

Capital Monitoring Outturn Q2 2020/21

Cabinet

Date: 2nd December 2020

Author: Cabinet Member for Commercialisation, Education and Skills
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Wards: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 This report presents the year end 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.

2. Recommendations

Cabinet is recommended to:

- 2.1 Note the 2020/21 year end projected out-turn position as set out in Tables 1 & 2 and Appendices 1 and 2;
- 2.2 Approve the amendments to the current approved capital programme budgets as detailed at paragraphs 3.3 to 3.4
 - 2.2.1 To reduce the budget for Fessey House (line 50) budget by £1m to reflect revised cost estimates
 - 2.2.2 To amalgamate budgets for North Star Roundabout and Transfer Bridges (lines 112 and 113) into one budget for works along the Great Western corridor.
- 2.3 Approve the additions to the programme detailed at paragraphs 3.7 to 3.19. This further update to the Capital Programme can be accommodated within the approved capital financing revenue budget and prudential indicators as set out in the 2020/21 Budget approved by Council.
 - 2.3.1 To allocate £37k of developers' S106 contributions to improve the footway between Berkely Farm and the entrance to Wood Farm.
 - 2.3.2 To allocate £308k of developers' S106 to link the traffic signals along the route between Thamesdown drive and A419 / Cricklade Road junction.
 - 2.3.3 To allocate £106k of grant funding to install 22 on-street charging points in 8 residential locations in SN1.

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- 2.3.4 To allocate £27k of developers' S106 to add to the existing Tadpole Farm transport scheme line 117.
 - 2.3.5 To allocate £1m of grant funding to provide mobile classrooms at Crowdys Special School.
 - 2.3.6 To allocate £77k of developers' S106 to provide 2 year old provision at Shaw Ridge Primary School and Nursery.
 - 2.3.7 To allocate £28k of developers' S106 to repair play park equipment at Lydiard Park.
 - 2.3.8 To allocate £21k of developers' S106 together with £67k of borrowing to introduce raised earth mounds at the Lawns that will reduce anti-social behaviour in the area.
 - 2.3.9 To allocate £1m of grant funding to be spent on enabling infrastructure for Kimmerfields.
 - 2.3.10 To allocate £1.87m of developers' S106 to add to the existing Package 2 - Nythe Road Junction and Piccadilly Roundabout, line 80, this is to address the revised costs of the project.
 - 2.3.11 To allocate £5k of developers' S106 contributions to add to the existing ASC & Health Community Equipment Store IT budget, line 44.
 - 2.3.12 To allocate £340k of developers' S106 contributions to provide Wanborough traffic calming measures.
 - 2.4 Cabinet is asked to approve the transfer of CIL and S106 contributions that have been received by the Council to the relevant Parish Council for them to deliver the works required by the s106 agreement, as detailed in Paragraph 3.20 and Appendix 3
 - 2.5 Cabinet is also recommended to delegate authority to the Corporate Director of Finance and Assets & Director of Strategic Development for the distribution of future CIL & s106 receipts to Parish Councils, as detailed in Paragraph 3.21
 - 2.6 Note the contents of Appendix 4 regarding the 2019-20 Community Infrastructure Levy (CIL) and to approve that this be published on the Council's website;
 - 2.7 Approve the annual retention of 5% of the total annual CIL receipts to cover administration costs per paragraph 3.25 to 3.26 below;
 - 2.8 Note the intention to allocate CIL receipts to support capital programme proposals that will be taken to Cabinet in February 2020 as part of the annual capital budget setting process.
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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

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3. Detail

Capital Programme Outturn

- 3.1 Table 1 below shows the current status of the 2020/21 capital budget and forecast outturn position. The significant budget movements are detailed in paragraphs 3.2 to 3.5 below. Table 2 shows how the capital programme is being funded.

Table 1 - Total expenditure in 2020/21

Service Area	Total Scheme Budget £000's	Projected Out-turn £000's	Projected Overspends £000's	Projected Underspends £000's
Resources - Enabling	7,638	7,638		
Resources - Finance & Assets	53,572	53,572		
Resources - Operations	16,661	16,661		
Children Services	21,459	21,359		(100)
Adults, Housing & Public Health	14,510	13,510		(1,000)
Economy & Development	253,826	254,709	883	
Total General Fund	367,666	367,449	883	(1,100)
HRA	74,528	74,528		
Total Existing Programme	440,324	440,107	883	(1,100)
New Approvals	4,886	4,886		
Revised Total programme	445,210	444,993	883	(1,100)

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Table 2 - Capital Programme funding

