



SWINDON BOROUGH COUNCIL
Municipal Year 2013/14

Monday, 24 February 2014

**COUNCIL CHAMBER
CIVIC OFFICES
SWINDON**

14 February 2014

Dear Councillor,

Summons to attend Council Meeting

A MEETING of the **Council**, which you are requested to attend, is to be held at the CIVIC OFFICES, SWINDON, on **Monday, 24 February 2014 at 7.00 p.m.**

The business to be transacted will be as follows:-

AGENDA

- 1. Apologies for Absence**
- 2. Communications**
To receive any communications or letters which the Mayor or Chief Executive may have to bring before the Council.
- 3. Minutes** (Pages 1 - 6)
To receive the minutes of the previous meeting held on 23rd January 2014.
- 4. 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.

5. Public Question Time

See explanatory note below.

6. Council Budget 2014/15 (Pages 7 - 108)

To approve, following a recorded vote, the Council's Budget for the Financial Year, 2014/15. The Cabinet met on 5th February 2014. The following reports considered at this meeting relate to the Council's Budget, 2014/15.

- (i) Special Expenses 2014/15.
- (ii) Budget 2014/15 and Beyond.
- (iii) Capital Programme 2014/15 to 2016/17.
- (iv) Treasury Strategy Statement 2014/15.
- (v) Updated Recommendation to Cabinet.

Minutes 84, 85, 86 and 87 relating to these reports are attached.
(Pages 103 to 107)

7. Council Tax Setting 2014/15 (Pages 109 - 128)

To enable Members, following a recorded vote, to formally resolve the Borough's Council Tax for 2014/15.

8. Housing Revenue Account - Rents and Charges 2014/15 (Pages 129 - 150)

To approve the Council's Housing Revenue Account Budget for the Financial Year, 2014/15. The Cabinet met on 5th February 2014. The attached report on the Housing Revenue Account - Rents and Charges 2014/15 was considered at that meeting.

Cabinet Minute 88 relating to this report is attached. (Pages 149 to 150)

9. Pay Policy Statement 2014/15 (Pages 151 - 156)

To approve the Council's Pay Policy Statement 2014/15. The attached report on the Council's Pay Policy Statement 2014/15 was considered by the Cabinet at its meeting on 5th February 2014. An updated Appendix to this report (Pay Policy Statement) will be circulated under separate cover.

Minute 90 of the Cabinet relating to this report is attached. (Page 155)

10. Motions

(a) Motion - Recycling

Councillor Dave Wood will move:

"This Council notes:

a) The recent re-introduction of charges for green waste collection in Swindon.

b) The changes already made at SCS and the Council to implement this change.

c) The distinctive nature of homes in the Eastcott ward and Town Centre, with larger than average gardens but less space than would be expected for storage for green waste, as well as a greater likelihood of fly tipping as a result

This Council requests that:

The Cabinet Member for Finance and the Cabinet Member for Public Protection, Housing and StreetSmart (Delivery) to bring a report to Cabinet as soon as practicable suggesting ways that a weekly green waste recycling service, free at the point of use, could be re-introduced for Eastcott ward and the Town Centre.”

11. Minutes for Confirmation (Pages 157 - 164)

To Note Minute from the Cabinet:

- Minute 91(2) – Bringing Empty Shops Back Into Use – Motion at Council.

12. Councillors Question Time

Questions (if any) of which notice has been given by Councillors in accordance with Standing Order 15.

Yours faithfully

Director of Law and Democratic Services

Questions by Members of the Public in accordance with Standing Order 11

Swindon Borough Council is committed to increasing its accountability to the public and to promoting active citizenship. Up to 15 minutes will be allowed at the start of all Council meetings for questions to the Chair from members of the public about the work of the Council (except for confidential matters and specific planning applications). Questions must be relevant, clear and concise. Because of time constraints Public Question Time is not an opportunity to make speeches or statements. Prior notice of a question to the Director of Law and Democratic Services is desirable - particularly if detailed background information is needed.

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.

This page is intentionally left blank

COUNCIL

THURSDAY, 23 JANUARY 2014

PRESENT:- The Worshipful The Mayor in the Chair; Councillors Junab Ali, Steve Allsopp, Abdul Amin, Paul Baker, Andrew Bennett, Alan Bishop, Roderick Bluh, Michael Bray, Wayne Crabbe, Mark Dempsey, Michael Dickinson, Oliver Donachie, Mark Edwards, Toby Elliott, Claire Ellis, Emma Faramarzi, Fionuala Foley, Brian Ford, Mary Friend, Jim Grant, John Haines, Peter Heaton-Jones, Neil Heavens, Dale Heenan, Russell Holland, Fay Howard, Richard Hurley, Colin Lovell, Cindy Matthews, Brian Mattock, Des Moffatt, Derique Montaut, Teresa Page, Stan Pajak, Maureen Penny, Garry Perkins, Julian Price, David Renard, Ann Richards, James Robbins, Nicky Sewell, Kevin Small, Vera Tomlinson, Joe Tray, Steve Wakefield, Nadine Watts, Peter Watts, Steve Weisinger, Keith Williams, David Wood, Robert Wright and Julie Wright.

76. Apologies for Absence

Apologies for absence were received from Councillors John Ballman, Ray Ballman, Mike Bawden and Rochelle Russell.

77. Communications

The Chief Executive reported that no communications had been received.

78. Minutes

Resolved – That the minutes of the meeting held on 19th December 2013, be confirmed and signed.

79. Declarations of Interest

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

In accordance with the Code of Conduct Councillors Steve Allsopp, Fionuala Foley, Colin Lovell and Keith Williams made personal declarations of interest in respect Agenda item 7(a) (Motion – Thamesdown Transport) as they were Council appointed Directors of Thamesdown Transport.

In accordance with the Code of Conduct Councillor Teresa Page, made a personal declaration of interest in respect of Agenda Item 7(b) (Motion – New Parish Council for Nythe) as she was a Stratton St. Margaret Parish Councillor.)

80. Public Question Time

Mr Barrie Thompson submitted a written question relating to road safety in Drove Road. A written response was tabled.

Mr Brian Cockbill submitted written questions relating to household recycling changes. A written response was tabled.

Mr Brian Cockbill asked supplementary questions regarding publicity for the household recycling changes and the provision of additional household recycling boxes. The Cabinet Member for Public Protection, Housing and Streetsmart (Delivery) responded at the meeting.

Mr Terry Reynolds asked a public question relating to the number of official engagements undertaken by the Mayor. The Worshipful The Mayor indicated that he would provide Mr Reynolds with a written response.

Mr Terry Reynolds asked a public question relating to the number of gully cleaners and road sweepers operating in Swindon. The Cabinet Member for Public Protection, Housing and Streetsmart (Delivery) indicated that a written response would be provided.

Mr Terry Reynolds asked a public question relating to the possible precept level for a newly created Nythe Parish Council. The Cabinet Member for Strategic Planning and Sustainability indicated that a written response would be provided.

Mr Tim French asked a public question relating to the availability of disabled car parking spaces near the central bus station. The Cabinet Member for Highways, Strategic Transport and Leisure responded at the meeting.

81. Minutes for Confirmation

(1) Councillor Russell Holland moved and Councillor David Renard seconded:

“That Minute 65(5) of the Cabinet (Budget Management 2013/14 and Draft Budget 2014/15) be confirmed and adopted.”

The Motion was put to the vote and declared carried.

(2) Councillor Garry Perkins moved and Councillor David Renard seconded:

“That Minute 71(2) of the Cabinet (Swindon Heritage Strategy) be confirmed and adopted.”

The Motion was put to the vote and declared carried.

(3) Councillor Russell Holland moved and Councillor David Renard seconded:

“That Minute 73(1) of the Cabinet (Community Right to Challenge) be confirmed and adopted.”

The Motion was put to the vote and declared carried.

(4) Councillor Russell Holland moved and Councillor David Renard seconded:

“Council thanks the Independent Remuneration Panel for its diligent work. However, given the current economic circumstances Council resolves not to increase Councillors’ Allowances for 2014/15.”

Councillor Jim Grant moved and Councillor Mark Dempsey seconded that the Motion be amended to read:

“That Council thanks the Independent Remuneration Panel for its diligent work. However, given the current economic circumstances, Council resolves not to increase the Basic Councillors’ Allowance and cut by 10% all Special Responsibility Allowances for Councillors in 2014/15.”

The amendment was put to the vote and declared lost.

The Substantive Motion was put to the vote and declared carried.

82. Motion - Thamesdown Transport

Councillor Jim Robbins moved and Councillor Peter Watts seconded:

“This Council expresses it’s concerns about the decision of Thamesdown Transport to reroute their number 13 and 14 services away from the west side of the Town Centre (Farnsby Street, Commercial Road and Regent Circus) and calls upon Thamesdown Transport to reinstate this element of the service which will have no financial impact on this Council as it is a popular service and good income generator for the bus company.”

The Motion was put to the vote and declared carried.

(Councillors Steve Allsopp, Fionuala Foley, Colin Lovell and Keith Williams made personal declarations of interest in respect of this item as they were Council appointed Directors of Thamesdown Transport.)

83. Motion - New Parish Council for Nythe

Councillor Julian Price moved:

“This Council:

- Recognises its decision to form a Nythe parish.
- Believes that, in order to ensure a smooth transfer of responsibilities and services between Stratton and the new Nythe Parish, a shadow Nythe Parish Council should be established as soon as possible following the making of the necessary Order.
- Notes that a grant of £25k has been made available for newly forming parish councils by the National Association of Local Councils to help the sustainability of the new parish’s work.

Council Resolves:

To request the Director of Law and Democratic Services to consult with the Group Leaders and Borough Ward Councillors on

- the composition of the transitional body representing the new parish of Nythe;
- the clerking arrangements for that body; and
- the utilisation of the grant funding available from the National Association of Local Councils.”

With the agreement of the mover and Council the Motion was amended to read:

Councillor Dale Heenan moved and Councillor Julian Price Seconded:

“This Council:

Recognises its decision to form a Nythe parish

Acknowledges that a smooth transfer of responsibilities and services between Stratton St Margaret Parish and the new Nythe Parish is in the best interests of all local residents in both Parishes, and that a shadow Nythe Parish Council will be formed in 2014 following the making of the necessary Legal Order.

Requests that the shadow Nythe Parish Council be formed under the Legal Order in time to consider the 2015/16 Budget and precept for the new parish council, and notes that the transitional body will be formed by the Borough Ward Councillors for Covingham and Dorcan, with the parish councillors for Lower Coleview and Nythe being invited to participate in a non-voting capacity.

Requests that Stratton St Margaret Parish Council, the transitional body and Swindon Borough Council work together amicably and responsibility on all parish issues, including

- Establishing appropriate part time clerking arrangements by the first parish election in May 2015,
- Consulting local residents on the Nythe parish precept so that a budget is submitted to Full Council in February 2015,
- Publicising the Nythe Parish elections so that sufficient residents stand for election to see the first contested election since 1997
- Maintaining the burial rights of those people currently living in Stratton St Margaret Parish but who will be in the new Nythe Parish, and who wish to be buried in the cemeteries maintained by Stratton St. Margaret Parish Council.

The Motion, as amended was put to the vote and declared carried.

(Councillor Teresa Page made a personal declaration of interest in respect this item as she was a Stratton St. Margaret Parish Councillor.)

84. Appointments to Committees and Other Bodies

Councillor Jim Grant moved and Councillor Mark Dempsey seconded:

“That Councillor Jim Robbins be appointed as a Labour Group Deputy to serve on the Wiltshire Police and Crime Panel.”

The Motion was put to the vote and declared carried.

85. Minutes of Cabinet and Decisions Delegated to Cabinet Members

The Council considered (a) the minutes of the meetings of the Cabinet held on 11th December 2013 and 2nd January 2014, and (b) questions to the Cabinet Members regarding their portfolio responsibilities and answers received.

86. Minutes of Other Council Bodies

The Council (a) received the minutes set out in the “Minutes of Other Council Bodies” circulated with the Agenda, and (b) considered questions to Chairs relating to the work of their Committees and other bodies and answers received.

(Councillor Michael Dickinson made a personal and prejudicial declaration of interest in respect of this item (Minute 11 of the Schools Forum) as he worked for New College.)

87. Councillors Question Time

The Director of Law and Democratic Services reported that Standing Order 15 questions had been received from Councillors Wayne Crabbe, Neil Heavens and Julian Price.

Councillor Wayne Crabbe asked a supplementary question regarding employment figures in Wroughton. The Cabinet Member for Finance responded at the meeting.

Councillor Neil Heavens asked a supplementary question regarding access to Eldene Community Centre. The Cabinet Member for Children’s Services responded at the meeting.

Councillor Julian Price asked a supplementary question regarding Housing Benefit claims. The Cabinet Member for Finance responded at the meeting.

This page is intentionally left blank

Special Expenses

Cabinet

Date: 5th February 2014

Authors: Cabinet Member for Finance, and Board Director, Resources
 Wards: All
 Locality Affected: All
 Parishes Affected: All

1. Purpose and Reasons

- 1.1. To seek approval of the amounts to be charged as Special Expenses for the Financial Year 2014-15.
- 1.2. To enable the Council Tax calculations to be undertaken, which have to be set by statute by 11th March and are scheduled to be considered by Council on 24th February 2014.
- 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 the Change Programmes.

2. Recommendations

Cabinet is asked to:-

- 2.1. Note that Borough Members and officers met with representatives from a range of parish councils in Swindon on 16th January 2014 and the Leader of the Council and the Board Director Resources have agreed to periodically review the list of sites charged as General and Special Expenses with them;
- 2.2. Agree the level of Special Expenses for 2014-15 shall be £1,004,978;
- 2.3. Note that the charge per household is unchanged since 2011-12;
- 2.4. Note the list of open spaces and recreation areas that will be charged as Special Expenses in 2014-15 as set out in Appendices 1a and 1b; and
- 2.5. Note that the expenses listed in Appendix 2 shall be charged to all households of the Borough and shall **not** be Special Expenses.

3. Detail

- 3.1. In order to calculate the level of Special Expenses, the Council needs to be mindful of the three key inputs to the calculation: the proposed level of Council Tax increase, the tax base for the Special Expenses area, and the level of budgeted expenditure on Special Expenses items. Should any of three inputs change by a different proportion to changes within the whole Borough then the Council Tax chargeable in the special expenses area will change by a different proportion to the Borough-wide Council Tax charge when compared with the previous year.

Special Expenses

Cabinet

Date: 5th February 2014

- 3.2. Should Council wish to freeze Council Tax and also show no change to both the General and Special Expenses elements of the Council Tax bill, then the charge per Band D household needs to be maintained at £27.81 for the Special Expenses element. With a tax base for the non-parished area of 36,137.3 Band D equivalent properties, this would mean the total level of Special Expenses for 2014-15 should be set at £1,004,978.

Feedback from Parish Councils

- 3.3. On 16th January 2014, at the request of the Swindon Area Committee of the Wiltshire Association of Local Councils, Borough Members and Officers met with representatives from some of the parish councils within the Borough to discuss similarities and differences between the Parish Precepts and Special Expenses charges. One particular area of discussion was in relation to the maintenance of recreation sites and open spaces whereby some parish representatives felt that the parish precepts included costs that were charged as general expenses within the Borough Council's Budget. As a result of this meeting, Borough Members and Officers agreed that a periodic review would be carried out with parish councils over the parcels of land within the non-parished area that are charged as General and Special Expenses respectively.
- 3.4. Using the calculated tax base for the Special Expenses area and level of expenditure on Special Expenses items assumed in the Draft Budget for 2014-15, the total sum would be £988,691 and the charge per household would be £0.45 lower than the 2013-14 level per household. However, in order to avoid confusion for tax payers receiving their Council Tax bills and potentially showing a change in part of their Council Tax bill, the Leader's Advisory Group opined that a minor adjustment be made to the level of overheads charged in the calculation and that the charge per household for 2014-15 be set at the same level as 2013-14. This equates to a charge of £1,004,978 in total and Members are asked to agree that this be the level of Special Expenses for 2013-14.

Table 2 – Changes to level of Special Expenses

	2013-14	2014-15
	£	£
Allotments	47,067	48,000
Open Spaces/Recreation	672,223	691,000
Bus Shelters	16,951	17,000
Community Centres	238,757	221,978
Dog Bins	26,390	27,000
	1,001,388	1,004,978
Divided By the tax base for the non-parished area	36,008.2	36,137.3
Charge per Band D Household	27.81	27.81

Special Expenses

Cabinet

Date: 5th February 2014

- 3.5. Table 1 above shows changes to the level of service expenditure chargeable as Special Expenses in 2014-15 compared to 2013-14. These changes are not as a result of changes to the level of service provided but are instead as a result of changes to the way the costs are apportioned between the General and Special Expenses areas.

4. Alternative Options

- 4.1. Members could decide to recommend a different level of Special Expenses, which would result in the charge per household shown on the Council Tax bills being greater or smaller than that for 2013-14. As the Special Expenses form part of the Council's overall Budget, any increase or reduction would need to be compensated with a corresponding change to the level of general expenses, if Members were minded to keep the overall Council Budget unchanged. Each £100k change in the level of Special Expenses would result in a 10% change in the Band D Council Tax charge for Special Expenses for the non-parished area and a corresponding 0.1% change in the General Expenses charged across all households in the Borough.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

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

Legal and Human Rights Implications

- 5.2. Legal and human rights implications have been taken into account in drafting this report. It is considered that the recommendations 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. The report is making no recommendations around changes to services so no diversity impact assessment has been undertaken.

6. Consultees

- 6.1. The Board Director, Resources (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted on all reports.

7. Background Papers and Appendices

- 7.1. Appendix 1a – Open Spaces proposed to be charged as Special Expenses in 2014-15
- 7.2. Appendix 1b – Recreation Sites proposed to be charged as Special Expenses in 2014-15
- 7.3. Appendix 2 – Sites proposed to be charged as General Expenses in 2014-15

Special Expenses

Cabinet

Date: 5th February 2014

Appendix 1a

Special Expenses 2014-15 - Open Spaces

Location	Previously listed as:-
Angel Ridge	
Camden Close Grange Park	
Eastleaze Field	Play Area
Folly Field.	
Freshbrook Field	
Greendown Field	Bess Road Play Area
Greendown Plantation	
Hayland Copse	Hay Lane Copse
Hesketh Crescent Play Area	
Horseshoe Crescent	
Kiln Field	
Langstone Way	
Liden Green	
Liden Parkway	
Mayenden Field	
Mead Field Freshbrook	
Okus Wood	
Plough Furlong	Nine Elms
Royal Mead	
Sandringham Rd Open space	
Shanhill Field Freshbrook	
Snodshill Park Eldene	
Sparcells Farm Field	
Toothill Parkway	
Toothill Park	
Turnpike Field Freshbrook	
White Edge Moor Play Area	
Whitehill Field	
Wick Lane, Liden	
Wick Lane Play Areas	
Withymead Field	The Chesters

Special Expenses

Cabinet

Date: 5th February 2014

Appendix 1b

Special Expenses 2014-15 – Recreation

Location	Previously listed as:
Alanbrook Crescent Play Area	
Alton Close Play Area	
Barnum Court Play Area	Deaves Court
Broad Green Play Area	
Cambria Bridge Rec Ground	
Churchward Park	Penzance Drive under open spaces
Clay Hill Play Area	
Clay Pit Park	
Collingsmead Play Area	
Concord Drive	
Edinburgh St Rec Ground	
Elm Ridge Play Area	
Euclid St Recreation Ground	
Godolphin Close Play Area	
Guildford Avenue Open Space	
Hay Lane Grange Park	
Huntley Close Play Area	
Iffley Road Open Space	
Lordsmith Green Play Area	
Minety Road Play Area	
Munro Close Play Area	
Nine Elms Play Area	
Oliver Close Play Area	
Pembroke Park Play Area	
Penhill Park Play Area	
Pinehurst West Play Area	
Quarry Road Rec Ground	
Rodbourne Recreation Ground	
Savenake Street Play Area	
Spring Gardens Rec Ground	
The Circle	
The Holbeins Play Area	
The Park, Faringdon Road	
The Quarries	
Uxbridge Close Play Area	
Walcot West Play Area	Eastern Avenue Play Area
Westcott Recreation Ground	
Wilcox Close	
Wills Avenue Play Area	

Further information on the subject of this report can be obtained from
Kirsty Cole on Direct Dial No. 464610 or Email kcole@swindon.gov.uk

Special Expenses

Cabinet

Date: 5th February 2014

Appendix 2

List of sites, by statute, which are recommended to be charged generally

Function	Power / Duty	Location	Reason
Recreation	Purchase/lease plant & lands for public walks or pleasure grounds	Bruddel Woods.	2
		Canal Walk.	2
		Cheney Manor Ponds	2
		Cheney Manor Rec. Ground.	2
		Clanfield Road Play Area	3
		County Ground.	2
		Covingham Walk.	1
		Cowdrey Close Play Area	3
		Crawford Close East Play Area	3
		Crawford Close West Play Area	3
		Croftwoods	2
		Deerhurst Way Play Area	3
		Dorset Green Play Area	3
		Dulverton Play Area	3
		Fleetwood Court Play Area	3
		Freshbrook Way Play Area	3
		Gainsborough Way Play Area	2
		Great Copse	3
		Hawthorn Road Play area	2
		Hreod Burna Parkway.	2
		Kimberley Play Area	3
		Kingshill Canal	3
		Leslie Close Play Area	3
		Linden Avenue Play Area	3
		Longthorpe Close Play Area	3
		Lydiard Country Park	2
		Lyndhurst Crescent Play Area	2
		Mannington Recreation Ground	2
		Markenfield Play Area	3
		Marlborough Road Recreation Ground	2
		Medlar Court Play Area	3
		Melksham Close Play Area	3
		Monkton Close Play Area	3
		Moredon Canal	2
		Moredon Playing Field & Sports	2
		Oakham Close South Play Area	3
		Penhill Copse.	2
		Penhill Park Area.	2
		Pheasant Close Play Area	3

Further information on the subject of this report can be obtained from
Kirsty Cole on Direct Dial No. 464610 or Email kcole@swindon.gov.uk

Special Expenses

Cabinet

Date: 5th February 2014

Function	Power / Duty	Location	Reason
Recreation <i>ctd.</i>		Pilgrim Close Play Area	3
		Queens Park	2
		Ramsbury Avenue Play Area	3
		Risingham Mead Play Area	3
		Rodbourne Cheney Rec. Ground.	2
		Wheeler Avenue Play Area	3
		Sevenfields	2
		Shaftesbury Avenue Play Area	3
		Shrewton Walk & Play Area	3
		Southbrook Recreation.	2
		Stamford Close West Play Area	3
		Stanfield Close East Play Area	3
		St Marks Recreation Ground.	2
		Swindon Road Park	1
		The Meads Play Areas Eldene	3
		The Lawn Amenity Area.	2
		The Park	2
		Tintagel Close Play Area	3
		Tovey Road Play Area	3
		Town Gardens	2
		Tulip Tree Close Play Area	3
		Wakefield Play Area	3
		Walcot Recreation Ground.	2
		Weedon Rd. Open Space.	1
		Winterslow Road Play Area	3
Open Spaces	Power to acquire &	Basil Close.	1
	Power to maintain.	Blackland Copse	2
		Blagrove Parkway	2
		Bryony Way Field	1
		Caraway Drive	3
		Clover Park Woodhall Park	1
		Conisborough Play Area	3
		Dalefoot Woodhall Park	3
		Fenland Close	3
		Fiveways Field Play Area	3
		Francombes	2
		Freshbrook Parkway	2
		Gutters Close Field	2
		Haydon Brook Parkway.	2
		Haydon Brook Walk	2
		Heaton Close	1
		Highdown Way	1

Further information on the subject of this report can be obtained from
Kirsty Cole on Direct Dial No. 464610 or Email kcole@swindon.gov.uk

Special Expenses

Cabinet

Date: 5th February 2014

Function	Power / Duty	Location	Reason
Open Spaces ctd.		Highland Close Shaw	3
		Liden Drive Play Area	3
		Liden Park	2
		Little Copse	1
		Mellow Ground Copse (Bluebell Copse)	1
		Mellow Ground Field.(Westfield Way Field)	1
		Newark Close Play Area	3
		Oasthouse Middleleaze	3
		Oliver Close	3
		Peatmoor Copse.	2
		Peatmoor Lagoon.	2
		Picton Close Middleleaze	3
		Peatmoor Park	2
		Rectory Field	2
		Redcap Gardens Shaw	3
		Richard Jefferies Parkway.	2
		Riverside Park	2
		Shaw Forest Park	2
		Shaw Ridge	2
		Shaw Valley Parkway	2
		Standon Way	1
		Tadpole Brook	1
		Tamworth Drive	3
		The Ridge Woodhall Park.	1
		Wallis Drive	1
		Westlea Park	2
		Westlea Parkway	2
		Westfields Way Copse	1
		Wick Farm Orchard	1
		Woodhall & Moredon Parkway	2

Reason

- 1 This indicates a function provided within a Parish by the Borough Council, which has not been charged specifically to the Parish concerned. These costs have historically been charged as a general expense, and it is proposed that this should be continued.
- 2 These are sites provided and maintained as part of the strategic aim of the Council to enhance the overall environmental look of the Borough and to improve the quality of life for people seeking a more leisurely way to spend their spare time. Sites set aside for football, cricket and similar games are part of the Council's strategy to encourage outdoor sports and are therefore included in this category.
- 3 Play spaces used for informal play, which incur inspection and maintenance costs.

