performance results in additional income for the Council. However, Members are mindful that enforcement actions may have consequences for other Council services if there are adverse effects, especially on children.

### 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 steps taken by the Council in relation to debt management are proportionate and compatible with convention rights.

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# Debt Management

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

- 5.3 Reducing the numbers of people against whom recovery action is undertaken may help reduce poverty and possible links to crime. Pledge 17 is to 'Provide early support so that Swindon residents are financially included and avoid getting into debt'.

## Diversity Impact Assessment

- 5.4 A Diversity Impact Assessment (DIA) in respect of the Council Tax recovery processes has been undertaken and reviewed. The effects of the changes previously made to processes were noted to have been positive and no adverse impacts have been highlighted.

## Risk Management

- 5.5 This report is for information only and so there is no decision or risk to be considered.

## **6. Consultees**

- 6.1 The Director of Finance (Section 151 Officer) and Director of Law (Monitoring Officer) are consulted in respect of all reports.

## **7. Background Papers**

- 7.1 None

## **8. Appendices**

- 8.1 Appendix 1 – Collection Performance in 2018/19
- 8.2 Appendix 2 – Council Tax 'in year' collection rates 2004/5-2018/19
- 8.3 Appendix 3 - The net value of payments to Swindon B.C. in 2018/19
- 8.4 Appendix 4 – The value of debts written off and the annual amounts due in 2018/19
- 8.5 Appendix 5 – Breakdown of Council Tax write off by year the debt was due
- 8.6 Appendix 6 – Debt Management Policy extract showing reasons for write offs

## **9. Key Decision/Decision in Cabinet Work Programme**

- 9.1 This is not a Key Decision and is included in the Cabinet Work Programme for June 2019.

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## Appendix 1

| Summary of Swindon's Debt Collection Rates    |         |         |  |
|---|---------|---------|--|
|   | 2017/18 | 2018/19 | Comments and Comparisons   |
| Council Tax                                   | 96.38%  | 96.45%  | The collection rate has improved. Benchmarking with other Unitary Authorities shows that many other Councils saw their rates reduce.               |
| Business Rates                                | 98.7%   | 98.7%   | The Collection rate has been maintained. The Unitary collection rate in 2017/18 was 98.2%.   |
| Business Improvement (Town Centre)            | 96.8%   | 96.3%   | The Collection rate was lower (although 0.5% of the total in 2017/18 related to a payment due in 2016/17). The target for collection is 95%.       |
| Housing                                       | 96.91%  | 98.24%  | The collection rate has improved due to improvements in the collection process and with obtaining payments from Universal Credit Claimants.        |
| Miscellaneous Number of debts paid in 60 days | 93.9%   | 93.4%   | The collection rate has reduced slightly. The average for invoices paid in 90 days for other unitary authorities when previously compared was 84%. |
| Overpaid Benefits                             | 76.52%  | 106.3%  | The Collection rate includes monies in respect of debts created in previous financial years. The rates are above the DWP 60% subsidy threshold.    |
| Car Parking Penalty Charge Notices            | 72.33%  | 75.79%  | Collection rate is above that of similar Councils (average collection of 67% previously)   |

## Appendix 2

### Council Tax in Year Collection Rates

| In year Council Tax Collection Rates |   |   |
|--------------------------------------|---|---|
| Year                                 | Council Tax Collection –<br>Including Credits | Council Tax Collection –<br>Excluding Credits |
| 2004/5                               | 95.20%  | 94.14%  |
| 2005/6                               | 97.15%  | 95.75%  |
| 2006/7                               | 98.05%  | 96.64%  |
| 2007/8                               | 97.98%  | 96.57%  |
| 2008/9                               | 97.76%  | 96.65%  |
| 2009/10                              | 97.66%  | 96.52%  |
| 2010/11                              | 97.79%  | 96.81%  |
| 2011/12                              | 97.80%  | 96.89%  |
| 2012/13                              | 97.90%  | 97.10%  |
| 2013/14                              | 97.40%*                                       | 96.42%*                                       |
| 2014/15                              | 97.73%*                                       | 96.76%*                                       |
| 2015/16                              | 97.82%*                                       | 96.79%*                                       |
| 2016/17                              | 97.94%*                                       | 96.94%*                                       |
| 2017/18                              | 97.37%*                                       | 96.38%*                                       |
| 2018/19                              | 97.47%*                                       | 96.45%*                                       |

\* The changes to Council Tax Benefits (Support) that were introduced in April 2013 have had an impact on collection rates since 2013/14.

## Appendix 3

### Summary of cash collected 1<sup>st</sup> April 2018 – 31<sup>st</sup> March 2019

| Debt Type  | Cash £         |
|--|----------------|
|  |                |
| Council Tax  | £121,455,508*  |
|  |                |
| Non domestic Rates   | £111,961,024*  |
|  |                |
| Benefit Overpayments   | £1,547,642     |
|  |                |
| Car Parking Penalty Charge Notices & Bus Lane Contraventions | £1,567,807     |
|  |                |
| Housing Rents  | £46,551,259    |
|  |                |
| Oracle Miscellaneous Invoices                                | £44,891,008 ** |
|  |                |
| Total Cash   | £327,974,248   |

\*Payments made in respect of debts due in 2018/19 only.

\*\* Payments in respect to all years' invoices.

## Appendix 4

### Summary of Write Offs 1<sup>st</sup> April 2018 – 31<sup>st</sup> March 2019

| Debt Type   | Amount Written Off<br>– Relates To All<br>Years | Annual Charges<br>Due |
|---|---|-----------------------|
|   |   |                       |
| Council Tax   | £348,283  | £124,613,358          |
|   |   |                       |
| Non domestic Rates  | £830,364  | £113,223,051          |
|   |   |                       |
| Benefit Overpayments  | £730,552*                                       | £1,455,801            |
|   |   |                       |
| Car Parking Penalty Charge<br>Notices & Bus Lane Contraventions                 | £315,150  | £1,674,030**          |
|   |   |                       |
| Housing Rents   | £274,272  | £47,701,139           |
|   |   |                       |
| Oracle Miscellaneous Invoices   | £261,261  | £43,931,166           |
|   |   |                       |
| Total   | £2,759,882                                      | £332,598,545          |
|   |   |                       |
| <b>Amounts written off as a<br/>percentage of the Annual<br/>Charges raised</b> | 0.83%   |                       |

\*Amount approved for write off in April 2019.

\*\* Value of car parking penalty charge notices once 50% for prompt payment discount granted.



**Appendix 5: Council Tax Write off By Year**

| Year During Which Amount Fell Due | Amount Written Off |
|-----------------------------------|--------------------|
| 1993-2006                         | £ 23,419           |
| 2007/8                            | £ 5,928            |
| 2008/9                            | £ 10,688           |
| 2009/10                           | £ 13,071           |
| 2010/11                           | £ 16,425           |
| 2011/12                           | £ 34,766           |
| 2012/13                           | £ 14,413           |
| 2013/14                           | £ 27,249           |
| 2014/15                           | £ 30,859           |
| 2015/16                           | £ 32,990           |
| 2016/17                           | £ 42,577           |
| 2017/18                           | £ 66,251           |
| 2018/19                           | £ 29,647           |
| Total                             | £ 348,283          |

## Appendix 6: Categories to be submitted for Write Off

| Category  | Requirement   | Action               |
|---|---|----------------------|
| Claimant deceased   | Insufficient funds in estate to discharge debt  | Submit for Write Off |
| Claimant absconded  | All attempts to trace debtor have failed. Including tracing agent (above £100). Including long-term imprisonment (36 months).   | Submit for Write Off |
| Claimant in bankruptcy or liquidation or other insolvency proceedings   | A claim against the debtor has been lodged with the administrators. No dividend is to be paid or the balance after the dividend is submitted.   | Submit for Write Off |
| Debt cannot be proved (conflict of evidence)  | An explanation should be given as to why recovery cannot be made.   | Submit for Write Off |
| Ill Health & no means   | Written evidence of one of the following criteria <ul style="list-style-type: none"> <li>• Terminal illness and limited means</li> <li>• Where payment would cause further ill health</li> <li>• Old age and frailty and no financial assistance</li> <li>• Severely mentally impaired and no financial assistance</li> <li>• Long term hospitalisation or residential care and no means left to pay</li> </ul> | Submit for Write Off |
| Undue hardship  | Where the debtor can provide written evidence of genuine financial difficulty. Showing evidence of inability to pay even small instalments or that such payment will cause undue hardship.  | Submit for Write Off |
| All recovery action appropriate to the debt has been taken and has not resulted in collection (All Avenues Exhausted) | Action in the Magistrates Court or County Court has failed to recover the debt. In the case of miscellaneous debts that would be subject to County Court action, external agents are used instead of court action, in order to avoid the council paying large court fees, which would be unlikely to be recovered.  | Submit for Write Off |

## Financial Inclusion Policy

**Cabinet**

**Date: 5<sup>th</sup> June 2019**

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Author: Cabinet Member for Finance, Education and Skills  
Director of Finance / Head of Revenues & Benefits

Wards: All

Parishes Affected: All

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### **1. Purpose and Reasons**

- 1.1 To update Cabinet on the progress on Financial Inclusion. The Policy first agreed at Cabinet in July 2016 aims to help residents maximise their income and make the most of their money, helping them to live free from the harmful effects of poverty (Cabinet Minute 30, 2016/17 refers). Poverty can adversely affect wellbeing and health.
- 1.2 This report also seeks to increase the numbers of residents who are members of Credit Unions. Credit Union membership increases financial support available to individuals and repayment of any loans do not cause undue hardship.
- 1.3 The Council's Priority number four is to help people to help themselves, while always protecting the most vulnerable children and adults and Financial Inclusion helps meet this priority. The recommendations also contribute directly to the delivery of pledge 17, which is to 'Provide early support so that Swindon residents are financially included and avoid getting into debt.'

### **2. Recommendations**

Cabinet is recommended:

- 2.1 Note the progress being made in relation to Financial Inclusion.
- 2.2 Authorise the Head of Revenues & Benefits & Director of Performance, Organisational Improvement & Communications to:
  - 2.2.1 Encourage Swindon Borough Council staff to join Credit Unions.
  - 2.2.2 In addition to operating a 'Save as You Earn' scheme, carry out such consultations as may be necessary and operate arrangements where employees can undertake loans from Credit Unions approved by the Head of Revenues & Benefits & Director of Performance, Organisational Improvement & Communications and to repay these by salary deductions.

### **3. Detail**

Financial Inclusion

- 3.1 A Financial Inclusion Policy was adopted by Cabinet in July 2016 and following the recommendations in this report and a further report in September 2017 a

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Further information on the subject of this report can be obtained from Andy Stevens, (01793) 464607, [anstevens@swindon.gov.uk](mailto:anstevens@swindon.gov.uk).

# Financial Inclusion Policy

**Cabinet**

**Date: 5<sup>th</sup> June 2019**

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Social Inclusion and Enterprise Manager was appointed (Cabinet Minute 31, 2017/18 refers). The following projects have been undertaken.

- 3.2 Promotion of Credit Unions. Wiltshire Savings and Loans have merged with the Steam Ahead Credit Union and become Wiltshire and Swindon Credit Union. The offices in Cavendish Square have been taken on and new collection points at Highworth, Penhill and Toothill have opened.
- 3.3 A 'Save as You Earn' scheme is available for Swindon Borough Council employees who wish to join the Wiltshire and Swindon Credit Union and making regular savings each month.
- 3.4 Work with the National Illegal Money lending Unit has highlighted the need to report and prevent loan sharks from operating. A leaflet was produced and delivered to 20,000 homes in Swindon that publicised the unit's work and provided details on how to report incidents. The leaflet also promoted the Credit Unions.
- 3.5 Using funding provided by the Department of Works and Pensions enabled Citizens Advice to appoint two 'Money Mentors' to whom individuals, particularly those that have their benefits capped, could be referred. During appointments the 'Mentors' will review the individual's entitlements and expenditure in order to suggest where additional income can be obtained or reductions in expenditure. During the last two years, 292 persons have been referred and 194 of these have been assisted. During 2018/19, additional income of £287,958 was identified and £302,404 reduction in expenditure.
- 3.6 In 2018, the charity running the Swindon food bank became insolvent and ceased to trade. The food bank provides food for approximately 5,000 people per year, with 2,000 of these being children. In order to enable a new charity to be formed the Council provided a grant of £51,027 to Swindon Food Collective. This new charity has been set up and continues to provide this service. The funding was provided from the Council's Local welfare fund, the Swindon Emergency Assistance Fund. If this fund had to provide food for this number of people, based on award of £20 per person the cost would have been £100,000 and this does not include any increased administration cost.
- 3.7 Working with Customer Services, a direct referral process to Citizens Advice has been set up for anyone who has requesting more than one grant from the Swindon Emergency Assistance Fund. The number of applications and awards made has reduced. In 2018/19, there were 297 applications and 256 awards. Awards were mainly for assistance for food and fuel. The cost of these awards was £30,250. For larger items, such as cookers and fridges a loan application can be made to a Credit Union.
- 3.8 A Social Enterprise Network has been established which promotes the creation and growth of Social Enterprises. These are non-profit making, sustainable

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Further information on the subject of this report can be obtained from Andy Stevens, (01793) 464607, [anstevens@swindon.gov.uk](mailto:anstevens@swindon.gov.uk).

# Financial Inclusion Policy

**Cabinet**

**Date: 5<sup>th</sup> June 2019**

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businesses that create positive social and environmental impacts. They also have an “historical record” of helping and assisting those furthest from employment into employment.

- 3.9 Financial Inclusion Seminars continue to be held, which provide guidance to those that support vulnerable adults and networking opportunities
- 3.10 Support to benefit claimants transferring to Universal Credits and those benefit capped has been provided. Citizens Advice now has a national contract with the Department of Works and Pensions, but the Council continues to provide assistance through Adults Social care and Housing teams. The libraries also continue to help claimants to make claims online and help run ‘job clubs.’
- 3.11 The Council also continues to contact many residents who have Council Tax arrears and offer support to them, in order to ensure Council Tax is collected but prevent recovery proceedings from being undertaken. In 2018/19, 2,703 telephone calls were made and 1,769 summonses were prevented.
- 3.12 The Local Government Association produced a report entitled ‘Reshaping Financial Support’ in February 2019. This looked at 10 Local Authorities and commented on their efforts to help low-income households in their areas. On review, Swindon Borough Council and its local partners compared well. In Leeds the Local Authority has provided staff for five collection points and financial support for their Credit Union, has enabled them to open a unit in the City Centre. Savings clubs have been started in schools and every key stage 2 pupil has an account opened with £10.00 provided. Membership of the Leeds Credit Union is now at 31,456 people.
- 3.13 In order to help encourage the Credit Unions in Swindon, the Wiltshire and Swindon Credit Union would like more employers to operate ‘Save as You Earn’ Schemes and also provide the facility to operate loans that are repaid via salaries. Swindon Borough Council already operates a ‘Save As You Earn’ scheme for its staff that are members of a Credit Union and this report recommends the facility to operate and repay loans via salary deductions is agreed.
- 3.14 If agreed, this would enable staff to undertake low value loans at interest rates, which are consistently lower than ‘pay day’ lenders and help ensure that staff are not tempted do undertake loans from unauthorised lenders or ‘loan sharks.’ Legal opinion is that if other Credit Unions wish to operate such facilities then if possible these should be accommodated, if this recommendation is agreed. If Swindon Borough Council agrees to operate this facility, it is hoped that other local employers would follow suit. Staff should still investigate other credit options where credit is required, since those with good credit history wishing to borrow larger sums may be able to obtain credit on lower rates of interest.

