

Capital Monitoring Quarter 2 2017-18

Cabinet

Date: 6th December 2017

Authors: Cabinet Member for Finance and Commercialisation
Corporate Director, Resources and Growth

Wards: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 This report presents the second quarter's monitoring position for the Council's capital programme and some 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 forecast capital expenditure set out in Table 1 & 2 and Appendix 1,
- 2.2 Approve the changes to the programme in section 3.3.
- 2.3 Note the contents of Tables 3 - 6 regarding the 2016-17 Community Infrastructure Levy (CIL) and to approve that these be published on our website.
- 2.4 Approve the annual retention of 5% of the total annual CIL receipts to cover administration costs per paragraph 3.7 below
- 2.5 Approve the distribution of the non-parished CIL Neighbourhood Proportion to the new parishes as if they had existed at the date of the receipt.
- 2.6 Note the intention for CIL receipts to support capital programme proposals that will be taken to Cabinet in February 2018 as part of the annual capital budget setting process.

3. Detail

Capital Programme – 2017/18 monitoring

- 3.1 Table 1 below shows the current status of the 2017-18 capital budget and forecast outturn position. The significant budget movements are detailed in

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paragraph 3.3.1 - 3.3.2 below. Table 2 shows how the capital programme is being funded.

Table 1 - Budget Forecasts and Variances

Service	Approved Budget 2017-18 Onwards	Forecast Scheme Spend to Completion	Projected Variance
Group	£'000's	£'000's	£'000's
Community Works	1,386	1,386	0
Corporate Projects	71,732	71,930	198
Section 106	10,755	10,755	0
Schools	8,535	8,535	0
Social Care	1,200	1,200	0
Transport	92,942	92,796	-146
Total General Fund	186,550	186,602	52
HRA	48,183	48,412	229
Service Totals	234,733	235,014	281

Table 2 - Capital Programme funding

	Current Funding Requirement
Expenditure	£'000
Budget	234,733
Balance to be financed:	234,733
Capital Receipts	3,015
Section 106 Deposits	6,768
Grant Funding	122,531
Revenue Contributions	4,360
HRA balances	46,507
CIL	306
Increase in Borrowing Requirement	51,246
Total	234,733

3.2 The detailed capital monitoring for quarter 2 is attached at Appendix 1.

Changes to the Programme

3.3 Cabinet is asked to approve the following changes to the existing programme:

Variances

3.3.1 Cabinet has previously approved budgets to fund new early year's provision (lines 109 and 111) (Cabinet minute 84 2015/16 and Cabinet

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minute 95 2012/13 refer). It is proposed to amalgamate these two budgets to enable the delivery of new early year's provision. Further it is proposed to transfer £40k from the combined budget to the Tick Tock Nursery provision replacement budget (line 110), to enable the works required at Wroughton Library to enable a new early year's provision to be completed.

- 3.3.2 The LTP bus priority & infrastructure budget (line 138) is currently showing an underspend of £151k, as no bus stop improvements are currently planned. The funding for this budget came from the Local Transport Plan (LTP) grant, and highways will review their current programme and seek approval to reallocate this to other projects. The Wroughton park & ride budget (line 169) is currently showing a small overspend (£5k), part of the underspend identified above will be used to fund this overspend.