Budget 2014-15 and Beyond

Cabinet

Date: 5th February 2014

Authors: Cabinet Member for Finance, and Board Director, Resources

Wards: All

Locality Affected: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 This report proposes a Budget for 2014-15 and sets out the financial context for 2015-16 and beyond.
- 1.2 Under the Council's Constitution, the Cabinet is required to recommend a budget and level of Special Expenses to Council as part of its formal Council Tax Setting responsibilities.
- 1.3 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 requested to note that:-

- 2.1 The Council does not expect to need to replenish General Reserves as part of the 2014-15 Budget Setting process;
- 2.2 The feedback received to the Borough-wide consultation process on the Draft Budget is set out in Appendix 5 for Members' consideration;
- 2.3 A consultation meeting with business representatives from Swindon, on behalf of non-domestic rate payers, took place on 28th January 2014 and the minutes will be provided at the meeting;
- 2.4 In line with the requirements of the Local Government Act 2003, the Board Director, Resources, in his Section 151 capacity, confirms the robustness of the estimates underlying the recommended Budget and having reviewed the financial risks being faced by the Council concludes that the proposed level of General Reserves (£6m) is adequate in the context of the earmarked reserves held, specific contingencies and the proposed general contingency of £0.5m;

Cabinet is requested to agree:

- 2.5 The proposed changes in fees and charges for 2014-15 set out in Appendix 1;
- 2.6 The Specific Reserves held in support of the 2014-15 Revenue Budget set out in Appendix 7;

Budget 2014-15 and Beyond

Cabinet

Date: 5th February 2014

- 2.7 That £150k will be passed from the Borough Council to parish councils to mitigate the impact of changes to the tax base implemented in 2013-14, linked to changes to the Council Tax Support scheme;
- 2.8 That £845k of one-off resources is invested in the activities set out in Table 3 of the report and commenced as soon as possible; and
- 2.9 To recommend to Council, subject to any changes resulting from the Government's announcement of the final Local Government Finance Settlement for 2014-15, that:-
- 2.9.1 The 2014-15 Budget be set at £142.659m;
- 2.9.2 There be no increase in Council Tax for 2014-15, and
- 2.9.3 It be determined that the proposed increase in the basic amount of Council Tax for 2014-15 is not excessive in accordance with Schedule 5 of the Localism Act 2011.

3. The Medium Term Picture

- 3.1 The 2014-15 Budget is the second year of the new Local Government Funding reforms for 2013-14 and 2014-15, which includes a general reduction in the overall level of income available to councils. As part of the 2014-15 Local Government Finance Settlement indicative figures have been included for 2015-16 and the Chancellor of the Exchequer has recently confirmed his intention to continue with public sector funding reductions. With these two things in mind, the estimated three-year financial picture remains very challenging as set out in Table 1 below.

Table 1 – Medium Term Funding Gap

	2014-15	2015-16	2016-17
	£'000	£'000	£'000
Change from previous Financial Year			
Grant Funding Reduction	5,721	6,500	8,000
Inflation	3,816	4,000	4,000
Adults and Children's cost pressures	4,663	4,500	4,000
Pensions and Debt Charges	1,747	2,000	2,000
Other Cost Pressures	2,821	2,000	2,000
Reduction in Council Tax Collection Fund Surplus	145	1,000	1,000
Reduction in Business Rates Collection Fund Surplus	450	0	0
Less Council Tax Income Growth	(945)	(1,000)	(1,000)
Less extra Council Tax Income / Freeze Grant	(850)	(1,000)	(1,000)
Total Gap to be closed	17,568	18,000	19,000

Further information on the subject of this report can be obtained from Kirsty Cole on Direct Dial No. 464610 or Email kcole@swindon.gov.uk

Budget 2014-15 and Beyond

Cabinet

Date: 5th February 2014

- 3.2 Within this context, it will be necessary for the Council to continue to drive significant savings from its services and set aside any resources delivered in advance of future year grant reductions to help achieve the annual budget challenges in future years. Current indications are that the 2015-16 funding settlement will be tougher for local authorities generally than previous years with a predicted 13% reduction in formula grant compared with our previous medium term assumptions of 10% per annum.
- 3.3 As changes are being made to the way councils are financed, it is becoming increasingly noticeable that the level of on-going base grant funding is getting smaller and this core level of funding is being supplemented with new grants with uncertain durations. With this in mind, it will be increasingly important to use one-off funds wisely to help particularly with future years' budget reductions.

4. The 2014-15 Provisional Finance Settlement

- 4.1 On 18th December 2013, the Government published information to advise councils of the impact of the 2014-15 Provisional Local Government Finance Settlement. This showed that Swindon's expected funding position overall is virtually identical to that assumed in the Draft Budget with only a £29k variance from the level of formula grant funding assumed in the December Cabinet report. However, at the time of writing this report the final Local Government Finance Settlement has not been announced although significant changes are unlikely. In the event of a minor adjustment being made, it is proposed that the level of Corporate Contingency Fund is adjusted accordingly.

5. The Forecast Out-turn 2013-14

- 5.1 The starting position for the 2014-15 Budget is the current year's Budget for 2013-14. A report elsewhere on the agenda sets out the forecast position to 31st March 2014, which shows that the Council expects to be able to deliver the 2013-14 Budget without drawing on General Reserves. On that basis, no provision has been included in the Proposed Budget for 2014-15 to replenish Reserves through drawings in-year.

6. Council Tax 2014-15

- 6.1 One of the new Grants announced as part of the 2010 Comprehensive Spending Review (CSR) was the Council Tax freeze grant, which replaces the level of income generated from an assumed Council Tax increase with grant funding if council tax levels are frozen. Swindon has frozen its Council Tax levels since 2010-11 and Cabinet Members have indicated that they propose to do so again in 2014-15. The Council Tax Freeze Grant available to councils freezing Council Tax levels in 2014-15 is equivalent to a 1% Council Tax increase using a base-line level of tax base before the 2013-14 Council Tax Support Scheme changes. For Swindon, this amounts to £850k.

Budget 2014-15 and Beyond

Cabinet

Date: 5th February 2014

- 6.2 In previous years, the Council Tax Freeze Grant has been one-off funding payable for either one or two years. However, from 2014-15, it is proposed that this funding would be on-going and added to the formula grant in the year after payment. This therefore makes the financial incentive of increasing Council Tax levels to generate additional income above the freeze grant less attractive as both the Freeze Grant and Council Tax income will be on-going. Table 2 below sets out the difference between the income generated from a Council Tax increase set just below the referendum limit at 1.9% and the grant generated from a freeze.

Table 2 – Comparison of Income Generated from a Council Tax Increase in 2014-15 versus the Council Tax Freeze Grant

	2014-15	2015-16	2 Years
	£'000	£'000	£'000
Council Tax Freeze Grant 2014-15	850	850	1,700
Income from a 1.9% Council Tax Increase in 2014-15	1,473	1,493	2,966
Extra from a Council Tax increase	623	643	1,266

- 6.3 The “freeze” relates to the Council’s Basic Amount of Council Tax, which includes its own Special Expenses but not Parish Precepts. Therefore, some households may experience a minor change in the amount paid due to fluctuations in the level of parish precepts.
- 6.4 In accordance with Schedule 5 of the Localism Act 2011, the Council has a duty to determine whether any increase in its basic level of Council Tax is considered to be excessive in which case it would be required to hold a referendum. For 2014-15, the Government is expected to set the threshold at 2% for Swindon and, as the Council is proposing no change to the level of Council Tax in 2014-15, no referendum is necessary.

7. Tax Base and Collection Fund Surplus / Deficit

- 7.1 In line with assumptions in the December 2013 Cabinet report, the Tax Base for 2014-15 and the Council’s share of the estimated Council Tax Collection Fund Surplus for 2013-14 are 66,245.5 and £1.855m respectively.
- 7.2 In 2013-14, the Council assumed that Business Rate income would be £450k above the base-line level. The 2014-15 Budget assumes there will be no variance to this figure and therefore no surplus or deficit accruing on the Business Rates Collection Fund at the end of the Financial Year 2013-14.
- 7.3 The assumed Business Rate income to support the 2013-14 Budget was £28.664m, which was £450k above the base-line. For 2014-15, the base-line has been increased to £28.758m, of which Swindon is assuming no surplus. There has been growth in some aspects of our economy resulting in extra

Budget 2014-15 and Beyond

Cabinet

Date: 5th February 2014

Business Rate income but this additional growth has been offset by the impact of appeals on previous years' income.

- 7.4 These figures feature in the formal Council Tax setting calculations to be considered by Council on 24th February 2014.

8. Council Tax Support Scheme Changes and effect on Parish Councils

- 8.1 As set out in the Draft Budget Report to Cabinet on 12th December 2012, changes to the Council Tax Support Scheme introduced from April 2013 had the effect of reducing the tax base of councils, and the resulting level of Council Tax income, and the Government has replaced this with additional grant income added to the Formula Grant.
- 8.2 The grant is payable to Swindon Borough Council to cover the impacts of lower levels of Council Tax income for both the Borough and parish councils and therefore the Borough Council has the option of passing a proportion on to parish councils. Since its introduction in 2013-14, the grant has been rolled up into the Formula Grant, which has subsequently been reduced.
- 8.3 It is estimated that the element of the grant that would need to be passported to parishes to compensate for the lower tax base is £150k in 2014-15. Members are recommended to passport this sum on a parish by parish basis in proportion to the calculated impact of the changes to the Council Tax Support scheme for each parish council, which has been notified to individual parishes.

9. New Homes Bonus 2014-15

- 9.1 Cabinet initially agreed a strategy in November 2011 to use New Homes Bonus (NHB) primarily for a mix of large-scale and more local one-off capital schemes. Subsequently, Council agreed that £2.2m of the 2013-14 allocation would be used to support the revenue budget, with the remainder being used to help fund capital expenditure. The Government has announced that the provisional value of New Homes Bonus (NHB) for Swindon for 2014-15 totals £5.1m, which includes an affordable homes premium of £61k. Of this sum, the budget proposals assume that the same level as in 2013-14 will be used to support the 2014-15 Base Budget, with the balance being set aside to help pump prime investment in the Borough. Due to the uncertain nature of this grant in future years, Members are advised not to increase the proportion of this grant used to support the Council's base budget.
- 9.2 The next instalment of NHB will be received from April 2014 and there are likely to be a number of calls on this funding. In line with Cabinet's previous decision, it is assumed that these will primarily involve supporting capital schemes, either by funding new ones or financing existing schemes. One potential area of investment is in relation to superfast broadband in more rural areas, for which an approved allocation of funds already exists. During the coming weeks, an announcement is expected from BDUK, the Government

Budget 2014-15 and Beyond

Cabinet

Date: 5th February 2014

agency responsible for the national roll-out, around additional funding for local authorities to deliver up to 95% coverage, subject to match funding being available. Further consideration will need to be given to this once the funding details are known.

10. One-Off Investment in Services

- 10.1 Recognising the impact that the challenging on-going financial position has on the Council's ability to invest in additional services, Members have prioritised £845k of one-off resources to invest in services. This funding has been earmarked from the £1.2m unspent Corporate Contingency Fund in the 2013-14 Budget. The balance will be used to mitigate risks within the 2014-15 Budget. Members are asked to approve that this funding is spent on the services set out in Table 3 below and that the work commences at the earliest opportunity.

Table 3 –One-Off Investment in Service Improvements

	One-Off Investment £'000
Capacity and technology to allow customers to undertake more transactions on-line	140
Investment to allow customers to report issues using up to date "App" technology	75
Refresh road line painting in areas where the lines are not clear	25
Widen Queen Elizabeth Drive	100
Undertake access works to allotments off Greenbridge Road	25
Funding to allow a 20% discount off the price of Compost Bins purchased from Enterprise Works up to a ceiling of £40k	40
Create school safety zones at Haydonleigh, Chiseldon and Peatmoor Schools	30
Appoint a temporary part-time post to focus on the prevention of child sexual exploitation within the Borough	60
Additional funding for pot hole and pavement repairs	350
Total One-Off Investment in Services	845

11. The Proposed Budget 2014-15

- 11.1 A number of changes to services and resulting Budget savings have already been approved by Cabinet at its meetings in October and December 2013. In addition, the Council consulted on its draft Budget proposals following their approval by Cabinet on 11th December 2013 and is also undertaking further consultation with the Business community. The meeting with business representatives from Swindon, on behalf of non-domestic rate payers will take

Budget 2014-15 and Beyond

Cabinet

Date: 5th February 2014

place on 28th January 2014. The general consultation feedback is set out at Appendix 5 and the minutes of the meeting with Business representatives will be circulated as Appendix 6 at the meeting.

- 11.2 No changes to the Draft Budget are expected as a result of the general consultation feedback received to date.
- 11.3 The assumed level of funding gap in the Draft Budget was £29k higher than that included in the Provisional Local Government Finance Settlement. In addition, new cost pressures and savings proposals not affecting front-line services have been identified since the December 2013 Draft Budget reducing the funding gap to £850k. Should Council approve a Council Tax freeze for 2014-15 at its meeting on 24th February 2014, this gap will be closed through the receipt of the Council Tax Freeze Grant.
- 11.4 All proposals that have been added or amended since the Draft Budget was presented to Cabinet on 11th December 2013 are shown in Table 4 below and within an additional column in Appendix 4. Should any changes be required to any of the proposals in response to consultation feedback prior to implementation, these will be reported to Cabinet as part of the 2014-15 scheduled Budget Management reports.

Budget 2014-15 and Beyond

Cabinet

Date: 5th February 2014

Table 4 – Changes between the Draft and Final Proposed Budget 2014-15

	£'000
Funding Gap in 2014-15 Draft Budget (11th December 2014)	1,217
Difference between the funding assumptions in the Draft Budget and the provisional Local Government Finance Settlement for 2014-15 (the grant settlement included a slightly bigger reduction in grant funding than previously assumed)	+29
Additional recharges to Schools	(30)
Reduction in loss of section 106 funding towards grounds maintenance costs from £40k to £30k	(10)
Reduction in Contract Inflation and funding changes	(354)
Reduction in income from Thamesdown Transport Limited	350
Increase in cost pressure for the passporting of Council Tax Support Grant to parished (previously 50% assumed – now increased to 100%)	75
Additional NNDR Costs	50
Additional Planning and Building Control Income	(35)
Costs of migrating to the Windows 7 operating system when Windows XP support is removed and provision for Windows software licence costs being negotiated with Microsoft and Capita, partly offset by some short-term savings whilst work is undertaken to reshape ICT services to deliver more significant future years' savings.	479
Increase in procurement savings	(115)
Additional Council Tax Court Cost Income	(190)
Rental income from energy providers from photovoltaic solar panels located on Council assets	(200)
Council Tax Freeze Grant Income	(850)
Reduction in Corporate Contingency	(416)
Funding Gap February 2014	0
2014-15 Proposed Budget Financed By:	
~ Formula Grant	64,889
~ Council Tax Income	75,923
~ Collection Fund Surplus – Council Tax	1,847
Proposed Budget 2014-15	142,659

12. Contingencies and Risk

- 12.1 The table below sets out the level of contingencies and general reserves held in support of the 2014-15 Budget and the specific reserves held are set out in Appendix 7. Each of the savings proposals put forward as part of the Budget setting cycle has been individually risk assessed and the levels of contingency built into the proposed Budget for 2014-15, and alongside the level of general and earmarked reserves, reflect the overall potential risk associated with

Budget 2014-15 and Beyond

Cabinet

Date: 5th February 2014

delivering the Budget proposals. In light of this approach, the Board Director, Resources, as part of his Section 151 responsibilities, is content that the 2014-15 Budget as proposed is deliverable.

Table 5 – General Contingencies and Reserves held against the 2014-15 Budget

	£'000
General Reserves	6,000
General Contingency Fund	500

13. Fees and Charges

- 13.1 In the Draft Budget considered by Cabinet on 11th December 2013, a 3% increase in fees and charges was assumed. Where using market intelligence a 3% increase is not proposed, the proposed charges for these services are set out in Appendix 1 and only very minimal changes have been made from those published in the Draft Budget Report.

14. Equalities and Diversity

- 14.1 Achieving equality and diversity underpins the Council's aim of providing high-quality services, which reflect and support the needs of the wider community. Swindon Borough Council is committed to eliminating discrimination and promoting best practice in all areas of its work and the 2013-14 Budget has been prepared with this in mind. As part of the process to draw up budget proposals, each Board Director has considered equalities and other risk issues, including community safety, both in respect of investment and reductions in spend. For those proposals with an impact on stakeholders, a full Diversity Impact Assessment (DIA) was completed and published alongside the Draft Budget presented to Cabinet on 11th December 2013.

15. General Reserves

- 15.1 The Comprehensive Performance Assessment 'rule of thumb' introduced for 2003/04 suggested that a level equivalent to not less than 5% of net revenue expenditure excluding School budgets should be considered, unless there is a formal risk assessment, which would justify a lower level. This implies a level of around £7m for Swindon. However, despite the significant level of savings identified since 2006/07, the Council has not overspent and is on track to deliver the Budget in the current year, despite the challenging financial climate. Protection against budget risks is also provided through earmarked reserves and contingencies and benchmarking suggests that Swindon is holding higher levels of reserves than other Councils of a similar size and complexity. In this context, it is recommended that the level of General Reserves the Council holds is maintained at £6m.

16. Alternative Options

- 16.1 The full range of options is set out in the body of the report.

Budget 2014-15 and Beyond

Cabinet

Date: 5th February 2014

17. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 17.1 Where there are financial implications these have been reflected in the body of the report and in the appendices.

Legal and Human Rights Implications

- 17.2 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)

- 17.3 There are no such direct implications.

Diversity Impact Assessment

- 18.** A Diversity Impact Assessment (DIA) has been produced for each of the savings proposals that could affect minority groups. These have been published on the Council's Web-site alongside the Draft Budget report considered by Cabinet on 11th December 2013.

19. Consultees

- 19.1 The Board Director, Resources (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted on all reports.

20. Background Papers and Appendices

- 20.1 Appendix 1: Proposed Changes to Fees and Charges above the 3%
20.2 Appendix 2: Summary of Proposed Budget By Group 2014-15
20.3 Appendix 3: Summary Budget Proposals By Department 2014-15
20.4 Appendix 4: Detailed Budget Proposals 2014-15 By Group
20.5 Appendix 5: Consultation Response – to follow
20.6 Appendix 6: Minutes of the Ratepayers meeting on 28th January 2014 – to follow
20.7 Appendix 7: Reserves Policy and Specific Reserves held to support the 2014-15 Budget

21. Key Decision/Decision in Forward Plan

- 21.1 This is not a key decision for the Cabinet as it is subject to determination by the full Council and the item is included in the Cabinet Work Programme and Forward Plan for February 2014.