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Further information on the subject of this report can be obtained from Andy Stevens, (01793) 464607, [anstevens@swindon.gov.uk](mailto:anstevens@swindon.gov.uk).

# Financial Inclusion Policy

Cabinet

Date: 5<sup>th</sup> June 2019

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- 3.15 H.M. Revenues & Customs “Help to Save Scheme” is being promoted. Anyone who receives working tax credits (or working tax credit under Universal Credit) can join this scheme. Under this scheme, up to £50 per month can be saved over a four-year period and a 50% bonus is to be paid at the end of the four years (a maximum bonus of £1,200 if £2,400 is saved). Withdrawals can be made at anytime, but will affect the bonus paid at the end of the four years. Applications are made online.
- 3.16 A new West of England regional bank known as “Avon Mutual” is in the process of being set up, with the aims that it will be owned by its customers and committed to “open, honest and transparent relationship banking.” This bank is part of the Community Savings Bank Association. They will operate current and savings accounts for individuals and organisations and loans and mortgages and be available to SMEs. Councils have been asked to invest in this bank.

## **4. Alternative Options**

- 4.1 Cabinet could refuse the Credit Unions request to operate loans repaid from Staff salaries. However, this would not assist the Credit Unions in their aims to help more individuals and could lead to Council staff undertaking more expensive or even unlawful loans and create hardship.

## **5. Implications, Diversity Impact Assessment and Risk Management**

### Financial and Procurement Implications

- 5.1 The cost of the Financial Inclusion work has been met from the Council’s Local Welfare budgets. Where successful Financial Inclusion work may prevent cost being incurred elsewhere in the Council or Public Sector, where the early intervention has prevented residents from falling into greater need and dependency.

### 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 steps taken by the Council in relation to Financial Inclusion are proportionate and compatible with convention rights. Legal advice has been obtained that operating loans from Credit Unions for Council staff is appropriate, provided all Credit Unions are able to do so should they wish to do so.

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

- 5.3 Financial Inclusion will help the Council in achieving Priority four, which is to help people to help themselves, while always protecting the most vulnerable children and adults.

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Further information on the subject of this report can be obtained from Andy Stevens, (01793) 464607, [anstevens@swindon.gov.uk](mailto:anstevens@swindon.gov.uk).

# Financial Inclusion Policy

Cabinet

Date: 5<sup>th</sup> June 2019

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## Diversity Impact Assessment

- 5.4 A Diversity Impact Assessment (DIA) in respect of the Financial Inclusion Policy has been reviewed and no adverse impacts have been found. Consideration of operating of loans to staff has been undertaken and provided the Council is not seen to be encouraging loans then the recommendations are appropriate. Credit Unions are to help individuals with low cost loans than would otherwise be undertaken with other lenders of 'small loan amounts.

## Risk Management

- 5.5 There are no risks to the Council in the recommendations. The Credit Union would be burdened if any loans are not repaid and not the Council or Council Taxpayers.

## **6. Consultees**

- 6.1 The Director of Finance (Section 151 Officer) and Director of Law (Monitoring Officer) are consulted in respect of all reports.

## **7. Background Papers**

- 7.1 None

## **8. Appendices**

- 8.1 None

## **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 June 2019.

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## **Councillors' Allowances 2020/21 – Recommendations of the Independent Remuneration Panel**

**Cabinet**

**Date: 5<sup>th</sup> June 2019**

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Author: Chair of the Independent Remuneration Panel

Wards: All

Parishes Affected: All

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### **1. Purpose and Reasons**

- 1.1 To consider recommendations from the Independent Remuneration Panel on the level of Councillors' Allowances in Swindon for 2020/2021.
- 1.2 The Council is required by the Local Authorities (Members Allowances) (England) Regulations 2003 to consider the recommendations of its Independent Remuneration Panel when making decisions relating to its Scheme of Councillors' Allowances. It is not required to adopt all or any of the Panel's recommendations. Decisions on the Scheme of Councillors' Allowances require the approval of full Council.

### **2. Recommendations**

Cabinet is recommended to:

- 2.1 Note the thorough and comprehensive review undertaken by the Independent Remuneration Panel, and thank the Panel Chair and members for their work.
- 2.2 Consider the recommendations of the Independent Remuneration Panel on Councillors' Allowances for 2020/2021, as set out in paragraph 3.6, and to refer these recommendations to the Council.

If the recommendations are approved by Council

- 2.3 Authorise the Chief Legal Officer to introduce a revised Councillors' Allowances Scheme for 2020/2021, based on the recommendations of the Independent Remuneration Panel.

### **3. Detail**

Background

- 3.1 The Independent Remuneration Panel for Swindon Borough Council was established in late 2001. It is currently made up of six members independent of the Council. One each is nominated by the Education, Business and Voluntary / Community Sectors, while three members are appointed following public advertisement.
- 3.2 The last extensive review of Councillors' Allowances took place in 2016/2017. Council adopted the recommendations of the Panel in July 2016 (Council Minute

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Further information on the subject of this report can be obtained from Vicki Yull, 07980 752043, vyull@swindon.gov.uk.

# Councillors' Allowances 2020/21 – Recommendations of the Independent Remuneration Panel

Cabinet

Date: 5<sup>th</sup> June 2019

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31 (1) 2016/17 refers). Following this, the Panel has recommended no changes to the levels of Councillors' Basic Allowance and Special Responsibility Allowances and only small amendments to the Subsistence Allowances (Council Minute 18 (1), 2017/18 refers).

- 3.3 The Panel advised Council at its meeting on 12 July 2018 of its intention to undertake a more comprehensive review of Councillors' Allowances to inform its recommendations to the Council for 2020/2021. The Panel's final report and recommendations to Council are attached at Appendix 1.

## Review of Councillors' Allowances for 2020/2021

- 3.4 At its meeting on 4 October 2018, the Panel determined the scope of the review it wished to undertake, and the research and methodologies it wished to adopt and utilise. The review has involved:
- 3.4.1 *Benchmarking.* The Panel has considered the Basic Allowance (BA) and Special Responsibility Allowances (SRA) paid by other authorities whom it could be considered were part of the same 'family group' as Swindon Borough Council.
  - 3.4.2 *Interviews.* The Panel has considered the Vision for Swindon which has been refreshed by Council. The Panel invited the Leader of the Council, the Deputy Leader and the Chief Executive for interview to answer the Panel's questions on the Vision and its associated Pledges, and how they believe it may affect Councillors' roles and responsibilities.
  - 3.4.3 The Panel has interviewed Councillors from all parties who hold a range of responsibilities, and in particular those who hold posts where the Panel was specifically interested in the responsibilities associated with those posts.
  - 3.4.4 *Survey.* The Panel considered the results of the survey distributed to Councillors seeking their thoughts and views on the allowances paid at Swindon Borough Council, and other questions regarding their time spent on councillor duties.
- 3.5 The Panel's recommendations for Councillors' Allowances for 2020/2021 are detailed in the Panel's report attached at Appendix 1. They are summarised below as:
- a) That the Basic Allowance amount remains unchanged from £8,552 for the 2020/2021 Municipal Year, noting that it will be amended to include any percentage increase arising from the result of the Local Government Pay Settlement for 2020/2021.

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Further information on the subject of this report can be obtained from Vicki Yull, 07980 752043, [vyull@swindon.gov.uk](mailto:vyull@swindon.gov.uk).

# **Councillors' Allowances 2020/21 – Recommendations of the Independent Remuneration Panel**

**Cabinet**

**Date: 5<sup>th</sup> June 2019**

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- b) That the BA Multiplier used for calculating the SRA for the post of Deputy Leader of the Council be increased from 1.75 to 1.85 to reflect better the responsibilities of the role, and that all other SRAs should remain unchanged.
- c) To maintain the current arrangements for Travel Allowances and Subsistence Allowances as set out in the Scheme of Councillors' Allowances in the Constitution.
- d) That the level for Dependent Care Allowances be set as the actual fee per hour, per child / dependent relative, but not exceeding £20.00 per hour (an increase from £7.20 per hour) to reflect the current rates charged by carers.

## **4. Alternative Options**

- 4.1 There are no alternative options proposed. The Cabinet can decide to support all the Panel's recommendations to the Council, or it can decide not to support the Panel's recommendations and to make its own recommendations to the Council.

## **5. Implications, Diversity Impact Assessment and Risk Management**

### Financial and Procurement Implications

- 5.1 The total allocation for Basic Allowances will be £487,464 (£8,552 x 57) with funding also set aside for Mayoral Allowances, Special Responsibility Allowances, and other Allowances (e.g. Travelling and Subsistence) as specified in the Scheme of Allowances. The Basic Allowance will potentially increase in line with any percentage increase applied to officers pay in the National Pay Round.

### 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 recommendations of the Independent Remuneration Panel are compatible with convention rights.

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

- 5.3 There are no specific other implications arising from this report.

### Diversity Impact Assessment

- 5.4 A Diversity Impact Assessment has not been undertaken as the report concerns implementation of national regulations and does not make any recommendations that affect services or employment. The Independent Remuneration Panel

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Further information on the subject of this report can be obtained from Vicki Yull, 07980 752043, [vyull@swindon.gov.uk](mailto:vyull@swindon.gov.uk).

# Councillors' Allowances 2020/21 – Recommendations of the Independent Remuneration Panel

Cabinet

Date: 5<sup>th</sup> June 2019

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considered potential impacts on equality groups as part of their deliberations, and their proposals on the level of allowances reflect their considerations.

## Risk Management

- 5.5 There are no specific risk implications. Decisions on Councillors' Allowances are often controversial in media terms and thus decisions may have a reputational risk for the Council.
- 6. Consultees**
- 6.1 The author has consulted, where appropriate, with Corporate Directors, Directors, Heads of Service, other officers, and relevant partners on the purpose, content, and recommendations of the report
- 7. Background Papers**
- 7.1 None.
- 8. Appendices**
- 8.1 Appendix 1 – Report of the Independent Remuneration Panel on Councillors' Allowances for 2020/2021.
- 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 and Forward Plan for March 2019.

## Swindon Borough Council Independent Remuneration Panel

### Review of Councillors' Allowances for 2020/2021

#### 1. Background

- 1.1. The Swindon Independent Remuneration Panel on Councillors' Allowances was originally established in 2001.
- 1.2. The Independent Remuneration Panel operates under the provisions of the Local Authorities (Members Allowances) (England) Regulations 2003. These Regulations require that all councils should set up independent panels, and take account of their advice, before changing their Councillors' Allowances Scheme.
- 1.3. The Council's Standards Committee oversees the composition and appointments procedure associated with the establishment and maintenance of the Independent Remuneration Panel.
- 1.4. The Panel's recommendations on Councillors' Allowances for 2020/2021 are attached at Annex A. The Panel makes recommendations to Swindon Council's Cabinet, which in turn may make recommendations to the full Council.

#### 2. Membership

- 2.1. The membership of the Panel is as follows:

|                             |   |
|-----------------------------|---|
| Mr Keith Strickland (Chair) | Lay Member                                  |
| Mr David Body               | Lay Member                                  |
| Mr Ram Thiagarajah          | Lay Member                                  |
| Mr John Dernie              | Business Sector Representative              |
| Mr Gus Strang               | Education Sector Representative             |
| Ms Michelle Howard          | Voluntary / Community Sector Representative |

- 2.2. Mrs Vicki Yull, Committee and Member Services, acted as the support officer to the Panel in its work.

#### 3. The Conduct of the Review

##### Reasons for the Review

- 3.1. The last extensive review of Councillors' Allowances took place in 2016/2017. Council adopted the recommendations of the Panel which were, in summary: to implement a two year phased increase to the Basic Allowance; to index link the Basic Allowance to any percentage increase in the Local Government Pay Settlement ending in 2021; to introduce a system of Basic Allowance multiplication to calculate the levels of Special Responsibility Allowances; that

all Committee Chair posts attract the same Special Responsibility Allowance amount; to terminate the Special Responsibility Allowance paid to members of the Licensing Committee, and; to introduce a Special Responsibility Allowance for the position of Chair of the Health and Wellbeing Board. These were implemented from May 2017.

- 3.2. Following this, the Panel recommended no changes to the levels of Councillors' Basic Allowance and Special Responsibility Allowances for 2018/2019, and a small amendment to the Subsistence Allowances with the removal of the Tea Allowance and an increase to the Evening Meal Allowance. For 2019/2020, the Panel recommended no changes to the levels of Councillors' Basic Allowance, Special Responsibility Allowances, and Travel, Subsistence and Dependent Care Allowances.
- 3.3. The Panel advised Council at its meeting on 12<sup>th</sup> July 2018 of its intention to undertake a more comprehensive review of Councillors' allowances to inform its recommendations to the Council for 2020/2021.

#### Scope of the Review

- 3.4. The Panel considered the following issues as part of its review:
  - 3.4.1. The level of Basic Allowance payable to all Councillors.
  - 3.4.2. The number, type and level of Special Responsibility Allowances.
  - 3.4.3. The payment of co-opted members Allowances / Special Responsibility Allowances.
  - 3.4.4. The scope and level of travelling, subsistence and dependant care allowances.
  - 3.4.5. The current index linking of Councillor Allowances to the percentage increases in pay awarded to local authority staff ending in May 2021.

#### Research

- 3.5. The Panel undertook a programme of research to inform its review. The research included:
  - 3.5.1. *Benchmarking*
    - The Panel considered the Basic Allowance and Special Responsibility Allowances paid by other authorities that could be considered to be part of the same 'Family Group' as Swindon Borough Council. These can be found in Annex B.

### 3.5.2. Interviews

- The Panel invited the Leader of the Council, the Deputy Leader and the Chief Executive for interview to answer the Panel's questions regarding their views on:
  - The Vision for Swindon, with particular focus on how Councillors' roles and responsibilities may be affected as a result of its refresh.
  - Government plans for the devolution of decision-making to local government and any potential impact on Swindon Borough Council.
  - The current levels of Basic Allowance and Special Responsibility Allowances.
- The Panel agreed the categories of Councillors whom they felt would provide a broad spectrum of thoughts and views. The Panel were particularly interested in meeting with Councillors who held posts which attract Special Responsibility Allowances, but also considered factors such as age, gender, length of service on the Council and employment status when determining whom to invite.
- The Panel held the interviews across 27<sup>th</sup> and 28<sup>th</sup> February 2019, and sought views on issues such as:
  - The time commitment involved in being a Councillor, particularly in the light of the creation of urban parishes.
  - The appropriateness of the current level of the Basic Allowance.
  - The appropriateness of the current levels of the Special Responsibility Allowances.
  - The appropriateness of the posts currently attracting a Special Responsibility Allowance.
  - Other allowances, such as travel.
  - The accountability of Councillors receiving allowances, and whether it is possible to measure the performance and effectiveness of a Councillor.

### 3.5.3. Survey

- The Panel considered the results from a survey that was distributed to Councillors seeking their views on the allowances paid at Swindon Borough Council, and other matters relating to their time spent on Councillor duties.
- A copy of the survey results is attached at Annex C.

### 3.5.4. General research

- Data and information were also collected on the operation of the current Councillors' Allowances Scheme, including details of the 1% increase in the 2017/2018 Municipal Year, the 2% increase in the 2018/2019 Municipal Year, and the 2% increase in the

2019/2020 Municipal Year, all index linked to Local Government Officer Pay Settlements.

- 3.6. The Panel wishes to record its appreciation to those Councillors who completed the survey and to those Councillors who agreed to be interviewed by the Panel. The information gained from these exercises was very helpful to the formulation of the Panel's recommendations. The Panel, however, also wished to express its disappointment at the low number of acceptances amongst the cohort of councillors who were invited for interview.