New Approvals

- 3.3.3 A budget of £81.4k, funded from S106 income, to reconfigure the traffic light sequences at Kingsdown cross roads. The current signals do not allow for any pedestrian phase; however, following a recent fatality the Council has received a letter from the coroner requesting improvements for pedestrians using this junction.
- 3.3.4 A budget of £72.6k, funded from S106 income, to install a Toucan crossing at Oakhurst Way. The current crossing point is an uncontrolled crossing, as this route is used by large numbers of children to access their school it is intended to upgrade this to a Toucan crossing.
- 3.3.5 A budget of £167k, funded from S106 income, to improve the highway infrastructure around Regents Circus. These works form part of a wider Local Growth Fund (LGF) scheme for town centre rapid transit.
- 3.3.6 A budget of £96k, funded from S106 income, to reflect the cost of moving the parking bays in Akers Way, by removing part of the verge to enable the running lanes to be widened. As Cabinet will be aware, there has been a major project to rebuild Akers Way to a higher standard due to the increased traffic on this route. The moving of the parking bays has enabled the running lanes to be widened thus ensuring that large vehicles can pass and therefore reducing congestion.
- 3.3.7 A budget of £85k, funded from S106 income to purchase a static caravan at the Cotswold Hoburne Caravan site. The existing Foster Carer caravan has come to the end of its life and a new Caravan with a 19 year lease is required to continue to provide the In-House foster carers with a Respite / holiday let. The administration / management of the provision is provided by Swindon Foster Carers Association.

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- 3.3.8 Approval is required for an uplift in the housing development feasibility budget by £50k to fund the cost of feasibility works in bringing forward the development of land through the Housing companies and for related company set up fees, to be funded from reserves.
- 3.3.9 Cabinet is asked to approve a budget of £961.5k to enable the replacement of grounds maintenance equipment. The current equipment is at the end of its useful life and needs to be replaced before the new grass cutting season begins in March 2018. The team provide a contract service for a number of parishes, as well as delivering retained maintenance responsibilities. The income generated from this service will contribute to the purchase of this equipment over a five year period, there is no impact on the revenue budget resulting from this acquisition.
- 3.3.10 Cabinet is asked to approve a budget of £4.125m to enable improvements to Mead Way. The works will be funded by a £2.529m grant from the National Productivity Investment Fund. The balance of £1.596m is to be funded from Section 106 developer contributions. The scheme comprises junction improvements at the south-eastern end of Mead Way, and will involve the widening of Mead Way between Meads Roundabout and Withymead Roundabout to provide additional capacity, and the re-modelling of Westmead Roundabout to reduce queuing back from this junction onto Great Western Way. Following design work and public consultation in 2018, the majority of the construction work is planned to take place in 2019.
- 3.3.11 Cabinet is asked to note that the A419 Sound Barrier (line 19) will be removed from the capital programme.

Community Infrastructure Levy (CIL) Monitoring 2016/17

- 3.4 The Council has a legal obligation to report annually on CIL receipts for the previous financial year and publish that report on its website by no later than 30th December of the following financial year.
- 3.5 The Council commenced charging CIL on 6th April 2015, with the reporting year being 1st April 2016 to 31st March 2017 and this report is due to be published by 31st December 2017. Table 3 below provides details of the CIL receipts in 2016/17. Table 4 and 5 provide details of the funding received by ward and parish area. Table 6 contains details of funding passed to Parish Councils in 2016/17 and table 7 contains details of other items that the Council is required to publish as part of its CIL annual report.

Table 3 – CIL receipts monitoring

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		Retained at end of 2016/17	Retained at end of 2015/16	Combined Total Retained at end of 2016/17
CIL General Fund	£495,935.69	£495,935.69	£32,484.06	£528,419.75
CIL Administration (= to 5% of total CIL)	£30,948.17	£30,948.17	£2,030.25	£32,978.42
CIL NP Non-Parish (<i>at the time of receipt</i>)	£85,374.75	£85,374.75	£4,787.26	£90,162.01
CIL NP Parish	£6,704.75	£6,704.75	£1,303.50	£1,553.47
<i>CIL Passed to other persons</i>	<i>£0.00</i>	<i>£0.00</i>	<i>£0.00</i>	<i>£0.00</i>
Total CIL receipts received in 2016/17	£618,963.36	£618,963.36	£40,605.07	£653,113.65

Table 4 – CIL NP receipts by Ward

	Value of CIL NP (£)
From Wards in what became Central Swindon North Parish on 1st April 2017	£25,738.09
From Wards in what became Central Swindon South Parish on 1st April 2017	£59,636.66
<i>TOTAL Non-Parish</i>	<i>£85,374.75</i>