Service	Service Manager Name & Number	Actual 2013-14	Proposed 2014-15	Increase £	Increase %	Reason for Increase above 3%
Cremations - Caskets	Jane Benson 822259	40.00	45.00	5.00	12.5%	Change in the variety and hence the purchase price offered to the bereaved.
Cremations - Recording a Service to CD	Jane Benson 822259	-	20.00	20.00		New service offered
Cremations - Brass Urn	Jane Benson 822259	-	90.00	90.00		New item to offer greater variety to the bereaved.
Cremations - Heart Keepsake	Jane Benson 822259	-	35.00	35.00		New item to offer greater variety to the bereaved.
Cremations - Token	Jane Benson 822259	-	30.00	30.00		New item to offer greater variety to the bereaved.
Purchase Fees - Kingsdown Cemetery - In white on plan - no selection	Jane Benson 822259	600.00	625.00	25.00	4.2%	Increase to maintain price differentials between types of plots.
Purchase Fees - Kingsdown Cemetery - Burial plot for cremated remains	Jane Benson 822259	250.00	260.00	10.00	4.0%	Rounded to the nearest £10.
Cemeteries - Monuments, gravestones - inscription additional to the first inscription	Jane Benson 822259	55.00	57.00	2.00	3.6%	Rounded to the nearest whole £
Cemeteries - Monuments, gravestones - vase - with inscription placed on existing base	Jane Benson 822259	55.00	57.00	2.00	3.6%	Rounded to the nearest whole £
Cemeteries - Monuments, gravestones - vase - search fee	Jane Benson 822259	22.00	23.00	1.00	4.5%	Rounded to the nearest whole £
Cemeteries - Baby memorial/headstone	Jane Benson 822259	-	80.00	80.00		Introduction of a lower fee for a headstone to reflect the restricted size of headstones in the baby section of the cemetery (Previously full adult price was payable)
Cemeteries - Ashes Memorial Wall - Permanent lease	Jane Benson 822259	-	900.00	900.00		New fee - 10 and 25 year leases no longer available.
Cemeteries - Tree of remembrance small	Jane Benson 822259	115.00	120.00	5.00	4.3%	Rounded to nearest £5
Land Charges - LLC1 - Certificate of Local Land Charges Search - Electronic - Residential	Lynn Markey 466245	12.00	13.00	1.00	8.3%	To bring fees for postal and electronic requests in line - very few postal requests these days
Land Charges - LLC1 - Certificate of Local Land Charges Search - Electronic - Commercial	Lynn Markey 466245	40.00	42.00	2.00	5.0%	To bring fees for postal and electronic requests in line - very few postal requests these days
Land Charges - Con29R - Required enquiries of Local Authority - Electronic - Residential	Lynn Markey 466245	41.00	43.00	2.00	4.9%	To bring fees for postal and electronic requests in line - very few postal requests these days
Land Charges - Con29R - Required enquiries of Local Authority - Electronic - Commercial	Lynn Markey 466245	129.00	133.00	4.00	3.1%	To bring fees for postal and electronic requests in line - very few postal requests these days
Land Charges - Optional Enquiries related to additional Local Authority information CON290 when submitted with a standard search - Q4. Road proposals by Private Bodies	Lynn Markey 466245	22.00	23.00	1.00	4.5%	Rounded to the nearest whole £
Land Charges - Optional Enquiries related to additional Local Authority information CON290 when submitted with a standard search - Q5. Public paths or byways	Lynn Markey 466245	15.00	16.00	1.00	6.7%	Rounded to the nearest whole £
Land Charges - Optional Enquiries related to additional Local Authority information CON290 when submitted separately - Q4. Road proposals by Private Bodies	Lynn Markey 466245	28.00	29.00	1.00	3.6%	Rounded to the nearest whole £
Land Charges - Optional Enquiries related to additional Local Authority information CON290 when submitted separately - Q5. Public paths or byways	Lynn Markey 466245	21.00	22.00	1.00	4.8%	Rounded to the nearest whole £
Highway Licensing - Street Works - Skip licence	Steve Sanders 466386 / Mo Shafie 466363	30.00	31.00	1.00	3.3%	Rounded to the nearest whole £
Highway Licensing - Street Works - Express skip approval fee	Steve Sanders 466386 / Mo Shafie 466363	55.00	57.00	2.00	3.6%	Rounded to the nearest whole £
Highway Licensing - Street Works - Banners - 1 site - Week 2	Steve Sanders 466386 / Mo Shafie 466363	55.00	57.00	2.00	3.6%	Rounded to the nearest whole £
Highway Licensing - Street Works - Banners - 2 sites - Week 3	Steve Sanders 466386 / Mo Shafie 466363	150.00	155.00	5.00	3.3%	Rounded to the nearest whole £
Highway Licensing - Street Works - Banners - 3 sites - Week 3	Steve Sanders 466386 / Mo Shafie 466363	225.00	232.00	7.00	3.1%	Rounded to the nearest whole £

Service	Service Manager Name & Number	Actual 2013-14	Proposed 2014-15	Increase £	Increase %	Reason for Increase above 3%
Highway Licensing - Street Works - Scaffolding licence	Steve Sanders 466386 / Mo Shafie 466363	85.00	88.00	3.00	3.5%	Rounded to the nearest whole £
Highway Licensing - Street Works - Hoarding licence	Steve Sanders 466386 / Mo Shafie 466363	85.00	88.00	3.00	3.5%	Rounded to the nearest whole £
Highway Licensing - Street Works - Crane licence	Steve Sanders 466386 / Mo Shafie 466363	85.00	88.00	3.00	3.5%	Rounded to the nearest whole £
Highway Licensing - Street Works - S50 - existing connection	Steve Sanders 466386 / Mo Shafie 466363	225.00	232.00	7.00	3.1%	Rounded to the nearest whole £
Highway Licensing - Street Works - Drop kerbs domestic	Steve Sanders 466386 / Mo Shafie 466363	95.00	98.00	3.00	3.2%	Rounded to the nearest whole £
Highway Licensing - Street Works - Drop kerbs commercial	Steve Sanders 466386 / Mo Shafie 466363	125.00	129.00	4.00	3.2%	Rounded to the nearest whole £
Highway Licensing - Street Works -Section 171 licence	Steve Sanders 466386 / Mo Shafie 466363	220.00	227.00	7.00	3.2%	Rounded to the nearest whole £
Highway Licensing - Street Works - Materials placement on highway	Steve Sanders 466386 / Mo Shafie 466363	31.00	32.00	1.00	3.2%	Rounded to the nearest whole £
Highway Licensing - Street Works - Non-Standard letter with above and up to 8 standard questions	Steve Sanders 466386 / Mo Shafie 466363	61.00	63.00	2.00	3.3%	Rounded to the nearest whole £
Utility Companies Call Out Charge	Steve Sanders 466386 / Mo Shafie 466363	-	125.00	125.00		New charge
Highways Adoption Queries - Highway Extent + up to 8 additional inquiries	Tim Price 466254	61.00	63.00	2.00	3.3%	Rounded to the nearest whole £
Street Café Licences - Street Café licence Renewal or Transfer <10 sq. metres seasonal	Mo Shafie 466363	337.50	348.00	10.50	3.1%	Rounded to the nearest whole £
Street Café Licences - Street Café licence Renewal or Transfer 10-20 sq. metres seasonal	Mo Shafie 466363	702.50	724.00	21.50	3.1%	Rounded to the nearest whole £
Street Café Licences - Charge for Use of Patio heaters	Mo Shafie 466363	50.00	52.00	2.00	4.0%	Rounded to the nearest whole £
Private Hire - Hackney Carriage & Taxi licencing - Drivers licence - renewal	Mike Shears 466208	44.00	45.50	1.50	3.4%	Rounded to nearest £0.50
Private Hire - Hackney Carriage & Taxi licencing - Knowledge Test	Mike Shears 466208	25.00	30.00	5.00	20.0%	The amount of administration involved with this function has increased. There is around an hour and a half of officer time involved in invigilation of the test, together with admin time in the production and marking of tests.
Private Hire - Hackney Carriage & Taxi licencing - Private hire vehicle licence (incl. MOT)	Mike Shears 466208	156.00	161.00	5.00	3.2%	Rounded to the nearest whole £
Private Hire - Hackney Carriage & Taxi licencing - Operators licence - 10 to 19 vehicles	Mike Shears 466208	250.00	258.00	8.00	3.2%	Rounded to the nearest whole £
Private Hire - Hackney Carriage & Taxi licencing - Extra 10 Vehicles over 20 vehicles	Mike Shears 466208	10.00	10.50	0.50	5.0%	Rounded to nearest £0.50
Car Park Charges - Season Tickets (Mon - Sunday)	Dawn Woollard 463771	1,880.00	1,940.00	60.00	3.2%	Rounded to nearest £10.00
Car Park Charges - Season Ticket - Bulk Purchase (50 or more)	Dawn Woollard 463771	650.00	670.00	20.00	3.1%	Rounded to the nearest whole £
Car Park Charges - Long Stay Old Town - 3 to 4 hours	Dawn Woollard 463771	2.80	2.90	0.10	3.6%	Rounded to nearest £0.10
Car Park Charges - Long Stay Old Town - 4 to 6 hours	Dawn Woollard 463771	6.30	6.50	0.20	3.2%	Rounded to nearest £0.10
Car Park Charges - Long Stay Old Town - 0 to 2 hours AFTER 6PM	Dawn Woollard 463771	0.90	1.00	0.10	11.1%	Rounded up to next £0.10
Car Park Charges - Long Stay Old Town - 2 hours or more AFTER 6PM	Dawn Woollard 463771	1.80	2.00	0.20	11.1%	Rounded up to next £0.10
Car Park Charges - Long Stay Town Centre - 4 to 6 hours	Dawn Woollard 463771	6.30	6.50	0.20	3.2%	Rounded to nearest £0.10
Car Park Charges - Long Stay Town Centre - 0 to 2 hours AFTER 6PM	Dawn Woollard 463771	0.90	1.00	0.10	11.1%	Rounded up to next £0.10
Car Park Charges - Long Stay Town Centre - 2 hours or more AFTER 6PM	Dawn Woollard 463771	1.80	2.00	0.20	11.1%	Rounded to the nearest whole £
Car Park Charges - Short Stay Car Parks - 0 to 2 hours AFTER 6PM	Dawn Woollard 463771	0.90	1.00	0.10	11.1%	Rounded up to next £0.10
Car Park Charges - Short Stay Car Parks - 2 hours or more AFTER 6PM	Dawn Woollard 463771	1.80	2.00	0.20	11.1%	Rounded to the nearest whole £
Car Park Charges - Short Stay Car Parks Premium - 0 to 2 hours AFTER 6PM	Dawn Woollard 463771	0.90	1.00	0.10	11.1%	Rounded up to next £0.10

Service	Service Manager Name & Number	Actual 2013-14	Proposed 2014-15	Increase £	Increase %	Reason for Increase above 3%
Car Park Charges - Short Stay Car Parks Premium - 2 hours or more AFTER 6PM	Dawn Woollard 463771	1.80	2.00	0.20	11.1%	Rounded to the nearest whole £
Car Park Charges - Short Stay Car Parks Premium (Pay on Foot) - 0 to 2 hours AFTER 6PM	Dawn Woollard 463771	0.90	1.00	0.10	11.1%	Rounded up to next £0.10
Car Park Charges - Short Stay Car Parks Premium (Pay on Foot) - 2 hours or more AFTER 6PM	Dawn Woollard 463771	1.80	2.00	0.20	11.1%	Rounded to the nearest whole £
Car Park Charges - Contractors Permits (Builders)	Dawn Woollard 463771	12.00	12.50	0.50	4.2%	Rounded to nearest £0.50
Pest Control - Rats, Mice etc.	Paul Simmonds - x6097	50.00	55.00	5.00	10%	For pest treatments such as bedbugs the complexity and amount of work involved has not previously been taken into account when setting fees. The increase reflects this however we remain cheaper than neighbouring LA's and in the case of pest control, considerably cheaper than private sector competition.
Pest Control - Bed bugs	Paul Simmonds - x6097	60.00	70.00	10.00	17%	
Pest Control - Bed bugs subsequent treatments	Paul Simmonds - x6097	25.00	30.00	5.00	20%	
Pest control - Wasps, Fleas etc.	Paul Simmonds - x6097	50.00	55.00	5.00	10%	
Pest control - Specialist Services per hour(Pigeon Cull)	Paul Simmonds - x6097	80.00	85.00	5.00	6%	
Initial HMO Licence up to 5 letting units	Paul Simmonds - x6097	400.00	440.00	40.00	10%	
Initial HMO Licence up to 5 letting units - additional units	Paul Simmonds - x6097	75.00	85.00	10.00	13%	
Re Issue of Licences - Unchanged circumstances	Paul Simmonds - x6097	220.00	240.00	20.00	9%	
Re Issue of Licences - Changed circumstances	Paul Simmonds - x6097	330.00	360.00	30.00	9%	
Transfer of Licences	Paul Simmonds - x6097	330.00	360.00	30.00	9%	
Equipment Hire at Link Centre	Di Milner - 465454	Various	Various		8.0%	To recover higher cost of equipment
Climbing Birthday Parties	Di Milner - 465454	120.00	125.00	5.00	4.2%	Increased to give flat rate, previously fluctuated with number of children
Climbing Groups - Concession	Di Milner - 465454	7.60	8.00	0.40	5.3%	Increased to give flat rate
Climbing Groups	Di Milner - 465454	9.50	10.00	0.50	5.3%	Increased to give flat rate
Skate Hire	Di Milner - 465454	1.60	1.80	0.20	13%	To recover higher cost of equipment
Disco Birthday Parties	Di Milner - 465454	90.00	100.00	10.00	11.1%	Increased to give flat rate
Golf 7 day Passports	Dave Maine - 864933	635.00	660.00	25.00	3.9%	Round to Nearest £5
Golf 5 day Passports	Dave Maine - 864933	491.00	515.00	24.00	5%	Round to Nearest £5
Golf Corporate Passports	Dave Maine - 864933	815.00	850.00	35.00	4.3%	Round to Nearest £5
Golf Tiny Tigers	Dave Maine - 864933	6.25	6.65	0.40	6%	Rounded up to next £0.05
Golf Tiny Tigers - Concession (Off peak)	Dave Maine - 864933	3.75	4.00	0.25	6.25%	Rounded up to next £0.05
Bulky Waste - Fridge/ Freezers - Concession Rate	Phil Thomas - 466146	8.50	8.80	0.30	4%	Rounded to nearest 10p
Bulky Waste - Other Items (max 3 per collection) - Concession	Phil Thomas - 466146	8.50	8.80	0.30	4%	Rounded to nearest £0.10
Fishing - Day Ticket - Junior Rate	Phil Thomas - 466146	2.80	2.90	0.10	4%	Rounded to nearest £0.10
Fishing - Day Ticket - Standard Rate	Phil Thomas - 466146	5.50	5.70	0.20	4%	Rounded to nearest £0.10
Fishing - Day Ticket (Specimen) - Concession Rate	Phil Thomas - 466146	2.80	2.90	0.10	4%	Rounded to nearest £0.10
Fishing - Day Ticket (Specimen) - Junior Rate	Phil Thomas - 466146	5.60	5.80	0.20	4%	Rounded to nearest £0.10
Archeological storage from development sites - per standard box	Helen Miah - 07766 368261		25.00	25.00		New service offered
Archeological storage from development sites - per paper archive box	Helen Miah - 07766 368261		10.00	10.00		New service offered
Archeological storage from development sites - per digital archive	Helen Miah - 07766 368261		15.00	15.00		New service offered
Archeological storage from development sites - per map roll / plan	Helen Miah - 07766 368261		10.00	10.00		New service offered

Service	Service Manager Name & Number	Actual 2013-14	Proposed 2014-15	Increase £	Increase %	Reason for Increase above 3%
---------	-------------------------------	-------------------	---------------------	---------------	---------------	------------------------------

General note regarding Public Protection and Streetsmart Fees & Charges: As agreed by Cabinet on 12th December 2012 the Leisure Card is now focussed on Leisure provision and non-leisure services have been disconnected from the scheme. As this is no longer deemed suitable for use as evidence of concession for wider services it is proposed that the fee structure for services provided by Public Protection and Streetsmart is changed to three rates, a full rate, a junior rate (where applicable) and a concession rate. Qualification for the concession rate should be evidenced by proof of eligibility for Council Tax Support of 80% or more. Swindon Card and Concession 1 rates will no longer be available. Fees and charges relating to football, cricket and bowls are subject to a separate budget proposal which proposes a reduction in the level of subsidy for use of outdoor Bowls, Cricket and Football grounds.

Summary of Proposed Budget By Group 2014-15

	Chief Executive's £'000	Resources £'000	Commissioning £'000	Service Delivery £'000	Total £'000
2013-14 Budget	1,536	(10,149)	92,844	63,809	148,040
Changes in levels of Specific Grant Funding used to finance the Net Budget	0	(4,799)	(238)	(31)	(5,068)
Inflation	(1)	723	2,015	1,079	3,816
Other Cost Pressures	0	2,447	4,743	832	8,022
Savings not directly impacting front-line services	(190)	(4,532)	(870)	(1,770)	(7,362)
Service Changes	0	0	(1,813)	(2,976)	(4,789)
Net Changes in Appendices 3 & 4	(191)	(6,161)	3,837	(2,866)	(5,381)
2013-14 Budget	1,345	(16,310)	96,681	60,943	142,659

Summary of Proposed Budget for 2014/15 by Function (Department)

Appendix 3

	Budget 2013-14 £'000	Reverse One-offs £'000	Base Budget 2013-14 £'000	Funding Changes £'000	<-----Inflation----->			Other Costs £'000	<-----Savings & New Income----->				Proposed Budget for 2014-15 £'000
					Inflation - Pay £'000	Inflation - Contracts £'000	Inflation - Income £'000		Back Office / Efficiency Savings £'000	Front Office Transformation £'000	New Income £'000	Service Changes £'000	
PP001 - Chief Executive													
PF100 - Stronger Together	200	(12)	188	0	0	0	0	0	0	0	0	0	188
PF110 - Internal Audit	411		411	0	0	0	(1)	0	0	0	0	0	410
PF400 - Localities	553		553	0	0	0	0	0	(130)	0	0	0	423
PF410 - Communication & Insight	384		384	0	0	0	0	0	(60)	0	0	0	324
Total for Chief Executive	1,548	(12)	1,536	0	0	0	(1)	0	(190)	0	0	0	1,345
PP002 - Resources													
PF200 - Finance	2,623		2,623	0	0	69	(4)	0	0	0	0	0	2,688
PF210 - Revenues & Benefits	(1,680)		(1,680)	0	0	6	0	0	(56)	0	(190)	0	(1,920)
PF220 - Property Assets	(2,838)		(2,838)	0	0	29	(16)	0	0	0	(170)	0	(2,995)
PF230 - Design & Architecture	1,310		1,310	0	0	46	0	0	0	0	0	0	1,356
PF240 - Corporate	(21,434)	(82)	(21,516)	(4,799)	523	73	(3)	1,447	(1,916)	(2,000)	(200)	0	(28,391)
PF240 - Corporate Contingency	1,200		1,200	0	0	0	0	0	0	0	0	0	1,200
PF240 - Debt Charges	9,696		9,696	0	0	0	0	1,000	0	0	0	0	10,696
PF250 - IT & HR	987	69	1,056	0	0	0	0	0	0	0	0	0	1,056
Total for Resources	(10,136)	(13)	(10,149)	(4,799)	523	223	(23)	2,447	(1,972)	(2,000)	(560)	0	(16,310)
PP005 - Commissioning													
PF310 - Law & Democratic Services	2,703	140	2,843	0	0	3	(14)	0	(64)	0	(16)	0	2,752
PF500 - Management	799		799	0	0	0	0	0	(45)	0	0	0	754
PF510 - Children & Adults	60,961		60,961	0	0	1,596	(106)	2,754	(402)	0	0	(1,613)	63,190
PF520 - Economy / Attainment	2,365	(60)	2,305	(238)	0	103	0	80	(45)	0	0	0	2,205
PF540 - Public Health	7,891		7,891	0	8	125	0	789	(133)	0	0	0	8,680
PF600 - Children and Families	18,045		18,045	0	0	322	(22)	1,120	(25)	0	(140)	(200)	19,100
Total for Commissioning	92,764	80	92,844	(238)	8	2,149	(142)	4,743	(714)	0	(156)	(1,813)	96,681
PP006 - Service Delivery													
PF530 - Commercial Services	33,420	(55)	33,365	(31)	0	704	(28)	132	(700)	0	0	(1,206)	32,236
PF610 - Public Protection & Streetsmart	1,682		1,682	0	0	133	(53)	50	(50)	0	(50)	0	1,712

	Budget 2013-14 £'000	Reverse One-offs £'000	Base Budget 2013-14 £'000	Funding Changes £'000	<-----Inflation----->			Other Costs £'000	<-----Savings & New Income----->				Proposed Budget for 2014-15 £'000
					Inflation - Pay £'000	Inflation - Contracts £'000	Inflation - Income £'000		Back Office / Efficiency Savings £'000	Front Office Transformation £'000	New Income £'000	Service Changes £'000	
PF620 - Leisure, Libraries, Culture & Traded Services	5,618		5,618	0	0	169	(207)	0	0	0	(30)	(1,640)	3,910
PF630 - Housing Services	343		343	0	0	6	(1)	0	0	0	0	0	348
PF640 - Highways & Transport	4,925		4,925	0	0	123	(78)	250	(170)	0	(320)	(130)	4,600
PF650 - Planning	276		276	0	0	1	(7)	20	0	0	(100)	0	190
PF660 - Business Services & Support	17,600		17,600	0	0	325	(8)	380	(350)	0	0	0	17,947
Total for Service Delivery	63,864	(55)	63,809	(31)	0	1,461	(382)	832	(1,270)	0	(500)	(2,976)	60,943
Total for General Fund	148,040	0	148,040	(5,068)	531	3,833	(548)	8,022	(4,146)	(2,000)	(1,216)	(4,789)	142,659

Proposal	Change Proposed in December 2013 £'000	Change Proposed in February 2014 £'000	Total Changes Proposed for 2014-15 £'000
Cost Pressures (positive numbers)			
Assumed Reduction in Government Grant - Moved from cost pressures to Financing Section of the Budget Report	4,100	(4,100)	0
Estimated reduction in Collection Fund Surplus for the Council share of the fund used to support the SBC Budget - Moved from cost pressures to Financing Section of the Budget Report	145	(145)	0
Impact of specific grant changes on overall formula grant funding linked to the Education Services Grant introduced in 2013-14. The Formula Grant is used to finance the overall Budget and is therefore not shown as an income line to the Budget whereas specific grant income is an income line within the overall Net Budget		(2,423)	(2,423)
Reduction in Extended Rights of Free Travel grant (part of LSSG)	158		158
Further loss of Education Services Grant, over and above that in previous years, based on potential Academy conversions - the Council loses £116 for each pupil in a school that transfers from Council control to Academy status	80		80
Additional Income (negative numbers)			
Increase in Council Tax income as a result of a rise in the number of households within the Borough increasing the tax base from 65,420.8 in 2013-14 to 66,245.8 in 2014-15. - Moved from Savings to Financing Section of the Budget Report	(945)	945	0
Local Reform and Community Voices specific grant income above the current budgeted level	(134)		(134)
Additional Council Tax Freeze grant for 2014-15		(850)	(850)
The Better Care Fund (BCF) starts in 2014/15 The allocation for Swindon is £3,394,293 for 2014/15 The majority of the allocation is the current transfer to the LA from the NHS of £2,753,293. The additional allocation of £641,000 is to prepare for enhanced hospital discharge, winter pressures and 7 day working in social care.		(641)	(641)

2014-15 Budget - Detailed Proposals
Funding Changes Assumptions

Appendix 4

Proposal	Change Proposed in December 2013 £'000	Change Proposed in February 2014 £'000	Total Changes Proposed for 2014-15 £'000
Increase in ring fenced Public Health funding for 2014-15. The Council has been providing services that contribute to Public Health outcomes for some years however since the 1st April further progress has been made to integrate work between Public Health and existing Council services, refocus some relevant services on the role they can take in ensuring better outcomes . We will continue this work in 14/15 and also focusing the additional funding on new areas of responsibility transferring to local authorities from Health and those services that we feel will have the greatest impact on improving the health of individuals within the Borough		(789)	(789)
Total	3,404	(8,003)	(4,599)

Funding

2014-15 Budget - Detailed Proposals

Service Area - Adults and Children's Commissioning Services

Proposal	Financial Impact of Previous Decisions £'000	Change Proposed in December 2013 £'000	Change Proposed in February 2014 £'000	Total Changes Proposed for 2014-15 £'000
Cost Pressures (positive numbers)				
Demand for services to Older People - based on latest information from population figures and trend analysis of recent activity		700		700
Demand for services for people with Learning Disabilities - based on latest information from population figures, trend analysis of recent activity and known service users due to transition from Children Services.		1,304		1,304
Children - Administration for independent assessment process		25		25
Children - Additional Reviewing posts due to increase in Child protection cases (from 120 to 170) & higher numbers of children in care		77		77
Additional resource for children's safeguarding (increase existing part-time post to full-time)		7		7
Additional Public Health funding for 2014-15 will be used to further integrate work between Public Health and existing Council services, refocus some relevant services on the role they can take in ensuring better outcomes and cover the cost of new areas of responsibility transferring to local authorities from Health from 1st April 2014.			789	789
The additional grant allocation of £641k from the Better Care Fund (BCF) is provided to prepare for enhanced hospital discharge, winter pressures and 7 day working in social care.			641	641
Change Programme Savings (negative numbers)				

2014-15 Budget - Detailed Proposals
Service Area - Adults and Children's Commissioning Services

	Financial Impact of Previous Decisions	Change Proposed in December 2013	Change Proposed in February 2014	Total Changes Proposed for 2014-15
	£'000	£'000	£'000	£'000
Proposal				
Targeted work to partly mitigate the rising demand for Social Care for people with Learning Disabilities (LD) (£1.3m) which will support potential service users to have access to the full range of services available to them as part of the Adult Demand programme. The current proportion of spend for learning disabilities compared to older people exceeds the national average. Although we have an historic number of adults in residential care, new packages also show a trend of above average costs. Commissioners are meeting weekly with Front-Line service managers and social workers reviewing care packages and providing coaching on personalisation. This in turn should reduce the cost of new packages of care thereby managing an element of the cost pressure based on historic demand.		(750)		(750)
Targeted work to partly mitigate the rising demand for Social Care for Older People (£700k) which will support potential service users to have access to the full range of services available to them and help them to remain independent for as long as possible as part of the Adult Demand programme. Maximising reablement and prevention services including community based support and voluntary sector commissioning. Review of hospital discharge and appropriate place of assessment i.e. a step down service prior to longer term assessment. Full utilisation of the on-line information and advice directory. Service re-design for initial contact. Further work with providers on personal budgets and outcome based services. Increase in referrals to Extra Care provision.		(200)		(200)
Improved commissioning of Supporting People contracts		(200)		(200)