	Total Funding Required £000's	Funded to 31/3/20 £000's	Funding still required £000's	Additional Funding Required £000's	Revised Total Funding £000's
Capital Receipts	4,742	3,253	1,489		4,742
Section 106 Deposits	34,679	6,509	28,170	2,713	37,392
Grant Funding	172,854	41,054	131,800	2,006	174,860
Revenue Contributions	2,833	1,409	1,424		2,833
HRA balances	72,478	18,209	54,269		72,478
Invest to save borrowing repaid from future revenue budgets	893		893		893
Change in Borrowing Requirement	151,845	33,766	118,079	(50)	151,795
Total to be financed	440,324	104,200	336,124	4,669	444,993

Projected Variances

- 3.2 Noted below are the significant changes to the capital programme, there are no other budget movements that have not already been reported to Cabinet. Appendix 1 contains a summary of the current capital programme & Appendix 2 contains the details of the individual schemes in the capital programme, together with their forecast spend.
- 3.3 Fessey House line 50 - underspend £1m. Construction of the extension at Fessey House started in June 2020 and is scheduled to be completed by August 2021. Cost estimates for the project have been updated and a total budget of £4m is required. Therefore the allocated budget for this scheme can be reduced by £1m.
- 3.4 Officers are proposing to close the capital programmes for North Star roundabout and Transfer Bridges shown at lines 112 & 113 respectively, and to combine them into one budget for works along the Great Western Way corridor. This will seek to create capacity and improve traffic management to address issues identified in the Town Centre Movement Strategy. The funding for this scheme remains as S106 funding.
- 3.5 Fleming Way Bus Boulevard – line 95 overspend of £210k. This relates to additional BT infrastructure costs that have been incurred as part of the site preparation works.
- 3.6 Appendix 2 also contains a project status indicator to assist members in understanding the current status of each scheme. The indicators and their meaning are set out below:-

1 Project/Scheme budget based on initial guide costs only, which may be subject to change during detailed design and delivery phases.

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- 2 *Consultation and/or planning permission in progress. Programme/scheme budget based on estimated detailed design costs, which are may be subject to change during delivery phase.*
- 3 *Contractor appointed. All necessary planning applications and consultations complete. Programme/scheme completion anticipated within budget.*
- 4 *Project under construction*
- 5 *The budget represents an annual funding envelope*
- 6 *Project is complete, although there may be retention payments due*

Addition to current programme

- 3.7 Cabinet is asked to approve the following additions to the existing programme.
- 3.8 Footway upgrade, Wroughton - £37k of developers' S106 contributions. It is proposed to improve the footway between Berkely Farm and the entrance to Wood Farm.
- 3.9 Thamesdown Drive corridor - £308k of developers' S106 contributions. It is proposed to link the traffic signals along the route between Thamesdown drive and A419 / Cricklade Road junction. The scheme will upgrade the SCOOT software that controls the communication between the traffic signals.
- 3.10 On-street EV Charging points - £106k of Grant funding. The Office for Low Emission Vehicles has provided a 75% grant, with the remainder coming from Local Transport Plan grant. The project seeks to install 22 on-street charging points in 8 residential locations in SN1, where residents in these areas do not have the ability to park off-street.
- 3.11 Tadpole Farm Transport scheme, line 117, £27k of developers' S106 contributions. A further tranche of s106 funding has been received for the same project and it is proposed to add this to the existing capital programme budget.
- 3.12 Crowdy's Special School - £1m of Grant funding. The education place planning team have identified a need for additional primary and secondary special school places in September 2021. The project seeks to address this need by providing mobile classrooms at Crowdys Special School.
- 3.13 Shaw Ridge Primary School and Nursery - £77k of Developers' S106 contributions. The current nursery provision only supports 3-4 year olds and is currently near full capacity. Due to the closure of a nearby nursery there is no 2 year old provision in the vicinity. The school would like to reconfigure internal and external space to enable 20 2 year old places to be provided on site.