#### **4. Findings and Recommendations**

- 4.1. The Panel's recommendations for Councillors' allowances for 2020/2021 are set out in Annex A to this report.

##### Basic Allowance

- 4.2. There is a requirement placed upon Local Authorities to make provision for a Basic Allowance which must be paid at the same rate for all Councillors.
- 4.3. The Panel is recommending no change to the level of Basic Allowance for the 2020/2021 Municipal Year given: the work already undertaken in recent years by this Panel to establish the reasonableness of the Basic Allowance and the Council's position in relation to the 'family group' authorities; the index link of percentage increases in the Basic Allowance to any percentage increases in the Local Government Officers Pay Settlement ending in 2021, and; the potential workload reduction for councillors arising from the devolution of Council services to the Parish and Town Councils across Swindon.

##### Special Responsibility Allowances

- 4.4. The Panel considered the Regulations governing Special Responsibility Allowances and the categories of responsibilities which might call for an allowance. The Panel restated its view that the emphasis should be on the levels of responsibility of a role rather than the volume of work that might be associated with a role, or the time of day that role is undertaken.
- 4.5. The Panel, having received and considered information on the responsibilities of the Deputy Leader, and having taken into account comments made by individual Councillors when interviewed, determined that it was minded to recommend that the Special Responsibility Allowance allocated to the position be increased to a Basic Allowance Multiplier of 1.85. This is to better reflect the duties and responsibilities of the role, and increase the separation between this role and that of a Cabinet Member. It will also ensure that the allowance is more in line with the mean / median paid in comparable authorities.
- 4.6. The Panel has previously recommended that, in the interests of parity and consistency, the Special Responsibility Allowance paid to members of the Licensing Committee be removed. The Panel revisited this decision and



determined that no new evidence had been provided to support a change in its position. The Panel therefore determined not to recommend the re-introduction of a Special Responsibility Allowance paid to members of the Licensing Committee.

- 4.7. The Panel felt that, on the whole, the Special Responsibility Allowances paid by Swindon Borough Council were reasonable, and comparable to the Allowances paid by authorities in the family grouping, and recommended no changes to them other than the increase to the Allowance for the role of Deputy Leader.
- 4.8. Assessing the amount and level of additional or special responsibility for a particular post or role is not an exact science. The Panel makes no claim that the multipliers used by the Panel in its proposals are based on a precise calculation of the additional responsibilities of the posts to which they relate. However, the Panel thinks that the resulting differentials are fair.
- 4.9. The Panel reaffirmed its support for the Council paying just the single, highest rate payable to a Councillor holding more than one post that attracts a Special Responsibility Allowance.
- 4.10. The Panel also wished to express its agreement with the guidance provided by the Government which sets an expectation that the proportion of Councillors receiving a Special Responsibility Allowance should not exceed 50% of the total number of Councillors i.e. 28 councillors in Swindon. The current number of councillors currently receiving a Special Responsibility Allowance at the Council is 23.

#### Travel, Subsistence and Dependant Care Allowances

- 4.11. The Panel, having considered the current travel, subsistence and dependant care allowances as set out in the Councillors' Allowances Scheme, and having taken into account comments made by Councillors when interviewed, or submitted in written form through the Survey, determined that it was minded to recommend the following:
  - 4.11.1. *Travel Allowance*
    - That the current rates of 45p per mile for car travel, 16.5p per mile for motorcycle travel, and 30p per mile for pedal cycle travel be reaffirmed, and that increases in mileage rates should remain linked specifically to increases in the Inland Revenue rates.
  - 4.11.2. *Subsistence Allowance*
    - That the current arrangements for Subsistence Allowances, as set out in the Scheme of Councillors' Allowances in the Constitution, remain unchanged.
  - 4.11.3. *Dependant Care Allowance*

- That the rate currently set at £7.70 per hour or the national minimum wage (whichever is greater) is too low. To encourage more candidates with caring responsibilities to stand as councillors, the Panel is minded to recommend an increase in this Allowance up to £20 per hour (maximum limit).

## **5. Financial Summary**

- 5.1. The Panel's recommendations, if approved, would require an allocation in 2020/2021 of £487,464 (£8,552 x 57) and an allocation of £221,497 for Special Responsibility Allowances. This is an increase of £855 against the 2019/2020 amounts.
- 5.2. Funding is also set aside for Mayoral Allowances and other Allowances (e.g. Travelling and Subsistence) as specified in the Scheme of Allowances. The Basic Allowance figure of £8,552 for 2019/2020 already includes a 2% increase in line with the percentage increase applied to officers pay in the National Pay Round. Any potential further percentage increases will have to be applied for 2020/2021 once known.

## **6. Conclusions**

- 6.1. The Panel believes that it has arrived at a series of recommendations that reflect how Councillors should be remunerated, given their current roles and responsibilities.
- 6.2. The Panel considers it important to reflect that the allowances paid at Swindon Borough Council are now more in line with the mean / median figures of Allowances paid at comparable authorities and it would wish to see that position continue. The Panel is motivated by not wishing to see allowances for Swindon Borough Council fall to such a level that they become a disincentive for citizens who may be considering standing for election and fail to retain talented people once they are elected.
- 6.3. The Panel acknowledges that any increases proposed by it has to be balanced against the financial pressures being faced by the Council. The Panel, however, believes its recommendations to be justified and appropriate given the workload and responsibilities associated with being a Councillor and serving local citizens.

## **7. Annexes**

|                |  |
|----------------|--|
| <b>Annex A</b> | Recommendations for 2020-2021                                |
| <b>Annex B</b> | Comparison of Family Group Special Responsibility Allowances |
| <b>Annex C</b> | Results from Councillor Survey December 2018                 |

**The Independent Remuneration Panel recommends to the Council:**

- a) That the Basic Allowance amount remain unchanged from £8,552 for the 2020/2021 Municipal Year, noting that it will be amended to include any percentage increase arising from the result of the Local Government Pay Settlement for 2020/2021 once known.
- b) That the system of Basic Allowance multiplication be amended to increase the level for the position of 'Deputy Leader of the Council' from 1.75 to 1.85 to better reflect the responsibilities of the role, and that all other SRAs should remain unchanged. The model will therefore look as follows:

| <b>SRA Post</b>  | <b>Proposed Multiplier</b> |
|--|----------------------------|
| Leader of the Council  | BA x 3                     |
| Deputy Leader of the Council                                     | BA x 1.85                  |
| Cabinet Member   | BA x 1.5                   |
| Chair of Audit   | BA x 0.75                  |
| Chair of Health and Wellbeing Board                              | BA x 0.75                  |
| Chair of Licensing   | BA x 0.75                  |
| Chair of Overview and Scrutiny                                   | BA x 0.75                  |
| Chair of Planning  | BA x 0.75                  |
| Chair of Scrutiny and Leader of the Opposition                   | BA x 1.5                   |
| Chair of Scrutiny if not Leader of the Opposition                | BA x 0.75                  |
| Chair of Standards   | BA x 0.75                  |
| Leader of the Opposition if not Chair of Scrutiny                | BA x 0.75                  |
| Leader of Minority Group   | BA x 0.25                  |
| Co-opted Health and Wellbeing Board Members                      | BA x 0.15                  |
| Co-opted Standards Members                                       | BA x 0.15                  |
| Chair of Joint Swindon and Wiltshire Police and Crime Panel      | BA x 0.75                  |
| Vice-Chair of Joint Swindon and Wiltshire Police and Crime Panel | BA x 0.25                  |

- c) To maintain the current arrangements for Travel Allowances and Subsistence Allowances as set out in the Scheme of Councillors' Allowances in the Constitution.
- d) That the level for Dependent Care Allowances be set as the actual fee per hour, per child / dependent relative, but not exceeding £20.00 per hour (an increase from £7.20 per hour) to reflect the current rates charged by carers.

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Summary of SRAs in Family Group

| Authority                  | Basic Allowance | Leader         | Deputy Leader  | Cabinet Member | Opposition Leader | Minority Group Leader | Audit Chair   | Planning Chair | Scrutiny Chair | Overview & Scrutiny Chair | Licensing Chair | Standards Chair | Co-opted Standards |
|----------------------------|-----------------|----------------|----------------|----------------|-------------------|-----------------------|---------------|----------------|----------------|---------------------------|-----------------|-----------------|--------------------|
| Bath & North East Somerset | £8,335          | £31,809        | £19,102        | £19,102        | £428              | £428                  |               | £14,034        | £7,797         | £7,797                    | £4,953          |                 |                    |
| Bracknell Forest           | £8,687          | £28,954        | £17,372        | £15,926        | £9,651            |                       | £2,201        | £7,239         | £7,239         | £5,791                    | £5,626          |                 | £297               |
| Darlington                 | £8,188          | £22,933        | £13,759        | £11,467        | £9,173            | £1,147                | £558          | £9,173         | £9,747         | £9,173                    | £9,173          |                 |                    |
| Derby                      | £10,076         | £30,229        | £22,672        | £15,115        | £7,557            |                       | £5,290        | £4,557         | £7,557         | £7,557                    | £7,557          |                 |                    |
| Halton                     | £8,597          | £22,169        | £15,075        | £12,414        | £7,383            |                       |               | £7,383         | £7,383         | £7,383                    | £7,383          | £7,383          |                    |
| Luton                      | £7,500          | £15,000        | £5,625         | £5,625         |                   |                       | £1,250        | £2,500         | £2,500         | £1,250                    | £1,250          |                 | £1,250             |
| Medway                     | £8,987          | £20,739        | £15,083        | £11,312        | £9,427            | £4,713                | £5,656        | £7,541         | £9,427         | £9,427                    |                 |                 |                    |
| North Lincolnshire         | £6,874          | £16,799        | £11,127        | £10,162        | £8,400            |                       | £5,312        | £9,146         | £8,637         | £8,637                    | £8,130          |                 | £42                |
| Peterborough               | £10,100         | £30,300        | £20,201        | £15,150        | £3,787            | £3,787                | £7,575        | £9,090         | £7,575         | £7,575                    | £7,575          |                 | £250               |
| Plymouth                   | £10,576         | £31,728        | £22,324        | £21,148        | £10,576           | £5,288                | £5,288        | £10,576        | £10,576        | £10,576                   | £10,576         |                 |                    |
| Reading                    | £8,220          | £7,004         | £5,722         | £5,722         | £5,722            | £2,147                | £2,147        | £2,147         |                |                           | £2,147          | £2,147          |                    |
| Stockton on Tees           | £9,300          | £25,000        | £13,750        | £11,250        | £5,000            |                       | £6,250        | £6,250         | £6,250         | £6,250                    | £6,250          |                 |                    |
| <b>Swindon</b>             | <b>£8,384</b>   | <b>£25,152</b> | <b>£14,672</b> | <b>£12,576</b> | <b>£6,288</b>     | <b>£2,096</b>         | <b>£6,288</b> | <b>£6,288</b>  | <b>£6,288</b>  | <b>£6,288</b>             | <b>£6,288</b>   | <b>£6,288</b>   | <b>£1,258</b>      |
| Telford & Wrekin           | £7,870          | £23,768        | £15,898        | £11,805        | £9,837            | £3,664                | £7,870        | £7,870         | £7,870         |                           | £7,870          | £7,870          |                    |
| Thurrock                   | £8,571          | £29,998        | £15,427        | £10,714        | £8,571            |                       | £2,142        | £8,571         | £6,429         | £6,429                    | £5,151          | £2,142          | £1,071             |
| West Berkshire             | £7,546          | £18,865        | £11,319        | £9,433         | £7,546            | £1,865                | £2,830        | £4,716         | £4,716         |                           | £2,830          | £2,930          |                    |
| <b>MEAN</b>                | <b>£8,613</b>   | <b>£23,778</b> | <b>£14,946</b> | <b>£12,433</b> | <b>£6,834</b>     | <b>£1,571</b>         | <b>£3,791</b> | <b>£7,318</b>  | <b>£6,874</b>  | <b>£5,883</b>             | <b>£5,797</b>   | <b>£1,798</b>   | <b>£261</b>        |
| <b>MEDIAN</b>              | <b>£8,478</b>   | <b>£24,384</b> | <b>£15,079</b> | <b>£11,636</b> | <b>£7,557</b>     | <b>£2,147</b>         | <b>£5,289</b> | <b>£7,462</b>  | <b>£7,557</b>  | <b>£7,557</b>             | <b>£6,288</b>   | <b>£4,609</b>   | <b>£684</b>        |
| Wiltshire (for info)       | £13,199         | £32,997        | £26,397        | £19,978        | £6,120            | £2,040                | £3,300        | £6,599         | £13,199        | £7,425                    | £3,300          | £3,300          |                    |

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# Findings from the Survey about Members' Time Commitments

Independent Remuneration Panel

Date: 19<sup>th</sup> December 2018

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Author: Committee and Member Services Manager

Wards: All

Parishes Affected: All

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## 1. Purpose and Reasons

- 1.1 The report contains the findings from a quantitative survey of Swindon Borough Councillors to ascertain an understanding of how much time they were spending on Council business. In addition, the survey also sought to provide evidence on the specific tasks Councillors are undertaking and the amount of time they assign to them.
- 1.2 The survey was requested by the Panel at its meeting on 4<sup>th</sup> October 2018. The quantitative survey is part of the Panel's continued commitment to making evidence-based recommendations to Council in line about the level of councillors' allowances.

## 2. Recommendations

The Panel is recommended to:

- 2.1 Note the contents of the report along with the findings attached at Appendix One and to ask questions of the officer who conducted the survey.
- 2.2 To consider how the findings will shape the Panel's approach to the qualitative phase of the evidence-gathering process when it interviews councillors, the Leader, and the Chief Executive.

## 3. Detail

Background

- 3.1 The Panel agreed at its meeting on 4<sup>th</sup> October 2018 that it wished to conduct a thorough review of Members' allowances as three years had elapsed since the previous exercise. The Panel agreed that it would use both a quantitative approach through a survey as well as seek qualitative data through a range of interviews.
- 3.2 Members were invited to complete an online survey with paper copies being provided to the political party groups. The survey ran from 29<sup>th</sup> October 2018 to 23<sup>rd</sup> November 2018.
- 3.3 The main organisational change affecting Members that has occurred since 2015 is that since 2017 every part of the Borough has a Civil Parish, all but one of

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Further information on the subject of this report can be obtained from Douglas Campbell, 0776 989 1673, [dcampbell@swindon.gov.uk](mailto:dcampbell@swindon.gov.uk).

# Findings from the Survey about Members' Time Commitments

Independent Remuneration Panel

Date: 19<sup>th</sup> December 2018

which have elected parish councils. (The parish of Inglesham has such a small population that it still relies on an annual parish meeting.)

## Overview

- 3.4 At the time of writing (December 2018), the Council had 57 elected Members of which 36 (63%) were men and 21 (37%) were women. This is better than the UK average of just 33% women reported by the IPPR in August 2017 <https://www.ippr.org/news-and-media/press-releases/more-than-3000-female-councillors-needed-to-reach-50-50-gender-balance-in-local-government>; however, it is still short of ensuring that councillors resemble the population. The balance is only slightly better for office holders as 58% the Cabinet Members or main committee chairs are men while 42% are women.
- 3.5 Only 22 members provided completed survey returns (7 women, 15 men) responded, which is a smaller proportion than in 2015/16. Although the responses are biased towards male respondents, no weightings have been applied given the overall lower level of engagement with the survey.