2014-15 Budget - Detailed Proposals

Service Area - Adults and Children's Commissioning Services

Proposal	Financial Impact of Previous Decisions £'000	Change Proposed in December 2013 £'000	Change Proposed in February 2014 £'000	Total Changes Proposed for 2014-15 £'000
Domiciliary Care and Community Based support - manage budgets within 2012-13 cash limits including review of additional support hours		(273)		(273)
Voluntary Sector Hub - savings on premises costs through creation of Voluntary Sector advice and information hub at Sanford House.	(25)			(25)
Respite Care Firethorn Close - ensure maximum utilisation of facilities at Firethorn Close by rescheduling current provision for LD respite care as demand is limited during week days resulting in surplus places. Available capacity will be used for short term residential and crisis services. This may include a period of assessment with input from external organisations. These changes are the full implementation of the original business case and gateway paper regarding Firethorn Close and LD short break services in 2008/09.		(250)		(250)
Other Tactical Savings (negative numbers)				
Reshape Commissioning staffing structures and deletion of vacant posts	(50)	(27)		(77)
Integration of Council and Public Health Services. Public Health outcomes became the responsibility of the Borough from 1st April 2013. The Council has been providing services that contribute to Public Health outcomes for some years however since the 1st April further progress has been made to integrate work between Public Health and existing Council services, refocus some relevant services on the role they can take in ensuring better outcomes can be achieved and that we maximise the return on our investment at an overall lower cost to the Council.	(481)			(481)

2014-15 Budget - Detailed Proposals
Service Area - Adults and Children's Commissioning Services

	Financial Impact of Previous Decisions	Change Proposed in December 2013	Change Proposed in February 2014	Total Changes Proposed for 2014-15
Proposal	£'000	£'000	£'000	£'000
Children's Centres - financial impact of changes agreed at Cabinet in September 2013 following detailed consultation to refocus Children Centres on the children with the greatest need. Full-year saving of £380k, with £180k assumed in 2013-14 with the balance in 2014-15	(190)			(190)
VAT saving following a review of central support costs passed to and recovered from Seqol, the Council's provider of Adult Social Care services	(56)			(56)
Total	(802)	413	1,430	1,041

2014-15 Budget - Detailed Proposals
Service Area - Children's Service Delivery

Proposal	Financial Impact of Previous Decisions £'000	Change Proposed in December 2013 £'000	Change Proposed in February 2014 £'000	Total Changes Proposed for 2014-15 £'000
Cost Pressures (positive numbers)				
Additional legal costs resulting from changes to the judicial process that front loads work on the Legal system before cases get to court		300		300
Increase in staffing resources in order to stabilise the current service and ensure safe working practices within children's social care services following an increase in the number of children requiring support. Also to increase Early Support Service capacity in order to mitigate demand for statutory social care service provision.		320		320
Increase in the cost of Children's Care packages as a result in a national spike in the number of young people requiring support		500		500
Change Programme Savings (negative numbers)				
Savings in the cost of disabled children's care packages linked to current levels of expenditure		(50)		(50)
Reduction in the cost of Care and Placements support for Children in Care as a direct result of different approaches to support being adopted through the change programme - over £600k cost avoidance which is offset by demand led increases in the need for services		0		0
Above budgeted levels of traded services income including Adoption Services, Education Welfare, Education Psychology, Speech and Language Therapy, Targeted Mental Health Services and On Trak.		(140)		(140)
Other Tactical Savings (negative numbers)				

2014-15 Budget - Detailed Proposals
Service Area - Children's Service Delivery

	Financial Impact of Previous Decisions	Change Proposed in December 2013	Change Proposed in February 2014	Total Changes Proposed for 2014-15
Proposal	£'000	£'000	£'000	£'000
Reduction in Children and Families training budgets for the provision of higher education training and support for early years / child-minder settings reflecting recent trends in expenditure levels.	(100)			(100)
Transport reduction due to a planned reduction in the provision of high cost transport provision i.e. taxi's and use of alternative transport provision at a lower cost. 20% planned reduction on 13-14 budget.		(50)		(50)
Total	(100)	880	0	780

2014-15 Budget - Detailed Proposals
Service Area - Economy and Attainment

Proposal	Financial Impact of Previous Decisions £'000	Change Proposed in December 2013 £'000	Change Proposed in February 2014 £'000	Total Changes Proposed for 2014-15 £'000
Cost Pressures (positive numbers)				
Creation of a new Education policy post to manage new responsibilities around Special Education Needs and to create capacity within the Growing Economy senior leadership which currently manages both Education and economy relates services		80		80
Other Tactical Savings (negative numbers)				
Funding part of the Forward Swindon (FSL) contribution from rental income instead of base budget resources	(125)			(125)
Savings arising from prioritisation of skills and employment commissioning activities including maximisation of the Adult Education Grant	(60)			(60)
Deletion of part-time early years post		(17)		(17)
Deletion of provision for Special Education Appeals costs		(23)		(23)
Deletion of provision for temporary staff in the Education Standards and Quality Team		(5)		(5)
Recovery of premises and early years SEN costs chargeable to the Dedicated Schools Grant (DSG)		(23)	(30)	(53)
Total	(185)	12	(30)	(203)

2014-15 Budget - Detailed Proposals
Service Area - Leisure, Culture and Libraries

	Financial Impact of Previous Decisions	Change Proposed in December 2013	Change Proposed in February 2014	Total Changes Proposed for 2014-15
Proposal	£'000	£'000	£'000	£'000
<u>Change Programme Savings (negative numbers)</u>				
Wyvern Theatre / Arts Centre - financial impact of changes agreed at Cabinet in September 2013 following detailed consultation to extend the existing Wyvern contract to include both the Wyvern Theatre and the Arts Centre, which ensures that theatre provision within the Council's portfolio remains sustainable, provides best value and a reduced net cost.	(180)			(180)
Transfer the assets and operation of leisure and golf provision within the Borough to an external provider(s) removing the current subsidy of £1.2m. The 2014-15 Budget assumes a part-year saving which is subject to a successful conclusion of the market exercise. This proposal impacts on approximately 154 full-time equivalent posts as well as casual staff		(750)		(750)
Further reduce the operational costs of leisure and culture within the Borough by targeting reductions in support functions to these services and increasing the commercial viability of culture sites. Part of this saving is subject to a successful conclusion of the leisure and golf market exercise.		(150)		(150)
Linked to the proposed transfer of assets to an external provider(s), remove the requirement to pay back prudential borrowing for historic leisure invest to save capital schemes from the base budget and fund any outstanding capital sums from either one-off resources or borrowing and is subject to a successful conclusion of the market exercise.		(180)		(180)

2014-15 Budget - Detailed Proposals
Service Area - Leisure, Culture and Libraries

	Financial Impact of Previous Decisions	Change Proposed in December 2013	Change Proposed in February 2014	Total Changes Proposed for 2014-15
Proposal	£'000	£'000	£'000	£'000
Other Tactical Savings (negative numbers)				
Community facilities – financial impact of work that has already taken place to continue with the on-going programme of transferring the running of facilities to the community in line with the Council's over-arching strategy around community capacity building	(80)			(80)
Libraries - Efficiencies within the library service including a staffing restructure and partnership working with Gloucester County Council. Consultation is to be carried out on an updated library strategy, previously agreed by Cabinet in 2011, which may generate further savings depending on the outcome. The £300k comprises; Streamlining the library management team from 3 to 2 FTE £46k; Procurement saving on library management system £36k; Stream-lining acquisition, events and outreach teams £128k; Reducing the stock fund by £50k from £400k to £350k; Reduction in publicity budget £9k; Other tactical back-office savings £31k.	(300)			(300)
Traded services - revisit alternative delivery models following recent options appraisal with potential implementation in 15/16. Continue to maximise income from existing customers throughout 14/15.	(30)			(30)
Total	(590)	(1,080)	0	(1,670)

2014-15 Budget - Detailed Proposals
Service Area - Other Services (not covered by Change Programmes)

Proposal	Financial Impact of Previous Decisions £'000	Change Proposed in December 2013 £'000	Change Proposed in February 2014 £'000	Total Changes Proposed for 2014-15 £'000
<u>Cost Pressures (positive numbers)</u>				
Pay Inflation (at 1%)		526		526
Contract Inflation (at average of 2% but some specific areas are different)		3,822	17	3,839
Income inflation (at 3%)		(549)		(549)
Increase in the level of employer contributions to the Pension Fund of 1% following the triennial actuarial review undertaken during 2013		747		747
Increase in Debt Charges to cover the cost of schemes in the 2013-14 and 2014-15 capital programmes		1,000		1,000
Car parking pay & display income - below budgeted income levels due to fewer cars in the town centre		100		100
Events programme post for the Town Centre and Wharf Green		20		20
Pressure on land charges income budget. Shortfall occurred in 11-12 and 12-13 and is continuing in 13-14		20		20
Car parking penalty charge income - lower than budgeted income levels		100		100
Reduction in income from Thamesdown Transport recognising the challenging trading condition of the Bus Company			350	350
The Council's commercial property estate generates around £4.5m per annum in rental and service charge income each year. At present, two significant commercial lets are vacant creating a pressure of around £0.5m within the Budget but it is assumed that this will be managed in year by one-off property-related income streams or by letting the vacant properties		0		0

Other

2014-15 Budget - Detailed Proposals
Service Area - Other Services (not covered by Change Programmes)

Proposal	Financial Impact of Previous Decisions £'000	Change Proposed in December 2013 £'000	Change Proposed in February 2014 £'000	Total Changes Proposed for 2014-15 £'000
Council Tax Support Grant - provision to allow for the passporting of funding to Parishes		75	75	150
On-going Enterprise Agreement software licences			380	380
Increase in NNDR costs as a result of changes to the car park rationalisation programme			50	50
<u>Other Tactical Savings (negative numbers)</u>				
Predicted savings from the retendering of transport contracts less the currently undelivered savings already assumed in the 13/14 budget relating to Dial A Ride		(130)		(130)
Additional income from car park season tickets already achieved	(300)			(300)
Additional Planning and Building Control Income	(65)		(35)	(100)
Reduction in running costs of ICT services mainly through PC and Telephony annual running and replacement cost savings		(99)	99	0
Denominational Transport Saving - phased increase in saving agreed in 2011	(70)			(70)
Sheppard St car park lease - the 2013-14 Budget assumed this income would be one-off but following the lease being renewed it is now being reflected in the base budget	(20)			(20)

Other

2014-15 Budget - Detailed Proposals
Service Area - Other Services (not covered by Change Programmes)

Proposal	Financial Impact of Previous Decisions £'000	Change Proposed in December 2013 £'000	Change Proposed in February 2014 £'000	Total Changes Proposed for 2014-15 £'000
Redirection of DEFRA Capacity Building funding. There is resource for drainage improvements within the existing Capital Programme. Funding for further drainage schemes will be sought from the capital programme for 2014-15.	(100)			(100)
Local Welfare Fund underspend reallocated to support welfare related expenditure as follows - One off payments to support children in need for day to day living, subsistence, and education support £100k; Purchasing equipment for those with disabilities to support them remaining in their homes £88k; Homelessness Prevention Fund £12k.	(200)			(200)
Commercial rent income - above budgeted rental income linked to the acquisition of Pearl Assurance House	(170)			(170)
Procurement saving from Cash Collection Service, Health and Well-being contracts and wider discretionary contracted expenditure	(189)		(115)	(304)
Capita Contract - reduction in annual service charge reflecting the payment profile negotiated in 2006 before entering into the partnership	(150)			(150)
Residents (Place) Survey which will be funded from one-off resources as and when there is a requirement to undertake this sort of exercise rather than tying up on-going resources that may not be spent		(12)		(12)
Capita contract - targeted savings from the review of Business Support and other service savings within the contract		(200)		(200)
Savings on pension liabilities within partner organisations due to staff turnover and replacement employee within local stakeholder pensions funds rather than the Local Government Pension Fund		(153)		(153)

Other

2014-15 Budget - Detailed Proposals
Service Area - Other Services (not covered by Change Programmes)

Proposal	Financial Impact of Previous Decisions £'000	Change Proposed in December 2013 £'000	Change Proposed in February 2014 £'000	Total Changes Proposed for 2014-15 £'000
Reshaping the Audit and Financial Assessment of Benefits (FAB) teams resulting in the deletion of 2 posts	(56)			(56)
Estimated savings from the reintegration of services currently provided by Swindon Commercial Services Limited (SCS) back into the Council (Insurance premiums, management costs, staffing restructurings, external audit fees, operating costs etc.)		(2,000)		(2,000)
Savings in operational budgets across the Council following a review of 2013-14 expenditure budgets against 2012-13 actual expenditure by service area	(254)			(254)
Saving identified following a review of election costs and cycle of elections. However, if Individual Electoral Registrations are not fully funded by the Government there could be a cost pressure.		(50)		(50)
Reduction in budget for Member's Allowance in line with continued underspend		(10)		(10)
Increased income due to an increase in the number of Register Office ceremonies		(16)		(16)
Reduction in the Legal services publications budget as a result of moving to on-line resources		(4)		(4)
Moving from a bi-annual to annual One Swindon Conference to be funded by all partner organisations		(33)		(33)

Other

2014-15 Budget - Detailed Proposals
Service Area - Other Services (not covered by Change Programmes)

	Financial Impact of Previous Decisions	Change Proposed in December 2013	Change Proposed in February 2014	Total Changes Proposed for 2014-15
Proposal	£'000	£'000	£'000	£'000
Additional council tax court cost income resulting from the changes to the council tax support scheme in 2013-14. Additional income within the General Fund is expected to be offset by lower collection rates on the Collection Fund which is represented by the expected reduction in Collection Fund surplus in 2013-14 being used to support the 2014-15 Budget			(190)	(190)
Rental income from energy providers from photovoltaic solar panels located on Council assets			(200)	(200)
Reduction in corporate contingency fund down to £500k.		(250)	(416)	(666)
Total	(1,574)	2,904	15	1,345

Other

2014-15 Budget - Detailed Proposals

Service Area - Streetsmart

	Financial Impact of Previous Decisions	Change Proposed in December 2013	Change Proposed in February 2014	Total Changes Proposed for 2014-15
Proposal	£'000	£'000	£'000	£'000
<u>Cost Pressures (positive numbers)</u>				
End of Section 106 funding for land adoptions (Haydon 3) resulting in grounds maintenance costs needing to be met from core Council resources		40	(10)	30
Street Cleaning in the Town Centre - a supervisor for the team focused on the town centre and regular steam cleaning for the shopping area		132		132
Estimated additional running costs of the Solid Recovered Fuel (SRF) / Refuse Derived Fuel (RDF) facility at Waterside. However the operating costs have high levels of volatility depending on when the dryer element of the facility becomes operational. It is currently anticipated that the dryer will be fully operational by 1st April, 2014. Each month's delay will add around £100k to net operating costs in 2014/15. The figures are based on an assumed level of SRF gate fee, which is currently being procured, for the disposal of the material coming out of the plant. For each £10 variance in the cost per tonne, operating costs will change by around £400k pa in 2014/15. As production at the plant increases in future years this variance would be up to £600k p.a. when the plant is fully operational. This number will be refined as the gate fee price is secured and the opening date of the dryer is confirmed		200		200
<u>Change Programme Savings (negative numbers)</u>				

Service Area - Streetsmart

Proposal	Financial Impact of Previous Decisions £'000	Change Proposed in December 2013 £'000	Change Proposed in February 2014 £'000	Total Changes Proposed for 2014-15 £'000
Reshaping the Green Waste Collection Service. Moving from a restricted bag-based service to an optional wheeled-bin service at a cost of £40 per annum which will include the provision of the bin (or bags for properties not suitable for a bin).	(720)			(720)
Consolidate all household collections into a single fortnightly service. This would result in fewer collection vehicles on the road, meaning fewer emissions and a rationalised fleet. Most households already have room in their recycling receptacles to cater for a fortnightly collection but those with higher levels of recyclates will continue to have the option of purchasing additional boxes from the Council.	(435)			(435)
Reduction in the number of refuse rounds through route optimisation and less travelling time to the disposal point. Part of saving already taken in 1314 budget, this is the full year effect.	(70)			(70)
Contribution from Health towards the Clinical Waste collection and disposal service		(31)		(31)
Review the requirement to open up and lock parks and crematoria each day to enable savings within the facilities management service as part of reintegrating services provided by Swindon Commercial services (SCS) with Council services		(11)		(11)
Reduction in the subsidy of grounds maintenance costs for football pitches and leisure grounds by recovering the costs from within service user fees.		(40)		(40)
Other Tactical Savings (negative numbers)				
Reduction in SRF/RDF gate fee paid to SCS to £79 (+ 2.5%) per tonne (from £92) on the assumption that all Hills penalties are funded from one of money (48,500 tonnes x £13) as agreed by Cabinet in October 2013	(630)			(630)

Service Area - Streetsmart

	Financial Impact of Previous Decisions	Change Proposed in December 2013	Change Proposed in February 2014	Total Changes Proposed for 2014-15
Proposal	£'000	£'000	£'000	£'000
Additional budget for landfill penalties put into base for 13-14 now being funded from one-off resources as agreed by Cabinet in October 2013	(450)			(450)
Increase in crematorium income in line with current 2013-14 projections	(50)			(50)
Total	(2,355)	290	(10)	(2,075)

Budget Consultation – feedback report

1. Introduction

- 1.1 This report provides a summary of consultation feedback to the Council's Budget Proposals for 2014/15.
- 1.2 The consultation occurred in several phases. Cabinet took some decisions in December 2013 and January 2014 following consultation between October to December 2013 to ensure that changes could be implemented for the 2014/15 financial year.

2. Kerbside Recycling Collection and Green Waste Collection Service – decision taken Cabinet Minute 79, 2nd January 2014.

- 2.1 To achieve savings of up to £1 million in its waste and recycling service, the Council considered two proposals that, together, could deliver these savings. These were:
 - A change in the frequency with which recyclables are collected from kerbside, from a weekly to a fortnightly collection;
 - The introduction of charges for green waste collection, The service would be optional, but would require an up-front payment of £35 to cover the cost of a bin or bags, and an annual charge of £35 to cover collection costs.
- 2.2 To assist the Council in evaluating these proposals, a consultation was carried out by distributing an information letter to all households and business representatives in the Borough. It explained the proposals and invited people to comment on them, either online or via a paper questionnaire available on request. Distribution of this letter took place from 29th October 2013, and was completed by 22nd November; the closing date for responses to be included in this report was 9th December 2013. By this date, a total of 5,718 valid responses had been received.
- 2.3 The results of this consultation were presented at the Cabinet meeting on the 11th December 2013 and the feedback helped inform proposals before they were revised and approved at the Cabinet meeting on January 2nd 2014.

3. Other Proposed Service Changes

- 3.1 Detailed budget proposals for 2014/15 were published in Cabinet papers on the 11th December 2013 and details of service changes were also published on Council's website for consultation on the 20th December 2013. The consultation and budget proposals were promoted through the local media and responses to the consultation were invited via written submission to the Leader of the Council or via email. The period for comments and responses to the Council concluded on the 29th January 2014.
- 3.2 Feedback to the budget proposals from both residents and stakeholders in the form of emails to the Council has been notably low. Some service specific consultations are still on-going and these are detailed below.

1. Proposal: Efficiencies within the library service to save £300K

	Mode of Communication	Respondent	Comments
To include efficiency savings a staffing restructure and partnership working with Gloucester County Council. Consultation is to be carried out on an updated library strategy, previously agreed by Cabinet in 2011, which may generate further savings depending on the outcome. The £300k comprises: reducing the library management team from three to two FTE, procurement saving on library management system, staffing changes including reducing centralised	1 email	Local resident	<p>Further information requested including:</p> <ul style="list-style-type: none"> • a break-down of overhead (recharge) costs to Libraries • whether the central recharge is to be reduced • whether the overhead (recharge) costs to libraries might be considered disproportionate • how many paid staff jobs have been or will be deleted and, if none, <i>why</i> volunteers are now to be asked to staff all the smaller libraries? • What research has been done to underpin and justify the new draft

teams including acquisition, stock and local studies teams, reducing the stock fund, a reduction in the publicity budget and other back-office savings			Strategy.
--	--	--	-----------

Consultation on the draft Library Strategy is underway and will conclude on Monday 14th April 2014.

2. Proposal: Reduction to subsidy of Grounds Maintenance to save £40K

Subsidy reduction	Respondents	Summary of comments/feedback
<p>Reduction to the subsidy of grounds maintenance costs for football pitches and leisure grounds by recovering the costs through higher fees.</p> <p>Users of these grounds include five bowls clubs, six football pitches used by 30 clubs and two cricket pitches.</p>	<p>Consultation/feedback has been received from with 3 bowls clubs, one cricket club and 2 football clubs</p>	<p><i>Feedback from Bowls clubs to date:</i></p> <ul style="list-style-type: none"> • Participation is already dropping • Only social event/opportunity for some players • If clubs close down then the Swindon and district league will become unsustainable • Whilst all clubs have improved their facilities, more investment is needed. • Clubs offer open days for young people and disabled people, in some cases have special wheel chairs and adoptions to enable wheel chair users to play. <p><i>Feedback from football clubs to date:</i></p> <ul style="list-style-type: none"> • Wiltshire FA is concerned that such changes will affect the Swindon Sunday, Saturday,

		<p>and North Wilts Youth Leagues</p> <p><i>Suggestions for ways in which the Council can help maintain sustainable clubs include:</i></p> <ul style="list-style-type: none"> • Produce a three or five year plan for reducing the subsidy with bowls clubs • Consider bowls clubs holding the lease for the facility • Work with clubs to help them maximise their income (e.g. increase fees, increase bar prices, encourage greater use of the facilities) • Promote bowls as a sport • Produce and implement a strategy around the provision of football through council facilities, rather than the <i>ad hoc</i> facilities dotted around.
--	--	--

Consultation on implementation of this proposal is still on going and will be concluded by 31st March 2014.

3. Proposal: Adult Social Care

Ensure maximum use of facilities at Respite Care Firethorn Close to save £250k. (For implementation from the 1st October 2014)

Ensure maximum use of facilities at Firethorn Close by rescheduling current provision for Learning Disability respite care, as demand is limited during weekdays resulting in surplus places. Available capacity will be used for short term residential and crisis services. These changes are the full implementation of the original business case regarding Firethorn Close and Learning Disability short break services in 2008/09.

Consultation with service users and carers is due to commence in February 2014.and will run for a period of 12 weeks .

4. Proposal: Leisure Asset transfer of Leisure and Golf facilities to an external operator.

The facilities concerned are golf courses at Broome Manor, Highworth (the nine hole course) and Moredon; and six leisure centres; Croft Sports Centre, Delta Tennis Centre, Dorcan Recreation Complex, Haydon Centre, Health Hydro and the Link Centre. The proposal does not include Highworth Recreation Centre at this point.

Consultation with service users and residents is underway and will conclude on 3rd March 2014. The results of the consultation will be presented to the Council's Cabinet in late spring, before a decision is made on a preferred bidder.

4. Other suggestions/comments:

4.1 Residents also submitted alternative suggestions for savings and general feedback on information supplied about the Council's budget proposals. The following points were raised in these submissions:

- Rather have the option to pay more for more services (1comment)
- Query over whether savings can realistically be achieved without staff cuts (1 comment)

This page is intentionally left blank

BUDGET CONSULTATION - NATIONAL NON-DOMESTIC RATEPAYERS

TUESDAY, 28 JANUARY 2014

PRESENT:- Councillors Juanb Ali, John Ballman, Garry Perkins (Cabinet Member for Economy, Regeneration and Culture) and David Renard (Leader of the Council).

Swindon Borough Council: Mr Stuart McKellar (Board Director Finance, Revenues, Benefits and Property).

Representatives of Swindon Non-Domestic Rate Payers: Councillor Neil Heavens (Abacus Accounts), Mr Les Durrant (DPDS Consulting), Mr Martin Eagles (Nationwide Building Society), Mr John Fletcher (Nationwide Building Society), Mr Richard Lay (White Horse Holding Group) and Mr David Morley (Zurich Insurance).