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- 3.14 Lydiard Park Play equipment - £28k of Developers' s106 contributions. Currently the play park is closed as major repairs are required to the play park equipment. These funds will enable these repairs to be carried out.
- 3.15 Lawns Travellers Access - £88k funded from £21k of Developers' s106 contributions with the remaining £67k being funded from borrowing. There have been a number of issues with unauthorised encampments and fly tipping. The works being proposed will introduce raised earth mounds that will enhance the landscaping and prevent the need for future emergency maintenance works.
- 3.16 Towns Funds – Kimmerfields £1m of grant funding. Town's Fund accelerated funding to be spent on enabling infrastructure for Kimmerfields, including site investigation, preparation, remediation and utilities and road infrastructure.
- 3.17 Package 2 - Nythe Road Junction and Piccadilly Roundabout, line 80, £1.87m of developers' S106 contributions. The increase in budget is required as a result of the tender exercise being completed and the construction and service diversion costs being confirmed at greater than originally budgeted for.
- 3.18 ASC & Health Community Equipment Store IT, line 44 - £5k of developers' S106 contributions. It is proposed that these funds are added to the existing budget.
- 3.19 Wanborough Traffic Calming - £340k funded from Developers' s106 contributions. The proposal seeks to introduce traffic calming measures to dissuade the creation of a "rat run" through the village. The scheme is part of a wider package of transport projects designed to ensure the surrounding areas are not impacted by traffic from the NEV.

Transfer of CIL & s106 funds to Parish Councils

- 3.20 Cabinet is asked to approve the transfer of CIL and S106 contributions that have been received by the Council to the relevant Parish Council for them to deliver the works required by the s106 agreement. Each parish will be required to sign a letter stating that they will use the funds within the restrictions laid down in the relevant s106 agreement. The total amount of funding available to each Parish is set out in the table below. Full details can be found in Appendix 3.

Table 3 – CIL & s106 Available for Transfer to Parish Councils

Parish / Town Council	Total Value of S106 Receipts on offer for transfer £
Blunsdon PC	£219,717.53
Haydon Wick PC	£8,294.50

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Highworth TC	£13,551.81
St Andrews PC	£8,266.00
Stratton St Margaret PC	£191,894.43
Wanborough PC	£17,914.55
Wroughton PC	£71,747.37
West Swindon PC	£10,208.36
TOTAL	£541,594.55

- 3.21 Cabinet is also recommended to delegate authority to the Corporate Director of Finance and Assets & Director of Strategic Development for the distribution of future CIL & s106 receipts to Parish Councils. This will enable the Parish Councils to plan works in the parish as part of their annual programme and ensure that these funds are used in a timely fashion. A report will be brought to Cabinet each year identifying what funds have been received for each parish and the outcome that those funds are intended to deliver.

Community Infrastructure Levy (CIL) Monitoring 2019/20

- 3.22 The Community Infrastructure Levy 'CIL' is a mandatory charge on relevant development. The Council has been operating a CIL since 6th April 2015. It is a regulatory requirement of Regulation 121A of the Community Infrastructure Levy Regulations 2010 (as amended) known as 'the CIL Regs', for the Council to produce an annual Infrastructure Funding Statement, the content of which is controlled by the regulations.
- 3.23 Appendix 3 presents the information that the Council is required to publish as CIL Charging authority in an Infrastructure Funding Statement before 31st December 2020 for the previous financial year 2019/20.
- 3.24 Cabinet is requested to note the contents of Appendix 4 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

- 3.25 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.
- 3.26 Cabinet is requested to approve the annual retention of 5% of the total annual CIL receipts.

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CIL Infrastructure Account (CIL General Fund)

- 3.27 The majority of CIL Receipts are retained by the Council to help fund the provision and maintenance of its infrastructure. These receipts are held in a CIL Infrastructure Account (CIL regulations refer to this as the General Fund).
- 3.28 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).
- 3.29 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 2020 as part of the annual capital budget setting process.

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 general fund capital programme is currently projecting a net underspend of £217k at year end as compared to an overspend of £573k reported at Quarter 1. The borrowing requirement is now £50k lower than anticipated in the original programme approvals. This results in an annual revenue saving of £4k per annum (based on current interest rates and average MRP required).
- 5.2 All borrowing costs, including new proposals, can be funded within existing capital financing budgets.
- 5.3 The traffic calming measures at Wanborough proposed in this report will be funded in advance of expected S106 contributions. This will result in a short term borrowing requirement to cash flow the cost of works, the costs of which can be accommodated within the existing capital financing budget.

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.

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Climate Change Impact

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

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

- 5.6 There are no such direct implications.

Diversity Impact Assessment

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

Risk Management

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

6. Consultees

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

7. Background Papers

- 7.1 None

8. Appendices

- 8.1 Appendix 1 – Capital Programme Overview
- 8.2 Appendix 2 – Detailed Capital Budget
- 8.3 Appendix 3 – S106 & CIL transfer to Parish Councils
- 8.4 Appendix 4 – Swindon Borough Council CIL Finance Monitoring Report for Infrastructure Funding Statement

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

- 9.1 This is not a key decision and is included in the Cabinet Work Programme / Forward Plan for December 2020.