## Key findings

- 3.6 The most significant difference is shown in the responses to Question 4 about the typical number of hours spent each week on council business (NB a "jitter" function was used to show the responses individually rather than having the symbols overlap). Fewer members reported spending more than 35 hours a week on Council tasks (down from 5 to 2) and more councillors were reporting spending 10 hours or less a week on all Council business (7 instead of 4). The summary statistics are set out in Table 1 below:

**Table 1 Summary Statistics Members' surveys**

| Survey year/summary | Typical hours per week |       | Percentage change 2015/6 to 2017 |
|---------------------|------------------------|-------|----------------------------------|
|                     | 2015/16                | 2018  |                                  |
| Mean                | 23.4                   | 19.5s | -16.7%                           |
| Median              | 20                     | 15    | -25%                             |

- 3.7 Examining the breakdown questions about how members spend their time, there have been slight declines in the time spent on informal cabinet/shadow cabinet meetings (Question 6), at partner organisations (Question 7) reading reports (Question 8), and contact with the public (Question 13a).

Further information on the subject of this report can be obtained from Douglas Campbell, 0776 989 1673, [dcampbell@swindon.gov.uk](mailto:dcampbell@swindon.gov.uk).



# Findings from the Survey about Members' Time Commitments

Independent Remuneration Panel

Date: 19<sup>th</sup> December 2018

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- 3.8 While the data show the number of hours, the Panel may wish to examine further the nature of the work that is still undertaken. In particular, the Panel may wish to consider the pressures and responsibilities that come with serving on a unitary authority responsible for the personalised social care services for the Borough's most vulnerable.
- 3.9 The survey shows an interesting divergence in attitudes towards the basic allowance (Question 15). Fewer Cabinet Members and Chairs in this survey, all of whom receive a special responsibility allowance, thought the allowance was too high but slightly more non-office holders thought it was too low. However, the number of responses was low.
- 3.10 There was an increase in the number of non-office holders who were also parish councillors, which may reflect the number of public-facing services that parishes have taken over from the Borough.

## 4. Alternative Options

- 4.1 There are no alternative options as this survey was explicitly requested by the Panel.

## 5. Implications, Diversity Impact Assessment and Risk Management

### Financial and Procurement Implications

- 5.1 There are no financial or procurement implications at this stage as the survey is intended to inform the Panel's deliberations.

### Legal and Human Rights Implications

- 5.2 There are no legal or human rights implications. All the data were processed without recording any personal identifiers.

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

- 5.3 There are no other implications at this time.

### Diversity Impact Assessment

- 5.4 No Diversity Impact Assessment (DIA) was undertaken since this is not a decision-making report.

### Risk Management

- 5.5 There are no risk management implications as this is not a decision-making report.

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Further information on the subject of this report can be obtained from Douglas Campbell, 0776 989 1673, [dcampbell@swindon.gov.uk](mailto:dcampbell@swindon.gov.uk).

# Findings from the Survey about Members' Time Commitments

Independent Remuneration Panel

Date: 19<sup>th</sup> December 2018

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## 6. Consultees

- 6.1 As this report is to inform rather than to secure a decision, officers chose not to consult either the Monitoring Officer (Interim Director of Law) or the Section 151 Officer (Director of Finance).

## 7. Background Papers

- 7.1 None

## 8. Appendices

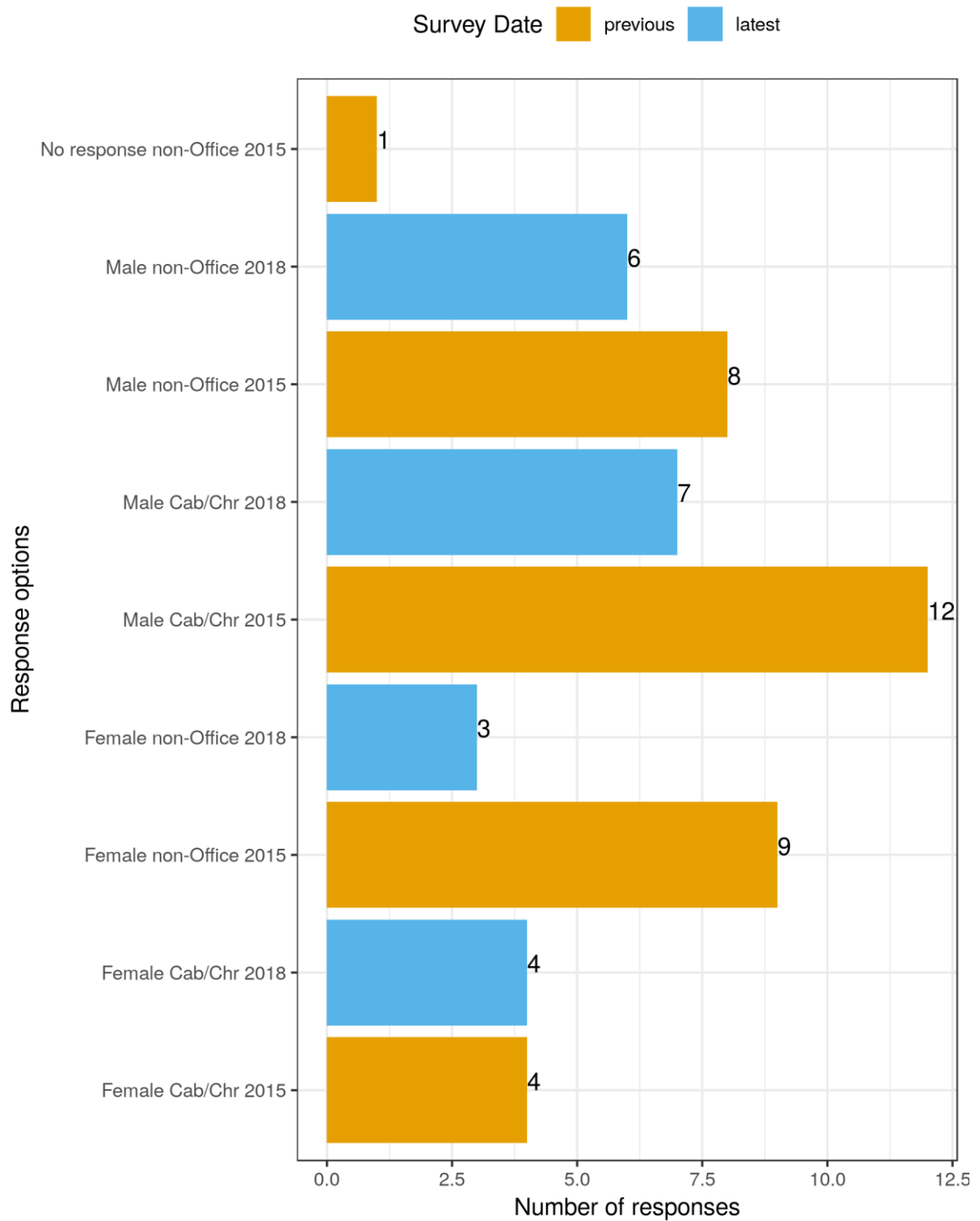
- 8.1 Appendix One: 2018 Councillors' Survey

# Councillors' Survey 2018

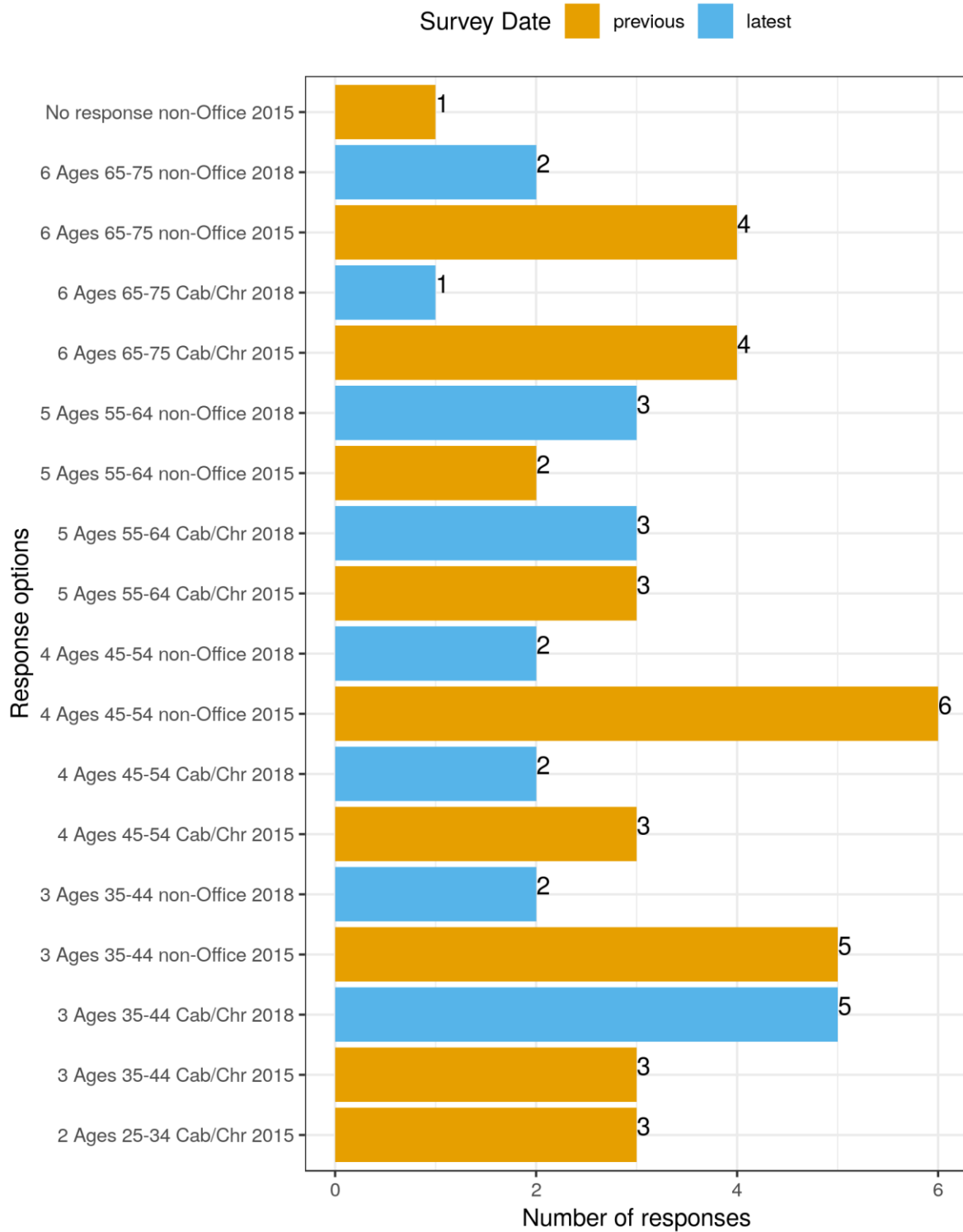
|   |    |
|---|----|
| 1. Councillors' Survey 2018.....  | 1  |
| 2. Question 1 Are you Male or Female?.....  | 3  |
| 3. Question 2. Please indicate your age range .....   | 4  |
| 4. Question 3. Which of these activities best describes what you are doing at present?.....   | 5  |
| 5. Question 4. What is the average number of hours per week that you spend overall on all Council activities .....  | 6  |
| 6. Question 5. What is the average number of hours that you spend per week attending formal meetings .....  | 7  |
| 7. Question 6. What is the average number of hours that you spend per week attending informal cabinet/shadow cabinet meetings, Cabinet Member Advisory Groups? .....                                | 8  |
| 8. Question 7. What is the average number of hours that you spend per week meeting with partner organisations e.g. CCG, Fire Authority, Police and Crime Panel etc .....                            | 9  |
| 9. Question 8. What is the average number of hours that you spend per week reading reports? .....   | 10 |
| 10. Question 9. What is the average number of hours that you spend per week attending meetings as ward members with a cabinet member or officer(s) about a ward/casework issues?.....               | 11 |
| 11. Question 10. What is the average number of hours that you spend per week attending briefing meetings with officers (excluding Party Group meetings).....  | 12 |
| 12. Question 11. What is the average number of hours that you spend per week attending Council political party Group or pre-meetings .....  | 13 |
| 13. Question 12. What is the average number of hours spent per week attending other bodies e.g. school governing bodies/town or parish councils, residents groups, regional or national bodies..... | 14 |
| 14. Question 13a. What is the average number of hours that you spend in direct dealings with the public.....  | 15 |
| 15. Question 13b. What is the average number of hours that you spend on indirect dealings with the public.....  | 16 |
| 16. Question 14. Which additional offices do you hold? .....  | 17 |
| 17. Question 15. Do you think the Basic Allowance of £8,384 is .....  | 18 |
| 18. Question 17a. How influential do you believe the level of Councillors Allowances (Basic / Special Responsibility Allowances) are in encouraging people to be Councillors? .....                 | 19 |
| 19. Question 17b. How influential do you believe the level of Councillors Allowances (Basic / Special Responsibility Allowances) are in encouraging people to remain Councillors? .....             | 20 |

20. Question 18. Swindon limits the number of Special Responsibility Allowances to one per councillor, which is common but no means universal for all councils. Should councillors with more than one Special Responsibility receive ..... 21

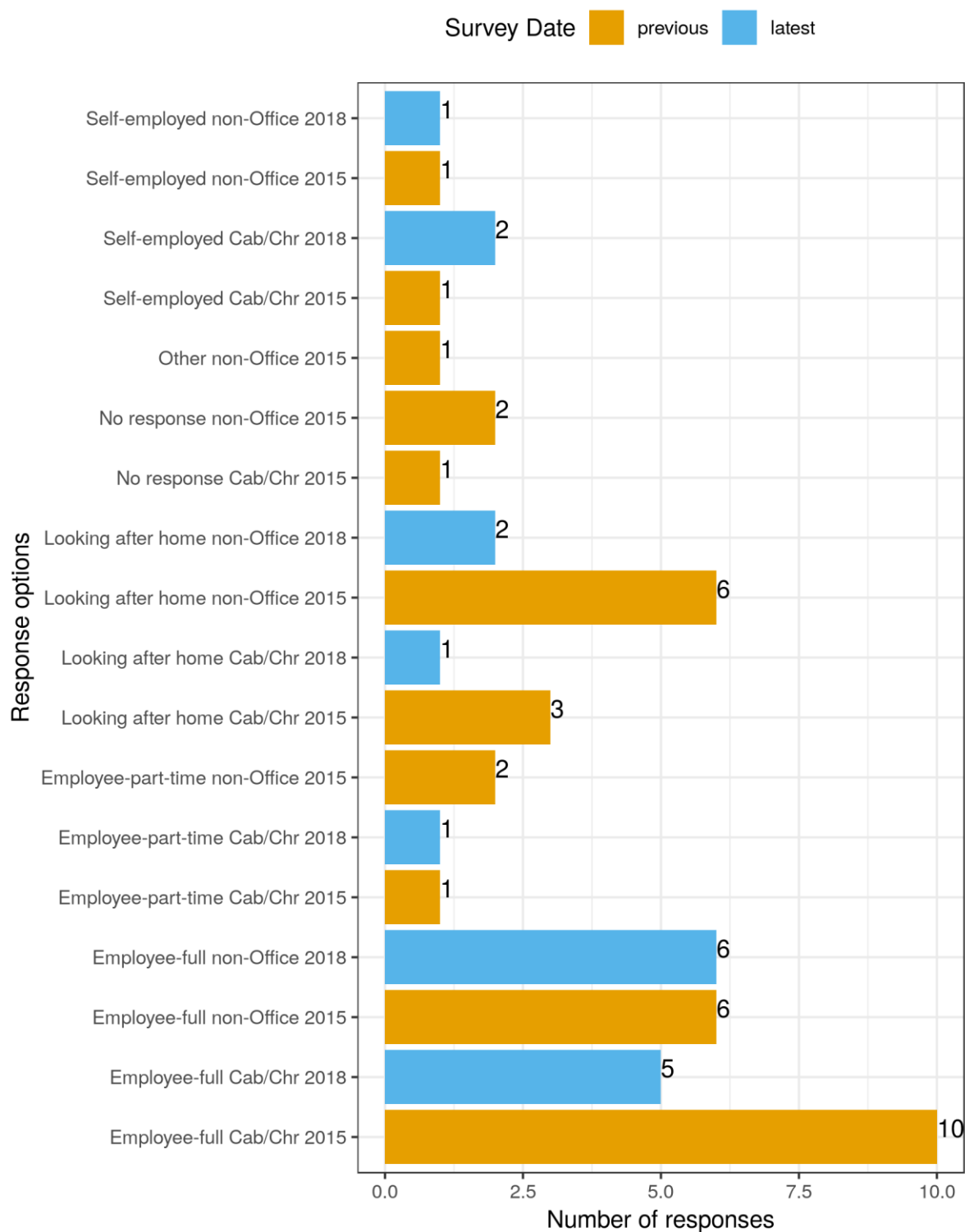
## Question 1 Are you Male or Female?