Apologies for absence were received from Councillors Mike Bawden, Russell Holland and Peter Watts. Rob Beale (Morris Owen), Jack Frost (Johnson Matthey Fuel Cells Limited), Patrick Hallgate (Network Rail), Rod Hebden (National Trust), David Henderson (Wind River UK Limited), Michael Hodgetts (Honda UK), Mark Hopwood (First Greta Western), Caroline Hopkins (John Lewis Plc), Paul Jenkins (Thamesdown Transport Limited), John Jackson (Hochtief (UK) Construction Limited), Robert Plumridge (Thames Water Limited), Julian Pugh (RWE npower), Craig Shuttleworth (Debenhams), Wendy Spooner (RWE npower) and Vijay Tanna (Baker Tilley Business Services Limited).

1. Welcome and Introduction

Councillor David Renard welcomed everyone to the meeting and thanked them for their attendance. He explained that the meeting was designed to inform local businesses of the Council's Budget proposals for 2014/15 and to set out the financial context for 2015 /16 and beyond.

2. Budget Management 2012-13 and Draft Budget 2013-14

Mr Stuart McKellar (Board Director Finance, Revenues, Benefits and Property) referred to the report, previously circulated to those attending, and that was to be considered by the Council's Cabinet on 11th December 2013.

He outlined the complexity of the Local Government financing system, the context of the Council's Budget for 2013/14, and the impact of this for the Council's finances and future spending. He explained that the Council was facing challenging times and drew attention to the following points:

- Central Government funding changes would continue to negatively impact on future budgets.
- Changes to Business rate Collection which meant that Swindon Borough Council could in future retain 28% of future business rates growth.
- Pressures being experienced against the budgets of Children and Young People and Adult Social Care in particular but across the Council more generally.

He also advised the meeting that the benefits of the retention of 28% of additional monies from Business Rate Collection needed to be set against the pressures of historic claims (since 2005) for refund/overpayment, which under the new regulations the Council is responsible for. It was anticipated that in the medium term the financial pressures of such appeals would lessen.

Mr Richard Lay referred to these appeals, likely costs as set against the potential for additional monies and the revaluation of Business Rates from 2015 (implementation 2017) and it was confirmed that resulting from this there was a need to have some flexibility in these figures as far as budget planning was concerned.

Mr Stuart McKellar (Board Director Finance, Revenues, Benefits and Property) also noted that the Council will have lost around 45% of its base Government Grant by 2015/16, including losing a further 13% of the grant in 2015/16 alone. Given this situation and the unknown elements of Business Rates he stressed the Council needed to be financially flexible in its consideration of service delivery and gave green waste collection as an example.

Mr Richard Lay (White Horse Group) referred to problems facing some business community sectors and indicated his belief that this might result in less Business Rate income. Mr Stuart McKellar (Board Director Finance, Revenues, Benefits and Property) acknowledged that some sectors of the business community were experiencing different rates of growth but that he felt that there was likely to be a small increase in Business Rate income in Swindon overall and highlighted the Regent Circus development as an example of growth.

The meeting noted examples of Business Rates varying with changes to the use of premise and how these affected local business and especially those trying to establish themselves. Mr Stuart McKellar (Board Director Finance, Revenues, Benefits and Property) set out the limited discretion the Council had in the operation of Business Rates which was a national scheme. He also noted that, for example where the Council might be able to offer discounts, this would have an effect on the Council's budgetary position and State Aid limits were a consideration and it was therefore a difficult challenge.

The meeting acknowledged that whilst the Council didn't have any flexibility in setting the national rate for Business Rates the consultation was valuable to the Council to allow it to reaffirm its understanding of the current issues facing businesses and to allow local business to understand the Council's financial position.

3. Proposed Changes to the Waste Collection Services

The Leader of the Council drew attention to the report on proposed changes to the Waste Collection Service set out on pages 45 to 100) of the agenda papers. He confirmed that this report related to domestic collections and that this was a move from a free to a buy in service. The Leader of the Council set out the context of this decision and noted that it had previously been a buy in service when residents bought green sacks for green garden waste. He also noted that this change would have no effect on the Council's statutory waste collection service and responsibilities for either domestically or the business community.

4. Proposed Changes to Waste Collection Services

The Leader of the Council referred to the proposed changes to Waste Collection set out in the report on pages 101 to 113 of the agenda papers and confirmed the changes set out had been approved following consideration of some issues raised by the Council's Scrutiny Committee.

5. Any Other Business

Mr Richard Lay (White Horse Group) asked how the Council would cope with the disincentive to entrepreneurs of opening new businesses when there was pressure from Central Government to collect as much Business Rates as possible.

The Leader of the Council noted the Government had recognised this issue. Locally it was in everyone's interest to help businesses to enable sustained growth in Swindon and Councillors were considering this. The Council was working with the Business Improvement District and Councillor Garry Perkins was a Board Member of that body. In addition Councillor Perkins and the Leader of the Council were meeting regularly with the Chair of the Business Improvement District.

The Council was asked about the two key issues of vacant properties and car parking. Councillor Garry Perkins (Cabinet Member for Economy, Regeneration and Culture) noted that vacant spaces had reduced in the last year and that Swindon compared favourably with other towns in the South West. Regarding Car parking the Council had last year introduced reduced car parking charges for the town centre and that following the success of this scheme, as evidenced by increased footfall figures, had maintained the reduced charges. He also referred to the free parking spaces available in the town centre. The Council was also in the process of modernising the Council's car parking and was removing two unpopular car cars to reduce the town centre surplus.

The Council had also worked closely with town centre businesses regarding parking for their staff and this had proven to be successful in retaining existing businesses in the area and also in attracting new companies. The Council's reduced charges and its tolerance regarding enforcement had given the Council very positive national coverage including a two page article in a national Sunday newspaper.

Councillor Neil Heavens raised the issue of parking issues that detrimentally affected businesses in Commercial Road. Councillor Garry Perkins (Cabinet Member for Economy, Regeneration and Culture) noted that as some of the pavement was owned by business and some was under Council ownership there was no straightforward solution. He was aware of some of the issues facing Commercial Road and asked that the Council's Parking Enforcement Team be advised of particular problems in order that these might be addressed.

The Leader of the Council thanked everybody for their attendance and for their input into the meeting.

This page is intentionally left blank

Reserves Policy

Swindon is a very ambitious Council with plans to continue transforming services and improve the local area at a time when national austerity measures are putting the finances of local Councils under tremendous strain. The pace of change at the Council and the scale of savings being delivered bring with them risks in relation to the Council's capacity to deliver the planned stepped changes. These risks are both in relation to the complexity of some of the transformational changes required to deliver the 2013/14 budget savings and secondly in respect of the potential need for funds to pump-prime work on future changes. The Council is managing these risks using a number of means:

Risk Assessment

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

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

Contingencies

The Council has a base budget general contingency fund of £0.5m to support its 2014/15 Budget.

Reserves

It is recommended that the minimum level of General Reserves the Council needs to hold to support the 2014/15 Budget is £6m. This is in the context of the Council delivering its services within Budget for the last six years.

Alongside the General Reserves, the Council is holding a number of specific reserves to support key risks and future commitments. These have been established following a thorough review of risks and needs, the details of which are set out below.

The General Fund reserves total £39 million. By holding these reserves, the Council is accruing investment interest of around £390k per annum (assuming investment returns of around 1%). Should the Council decide to hold lower levels of reserves in future, for every £0.7m brought back into the revenue budget as a funding source, the Council Tax increase for that financial year could be reduced by 1%. However, this would increase the level of risk within the annual budget and make future years' Budgets increasingly unsustainable. The Board Director Resources would therefore not recommend using a significant proportion of specific reserves to support the annual budget.

Forecast Major Earmarked Reserves						
Description	Balance 01-Apr-13 £000	Estimated transfer in 13-14 Closing £000	Estimated Balance 01-Apr-14 £000	Life Remaining	Reason	
<u>Major Project Commitments</u>						
PFI Equalisation Reserve	(4,969)	255	(4,714)	3+	This reserve is to contribute to the Northern Sector Schools' PFI scheme. It will help fund the stages of the project where income is less than expense. The level of the reserve is reassessed annually.	
Wichelstowe Cashflowing Reserve	(7,478)	1,300	(6,178)	3+	Reserve created to cashflow capital financing liabilities for the Wichelstowe development. This will enable the General Fund to be protected from any impact of the Wichelstowe development until around 2015.	
<u>Infrastructure Related</u>						
Regeneration Reserve	(2,000)	748	(1,252)	1	Reserve created to support the redevelopment of the Town Centre and other major developments.	
Growth Feasibility Studies	(1,073)	0	(1,073)		Reserve created from CLG Growth Point revenue funding, which was awarded to fund projects that bring forward housing numbers.	
New Homes Bonus grant funding	(235)	235	0		New Homes Bonus grant funding, primarily to be used to support Capital spending and to support bringing empty homes back into use, as approved by Cabinet and Council.	
<u>Cashflowing Reserves</u>						
2013-14 Carry forwards	0	(1,600)	(1,600)		Current forecast underspend on 13-14 budget to contribute to committed spend such as the £3m Leisure programme and the Transformation Hub	

Future funding fluctuations	(3,274)	(959)	(4,234)	3+	This reserve will supplement General Reserves, with the specific purpose of mitigating the impact of in-year funding changes from 2013/14, when localised business rates arrangements were introduced. The continuing uncertainty around historic around historic appeals means it is still prudent to hold at this point.
Potential funding for SCS RDF plant	(3,258)	0	(3,258)		Cabinet has approved that the Council will provide funding through a loan to Swindon Commercial Services Ltd for a plant to produce Refuse Derived Fuel. Potential funding sources will need to be agreed with the Council's Auditors, and it would advantageous if it could be funded from borrowing.
Transition Costs of Stronger Together Model	(384)	384	0		Reserve created at the end of 2010/11 to provide funds for the Stronger Together organisational development.
Fund Planning Reserve	(280)	0	(280)	3+	Funding for future work relating to Local Development Framework / minerals plans and core strategy. The demands of forward planning are such that frameworks need to be required for different aspects of town planning over a period of years. These will cover waste, minerals and plans for the borough covering residential, commercial and industrial development.
Invest to Save / Costs of organisational change	(946)	0	(946)	3+	To pump prime agreed business cases leading to service transformation, enabling future project and severance costs to be cashflowed to allow some savings to be banked in the MTRP with the costs being spread.
<u>Other General Fund</u>					

Insurance Excess Self Fund	(3,132)	0	(3,132)	3+	Reserve built up to cover the cost of claims in future years on non-Housing Council property. This is linked to the level of self-insurance and insurance premiums.
Community Enterprise Fund	(500)	0	(500)	3+	Can be used to support local community initiatives in support of the Stronger Together programme.
Academy Conversions	(50)	0	(50)		To provide funding toward the cost of anticipated academy conversions.
Equal Pay	(3,556)	0	(3,556)		Covers risk against equal pay claims.
Winter Maintenance Reserve	(300)	0	(300)	3+	Current budgetary provision for highway gritting is not sufficient to deal with exceptional demand, which a particularly bad winter would create. This reserve would augment the budget in those years. It is reassessed each year.
Severance Costs	(3,000)	0	(3,000)		Covers sums that cannot be met from the base budget.
Balance of 56 other GF reserves	(5,198)	325	(4,873)		
Total GF Reserves	(39,635)	688	(38,947)		
<u>School Related</u>					
School Rollovers	(6,263)	1,280	(4,983)		The Schools Finance Regulations allow schools to roll forward balances held. This balance represents the combined total of all schools' rolled-forward balances.
DSG rollover	(2,805)	0	(2,805)		Set up as a ring fenced reserve for DSG non-schools underspend on closing 11/12
<u>Housing Related</u>					
HRA Specific Reserves	(6,349)	0	(6,349)		Reserves earmarked within the Housing Revenue Account
Total DSG & HRA Reserves	(55,051)	1,968	(53,083)		

Capital Programme 2014/15 to 2016/17

Cabinet

Date: 5th February 2014

Author: Cabinet Member for Finance
Board Director, Resources

Wards: All

Locality Affected: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 To report new Capital Programme requirements for the period 2014-15 to 2016-17 and beyond.
- 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 ask Council to:

- 2.1 Approve an overall budget of £8.680m for the Children's Services capital schemes identified at Appendix 1 as "2014-2015 starts for approval,"
- 2.2 Approve a total budget of £12.142m for the 2014-15 Highways capital schemes detailed at Appendix 2,
- 2.3 Approve a total budget of £6.515m for the 2014-15 Assets and Property capital schemes detailed at Appendix 3 and highlighted "For Approval,"
- 2.4 Approve a total budget requirement of £580k for Older Peoples capital schemes detailed at Appendix 4,
- 2.5 Note the future capital requirements as detailed in Appendices 1, 2 and 3.

3. Detail

Capital Programme

- 3.1 The Council approved, on Cabinet's recommendation, a full three-year Capital Programme in February 2011, covering the period from 2011-12 through to 2013-14 (Council Minute 115, 2010/11 refers). This programme included the main funding settlements for schools and highways.
- 3.2 This report details the Capital Programme requirements for 2014/15, which require approval, and indicative requirements beyond 2014/15. As grant funding notification for the period from 2014/15 to 2016/17 has not been provided, officers are recommending that approval for new 2014/15 starts only are given at

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No.463976, or Email psmith2@swindon.gov.uk.

Capital Programme 2014/15 to 2016/17

Cabinet

Date: 5th February 2014

this stage with the intention that schemes beyond this start date are brought back to Cabinet for approval in February 2015.

Children's Services Schemes

- 3.3 The Government allocates two main capital grants to support expenditure on school assets: maintenance funding and Basic Need. Maintenance funding is provided for maintenance and repair to existing school buildings, and Basic Need funding supports the requirement for providing new pupil places in new or expanded maintained schools but does not include funding for any Special Educational Needs places.
- 3.4 The Council has been allocated Basic Need grant of £1,908,045 for 2014-15, £157,724 for 2015-16 and £165,610 for 2016-17. The funding allocation at this time only supports those Primary schemes deemed to have an operational requirement up to 2016-17 and not funded from Developers Contributions and is therefore relatively small at £2.2m. Significant Secondary Place pressures exist beyond this date and there is currently no clarity around the level at which further Basic Need funding may support these requirements.
- 3.5 Capital Maintenance grant of £1,540,436 has been awarded for 2014/15. The methodology for the calculation of this grant is under review and therefore allocations for future years are not yet known.
- 3.6 Appendix 1 shows both the 2014-15 starts requiring approval and indicative schemes beyond this for information. There is a shortfall of £656,564 in funding for 2014-15 starts requiring approval, which will result in a revenue budget impact of approximately £52k per annum due to the resulting increased borrowing requirement.
- 3.7 Officers are currently seeking clarification from the Department for Education (DFE) on the position around funding Special Educational Needs.

Highways Schemes

- 3.8 The Government confirmed a four-year settlement in 2011-12, of which the confirmed Local Transport Plan grant funding for 2014-15 is £4,617,000. In addition, there is £2,041,000 available from Pinch Point funding, £2,397,588 from the balance of the capital receipt from Groundwell/Motorola site, £10,000 from the Local Transport Sustainable Fund for access to stations work and a further £2,363,231 has been identified as being able to support highways schemes from Section 106 Planning Obligations monies. This provides a funding total for highways schemes of £11,428,819.
- 3.9 In the absence of any firm funding notification beyond 2014-15, officers are recommending that Cabinet only make new approvals for 2014-15.

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No.463976, or Email psmith2@swindon.gov.uk.

Capital Programme 2014/15 to 2016/17

Cabinet

Date: 5th February 2014

-
- 3.10 Appendix 2 contains details of the 2014-15 schemes requiring approval and indicative figures for both 2015-16 and 2016-17. The total budget requirement for 2014-15 at £12,142,000 is £713,181 in excess of the funding available and would require the balance to be funded from increasing the Council's borrowing requirement at an estimated annual cost of £57,000 per annum.

Property & Assets

- 3.11 Appendix 3 contains a summary of the property and assets related capital schemes requiring approval. The total budget requirement for 2014-15 is £6,515,307 of which there is funding available of £1,477,307 leaving a shortfall of £5,038,000.
- 3.12 The cost to the Revenue Budget in funding this shortfall from increased borrowing is estimated at £403,040 per annum.

Older People

- 3.13 Appendix 4 contains details of three new scheme approvals with a total budget requirement of £580,000, fully funded from Social Care Grant.

4 Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

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

Legal and Human Rights Implications

- 4.2 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)

- 4.3 There are no such direct implications.

Diversity Impact Assessment

- 4.4 A Diversity Impact Assessment (DIA) around the School Place Planning Strategy was taken to Cabinet on 13th July 2011 and is applicable to the Primary Place proposal contained in this report. The DIA set out issues relating to various pressures on school places particularly the sometimes unpredictable nature of migration and movement within the Borough, identifying suitable schools that are able or willing to expand and the affordability of schemes. The DIA focused on the requirement for a strategy to inform capital schemes, where required and

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No.463976, or Email psmith2@swindon.gov.uk.

Capital Programme 2014/15 to 2016/17

Cabinet

Date: 5th February 2014

ensure the Council continues to provide sufficient school places. A copy can be obtained from the report author.

- 4.5 The new highways proposals in this report are under the umbrella of a DIA covering the Local Transport Plan. This covers all transport improvements over the length of the plan. This is available from the Service Manager, Transport Planning. This DIA identified that there was no adverse impact for any equality group.
- 4.6 The three social care schemes are utilising Department of Health Adult Social Care grant funding. The schemes are targeted at assisting the Council meet and manage demand for social care with increasingly limited resources. The DIA around meeting demand in social care was included within the revenue Medium Term Resource Plan report to Cabinet on the 11th December 2013.
- 4.7 DIA's will be carried out for each of the other proposals contained within this report to assess the effects should Cabinet Approval be forthcoming.

5 Consultees

- 5.1 The Board Director, Resources (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

6 Background Papers and Appendices

- 6.1 Appendix 1 - Childrens capital Schemes
- 6.2 Appendix 2 - Highways capital schemes
- 6.3 Appendix 3 - Property & Assets capital schemes
- 6.4 Appendix 4 – Older Peoples capital schemes

7 Key Decision/Decision in Forward Plan

- 7.1 This is not a key decision for the Cabinet (as the approval of the full Council is required) and is included in the Cabinet Work Programme and Forward Plan for February 2014.

Appendix 1 - Childrens

2014/15 STARTS REQUIRING APPROVAL

Project Name	Required By	14/15	Estimated Phasing			Budget Total
			15/16	16/17	17+	
Primary Complex Needs SRP (Specialist Resource Provision)	Sep-15	235,000	391,000	10,500	-	636,500
Primary and Early Years provision to serve Commonhead development	Sep-15	1,203,500	1,885,000	57,500	57,500	3,203,500
South Marston Primary School Expansion	Sep-15	1,203,500	1,885,000	57,500	57,500	3,203,500
Primary BESD	Sep-15	212,000	53,000			265,000
Condition Works	N/A	750,000				750,000
Advance Design Fees - 2015/16 Starts	N/A	-				-
TOTAL 14/15 STARTS FOR APPROVAL		3,604,000	4,214,000	125,500	115,000	8,058,500

14/15 Funding

Basic Need Grant Funding - see 15/16 starts below						-
Maintenance Grant Funding - Actual		1,540,436				1,540,436
S106 - Commonhead Actual (phasing based on triggers)			2,620,000			2,620,000
S106 - South Marston - Estimated			2,620,000			2,620,000
S106 - Education - Actual		621,500				621,500
TOTAL 14/15 Funding		2,161,936	5,240,000	-	-	7,401,936
Shortfall - Borrowing		1,442,064	-	1,026,000	125,500	115,000
Revenue Budget Impact p.a @ £80k per £1m						656,564
						52,525

2015/16 STARTS FOR INFORMATION

2015/16 to 2017/18		14/15	Estimated Phasing			Budget Total
			15/16	16/17	17+	
Expansion of the Chalet Special School	Sep-15	15,000	309,000	6,000	-	330,000
Tadpole Farm Primary School	Sep-16	153,000	2,358,000	3,449,500	225,000	6,185,500
Wichelstowe Primary School - Middle Wichel	Sep-16	153,000	2,358,000	3,449,500	225,000	6,185,500
Town Centre Primary School Places	Sep-16	76,500	1,192,500	1,819,500	115,000	3,203,500
Complex Needs 11-25 provision	Sep-18	50,000	2,486,000	1,402,000	652,000	4,590,000
Rowborough Farm Primary School	Sep-17		223,000	2,288,000	3,674,500	6,185,500
Wichelstowe Primary School - West Wichel	Sep-18				6,185,500	6,185,500
Secondary School Places 1 - 6 FE by Sept 18	Sep-18	139,000	272,000	4,114,000	13,712,000	18,237,000
Secondary School Places 2 - 6FE by Sept 20	Sep-20			139,000	18,098,000	18,237,000
Condition Works	N/A		500,000	500,000		1,000,000
Post 16 provision at Crowdys Hill Special School	Sep-15	35,000	759,000	6,000		800,000
Early Years (2 year olds)						-
Less Advance Design Fees 14/15 approval	-	621,500				621,500
Total 15/16 STARTS FOR INFORMATION		-	10,457,500	17,173,500	42,887,000	70,518,000

Funding		14/15	15/16	16/17	17+	Total
S106 - Education - Actual			1,121,802	-	-	1,121,802
S106 - Tadpole Farm Primary - Actual				5,077,000		5,077,000
S106 - Wichelstowe Middle Wichel Primary - Actual			3,429,000			3,429,000
Basic Need Grant Funding Primaries - Actual		1,908,045	157,724	165,610		2,231,379
Basic Need Grant Funding Secondaries/SEN - Estimated					36,474,000	36,474,000
Maintenance Grant Funding - Estimated			1,500,000	1,000,000		2,500,000
Total Funding		1,908,045	6,208,526	6,242,610	36,474,000	50,833,181
Shortfall - Borrowing	-	1,908,045	4,248,974	10,930,890	6,413,000	19,684,819
Revenue Budget Impact p.a @ £80k per £1m						1,574,786

This page is intentionally left blank

Appendix 2 - Highways

HIGHWAYS AND TRANSPORT CAPITAL BUDGET PROPOSAL 2014/15 TO 2016/17

Specific Funding	Project Name	14/15	15/16	16/17	Total
(a)	<u>Highway Maintenance</u>	For Approval	For information		
	LTP Carriageway maintenance and surface dressing	1,800,000	1,200,000	1,200,000	4,200,000
	LTP Rights of Way Improvement Plan	100,000	100,000	100,000	300,000
	LTP Structural Maintenance	800,000	800,000	800,000	2,400,000
	LTP Pavement Condition Management UKPMS	50,000	50,000	50,000	150,000
	LTP Street Lighting	250,000	250,000	250,000	750,000
	SBC minor road maintenance	1,600,000	1,800,000	1,800,000	5,200,000
	SBC footway maintenance	1,000,000	1,000,000	1,000,000	3,000,000
	SBC Bridges and Structures	100,000	100,000	100,000	300,000
	SBC Traffic Signals	150,000	150,000	150,000	450,000
	SBC Street lighting	50,000	50,000	50,000	150,000
	Sub-total	5,900,000	5,500,000	5,500,000	16,900,000
(b)	<u>LTP Integrated Schemes</u>				
	LTP Integrated Schemes				
	LTP Integrated - Passenger Transport	78,000	78,000	78,000	234,000
	LTP Integrated - Walking, Cycling, School Travel	236,000	136,000	136,000	508,000
	LTP Integrated - Road Safety	1,177,000	577,000	577,000	2,331,000
	LTP Integrated - Traffic Management	479,000	179,000	179,000	837,000
	Sub-total	1,970,000	970,000	970,000	3,910,000
	<u>Other - unfunded</u>				
	SBC Car Park maintenance	500,000	350,000	350,000	1,200,000
	Drainage Schemes	300,000	300,000	300,000	900,000
	Concrete Light Column replacement	400,000	300,000	300,000	1,000,000
	Sub-total	1,200,000	950,000	950,000	3,100,000
	<u>Other - funded</u>				
(c)	Local Sustainable Transport Fund - Access to Stations	1,000			1,000
(d)	Newcombe Drive Junction Pinch Point	2,041,000			2,041,000
	Sub-total	2,042,000	-	-	2,042,000
	<u>Highways and Transport Priority Projects :-</u>				
	Strategic Highways Model update (£200k/£200k/Nil)	400,000		-	400,000
	Wroughton Park and Ride bus entrance Traffic Signals Removal and other entry modifications	120,000	-	-	120,000
	Bus lane enforcement infrastructure	110,000	-	-	110,000
	Gateway signage (incl car park directions)	400,000	-	-	400,000
	Sub-total	1,030,000	-	-	1,030,000
TOTAL BUDGET REQUIRING APPROVAL		12,142,000	7,420,000	7,420,000	26,982,000
Funding	Firm	Estimate	Estimate		
(a)	LTP Maintenance Grant	2,400,000	2,400,000	2,400,000	7,200,000
(a)	LTP additional grant award	247,000			247,000
(b)	LTP Integrated Grant	1,970,000	1,970,000	1,970,000	5,910,000
(c)	Local Sustainable Transport Fund - Access to Stations	10,000			10,000
(d)	Pinch Point Fund	2,041,000			2,041,000
	Groundwell/Motorola receipt	2,397,588			2,397,588
	S106 funding - identified	2,363,231		100,000	2,463,231
Total Funding Available		11,428,819	4,370,000	4,470,000	20,268,819
Total Shortfall - Borrowing Requirement		713,181	3,050,000	2,950,000	6,713,181
Revenue Budget Impact p.a @ £80k per £1m		57,054	244,000	236,000	537,054