Table 5 – CIL NP receipts by Parish

CIL NP Received for existing Parishes Apportionment in 2016/17	Value of CIL Parish NP (£)
Haydon Wick Parish Council	£2,151.47
Stratton St Margaret Parish Council	£4,553.28
All Other Parishes	£0.00
<i>Total NP Receipted Parish</i>	<i>£6,704.75</i>

Table 6 – CIL passed to Parish Councils in 2016/17

CIL NP Passed to Parish Councils 2016/17	Value of CIL Parish NP (£)
Blunsdon Parish Council	£1,303.50
Haydon Wick Parish Council	£2,151.47

Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No. 464384 or Email iburbidge@swindon.gov.uk

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Stratton St. Margaret Parish Council	£2,999.81
Total NP Passed to Parish Council in 2016/17	£6,454.78

Table 7 – CIL Funded Projects

Name of CIL Funded Project	Total Value of CIL Receipts Allocated (£)	Expenditure in 2015-16 (£)	Expenditure in 2016-17 (£)	Total Expenditure to date (£)	Allocated but unspent balance (£)
CIL Administration	£32,978.42	£0.00	£0.00	£0.00	£32,978.42
Household Waste Recycling Site - Access Road Works	£32,484.06	£0.00	£0.00	£0.00	£32,484.06
Total		£0.00	£0.00	£0.00	

Table 8 - CIL details required as part of the annual report

Amount of money applied to repay borrowing	£0.00
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TOTAL CIL General Fund Unallocated at end of 2016/17 to carry forward to 2017/18	£495,935.69
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Other Matters in lieu of CIL Payments	
Infrastructure Payments	None
Land Payments	None
Notices Served to recover CIL From Local Councils	None
Repayment Request from Local Councils (Parishes)	None

- 3.6 Cabinet is requested to note the content of the tables above and approve that they be published on the Authority's website thus discharging the Council's legal reporting requirements.

5% of CIL receipts for Administration

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- 3.7 The CIL regulations allow for up to 5% of the total annual CIL receipts to be retained to provide the resources required to manage the overall CIL process.
- 3.8 Cabinet is requested to approve the annual retention of 5% of the total annual CIL receipts.

CIL Neighbourhood Proportion ("CIL NP")

- 3.9 The CIL Regulations require that the CIL Neighbourhood Proportion (CIL NP) is passed to local parishes for them to fund works to support the development of their area. Following the Community Governance Review that concluded in November 2016 (Council Minute 61, 2016/17 refers), officers are proposing that the CIL NP that has been received for the non-parished areas of the borough will be transferred to new parishes as if they had been in existence when the receipt was received. Such a transfer would support the Administration's general approach of devolving responsibilities to town and parish councils.
- 3.10 Cabinet is requested to approve the distribution of the non-parished CIL NP to the new parishes as if they had existed at the date of the receipt.

CIL Infrastructure Account (CIL General Fund)

- 3.11 The majority of CIL Receipts are retained by the Council to help fund the provision, and where appropriate, maintenance of its infrastructure; these receipts are held in a CIL Infrastructure Account (CIL regulations refer to this as the General Fund).
- 3.12 The Council has discretion around how this is spent and can allocate it to either a single project, or to multiple projects. The expenditure should be aligned with infrastructure identified on the adopted CIL Regulation 123 Funding List which is drawn from the Infrastructure Delivery Plan that supports the adopted Local Plan 2026 (Council Minute 97, 2014/5 refers).
- 3.13 Cabinet is asked to note the intention to allocate CIL receipts to support capital programme proposals that will be taken to Cabinet and Council in February 2018 as part of the annual capital budget setting process.

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 Where there are specific financial implications these have been reflected in the body of the report.

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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 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 Director of Law and Democratic Services (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 2017-18 Schemes

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 December 2017.