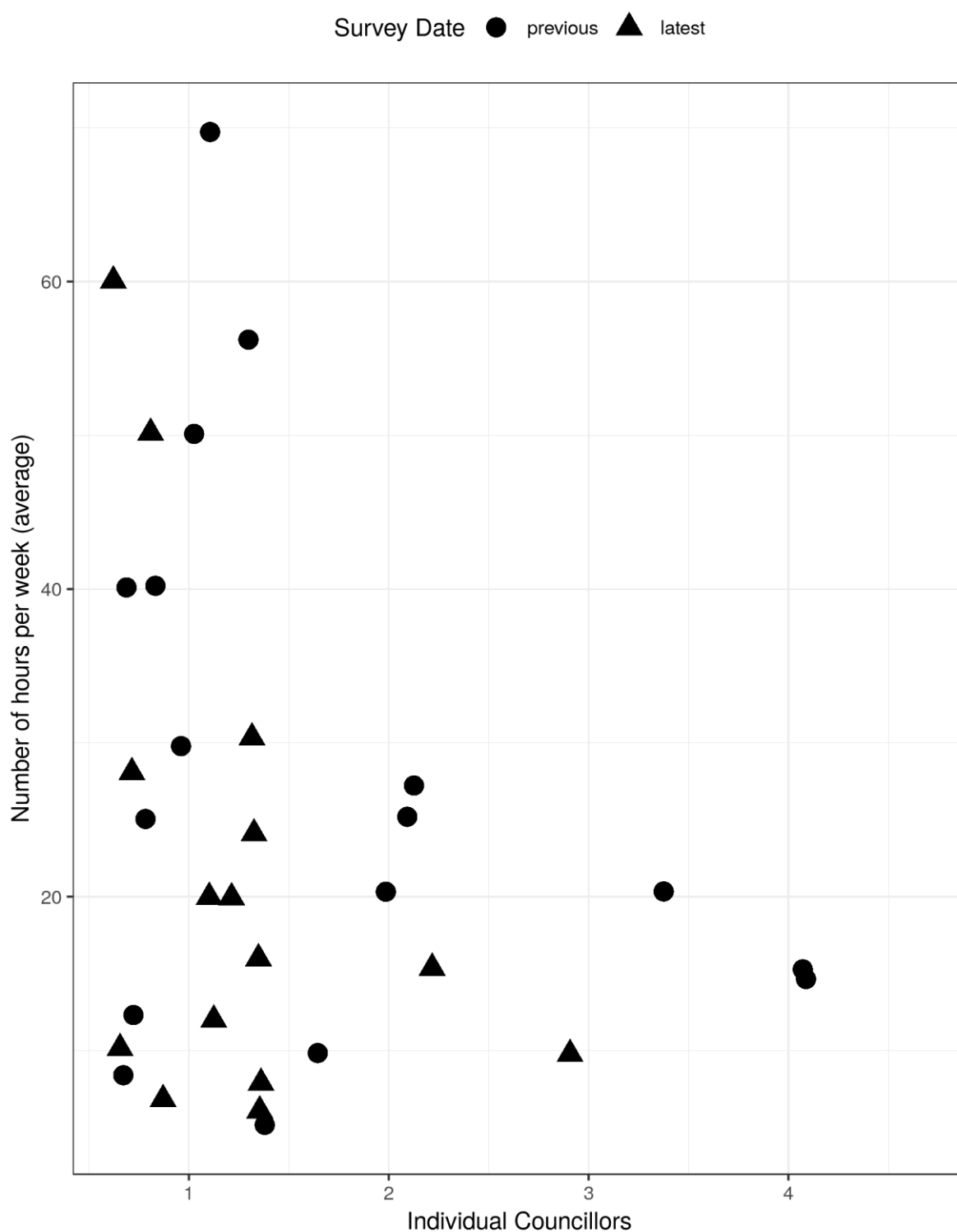
## Question 2. Please indicate your age range



### Question 3. Which of these activities best describes what you are doing at present?

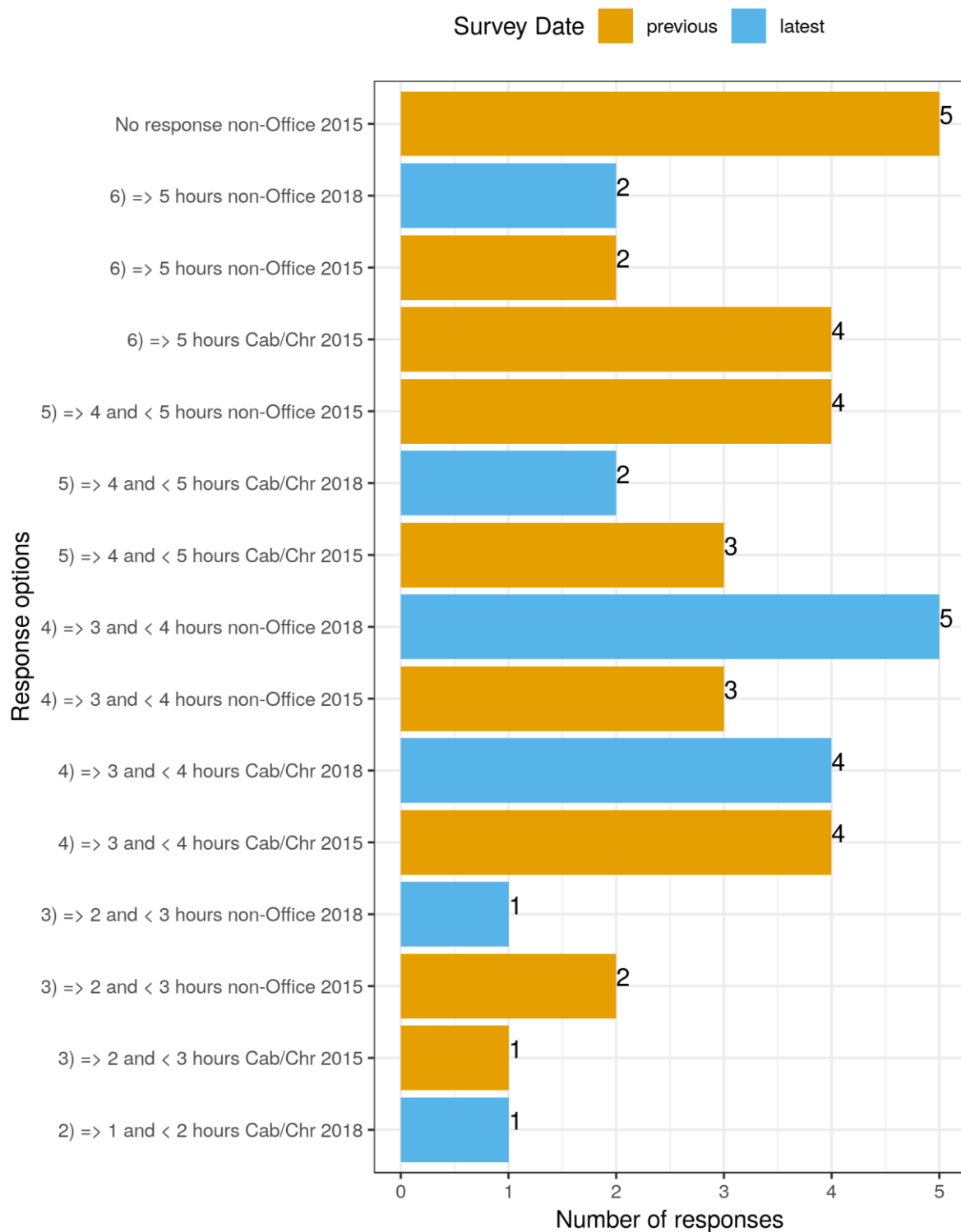


## Question 4. What is the average number of hours per week that you spend overall on all Council activities

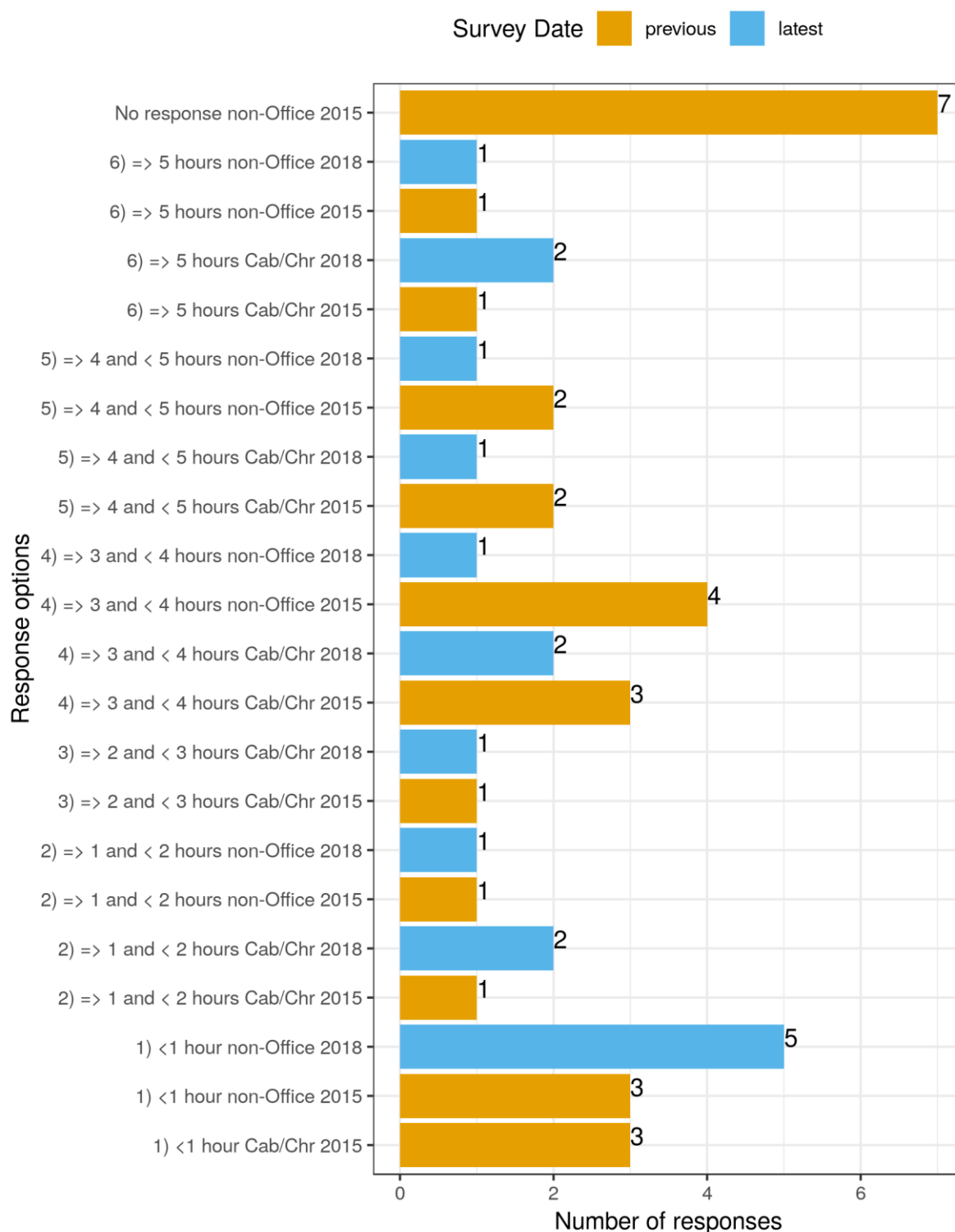




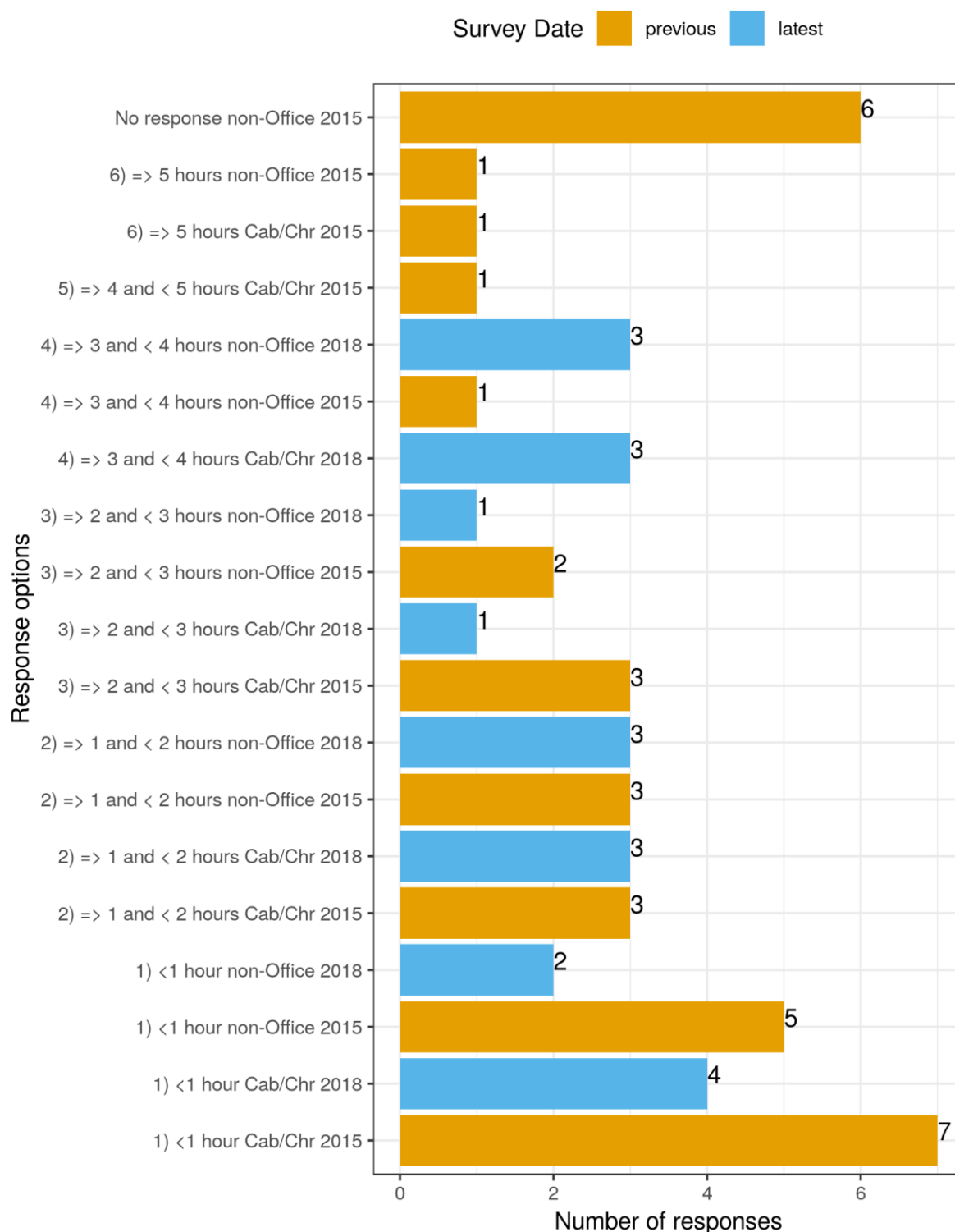
## Question 5. What is the average number of hours that you spend per week attending formal meetings