This page is intentionally left blank

Appendix 3 - Property & Assets

Project Name	14/15		Budget Requirement		Total	Comments
	For Approval	15/16	16/17	For information		
Repairs & Maintenance - Operation & Commercial Estate	2,000,000	2,000,000	2,000,000	2,000,000	6,000,000	Borrowing
Non Highways Structures (bridges within parks etc)	230,000	265,000	240,000	240,000	735,000	Borrowing
Asbestos Surveys & Removals	173,000				173,000	Borrowing
Disabled Facilities Grant	650,000	660,000	670,000		1,980,000	£1.185m Grant, £0.805m borrowing. Mandatory
Decent Homes Assistance	200,000	210,000	220,000		630,000	Borrowing
Private Sector Housing Renewal Assistance	160,000	140,000	130,000		430,000	Borrowing
Town Gardens Footbridge	100,000	-	-		100,000	Borrowing
Playground Refurbishment	N/A	250,000	250,000		500,000	Borrowing
Havelock Square	697,307				697,307	S106 funded
Wellington Street	190,000				190,000	S106 funded
Museum Artifacts Storage	300,000				300,000	Estimate - options under review
Waterside Depot - New Lift (DDA Requirement)	70,000				70,000	
Waterside Depot - Proposed New Road Layout	800,000				800,000	Feasibility study underway
Wichelstowe J16 Improvements	945,000				945,000	Required prior to Joint Venture appointment
Total	6,515,307	3,525,000	3,510,000		13,550,307	
Total - highlighted schemes only						-
Funding	14/15		15/16		Total	Comments
Disabled Facilities Grant - Estimated	390,000	395,000	400,000		1,185,000	
S106	887,307	-	-		887,307	Havelock Square/Wellington St
S106	200,000				200,000	Museum Artifacts Storage
Total	1,477,307	395,000	400,000		2,272,307	
Shortfall - Borrowing						
		5,038,000	3,130,000	3,110,000	11,278,000	
Revenue Budget Impact p.a @ £80k per £1m		403,040	250,400	248,800	902,240	

This page is intentionally left blank

Appendix 4 - Older Peoples

14/15 Starts

Scheme Name	Required By	14/15	15/16	Total Budget Requirement
On line care assessment tool	Mar-15	150,000		150,000
Replacement of ASC Care Management System - Swift	Oct-15	50,000	180,000	230,000
Community Equipment	Mar-16	100,000	100,000	200,000
Total Budget Requirement		300,000	280,000	580,000

Funding:

Social Care Grant	300,000	280,000	580,000
Total Funding	300,000	280,000	580,000
Borrowing Requirement			-

This page is intentionally left blank

Treasury Strategy Statement 2014/15

Cabinet

Date: 5th February 2014

Author: Cabinet Member for Finance
Board Director, Resources

Wards: All

Locality Affected: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1. To report the Treasury Management Strategy for 2014/15, including Prudential Indicators up to 2015/16, the Annual Investment Strategy, and the Minimum Revenue Provision Policy Statement.
- 1.2. The effective management of financial resources through robust financial management processes underpins the Council's ability to achieve its plans and priorities.

2. Recommendations

Cabinet is recommended to:

- 2.1. Recommend the Treasury Management Strategy, Minimum Revenue Provision Policy and Prudential Indicators, as set out in Appendix 1, for approval by Full Council on 24th February 2014.
- 2.2. Note the position with regard to the Council's bankers, the Co-Operative Bank, as detailed at Section 4.

3. Treasury Strategy

- 3.1. Treasury management is defined by the CIPFA Code of Practice for Treasury Management as the "management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks".
- 3.2. The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Available cash (resulting from the Council's day-to-day cash management processes) is invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 3.3. The second main function of the treasury management service is the funding of the Council's Capital plans. These capital plans provide a guide to the borrowing

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No.463976, or Email psmith2@swindon.gov.uk.

Treasury Strategy Statement 2014/15

Cabinet

Date: 5th February 2014

needs of the Council, essentially the longer-term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses temporarily in lieu of new loans (e.g. related to reserves held for future purposes and working capital surpluses). On occasion, any debt previously drawn may be restructured to meet Council risk or cost objectives, subject to the cost of so doing.

- 3.4. The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates, and actuals. These reports are required to be adequately scrutinised before being recommended to the Council. Under the Council's Constitution, the Audit Committee scrutinises the treasury management activities undertaken by the Board Director Resources and his team, including compliance with agreed policies.
- 3.5. **A Treasury Management Strategy Statement** (This report) - The first, and most important report covers:
- 3.5.1. The Capital spending plans (including prudential indicators) based on Cabinet and Council decisions;
- 3.5.2. A Minimum Revenue Provision (MRP) Policy (which details how capital expenditure funded by borrowing is charged to the revenue budget over time);
- 3.5.3. The Treasury Management Strategy, as set out in Appendix 1, which details how the investments and borrowings are managed overall, including treasury indicators; and
- 3.5.4. An Investment Strategy, which sets the parameters around how investments are to be managed on a day-to-day basis.
- 3.6. **A Mid-Year Treasury Management Report** – This updates Members on Treasury Management performance for the first half of the financial year.
- 3.7. **An Annual Treasury Management Report** – This details the full year Treasury activity and performance.
- 3.8. The Treasury Management Strategy for 2014/15 covers three main areas:
- Capital Issues:
 - the capital plans and the prudential indicators;
 - the MRP strategy.
- 3.9. Treasury Management Issues:

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No.463976, or Email psmith2@swindon.gov.uk.

Treasury Strategy Statement 2014/15

Cabinet

Date: 5th February 2014

- the current treasury position;
 - the treasury indicators which will limit the treasury risk and activities of the Council;
 - the prospect for interest rates;
 - the borrowing strategy;
 - the policy on borrowing in advance of need;
 - debt rescheduling;
 - the investment strategy;
 - the creditworthiness policy; and
 - the policy on use of external service providers.
- 3.10. These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the CLG MRP Guidance, the CIPFA Treasury Management Code and the CLG Investment Guidance.

Banking and Co-Op

- 3.11. In common with many local authorities, the Council currently uses the Co-Operative Bank (the Co-Op) as its main banker, with the current contract running until March 31st 2015. The Bank's recent financial difficulties have been well documented in the national press. As a result, the Bank has agreed a strategy to re-focus its activities, which includes withdrawing from the local authority market and its creditors approved a bailout deal before Christmas, which was subsequently approved by the Courts.
- 3.12. In terms of the effect this may have on the Council's banking facilities, Officers have been in regular contact with the Bank relationship manager. These discussions have confirmed that although the Co-Op has stated its intent to pull completely out of Local Authority banking, it plans to honour its current contracts to the end of their term. However, it is also happy to terminate early if authorities find alternative facilities.
- 3.13. As the Swindon Borough Council contract is due to end in March 2015, officers have already started the procurement process to secure arrangements beyond that date. Our intention is to progress this faster in order to reduce any risk around any further changes in the Co-Op's circumstances.
- 3.14. In parallel with this procurement process, officers are in the process of opening additional bank accounts that could be used in an emergency situation to ensure

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No.463976, or Email psmith2@swindon.gov.uk.

Treasury Strategy Statement 2014/15

Cabinet

Date: 5th February 2014

business as usual continued. In addition, no surplus funds are being placed in the deposit account that the Council holds with the Co-Op.

- 3.15. In terms of Council exposure should the bank fail, the Council's bank accounts are managed to as close a net nil position as possible at the end of every day as part of the Treasury Management function, with any surplus funds invested elsewhere. Therefore, the only exposure would be to income that is in the process of clearing at the point the bank ceased trading, should this situation arise. The Council's Treasury advisors have advised that they believe this risk is extremely unlikely to arise.

4. Alternative Options

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

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

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

Legal and Human Rights Implications

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

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) is not relevant to this report as this is a regulatory report, which covers the Council's treasury management processes and doesn't directly affect any services.

6. Consultees

- 6.1. The Board Director, Resources (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

7. Background Papers and Appendices

- 7.1. Appendix 1 – Treasury Management Strategy

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No.463976, or Email psmith2@swindon.gov.uk.

Treasury Strategy Statement 2014/15

Cabinet

Date: 5th February 2014

8. Key Decision/Decision in Forward Plan

- 8.1. This is not a key decision for the Cabinet (as the approval of the full Council is required) it is included in the Cabinet Work Programme and Forward Plan for February 2014.

This page is intentionally left blank

Appendix 1- Treasury Management Strategy 2014/15

Cabinet

Date: 5TH February 2014

TREASURY MANAGEMENT STRATEGY 2014/15

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No. 463976 or Email psmith2@swindon.gov.uk

Appendix 1- Treasury Management Strategy 2014/15

Cabinet

Date: 5TH February 2014

Contents:

- 1. Current Portfolio Position**
 - 2. Prospect for Interest Rates and Economic Outlook**
 - 3. Minimum Revenue Provision Policy Statement**
 - 4. Borrowing Strategy**
 - 5. Investment Policy, Creditworthiness Policy and Investment Strategy**
-
- Annex 1 – Prudential Indicators**
 - Annex 2 - Credit and Counterparty Risk Management, Specified and Non- Specified Investments**

Appendix 1- Treasury Management Strategy 2014/15

Cabinet

Date: 5TH February 2014

1 Current Portfolio Position

1.1 The capital expenditure plans set in Annex 1 to Appendix 1 summarises the Councils current and future plans. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities.

1.2 The Council's actual treasury portfolio position at 31 March 2013, with forward projections are summarised below. The table shows the actual external borrowing (both relating to the general fund and the HRA), against the borrowing requirement (shown through the Capital Financing Requirement or "CFR"), highlighting any over or under borrowing. The CFR represents the amount of borrowing required to fund capital expenditure, but not yet taken out.

Table 1 – Portfolio position forecasts.

	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Borrowing 01/04	235,276	258,764	280,675	295,675
Change in borrowing	23,488	21,911	15,000	15,000
Gross External Borrowing 31/03	258,764	280,675	295,675	310,675
Total Net Investments 31/03	(20,000)	(20,000)	(20,000)	(20,000)
Net External Borrowing 31/03	238,764	260,675	275,675	290,675
CFR	455,353	452,199	440,937	430,707
Less PFI Liabilities	(47,003)	(46,294)	(45,632)	(44,810)
Underlying Borrowing Requirement	408,350	405,905	395,305	385,897
Under/(Over) borrowing	149,586	125,230	99,630	75,222

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No. 463976 or Email psmith2@swindon.gov.uk

Appendix 1- Treasury Management Strategy 2014/15

Cabinet

Date: 5TH February 2014

2 Prospects for Interest Rates and Economic Outlook

2.1 The Council has appointed Capita Asset Services (formerly Sector Group) as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives the Capita central view.

Table 2 – Prospects for Interest Rates

Annual Average %	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)		
		5 year	25 year	50 year
Dec 2013	0.50	2.50	4.40	4.40
Mar 2014	0.50	2.50	4.40	4.40
Jun 2014	0.50	2.60	4.50	4.50
Sep 2014	0.50	2.70	4.50	4.50
Dec 2014	0.50	2.70	4.60	4.60
Mar 2015	0.50	2.80	4.60	4.70
Jun 2015	0.50	2.80	4.70	4.80
Sep 2015	0.50	2.90	4.80	4.90
Dec 2015	0.50	3.00	4.90	5.00
Mar 2016	0.50	3.10	5.00	5.10
Jun 2016	0.75	3.20	5.10	5.20
Sep 2016	1.00	3.30	5.10	5.20
Dec 2016	1.00	3.40	5.10	5.20
Mar 2017	1.25	3.40	5.10	5.20

2.2 Until 2013, the economic recovery in the UK since 2008 had been the worst and slowest recovery in recent history. However, growth rebounded in quarter 1 (+0.3%) and 2 (+0.7%) of 2013 to surpass all expectations as all three main sectors, services, manufacturing and construction contributed to this strong upturn. The August 2013 Bank of England Inflation Report consequently upgraded growth forecasts for 2013 from 1.2% to 1.4% and for 2014 from 1.7% to 2.5%.

2.3 However, Bank Governor Mark Carney put this into perspective by describing this welcome increase as not yet being “escape velocity” to ensure we return to strong AND sustainable growth. So very encouraging but, still a long way to go. However, growth is expected to be strong for the immediate future. One downside is that wage inflation continues to remain significantly below CPI inflation so disposable income and living standards are under pressure, although income tax cuts have mitigated this to some extent. A rebalancing of the economy towards exports has started but as 40% of UK exports go

Appendix 1- Treasury Management Strategy 2014/15

Cabinet

Date: 5TH February 2014

to the Eurozone, the difficulties in this area are likely to continue to dampen UK growth

3 Minimum Revenue Provision Policy Statement

3.1 The Council is required to charge an element of the accumulated General Fund capital spend each year (measured through the CFR) to revenue (the minimum revenue provision or "MRP"), although it is also allowed to undertake additional voluntary payments if required.

3.2 CLG Regulations have been issued which require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to Councils, as long as there is a prudent provision. The Council is recommended to approve the following MRP Statement:

"For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP will be based on the CFR. This option provides for an approximate 4% reduction in the borrowing need (CFR) each year. From 1 April 2008 for all unsupported borrowing the MRP will be based on the estimated life of the assets, in accordance with the regulations.

MRP in relation to capital expenditure funded through borrowing incurred on the Wichelstowe project, will be deferred and the liability repaid through future capital receipts from the site. Should there be a shortfall between the debt and eventual receipts, the balance will incur an annual MRP charge.

This methodology will also be applied to other capital expenditure funded from borrowing where there is an intention to repay the borrowing from future receipts and where there is a strong likelihood that this will happen"

3.3 No revenue charge is currently required for the HRA. However under HRA reform the HRA will be required to charge depreciation on its assets, which will have a revenue effect. In order to address any possible adverse impact on the HRA revenue budget, regulations will allow the Major Repairs Allowance (MRA) to be used as a proxy for depreciation for the first five years, which will neutralise any revenue impact. MRA will continue be applied as a proxy for depreciation in 2013/14.

4 Borrowing Strategy

4.1 The Council is currently maintaining an under-borrowed position. This means that there is a shortfall between the amount of long-term loans required to fund capital expenditure funded through borrowing (known as the Capital Financing Requirement or "CFR"), and the actual level of external taken out. The difference is known as "Internal

Appendix 1- Treasury Management Strategy 2014/15

Cabinet

Date: 5TH February 2014

Borrowing” and represents the temporary funding of capital expenditure from the Council's reserves, balances and working capital due to it currently being a cheaper option while investment rates are low.

4.2 While the council will maintain an under borrowed position on the General Fund (the HRA is fully borrowed up to the CFR), the Council will at some point need borrow to fund its current Capital Programme as the level of available cash balances reduces. Whilst taking long-term external borrowing will obviously increase the Councils debt charges, the benefit is in the medium to longer term as rates are currently still low historically, although PWLB rates have increased gradually over the last few months. The strategy during 2014/15 will therefore be to monitor rates very carefully with a view to undertaking further borrowing in order to reduce the level of internal borrowing i.e. the under-borrowed position.

4.3 Against this background and the risks within the economic forecast, caution will once again be adopted with 2014/15 treasury operations. The Director of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- if it was felt that there was a significant risk of a sharp FALL in long and short term rates, e.g. due to a marked increase of risks around relapse into recession or of risks of deflation, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
- if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.

Borrowing in Advance of Need

4.4 The Council will not borrow more than or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Loan Re-scheduling

4.5 As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No. 463976 or Email psmith2@swindon.gov.uk

Appendix 1- Treasury Management Strategy 2014/15

Cabinet

Date: 5TH February 2014

generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (through premiums incurred).

5 Investment Policy, Creditworthiness Policy and Investment Strategy

Investment Policy

- 5.1 The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second, followed by return on investment.
- 5.2 In accordance with the above, and in order to minimise the risk to investments, the Council has below clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings and watches published by all three ratings agencies with a full understanding of what the ratings reflect in the eyes of each agency. Using the Capita ratings service, banks' ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.
- 5.3 Further, the Council's officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "Credit Default Swaps" (similar to insurance policies around debt default) and overlay that information on top of the credit ratings. This is encapsulated within the credit methodology provided by the advisors.
- 5.4 Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties. The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk. The intention of the strategy is to provide security of investment and minimisation of risk. Investment instruments identified for use in the financial year are listed in Annex 2 under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Council's Treasury Management Practices & Schedules.

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No. 463976 or Email psmith2@swindon.gov.uk

Appendix 1- Treasury Management Strategy 2014/15

Cabinet

Date: 5TH February 2014

Creditworthiness Policy

- 5.5 This Council applies the creditworthiness service provided by Capita Asset Services. This service employs sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moodys and Standard and Poors. The credit ratings of counterparties are supplemented with additional data to provide a weighted scoring system for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the duration for investments
- 5.6 This methodology does not apply the approach suggested by CIPFA of using the lowest rating from all three rating agencies to determine creditworthy counterparties. The Capita creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.
- 5.7 The criteria for providing a pool of high quality investment counterparties (both Specified and Non-specified investments) is:
- Banks - good credit quality - the Council will only use banks within the parameters of the creditworthiness service provided by Capita
 - The Council's own banker for transactional purposes if the bank falls below the above criteria.
 - Building societies - The Council will use all societies which meet the ratings for banks outlined above;
 - Money Market Funds - The council will use AAA rated Money Markey Funds
 - UK Government
 - Local authorities, parish councils etc.
 - Supranational institutions (See Annex 2 for Details)

Investment Strategy

- 5.8 **In-house funds.** Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).
- 5.9 **Investment returns expectations.** Bank Rate is forecast to remain unchanged at 0.5% before starting to rise around June 2016. Bank Rate forecasts for financial year ends (March) are:
- 2014/ 2015 0.50%

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No. 463976 or Email psmith2@swindon.gov.uk

Appendix 1- Treasury Management Strategy 2014/15

Cabinet

Date: 5TH February 2014

- 2015/ 2016 0.50%
- 2016/ 2017 1.25%

6 Policy on the use of external service providers

6.1 The Council uses Capita Asset Services as its external treasury management advisors. The Council recognises that responsibility for treasury management decisions remains with the Council at all times and will ensure that undue reliance is not placed upon our external service providers. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

Annexes

- Annex 1 - Prudential Indicators.
- Annex 2 - Credit and Counterparty Risk Management, Specified and Non- Specified Investments

Key Decision / Decision in Forward Plan

This is not a key decision for the Cabinet (as the approval of the full Council is required) and is included in the Cabinet Forward Plan

This page is intentionally left blank

Annex 1 – Prudential Indicators

1 Capital Indicators

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

Table 1 - Capital Expenditure Projections

Capital Expenditure	2014/15 £'000	2015/16 £'000	2016/17 £'000
General Fund Approved	43,884		
General Fund Estimated New	22,882	4,514	405
HRA Approved	13,920	6,938	3,191
HRA Estimated New	17,830	16,803	16,803
Total	98,489	28,255	20,399

- 1.2 The figures in this indicator include an assessment of the level of re-phasing of the 2013/14 GF and HRA capital programmes.
- 1.3 The second prudential indicator is the **Council's Capital Financing Requirement (CFR)**. The CFR is simply a measure of the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources (such as grant, S106 etc.) and is therefore funded from either external loans or from internal borrowing (the temporary use of balances, reserves and working capital)
- 1.4 It is essentially a measure of the Council's underlying need to borrow to fund capital expenditure. Any capital expenditure above, which is not immediately funded from existing resources, will increase the CFR. Details of the Council's projections for actual external debt compared to the CFR are contained in table 1 of the main Strategy. Note the figures are estimates, not commitments.

Treasury Management Strategy 2014/15 Appendix 1- Annex 1

Cabinet

Date: 5TH February 2014

Table 2 – Capital Financing Requirement

General Fund	2013/14	2014/15	2015/16	2016/17
CFR b/fwd, excl PFI	250,454	267,818	270,373	264,773
Est spend from borrowing	21,264	6,855	- 1,026	125
Less MRP	- 3,900	- 4,300	- 4,574	- 4,533
Sub-total	267,818	270,373	264,773	260,365
Add PFI Liability	47,003	46,294	45,632	44,810
Closing CFR incl PFI	314,821	316,667	310,405	305,175
HRA	2013/14	2014/15	2015/16	2016/17
Previous Years CFR	145,532	140,532	135,532	130,532
Current Years exp funded by borrowing				
Less MRP	- 5,000	- 5,000	- 5,000	- 5,000
Closing CFR	140,532	135,532	130,532	125,532
Total CFR	455,353	452,199	440,937	430,707

2 Affordability Indicators

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

Table 3 - The ratio of financing costs to net revenue stream.

	2013/14 Estimate %	2014/15 Estimate %	2015/16 Estimate %	2016/17 Estimate %
General Fund	5.43	6.95	8.11	9.13
HRA	33.60	39.27	38.16	36.62

Table 4 - Incremental impact of capital investment decisions on the band D Council Tax

	2013/14 Estimate £	2014/15 Estimate £	2015/16 Estimate £	2016/17 Estimate £
Current Approved Programme	3.27	12.90	18.05	17.80
New Proposals	0.00	1.60	5.15	5.08

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No. 463976 or Email psmith2@swindon.gov.uk

Treasury Management Strategy 2014/15 Appendix 1- Annex 1

Cabinet

Date: 5TH February 2014

3 Borrowing Indicators

3.1 **The Operational Boundary.** This is the limit beyond which external borrowing is not normally expected to exceed. This limit reflects the Councils current estimated debt position, with the assumption that maturing borrowing will be replaced, and a further £20m per annum will be taken out to reduce the current under-borrowed position.

Table 5 – Operational Boundary

	2014/15	2015/16	2016/17
Operational boundary £'000	Estimate	Estimate	Estimate
Borrowing	299,833	314,833	329,833
Other long term liabilities	46,294	45,632	44,810
Total	346,127	360,465	374,643

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

Table 6 - Authorised Limit

	2014/15	2015/16	2016/17
Authorised Limit £'000	Estimate	Estimate	Estimate
Borrowing	405,905	395,305	385,897
Other long term liabilities	51,294	50,632	49,810
Total	457,199	445,937	435,707

4 Activity Limit Indicators

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

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No. 463976 or Email psmith2@swindon.gov.uk

Treasury Management Strategy 2014/15 Appendix 1- Annex 1

Cabinet

Date: 5TH February 2014

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rate loans (based upon the debt position net of investments)
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates loans;
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing in a single period;

Table 7-Treasury Management Activity Limits

£m	2014/15	2015/16	2016/17
Interest rate Exposures			
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	100%	100%	100%
Limits on variable interest rates based on net debt	30%	30%	30%
Maturity Structure of fixed interest rate borrowing 2014/15			
	Lower	Upper	
Under 12 months	0%	15%	
12 months to 2 years	0%	30%	
2 years to 5 years	0%	40%	
5 years to 10 years	0%	40%	
10 years and above	0%	80%	
In any 10 year period above 10 years	0%	50%	

4.2 The maximum amount the council will invest for more than 1 year is set out in the table below/;

Maximum principal sums invested > 364 days			
£m	2014/15	2015/16	2016/17
Principal sums invested > 364 days	Nil	Nil	Nil

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No. 463976 or Email psmith2@swindon.gov.uk

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

1 Treasury Management Practices

- 1.1 The CLG issued Investment Guidance in 2010, and this forms the structure of the Council's policy.
- 1.2 The key intention of the Guidance is to maintain the current requirement for councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council adopted the Code on the 1st April 2008 and will apply its principles to all investment activity. In accordance with the Code, the Director of Finance has produced its Treasury Management Practices (TMPs). This part covering investment counterparty policy requires approval each year.
- 1.3 The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:
 - The strategy guidelines for choosing and placing investments, particularly non-specified investments.
 - The principles to be used to determine the maximum periods for which funds can be committed.
 - Specified investments that the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
 - Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

2 Specified/Non-Specified Investments

- 2.1 The main Investment guidelines are contained in the body of the Treasury Strategy statement. The paragraphs below detail the Council's use of Specified and Non Specified Investments

Treasury Management Strategy 2014/15 - Appendix 1 Annex 2

Cabinet

Date: 5TH February 2014

2.2 Specified Investments – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:

- The UK Government (such as the Debt Management Account deposit facility, UK Treasury Bills or Gilt with less than one year to maturity).
- Supranational bonds of less than one year's duration.
- A local authority, parish council or community council.
- Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency. This covers pooled investment vehicles, such as money market funds, rated AAA by Standard and Poor's, Moody's or Fitch rating agencies.
- A body that is considered of a high credit quality (such as a bank or building society) in accordance with the Councils creditworthiness Policy.

2.3 Non-Specified Investments – Non-specified investments are any other type of investment (i.e. not defined as Specified above). The Council does not currently hold any non-specified investments excepting those with its own bankers. Non specified investments that the Council may make would include any investments with:

Non Specified Investment Category
Supranational Bonds greater than 1 year to maturity (a) Multilateral development bank bonds - These are bonds defined as an international financial institution having as one of its objects economic development, either generally or in any region of the world (e.g. European Investment Bank etc.). (b) A financial institution that is guaranteed by the United Kingdom Government (e.g. The Guaranteed Export Finance Company {GEFCO}) The security of interest and principal on maturity is on a par with the Government and so very secure. These bonds usually provide returns above equivalent gilt edged securities. However the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.
Gilt edged securities with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity. Similar to category (a) above, the value of

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No. 463976 or Email psmith2@swindon.gov.uk

Treasury Management Strategy 2014/15 - Appendix 1 Annex 2

Cabinet

Date: 5TH February 2014

the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.

The Council's own banker if it fails to meet the basic credit criteria.

In this instance any balances will be maintained on an instant access basis

Any **bank or building society** that complies with the Council's creditworthiness policy for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).

This page is intentionally left blank

Cabinet

Wednesday, 5th February 2014

Amendment to Item 7. Budget 2014-15 and Beyond

Today, the 5th February 2014, the Government announced the Final Local Government Finance Settlement for 2014-15. The allocation of Formula Grant for Swindon is £8,423 greater than that included in the Provisional Settlement and reflected in the report in the published agenda pack. (The provisional figure for 2015-16 is unchanged).

As a result of this increased level of funding, subject to any changes agreed by Members at the meeting, the 2014-15 Budget to be recommended to Council should be increased from £142,659,121 to £142,667,544. It is recommended that the additional sum is added to the Council's Corporate Contingency Fund.

If supported by Members, the recommendations to the report should be amended to the following, with the changes from the published report shown in bold and underlined.:-

2. Recommendations

Cabinet is requested to note that:-

- 2.1 The Council does not expect to need to replenish General Reserves as part of the 2014-15 Budget Setting process;
- 2.2 The feedback received to the Borough-wide consultation process on the Draft Budget is set out in Appendix 5 for Members' consideration;
- 2.3 A consultation meeting with business representatives from Swindon, on behalf of non-domestic rate payers, took place on 28th January 2014 and the minutes will be provided at the meeting;
- 2.4 In line with the requirements of the Local Government Act 2003, the Board Director, Resources, in his Section 151 capacity, confirms the robustness of the estimates underlying the recommended Budget and having reviewed the financial risks being faced by the Council concludes that the proposed level of General Reserves (£6m) is adequate in the context of the earmarked reserves held, specific contingencies and the proposed general contingency of **£0.509m**;

Cabinet is requested to agree:

- 2.5 The proposed changes in fees and charges for 2014-15 set out in Appendix 1;
- 2.6 The Specific Reserves held in support of the 2014-15 Revenue Budget set out in Appendix 7;

- 2.7 That £150k will be passed from the Borough Council to parish councils to mitigate the impact of changes to the tax base implemented in 2013-14, linked to changes to the Council Tax Support scheme;
- 2.8 That £845k of one-off resources is invested in the activities set out in Table 3 of the report and commenced as soon as possible; and
- 2.9 To recommend to Council, subject to any changes resulting from the Government's announcement of the final Local Government Finance Settlement for 2014-15, that:-
 - 2.9.1 The 2014-15 Budget be set at **£142,667,544**;
 - 2.9.2 There be no increase in Council Tax for 2014-15, and
 - 2.9.3 It be determined that the proposed increase in the basic amount of Council Tax for 2014-15 is not excessive in accordance with Schedule 5 of the Localism Act 2011.

COUNCIL

MONDAY, 24 FEBRUARY 2014

MINUTES FOR CONFIRMATION

CABINET

WEDNESDAY, 5 FEBRUARY 2014

84. Special Expenses 2014/15 (Minute for Confirmation)

The Cabinet Member for Finance and the Board Director, Resources submitted a joint report concerning the amounts to be charged as Special Expenses within the non-parished areas of the Borough for the Financial Year 2013/14.

Councillor Russell Holland, Cabinet Member for Finance, commented on the complexity for Swindon resulting from its mix of services and provision for parished and un-parished areas. He referred to the methodology used for the calculation of Special Expenses for 2014 and to the implications for Council Tax Bills. He explained that there were no significant changes in levels for 2014/15.

Resolved – (1) That it be noted that Borough Members and officers met with representatives from a range of parish councils in Swindon on 16th January 2014 and that the Leader of the Council and the Board Director Resources have agreed to periodically review the list of sites charged as General and Special Expenses with them.

(2) That the level of Special Expenses for the Financial Year 2014/15 be £1,004,978 as referred to in the joint report of the Cabinet Member for Finance and the Board Director, Resources.

(3) That it be noted that the charge per household is unchanged from that for the 2011/12 Financial Year.

(4) That it be noted that the list of open spaces and recreation areas to be charged as Special Expenses in 2014/15 will be as set out in Appendix 1(a&b) to the joint report of the Cabinet Member for Finance and the Board Director, Resources.

(5) That it be noted that the expenses listed in Appendix 2 to the joint report of the Cabinet Member for Finance and the Board Director, Resources shall be charged to all households of the Borough and shall not be Special Expenses.

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

85. Budget 2014/15 and Beyond (Minute for Confirmation)

The Cabinet Member for Finance and the Board Director, Resources submitted a joint report setting out (a) the medium term position for the Council's finances, (b) the provisional Local Government Finance Settlement 2014/15, (c) the forecast outturn for the Council's Budget 2013/14, (d) Council Tax 2014/15, (e) the

Tax Base and Collection Fund position, (f) the Council Tax Support Scheme changes and the impact on parish and town councils, (g) New Homes Bonus 2014/15, (h) proposed one-off investment in service improvements, (i) the proposed Budget for the Council for 2014/15 and contingencies, risks, Special Expenses, fees and charges, equalities and diversity, and Reserves, and (j) the outcome of the Budget consultation process.

Councillor Russell Holland, Cabinet Member for Finance, explained that the final Local Government Finance Settlement 2014/15 for Swindon had been received earlier in the day and was £8,000 better than the provisional announcement and that therefore an amended recommendation had been tabled for Cabinet's consideration.

Councillor Holland referred to the Budget proposals for 2014/15, and how these differed from those submitted to the Council in December 2013. He commented on the national economic situation and the Council's commitment to providing quality services and protecting the most vulnerable. He advised that Swindon was both a low tax and a low funded local authority and this together with the service pressures it faced particularly in relation to demand in Adult Social Care and in services for Children and Families heightened the financial challenges the Council faced year on year. He referred to the Council's determination to offer quality services to the most vulnerable in Swindon, but that this came at a significant cost with the majority of the Council's Budget being allocated in these areas. He highlighted that many of Swindon's residents would not see or come into regular contact with these areas of provision where significant amounts of their Council Tax and of the Council's budget was spent. He commented on how the Council, through its Economic Strategy, was seeking to support and develop the local economy and how a successful Swindon business and commercial sector, by way of job creation and increasing Business Rates, would support future Council budgets. The Council was proud of the services it offered and its commitment to the most vulnerable and to encouraging economic growth in Swindon. He hoped that residents could be made more aware of this.

Councillor Holland made reference to the proposed level of Council Tax for 2014/15. He explained changes that had occurred since the Cabinet's meeting in December 2013 that resulted in him being able to recommend that there should be no increase in Swindon's Council Tax.

Councillor Holland referred to the consultation that had taken place on the Budget, and advised that Appendices 5 and 6, setting out the outcome of the Consultation process and the minutes of a meeting held with Non-Domestic ratepayers on 28th January 2014 had been circulated at the meeting for consideration.

The Board Director Resources referred to the number of posts that would be deleted from the Council's establishment as a result of the Budget proposals. It was anticipated this would result in approximately twenty staff being made redundant.

Councillor Jim Grant, Leader of the Opposition, commented on the budget proposals and asked what criteria had been used to determine the priority for schemes to be funded by way of one-off investments.

The Chair and Cabinet Members explained how schemes had been identified and emphasised that schemes had been chosen by identified need rather than by any party political motivation.

Councillor Grant drew attention to the identified savings in the Budget proposals relating to Leisure and Culture. He noted that consultation on proposals was still being undertaken and this appeared to indicate that decisions had already been made. The Chair commented that it was necessary to identify a budget for the service in advance of the conclusion of the consultation. If subsequent decisions were made by the Council that impacted on the projected level of savings, then any shortfall would have to be identified from elsewhere in the agreed Budget. It reflected the requirements of budgeting not the pre-empting of decisions.

Councillor Fionuala Foley, Cabinet Member for Children's Services, and on behalf of Councillor Brian Mattock, Cabinet Member for Health and Adult Social Care, referred to the service challenges in their portfolio areas and the excellent work done by the officer team and with partners to both reduce costs and deliver quality services to vulnerable older people, people with disabilities and vulnerable children and families. She gave examples of some of the excellent work being undertaken with troubled families and in adoption and fostering. She noted that the Adult Social Care Budget had been delivered on-target which was a tremendous achievement given the nationwide challenges affecting these services.

Councillor Holland commented that he believed the Budget as proposed was robust and would ensure that the Council would continue to deliver its objectives and the outcomes residents wanted. It would continue to protect the most vulnerable, promote economic growth and ensure the resilience of Swindon and its residents.

The Chair noted the difficulties the Council had faced in reaching a Budget for 2014/15 and the difficult decisions that had to be made. He reiterated the on-going challenges the Council would face and the continued pressure on services. He thanked all those who had been involved in the Budget process both from within the Council and outside.

Resolved – (1) That it be noted that –

- (i) The Council does not expect to need to replenish General Reserves as part of the 2014/15 Budget Setting process;
 - (ii) The feedback received to the Borough-wide consultation process on the Draft Budget, as set out in Appendix 5 to the joint report, had been taken into account in the Budget Setting process;
 - (iii) The outcome of the consultation meeting with business representatives from Swindon, on behalf of non-domestic rate payers that took place on 28th January 2014, as set out in Appendix 6 to the joint report, had been taken into account in the Budget Setting process;
 - (iv) In line with the requirements of the Local Government Act 2003, the Board Director, Resources, in his Section 151 capacity, had confirmed the robustness of the estimates underlying the recommended Budget and having reviewed the financial risks being faced by the Council had concluded that the proposed level of General Reserves (£6m) was adequate in the context of the earmarked reserves held, specific contingencies and the proposed general contingency of £0.509m.
- (2) That the proposed changes in fees and charges, as set out in Appendix 1

to the joint report, that fall outside of the assumed Council-wide 3% increase be approved.

(3) That the Specific Reserves held in support of the 2014/15 Revenue Budget, as set out in Appendix 7 to the joint report, be approved.

(4) That £150,000 be passed from the Borough Council to Swindon's parish councils to mitigate the impact of changes to the Council Tax Base implemented in 2013/14, linked to changes to the Council Tax Support Scheme.

(5) That £845,000 of one-off resources be invested in the activities set out in Table 3 of the joint report and commenced as soon as possible.

(6) That, subject to any changes resulting from the Government's announcement of the final Local Government Finance Settlement for 2014/15 the Council be recommended that:-

- the 2014/15 Budget be set at £142,667,544;
- there be no increase in Council Tax for 2014/15, and
- it be determined that the proposed increase in the basic amount of Council Tax for 2014/15 is not excessive in accordance with Schedule 5 of the Localism Act 2011.

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

86. Capital Programme 2014/15 to 2016/17 (Minute for Confirmation)

The Cabinet Member for Finance and the Board Director, Resources submitted a joint report concerning new Capital Programme requirements for the period 2014/15 to 2016/17 and including schemes for (a) Children's Services, (b) Highways, (c) Property and Assets, and (d) Older People.

Councillor Russell Holland, Cabinet Member for Finance, referred to the contents and purpose of the report and, in particular, to the proposed changes to the Capital Programme that reflected the Council's commitment and priorities in support of Children, Older People, and Highways.

The Board Director, Resources referred to the funding of the Capital Programme and that detail of the level of grant funding available to the Council for the period beyond 2014/15 was still awaited. He referred to the likely pressures on the delivery of future programmes, particularly relating to the provision of additional secondary school places.

Councillor Des Moffatt commented on the Capital Programme and to the Council's spending on capital schemes that had resulted in it borrowing £119m that had an annual impact of £10m for the Council's Revenue Budget.

Councillor Holland referred to the success of the Council's financial management and of the investment it had made in improving schools and other infrastructure essential for maintaining a successful economy and growing Borough.

Resolved –(1) That the Council be recommended to approve -

- an overall budget of £8.680m for the Children's Services capital schemes identified in Appendix 1 of the joint report as 2014/2015 starts for approval;
- a total budget of £12.142m for the 2014/15 Highways capital schemes detailed at Appendix 2 of the joint report;

- a total budget of £6.515m for the 2014/15 Assets and Property capital schemes detailed at Appendix 3 of the joint report and highlighted “For Approval”.

(2) That the Council note the Council’s future capital requirements as detailed in Appendices 1, 2 and 3 of the joint report.

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

87. Treasury Strategy Statement 2014/15 (Minute for Confirmation)

The Cabinet Member for Finance and the Board Director, Resources submitted a joint report concerning the Council’s proposed Treasury Management Strategy for 2014/15 including the (a) Annual Investment Strategy, (b) Minimum Revenue Provision Policy Statement, and (c) Prudential Indicators for the Financial Years up to 2015/16.

Councillor Russell Holland, Cabinet Member for Finance, referred to the contents of the Treasury Management Strategy for 2014/15. He explained that the Statement was a statutory requirement. The Statement had also been considered by the Council’s Audit Committee.

Councillor Kevin Small, Chair of the Scrutiny Committee, referred to the procurement process for the Council’s banking arrangements.

The Board Director, Resources explained the process adopted and that the Co-operative Bank, the Council’s current banker, was withdrawing from the local authority market. He referred to the steps the Council had taken to ensure that it was protected in the unlikely event that its current bank should fail or run into difficulties.

Resolved – (1) That the Council be recommended to approve:

- the Prudential Indicators for the Financial Years up to 2015/16;
- the Minimum Revenue Provision Policy Statement for 2014/15 and;
- the Treasury Management Strategy for 2014/15, all as set out in Appendix 1 to the joint report.

(2) That the position with regard to the Council’s bankers, the Co-Operative Bank, as detailed within Section 4 of the joint report, be noted.

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

This page is intentionally left blank

COUNCIL TAX RESOLUTION

Council

Date: 24th February 2014

Author: Cabinet Member, Finance and Board Director Resources
Wards: All Wards
Locality Affected: All Locality Areas
Parishes Affected: All Parishes

1. Purpose and Reasons

- 1.1 To enable Members to formally resolve the Borough's Council Tax for 2014-15 recognising that Billing Authorities have a statutory requirement to set the annual Council Tax bills by 11th March.

2. Recommendations

Council is recommended to:

- 2.1 Approve that there will be no increase in the Council Tax levels for the Borough Council element of the 2014-15 bills in accordance with the budget proposed by Cabinet on 5th February 2014;
- 2.2 Determine that the Basic Amount of Council Tax for the Financial Year 2014-15 is not excessive within the statutory definitions set out within part I of the Local Government Finance Act 1992 (as amended by the Localism Act 2011) and that therefore no referendum is required;
- 2.3 Pass the Resolution set out as Annex 2 to this report covering all aspects of the bills.

3. Detail

Council Tax Calculations

- 3.1 The calculations include precept figures from the Police and Crime Commissioner for Wiltshire and Swindon, the Wiltshire and Swindon Fire Authority and the Town and Parish Councils within the Borough as well as the Council's own budget.
- 3.2 The provisional 2014-15 Council Tax calculations and the formal Council Tax Resolution are set out as Appendix 1 and Annex 2 respectively. These proposals are based on the budget proposals agreed by Cabinet on 5th February 2014 resulting in a net budget for 2014-15 of £142,667,544 and a zero increase for the Swindon Borough Council (SBC) element of the Council Tax. Should the Council's Budget for 2014-15 be amended at the Council meeting or any proposed changes be made to the level of Council Tax for 2014-15, a revised Resolution and set of Council Tax calculations will be made available at the meeting.

Further information on the subject of this report can be obtained from Kirsty Cole 01793 464610, kcole@swindon.gov.uk.

COUNCIL TAX RESOLUTION

Council

Date: 24th February 2014

- 3.3 The legal position is set out by the Director of Law and Democratic Services in Annex 1.
- 3.4 Table One sets out the provisional precept and budget figures for each element of the Council Tax bill with a comparison with the previous year. The total bill including parish precepts shows a modest 0.3% increase.
- 3.5 In accordance with Schedule 5 of the Localism Act 2011, the Council has a duty to determine whether its Council Tax increase is considered to be excessive in which case it would be required to hold a referendum. For 2014-15, the Government has set the threshold at 2% for Swindon and, as the Council is proposing no change to the level of Council Tax in 2014-15, no referendum is necessary.

Table One – Changes in Budgets and Precepts 2014-15

Element of Council Tax Bill	2014-15 £'000	2013-14 £'000	% Change
Amount of SBC Budget met from Council Tax	75,923	74,978	1.3%
Police and Crime Commissioner Precept	10,660	10,321	1.99%
Wiltshire and Swindon Fire Authority Precept	4,215	4,081	3.3%
Total Town and Parish Precepts	1,896	1,856	3.3%
Total	92,694	91,236	1.6%
Tax Base	66,245.5	65,420.8	-1.3%
Band D Average Council Tax	£1,399.26	£1,394.60	0.3%

- 3.6 The resulting Council Tax levels and percentage increases for a Band D property are summarised in Table Two.

Table Two – Headline Band D Council Tax Changes 2014-15

	Band D Council Tax 2014-15	% Increase
#Swindon Borough Council	£1,146.09	0.0%
Wilts & Swindon Fire Authority	£63.62	1.99%
Police and Crime Commissioner	£160.92	1.99%
*Average headline charge for Parish / Town Councils	£28.63	0.95%
Total Bill	1,399.26	0.33%

*These figures will differ per parish as set out in Appendices Two and Three

Further information on the subject of this report can be obtained from Kirsty Cole 01793 464610, kcole@swindon.gov.uk.

COUNCIL TAX RESOLUTION

Council

Date: 24th February 2014

The figure of £1,146.09 represents the average Council Tax levied by Swindon Borough Council, which differs between parished and non-parished areas (the Special Expense area). The Borough Council's element of the Council Tax bill will appear as two separate lines on the bill as follows:-

Table Three – Swindon Borough Council Elements of the Council Tax Bill

	Band D Council Tax 2014-15	% Increase
Swindon Borough Council (Basic Charge)	£1,130.92	0.0%
~ Non-Parished Area (Special Expenses Charge)	£27.81	0.0%

~ The Special Expenses element is only chargeable to households within the non-parished area.

4. Alternative Options

4.1 Not applicable.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

5.1 The starting position for the Council Tax calculations is the Council's budget for 2014-15. The Council Tax figures have been calculated based on the precepts agreed by the precepting bodies and the budget proposed by Cabinet on 5th February 2014. Should any change be made to the final budget agreed by Council on the night, the figures will be recalculated and an amended version of Appendices 1 and 2 and the formal Council Tax Resolution in Annex 2 will be circulated at the meeting.

Legal and Human Rights Implications

5.2 The implications of the Council's 2014-15 Budget are covered by the Revenue Budget report elsewhere on the agenda.

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

5.3 This report recommends no changes to services and no changes to Council Tax levels so no other implications are envisaged as a result of the recommendations.

Links to One Swindon, Strategic Objectives, Plans and Policies

5.4 A corporate priority is to have affordable Council Tax.

Further information on the subject of this report can be obtained from Kirsty Cole 01793 464610, kcole@swindon.gov.uk.

COUNCIL TAX RESOLUTION

Council

Date: 24th February 2014

Diversity Impact Assessment

- 5.5 No diversity impact assessment has been undertaken for this report as a Council Tax has to be set by each Billing Authority and no increase is proposed for 2014-15.

Risk Management

- 5.6 This report recommends no changes to services and no changes to Council Tax levels for Council services so no new risks are envisaged as a result of the recommendations.

6. Consultees

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

7. Background Papers

- Revenue Budget Report to Cabinet – 5th February 2014

8. Appendices

- Annex 1 - Legal Position
- Annex 2 - Council Tax Resolution
- Appendix 1 - Council Tax Levels 2014-15
- Appendix 2 - Parish Precepts 2013-14 and 2014-15
- Appendix 3 – Council Tax Base 2013-14 and 2014-15

COUNCIL TAX RESOLUTION

Council

Date: 24th February 2014

8.1 Annex 1

COUNCIL TAX 2014-15 - LEGAL POSITION

1. Introduction

- 1.1 A Member is not regarded as having a personal and prejudicial interest in a matter unless it affects the member "to a greater extent than other council tax payers, ratepayers or inhabitants" of Swindon, and is so significant that it is likely to prejudice the Member's judgment of the public interest. However any Member who is in arrears with their Council Tax payments needs to give careful consideration to the provisions of Section 106 of the Local Government Finance Act 1992. This states that if any arrears remain unpaid for at least 2 months, then the Member must disclose this at the beginning of any meeting which is to consider any Council Tax calculation or any matter which might affect the Council Tax calculation, and shall not vote on any such matter. If any Member is likely to be in such a position, or is concerned as to whether any interest should be declared, then advice should be sought as quickly as possible from the Director of Law and Democratic Services.