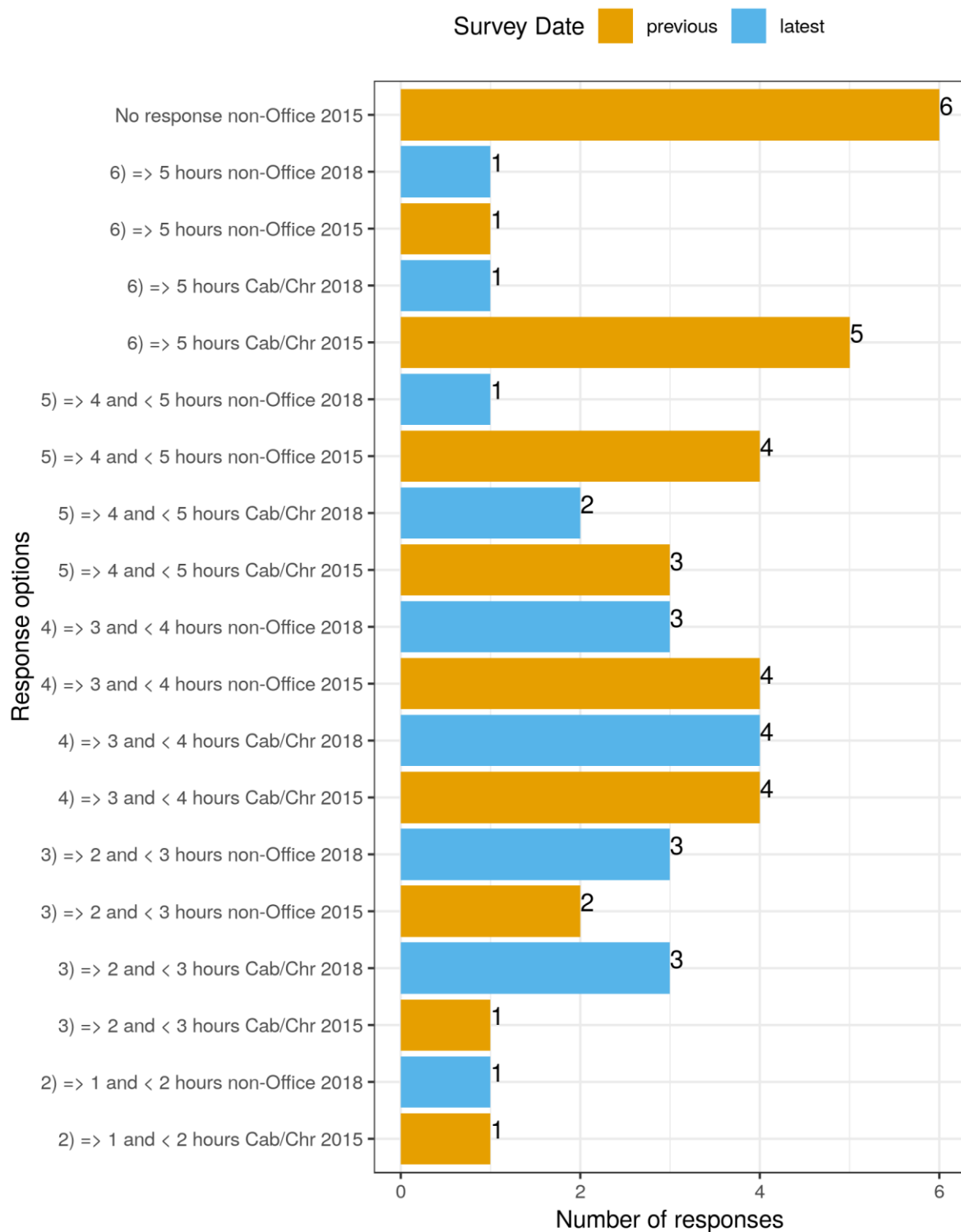
## Question 6. What is the average number of hours that you spend per week attending informal cabinet/shadow cabinet meetings, Cabinet Member Advisory Groups?



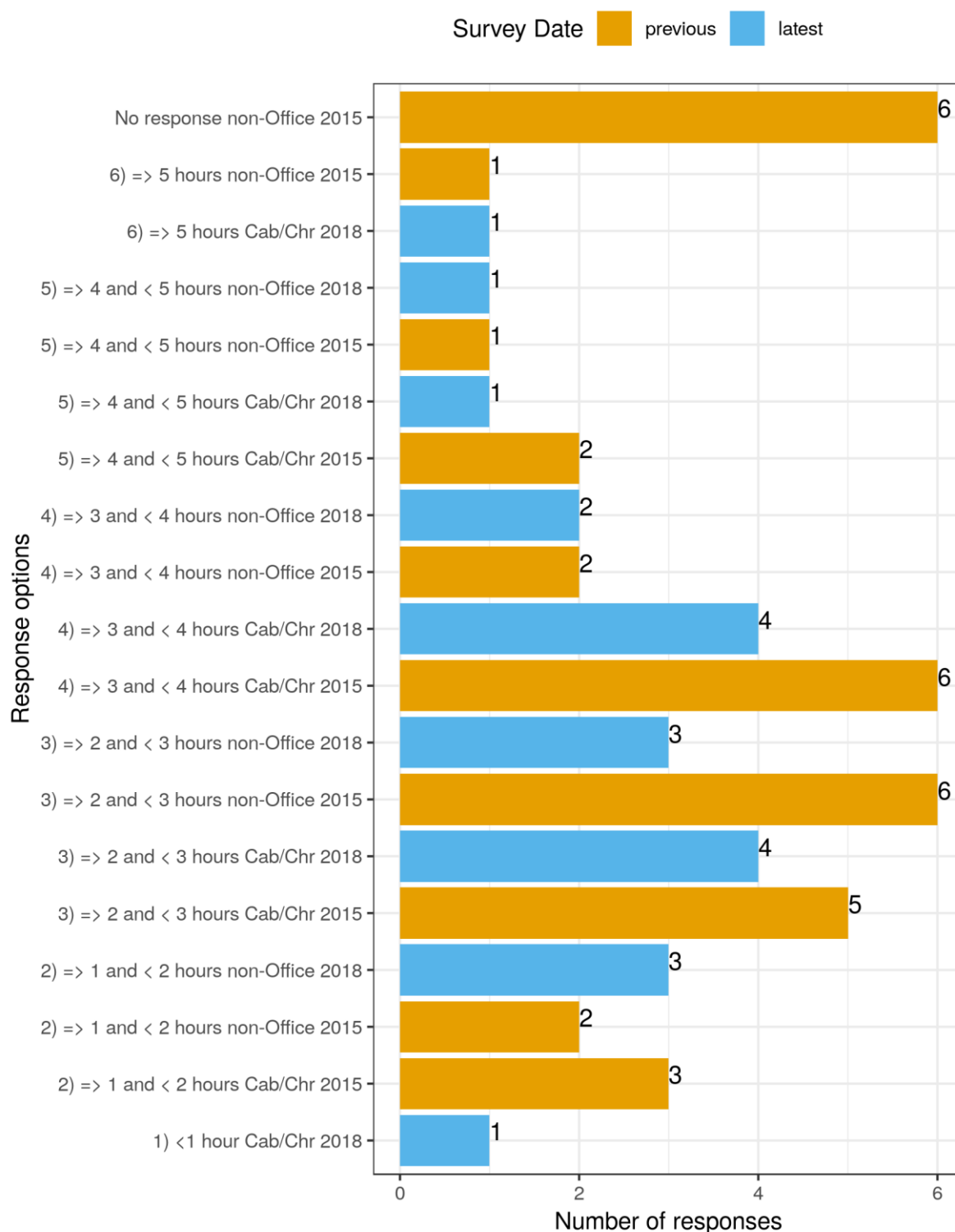
## Question 7. What is the average number of hours that you spend per week meeting with partner organisations e.g. CCG, Fire Authority, Police and Crime Panel etc



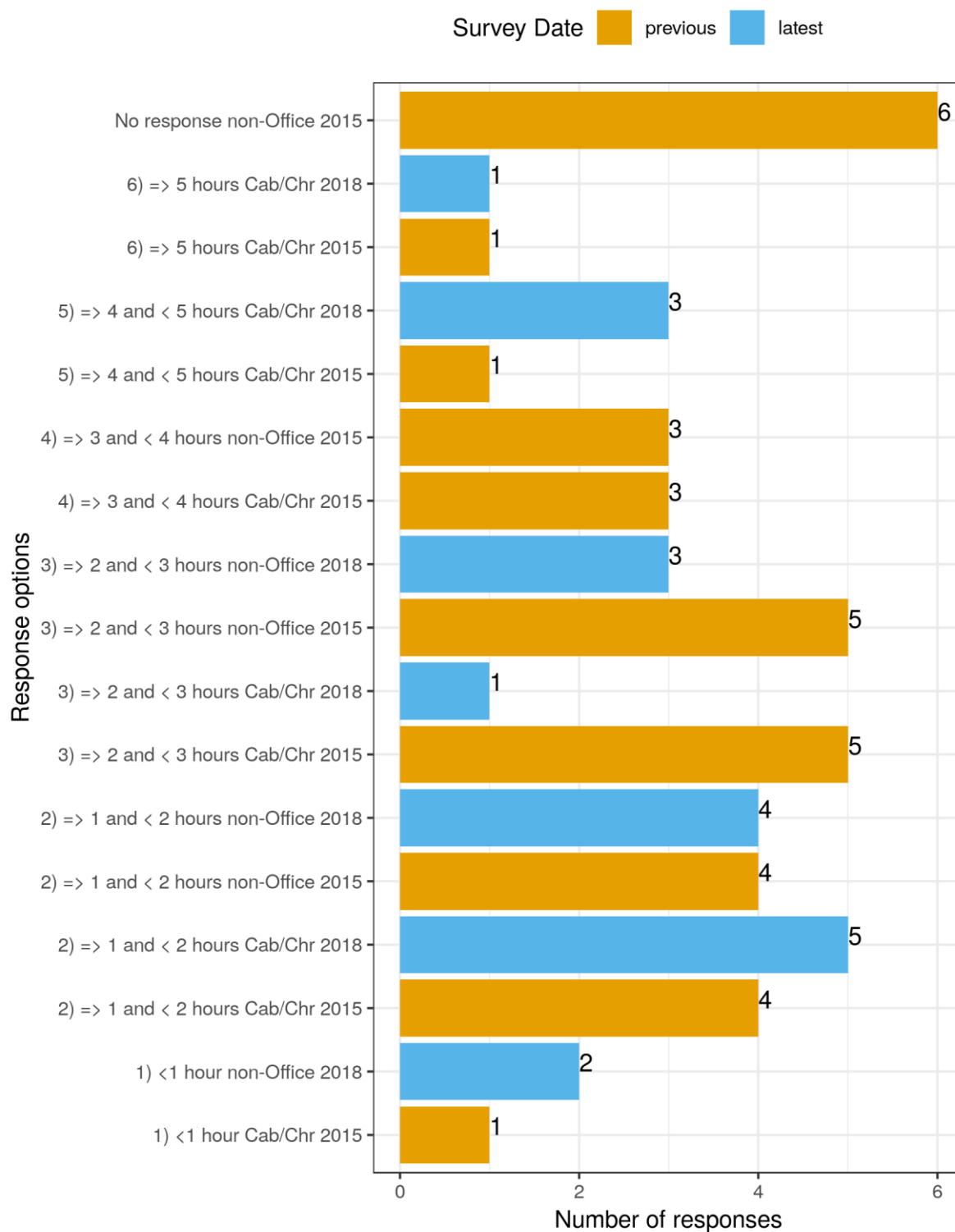
## Question 8. What is the average number of hours that you spend per week reading reports?



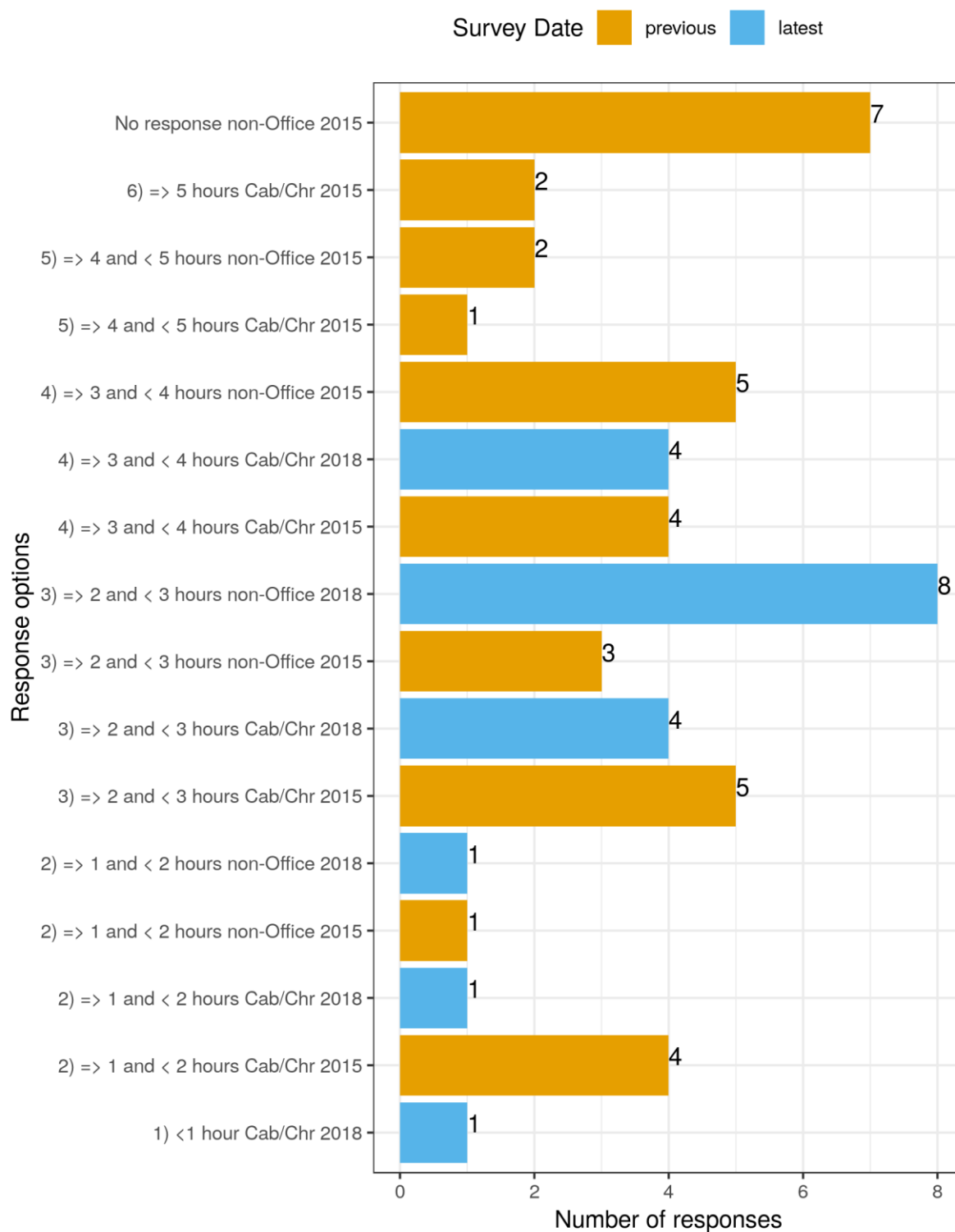
## Question 9. What is the average number of hours that you spend per week attending meetings as ward members with a cabinet member or officer(s) about a ward/casework issues?



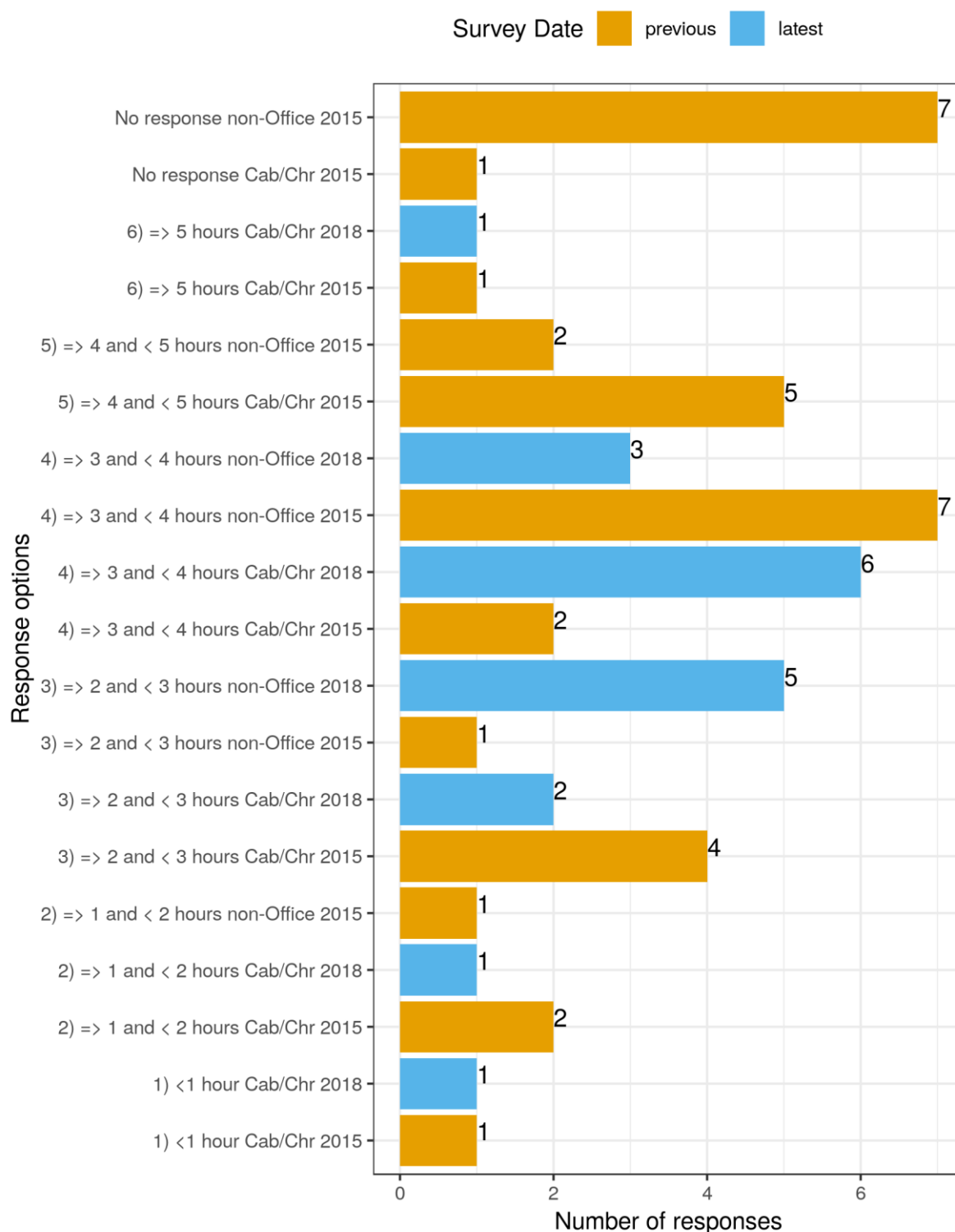
## Question 10. What is the average number of hours that you spend per week attending briefing meetings with officers (excluding Party Group meetings)



## Question 11. What is the average number of hours that you spend per week attending Council political party Group or pre-meetings

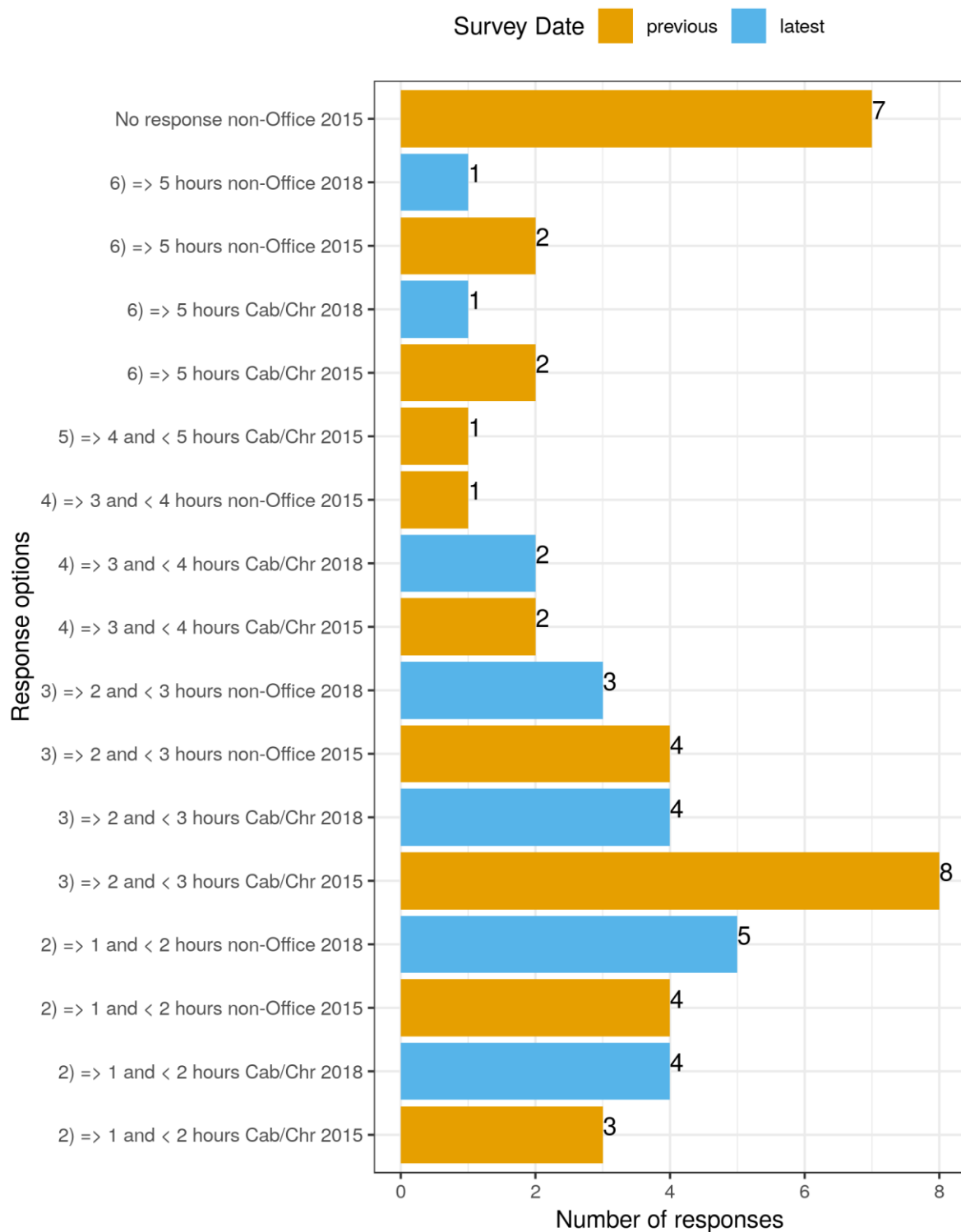


## Question 12. What is the average number of hours spent per week attending other bodies e.g. school governing bodies/town or parish councils, residents groups, regional or national bodies

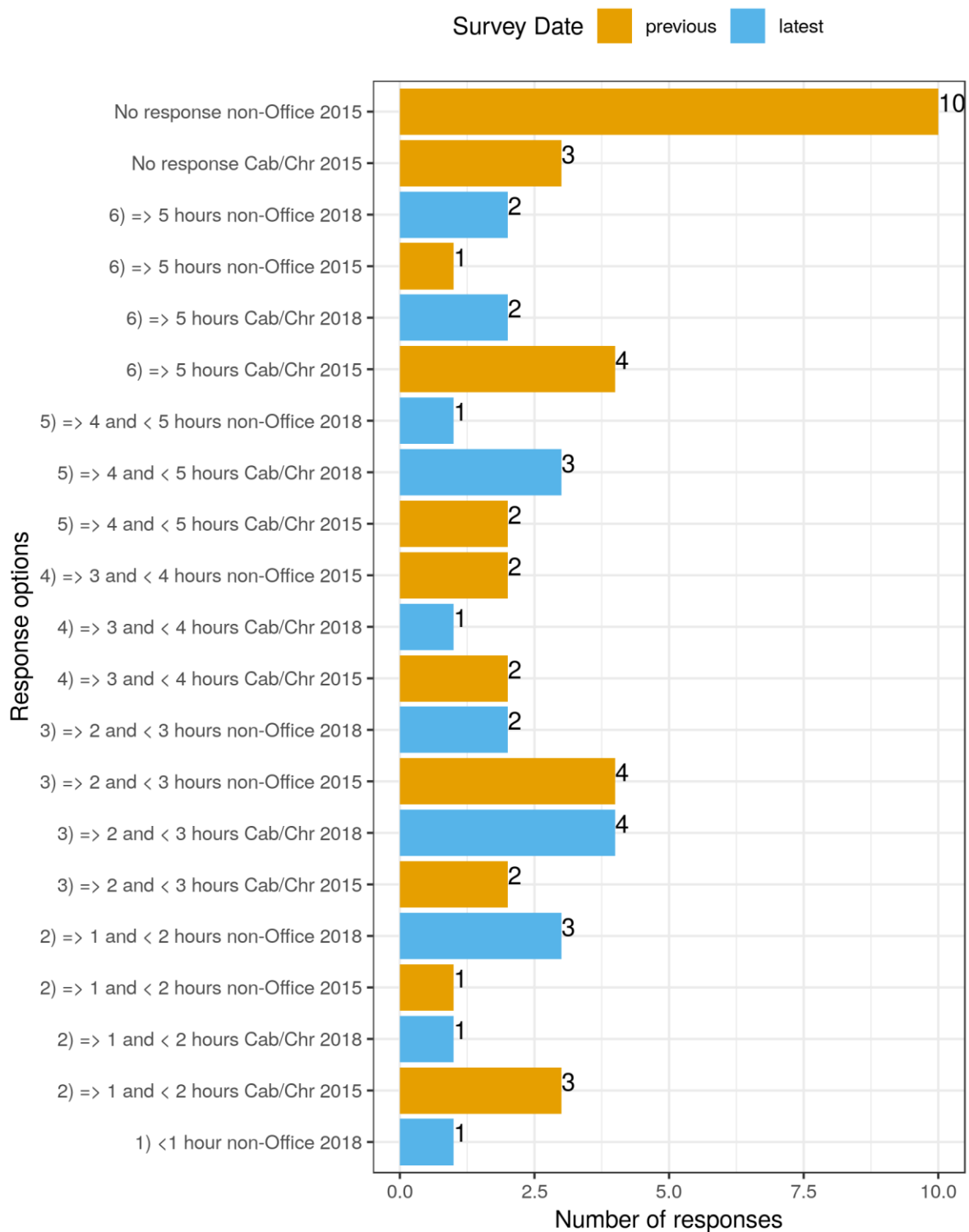




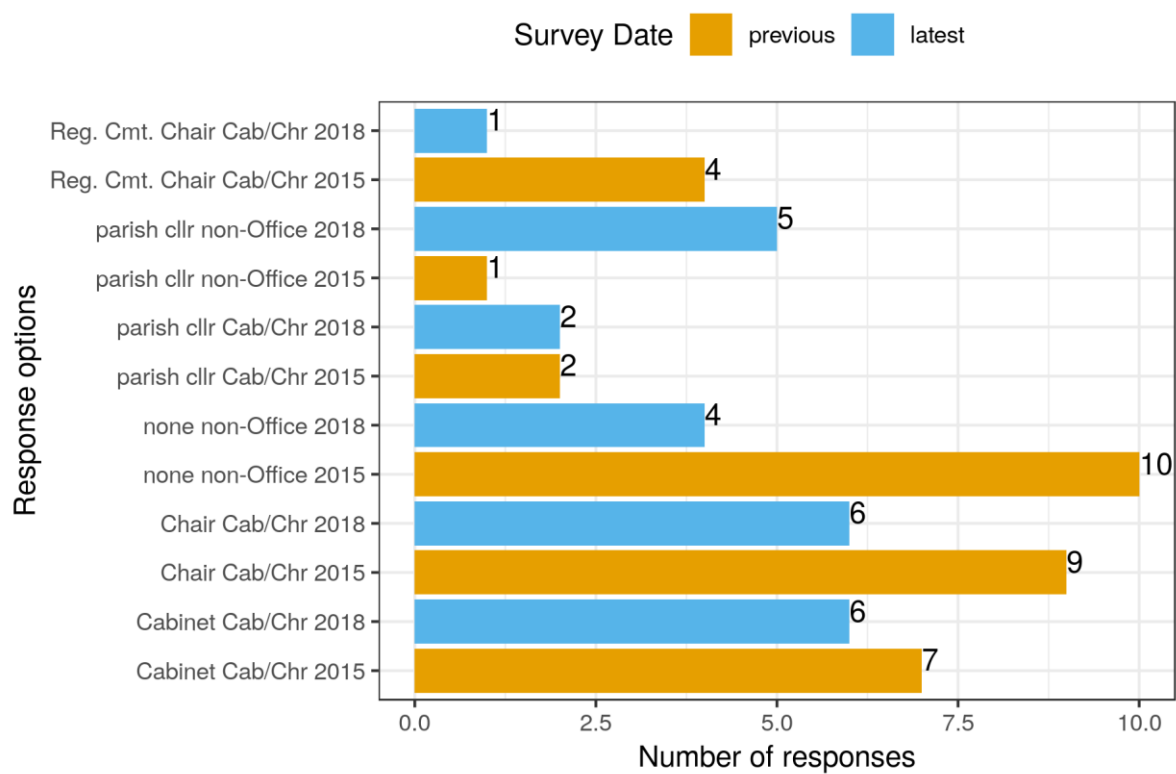
## Question 13a. What is the average number of hours that you spend in direct dealings with the public



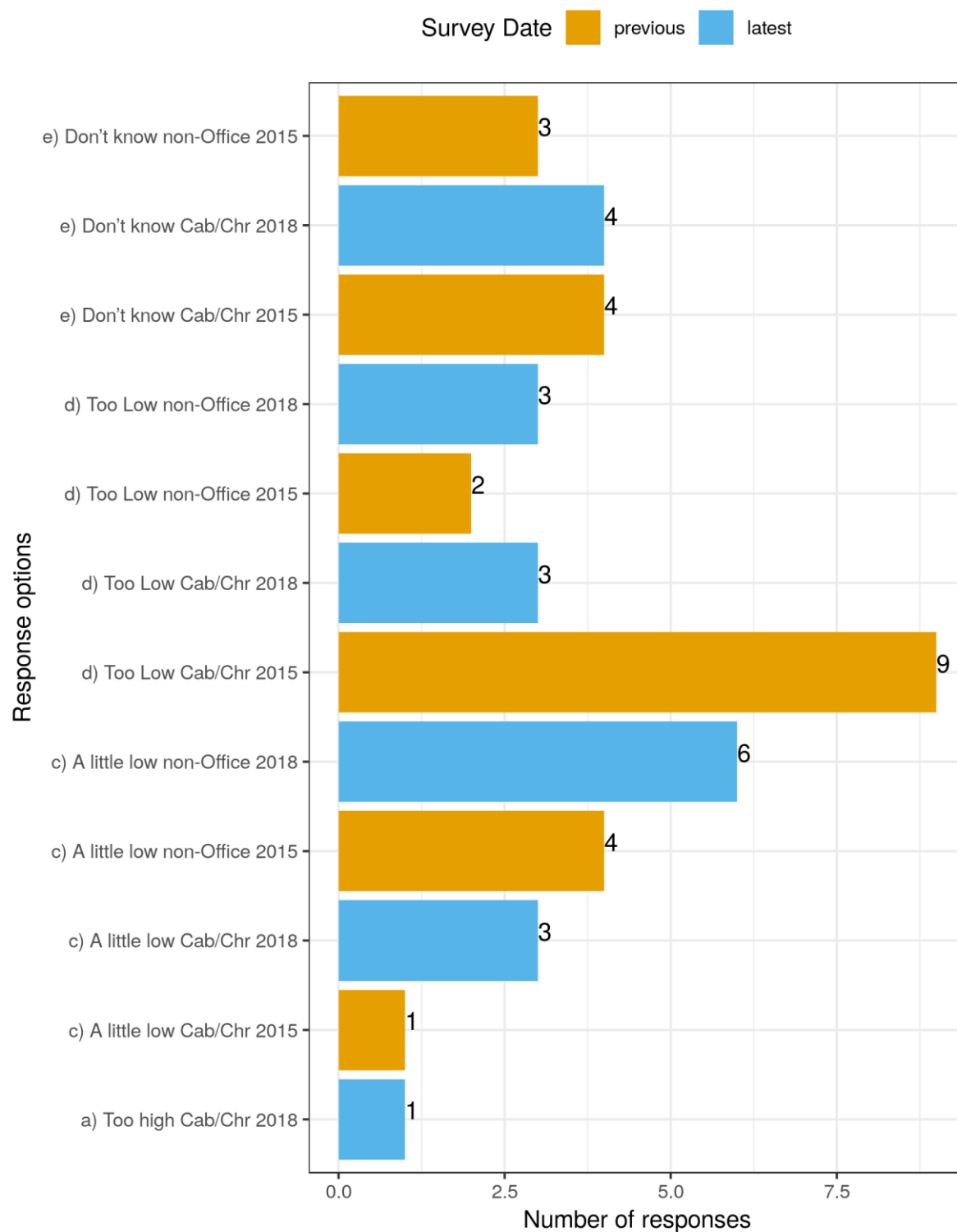
## Question 13b. What is the average number of hours that you spend on indirect dealings with the public



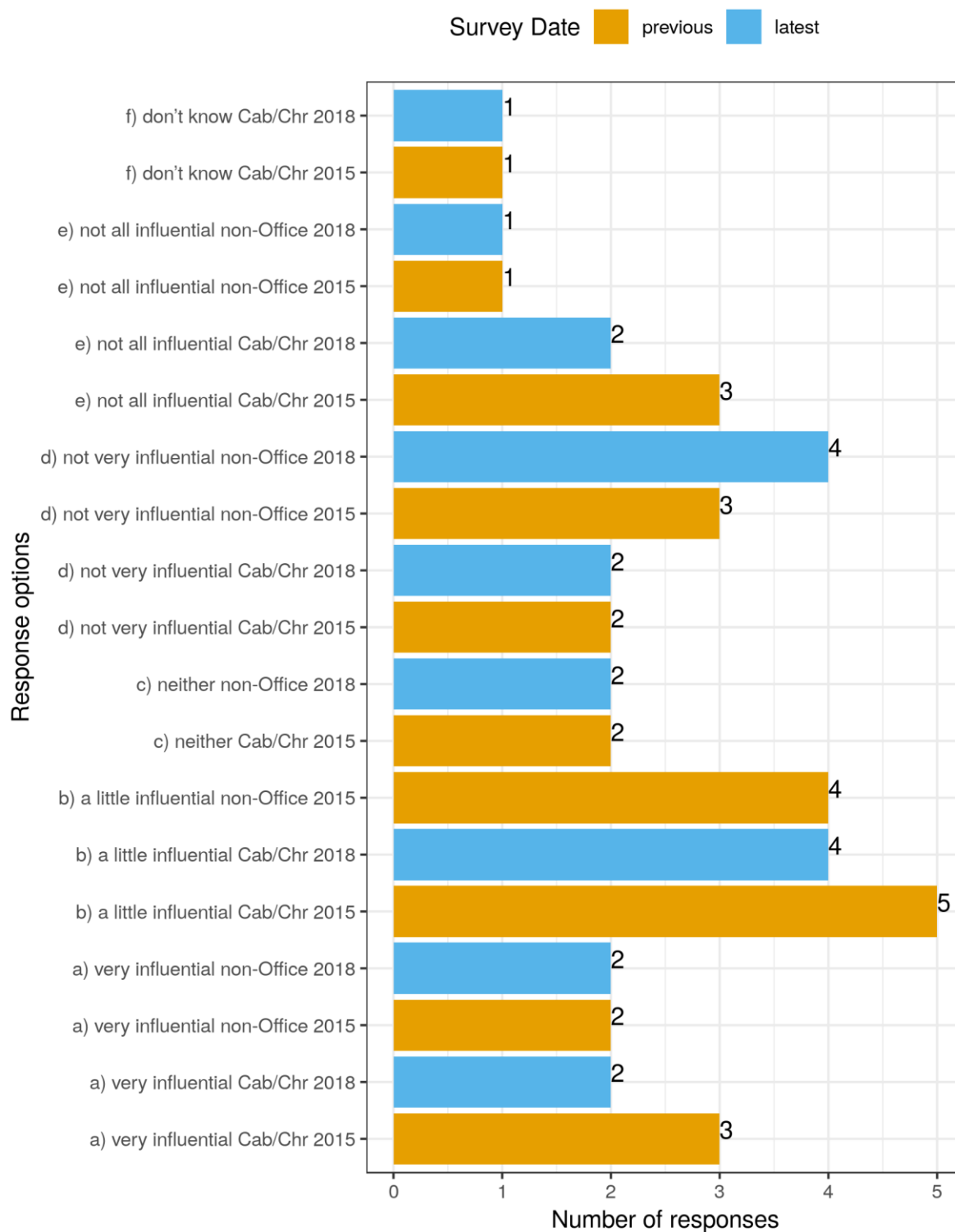
## Question 14. Which additional offices do you hold?



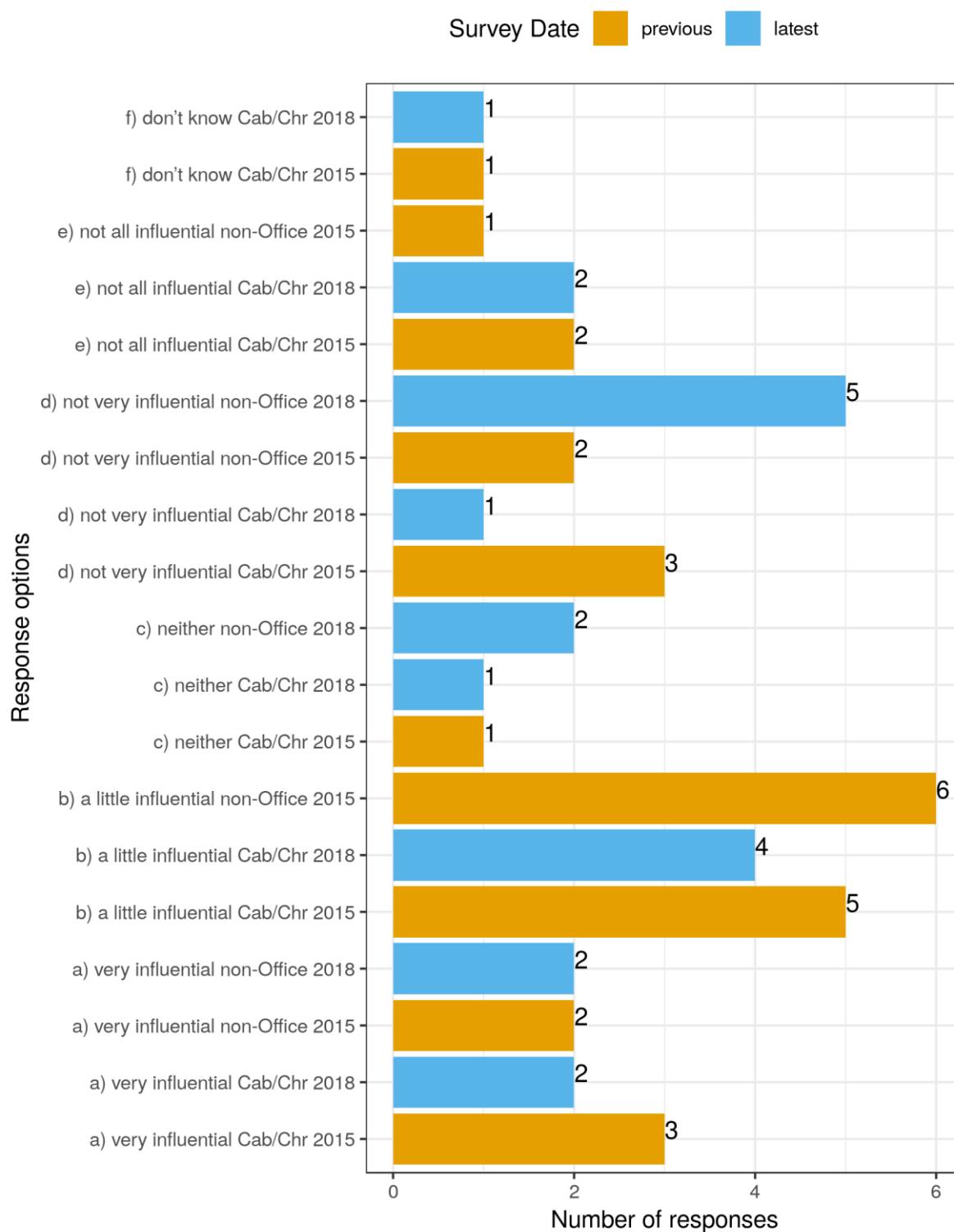
## Question 15. Do you think the Basic Allowance of £8,384 is



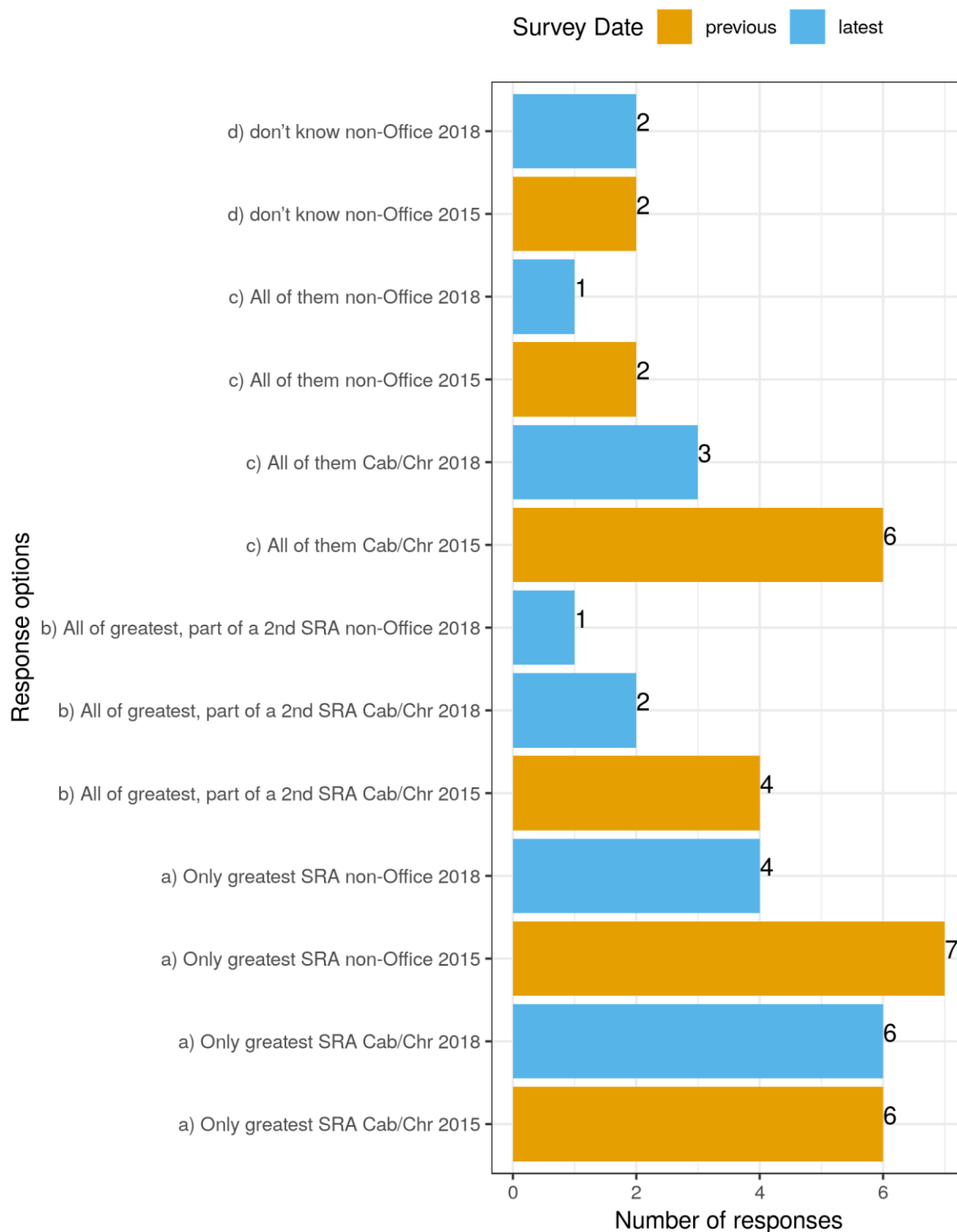
## Question 17a. How influential do you believe the level of Councillors Allowances (Basic / Special Responsibility Allowances) are in encouraging people to be Councillors?



## Question 17b. How influential do you believe the level of Councillors Allowances (Basic / Special Responsibility Allowances) are in encouraging people to remain Councillors?



## Question 18. Swindon limits the number of Special Responsibility Allowances to one per councillor, which is common but no means universal for all councils. Should councillors with more than one Special Responsibility receive



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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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