2 Statutory Position

- 2.1 The Borough Council is required to maintain a Collection Fund for both Council Tax and National Non-Domestic (Business) Rates. Any sums paid into an authority's Collection Fund shall be used in the making of payments which are to be met from that fund or transfers from it.
- 2.2 The Borough as "billing authority" for the Borough is required, to set an amount of Council Tax for each financial year and for each category of buildings. Under the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 (2014 No.165), which come into force on 25th February 2014, Councils are required to amend their Standing Orders to have a recorded vote on decisions relating to setting the Budget and the Council Tax. The Government has requested that all Councils have such recorded votes even if the Standing Orders have not been amended prior to the Budget meeting to require this to be done.
- 2.3 The amounts of Council Tax must be set by billing authorities before 11 March in any financial year, but such amounts are not invalid merely because they are set on or after that date. No amount may be set before the earlier of the following:-
- (a) 1 March
 - (b) The date of issue to the Council of a precept for the relevant financial year from a "major precepting authority" (e.g. the Police and Crime Commissioner).

Further information on the subject of this report can be obtained from Kirsty Cole 01793 464610, kcole@swindon.gov.uk.

COUNCIL TAX RESOLUTION

Council

Date: 24th February 2014

- 2.4 No amount may be set unless the Council has made the calculations required by the 1992 Act (as amended by Section 74 of the Localism Act 2011). Members will recall that one of the required steps was to determine the respective Council Tax Base for the Borough and for each parished and non-parished area. The Local Government Act 2003 (section 84) replaces section 67 Local Government Finance Act 1992 which required full Council to formally approve the Council Tax base for the whole of its area. Under the new regulations, it is now for each Local Authority to make its own arrangements for adopting the Council Tax base. The tax base for 2014-15 has been calculated in accordance with The Local Authorities (Calculation of Council Tax Base) Regulations 1992 as amended (the 1992 Regulations). The figures within Appendix 3 show the Tax Base for both 2013-14 and 2014-15 as a consequence of following these rules.
- 2.5 The 1992 Act provides that billing and precepting authorities may make substitute calculations of their budget requirements and amounts of Council Tax. Except in certain special cases (e.g. where the previous calculations have been quashed), the substitute budget requirement cannot be greater than the previous requirement. In the case of billing and major precepting authorities, any substitute amount of tax calculation as applicable to any dwelling cannot exceed the previously calculated amount.
- 2.6 If the amount of Council Tax set as a result of substitute calculations is less than the original amount set, persons who have overpaid may require repayment or may allow the billing authority to choose whether to repay or credit the overpayment.
- 2.7 Differential charging is provided for within a billing authority's area. These provisions require the Council to set differential amounts of Council Tax for different parts of the Borough in response to precepts issued for parts from Parishes and for its own special expenses. The Borough's Special Expenses for 2014-15, under the 1992 Act, were agreed by Cabinet on 5th February 2014.
- 2.8 A "major precepting authority" under the 1992 Act includes the Police and Crime Commissioner, and a Fire Authority whilst a "local precepting authority" includes a parish council and the chair of a parish meeting. In the case of a local precepting authority (e.g. a parish council) the billing authority has no power to set substitute amounts of Council Tax if the precept is issued late, but in this event regulations allow billing authorities to anticipate such precepts.
- 2.9 A billing authority, which has set amounts of Council Tax, is required to publish notice of the amounts within 21 days of setting them in at least one newspaper circulating in the area. Failure to do this does not make the amounts invalid.
- 2.10 In accordance with Schedule 5 of the Localism Act 2011, as a billing authority the Borough has a duty to determine whether its relevant basic amount of council tax for a financial year is excessive. If, according to the principles approved in Section 52ZB of the Local Government Act 1992 the Borough's council tax for the year is deemed to be excessive the Borough will be required to hold a referendum. The Secretary of State
-

Further information on the subject of this report can be obtained from Kirsty Cole 01793 464610, kcole@swindon.gov.uk.

COUNCIL TAX RESOLUTION

Council

Date: 24th February 2014

has proposed the Council Tax principles he is minded to set for 2014-15. These are that authorities will be required to seek the approval of their local electorate if, compared with 2013-14, they set an increase in the basic amount of Council Tax that exceeds 2% for a billing authority like Swindon.

3 General Advice

- 3.1 In considering whether to approve any given level of expenditure, Members must be satisfied that there is evidence which establishes that such a level of expenditure is necessary to meet the needs of the Borough and to comply with the statutory duty to set amounts of Council Tax. Members should have particular regard to the effect on Council Tax payers of various expenditure levels.
- 3.2 Members should consider whether income can reasonably be increased commensurate with the responsibility to meet what Members perceive are the needs of the community.
- 3.3 Members are advised that the legislation enabling the Business Rates Retention Scheme and the Council Tax Support Scheme are as yet to be implemented although the Government expects to do this before the end of this financial year. The estimated provision in the budget for the retention is subject to the scheme being implemented in the form indicated by Government

Director, Law and Democratic Services

10th February 2014

COUNCIL TAX RESOLUTION

Council

Date: 24th February 2014

Annex 2

COUNCIL TAX RESOLUTION 2014-15

1 Legal Advice

That it be recorded that the Director of Law and Democratic Services' advice has been taken into account in the setting of the level of Council Tax for 2014-15.

2 Revenue Budget

That it be noted that the Council's revenue budget is £142,667,544, as recommended by the Cabinet to this Council on 5th February 2014.

3 Council Tax Base

That it be noted that in accordance with Section 31B of the Local Government Finance Act 1992 (as amended) the Council's Tax Base for 2014-15 is 66,245.5 in total with the breakdown by Parish set out in Appendix 3.

4 Borough / Parish Council Tax Rates

That the following amounts be calculated by the Council in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, as amended by the Localism Act 2011:-

- (a) **Borough / Parish Gross Expenditure** £444,563,803 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the 1992 Act taking into account all precepts issued to it by Parish Councils.
- (b) **Borough Gross Income plus Collection Fund Balance** £368,590,639 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) **Borough/Parish Net Expenditure** £75,973,164 being the amount by which the aggregate at 4(a) above exceeds the aggregate at 4(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its COUNCIL TAX REQUIREMENT for the year.
- (d) **Basic Amount of Tax (including average parish precepts)** £1,174.71 being the amount at 4(c) above divided by the amount at 3 above, calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year. In accordance with Schedule 5 of the Localism Act 2011, this sum is not considered to be excessive.
- (e) **Special Items** £2,901,237 being the aggregate of Special Expenses and Parish Precepts and collectively known as special items and referred to in Section 34(1) of the Act.
- (f) **Basic Amount of Tax (Unparished Area)** £1,130.92 being the amount at 4(d) above less the result given by dividing the amount at 4(e) above by the amount at 3, calculated by the Council in accordance with Section 34(2) of the Act, as the

Further information on the subject of this report can be obtained from Kirsty Cole 01793 464610, kcole@swindon.gov.uk.

COUNCIL TAX RESOLUTION

Council

Date: 24th February 2014

basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates.

- (g) **Basic Amount of Tax (Special and Parished Areas)** the amounts shown in Appendix 2, being the amounts given by adding to the amount at 4(f) above, the amounts of the special items relating to dwellings in the appropriate part of the Council's area - divided by the appropriate amount at 3 above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which a special item relates.
- (h) **Borough/Parish Council Tax Rates** the amounts shown in Appendix 1, being the amounts given by multiplying the amounts at 4(g) by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band, divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- 5 Police and Crime Commissioner for Wiltshire and Swindon** That it be noted that for the year 2014-15 the Police and Crime Commissioner has stated the following amounts in precept issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£107.28	£125.16	£143.04	£160.92	£196.68	£232.44	£268.20	£321.84

- 6 Swindon and Wiltshire Fire Authority** That it be noted that for the year 2014-15 the Swindon and Wiltshire Joint Fire Authority has stated the following amounts in precept issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£42.41	£49.48	£56.55	£63.62	£77.76	£91.90	£106.03	£127.24

This page is intentionally left blank

SUMMARY OF COUNCIL TAX BILLS BY VALUATION BAND

AREA OF THE BOROUGH	VALUATION BAND						
	A £ - p	B £ - p	C £ - p	D £ - p	E £ - p	F £ - p	G £ - p
Bishopstone	929.69	1,084.64	1,239.59	1,394.54	1,704.44	2,014.34	2,324.23
Blunsdon	915.92	1,068.58	1,221.23	1,373.89	1,679.20	1,984.51	2,289.81
Castle Eaton	926.18	1,080.54	1,234.91	1,389.27	1,698.00	2,006.73	2,315.45
Chiseldon	925.33	1,079.55	1,233.78	1,388.00	1,696.45	2,004.89	2,313.33
Covingham	923.40	1,077.31	1,231.21	1,385.11	1,692.91	2,000.72	2,308.51
Hannington	921.02	1,074.53	1,228.03	1,381.54	1,688.55	1,995.56	2,302.56
Haydon Wick	924.54	1,078.63	1,232.72	1,386.81	1,694.99	2,003.17	2,311.35
Highworth	979.76	1,143.06	1,306.35	1,469.65	1,796.24	2,122.83	2,449.41
Inglesham	903.64	1,054.24	1,204.85	1,355.46	1,656.68	1,957.89	2,259.10
Liddington	926.19	1,080.56	1,234.92	1,389.29	1,698.02	2,006.76	2,315.48
South Marston	941.98	1,098.97	1,255.97	1,412.97	1,726.97	2,040.96	2,354.95
Stanton Fitzwarren	949.34	1,107.57	1,265.79	1,424.02	1,740.47	2,056.92	2,373.36
Stratton St Margare	973.98	1,136.32	1,298.65	1,460.98	1,785.64	2,110.31	2,434.96
Wanborough	947.02	1,104.85	1,262.69	1,420.53	1,736.21	2,051.88	2,367.55
Wroughton	970.71	1,132.50	1,294.28	1,456.07	1,779.64	2,103.22	2,426.78
Swindon Non-Parished Area	922.18	1,075.87	1,229.57	1,383.27	1,690.67	1,998.06	2,305.45

H
£ - p
2,789.08
2,747.78
2,778.54
2,776.00
2,770.22
2,763.08
2,773.62
2,939.30
2,710.92
2,778.58
2,825.94
2,848.04
2,921.96
2,841.06
2,912.14
2,766.54

BREAKDOWN OF COUNCIL TAX BILLS BY VALUATION BAND

Valuation Band

Parishes	A £ - p	B £ - p	C £ - p	D £ - p	E £ - p	F £ - p	G £ - p	H £ - p
<u>Bishopstone</u>								
Swindon 'General Expenses'	753.95	879.60	1,005.26	1,130.92	1,382.24	1,633.55	1,884.87	2,261.84
Bishopstone	26.05	30.40	34.74	39.08	47.76	56.45	65.13	78.16
Wilts & Swindon Fire Authority	42.41	49.48	56.55	63.62	77.76	91.90	106.03	127.24
Wiltshire Police Authority	107.28	125.16	143.04	160.92	196.68	232.44	268.20	321.84
BILL AMOUNT	929.69	1,084.64	1,239.59	1,394.54	1,704.44	2,014.34	2,324.23	2,789.08
<u>Blunsdon</u>								
Swindon 'General Expenses'	753.95	879.60	1,005.26	1,130.92	1,382.24	1,633.55	1,884.87	2,261.84
Blunsdon	12.28	14.34	16.38	18.43	22.52	26.62	30.71	36.86
Wilts & Swindon Fire Authority	42.41	49.48	56.55	63.62	77.76	91.90	106.03	127.24
Wiltshire Police Authority	107.28	125.16	143.04	160.92	196.68	232.44	268.20	321.84
BILL AMOUNT	915.92	1,068.58	1,221.23	1,373.89	1,679.20	1,984.51	2,289.81	2,747.78
<u>Castle Eaton</u>								
Swindon 'General Expenses'	753.95	879.60	1,005.26	1,130.92	1,382.24	1,633.55	1,884.87	2,261.84
Castle Eaton	22.54	26.30	30.06	33.81	41.32	48.84	56.35	67.62
Wilts & Swindon Fire Authority	42.41	49.48	56.55	63.62	77.76	91.90	106.03	127.24
Wiltshire Police Authority	107.28	125.16	143.04	160.92	196.68	232.44	268.20	321.84
BILL AMOUNT	926.18	1,080.54	1,234.91	1,389.27	1,698.00	2,006.73	2,315.45	2,778.54
<u>Chiseldon</u>								
Swindon 'General Expenses'	753.95	879.60	1,005.26	1,130.92	1,382.24	1,633.55	1,884.87	2,261.84
Chiseldon	21.69	25.31	28.93	32.54	39.77	47.00	54.23	65.08
Wilts & Swindon Fire Authority	42.41	49.48	56.55	63.62	77.76	91.90	106.03	127.24
Wiltshire Police Authority	107.28	125.16	143.04	160.92	196.68	232.44	268.20	321.84
BILL AMOUNT	925.33	1,079.55	1,233.78	1,388.00	1,696.45	2,004.89	2,313.33	2,776.00
<u>Covingham</u>								
Swindon 'General Expenses'	753.95	879.60	1,005.26	1,130.92	1,382.24	1,633.55	1,884.87	2,261.84
Covingham	19.76	23.07	26.36	29.65	36.23	42.83	49.41	59.30
Wilts & Swindon Fire Authority	42.41	49.48	56.55	63.62	77.76	91.90	106.03	127.24
Wiltshire Police Authority	107.28	125.16	143.04	160.92	196.68	232.44	268.20	321.84

Valuation Band

Parishes	A £ - p	B £ - p	C £ - p	D £ - p	E £ - p	F £ - p	G £ - p	H £ - p
BILL AMOUNT	923.40	1,077.31	1,231.21	1,385.11	1,692.91	2,000.72	2,308.51	2,770.22
<u>Hannington</u>								
Swindon 'General Expenses'	753.95	879.60	1,005.26	1,130.92	1,382.24	1,633.55	1,884.87	2,261.84
Hannington	17.38	20.29	23.18	26.08	31.87	37.67	43.46	52.16
Wilts & Swindon Fire Authority	42.41	49.48	56.55	63.62	77.76	91.90	106.03	127.24
Wiltshire Police Authority	107.28	125.16	143.04	160.92	196.68	232.44	268.20	321.84
BILL AMOUNT	921.02	1,074.53	1,228.03	1,381.54	1,688.55	1,995.56	2,302.56	2,763.08
<u>Haydon Wick</u>								
Swindon 'General Expenses'	753.95	879.60	1,005.26	1,130.92	1,382.24	1,633.55	1,884.87	2,261.84
Haydon Wick	20.90	24.39	27.87	31.35	38.31	45.28	52.25	62.70
Wilts & Swindon Fire Authority	42.41	49.48	56.55	63.62	77.76	91.90	106.03	127.24
Wiltshire Police Authority	107.28	125.16	143.04	160.92	196.68	232.44	268.20	321.84
BILL AMOUNT	924.54	1,078.63	1,232.72	1,386.81	1,694.99	2,003.17	2,311.35	2,773.62
<u>Highworth</u>								
Swindon 'General Expenses'	753.95	879.60	1,005.26	1,130.92	1,382.24	1,633.55	1,884.87	2,261.84
Highworth	76.12	88.82	101.50	114.19	139.56	164.94	190.31	228.38
Wilts & Swindon Fire Authority	42.41	49.48	56.55	63.62	77.76	91.90	106.03	127.24
Wiltshire Police Authority	107.28	125.16	143.04	160.92	196.68	232.44	268.20	321.84
BILL AMOUNT	979.76	1,143.06	1,306.35	1,469.65	1,796.24	2,122.83	2,449.41	2,939.30
<u>Inglesham</u>								
Swindon 'General Expenses'	753.95	879.60	1,005.26	1,130.92	1,382.24	1,633.55	1,884.87	2,261.84
Inglesham	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Wilts & Swindon Fire Authority	42.41	49.48	56.55	63.62	77.76	91.90	106.03	127.24
Wiltshire Police Authority	107.28	125.16	143.04	160.92	196.68	232.44	268.20	321.84
BILL AMOUNT	903.64	1,054.24	1,204.85	1,355.46	1,656.68	1,957.89	2,259.10	2,710.92
<u>Liddington</u>								
Swindon 'General Expenses'	753.95	879.60	1,005.26	1,130.92	1,382.24	1,633.55	1,884.87	2,261.84
Liddington	22.55	26.32	30.07	33.83	41.34	48.87	56.38	67.66
Wilts & Swindon Fire Authority	42.41	49.48	56.55	63.62	77.76	91.90	106.03	127.24
Wiltshire Police Authority	107.28	125.16	143.04	160.92	196.68	232.44	268.20	321.84
BILL AMOUNT	926.19	1,080.56	1,234.92	1,389.29	1,698.02	2,006.76	2,315.48	2,778.58

Valuation Band

<u>Parishes</u>								
	A	B	C	D	E	F	G	H
	£ - p	£ - p	£ - p	£ - p	£ - p	£ - p	£ - p	£ - p

Valuation Band

Parishes	A £ - p	B £ - p	C £ - p	D £ - p	E £ - p	F £ - p	G £ - p	H £ - p
<u>South Marston</u>								
Swindon 'General Expenses'	753.95	879.60	1,005.26	1,130.92	1,382.24	1,633.55	1,884.87	2,261.84
South Marston	38.34	44.73	51.12	57.51	70.29	83.07	95.85	115.02
Wilts & Swindon Fire Authority	42.41	49.48	56.55	63.62	77.76	91.90	106.03	127.24
Wiltshire Police Authority	107.28	125.16	143.04	160.92	196.68	232.44	268.20	321.84
BILL AMOUNT	941.98	1,098.97	1,255.97	1,412.97	1,726.97	2,040.96	2,354.95	2,825.94
<u>Stanton Fitzwarren</u>								
Swindon 'General Expenses'	753.95	879.60	1,005.26	1,130.92	1,382.24	1,633.55	1,884.87	2,261.84
Stanton Fitzwarren	45.70	53.33	60.94	68.56	83.79	99.03	114.26	137.12
Wilts & Swindon Fire Authority	42.41	49.48	56.55	63.62	77.76	91.90	106.03	127.24
Wiltshire Police Authority	107.28	125.16	143.04	160.92	196.68	232.44	268.20	321.84
BILL AMOUNT	949.34	1,107.57	1,265.79	1,424.02	1,740.47	2,056.92	2,373.36	2,848.04
<u>Stratton St Margaret</u>								
Swindon 'General Expenses'	753.95	879.60	1,005.26	1,130.92	1,382.24	1,633.55	1,884.87	2,261.84
Stratton St Margaret	70.34	82.08	93.80	105.52	128.96	152.42	175.86	211.04
Wilts & Swindon Fire Authority	42.41	49.48	56.55	63.62	77.76	91.90	106.03	127.24
Wiltshire Police Authority	107.28	125.16	143.04	160.92	196.68	232.44	268.20	321.84
BILL AMOUNT	973.98	1,136.32	1,298.65	1,460.98	1,785.64	2,110.31	2,434.96	2,921.96
<u>Wanborough</u>								
Swindon 'General Expenses'	753.95	879.60	1,005.26	1,130.92	1,382.24	1,633.55	1,884.87	2,261.84
Wanborough	43.38	50.61	57.84	65.07	79.53	93.99	108.45	130.14
Wilts & Swindon Fire Authority	42.41	49.48	56.55	63.62	77.76	91.90	106.03	127.24
Wiltshire Police Authority	107.28	125.16	143.04	160.92	196.68	232.44	268.20	321.84
BILL AMOUNT	947.02	1,104.85	1,262.69	1,420.53	1,736.21	2,051.88	2,367.55	2,841.06
<u>Wroughton</u>								
Swindon 'General Expenses'	753.95	879.60	1,005.26	1,130.92	1,382.24	1,633.55	1,884.87	2,261.84
Wroughton	67.07	78.26	89.43	100.61	122.96	145.33	167.68	201.22
Wilts & Swindon Fire Authority	42.41	49.48	56.55	63.62	77.76	91.90	106.03	127.24
Wiltshire Police Authority	107.28	125.16	143.04	160.92	196.68	232.44	268.20	321.84
BILL AMOUNT	970.71	1,132.50	1,294.28	1,456.07	1,779.64	2,103.22	2,426.78	2,912.14

Valuation Band

<u>Parishes</u>	A £ - p	B £ - p	C £ - p	D £ - p	E £ - p	F £ - p	G £ - p	H £ - p
<u>Special Expense Area</u>								
<u>Swindon Non-Parished Area</u>								
Swindon 'General Expenses'	753.95	879.60	1,005.26	1,130.92	1,382.24	1,633.55	1,884.87	2,261.84
Special Expenses	18.54	21.63	24.72	27.81	33.99	40.17	46.35	55.62
Wilts & Swindon Fire Authority	42.41	49.48	56.55	63.62	77.76	91.90	106.03	127.24
Wiltshire Police Authority	107.28	125.16	143.04	160.92	196.68	232.44	268.20	321.84
BILL AMOUNT	922.18	1,075.87	1,229.57	1,383.27	1,690.67	1,998.06	2,305.45	2,766.54

TOWN / PARISH PRECEPTS

	Band D Charge	Tax Base	Annual Precept		Change	
	2014-15	2014-15	2014-15	2013-14		
			£	£	£	%
Bishopstone	39.08	303.3	11,852	12,670	-818	-6.5%
Blunsdon	18.43	5,317.4	98,000	91,285	6,715	7.4%
Castle Eaton	33.81	99.4	3,361	3,870	-509	-13.2%
Chiseldon	32.54	984.2	32,022	32,022	0	0.0%
Covingham	29.65	1,224.2	36,300	36,300	0	0.0%
Hannington	26.08	105.1	2,741	3,152	-411	-13.0%
Haydon Wick	31.35	7,508.3	235,398	237,615	-2,217	-0.9%
Highworth	114.19	2,802.4	320,000	320,000	0	0.0%
Inglesham	0.00	43.0	0	0	0	-
Liddington	33.83	164.4	5,561	6,000	-439	-7.3%
South Marston	57.51	336.5	19,352	18,266	1,086	5.9%
Stanton Fitzwarren	68.57	94.8	6,500	7,111	-611	-8.6%
Stratton St Margaret	105.52	7,313.6	771,753	767,627	4,126	0.5%
Wanborough	65.07	847.4	55,144	53,924	1,220	2.3%
Wroughton	100.61	2,964.7	298,275	265,188	33,087	12.5%
Total		30,108.7	1,896,259	1,855,030	41,229	2.2%
Non-Parished Area (Special Expenses)	27.81	36,136.8	1,004,978	1,001,388	3,590	0.4%
TAX BASE		66,245.5				

Council Tax Base

	2014-15 Tax Base	2013-14 Tax Base
Bishopstone	303.3	311.0
Blunsdon	5,317.4	4,922.1
Castle Eaton	99.4	105.6
Chiseldon	984.2	970.2
Covingham	1,224.2	1,215.5
Hannington	105.1	113.9
Haydon Wick	7,508.3	7,579.4
Highworth	2,802.4	2,809.5
Inglesham	43.0	45.8
Liddington	164.4	164.3
South Marston	336.5	333.5
Stanton Fitzwarren	94.8	94.4
Stratton St Margaret	7,313.6	7,274.5
Wanborough	847.4	837.1
Wroughton	2,964.7	2,635.8
Total	30,108.7	29,412.6
Non-Parished Area	36,136.8	36,008.2
TAX BASE	66,245.5	65,420.8

This page is intentionally left blank

Housing Revenue Account (HRA) - Rents and Charges 2014/15

Cabinet

Date: 5th February 2014

Author:	Cabinet Member for Public Protection, Housing and Streetsmart (Delivery) Board Director, Service Delivery
Wards:	All
Locality Affected:	All
Parishes Affected:	All

1. Purpose and Reasons

- 1.1 To present the proposed rents, service charges and support charges for 2014/15 and the proposed Housing Revenue Account (HRA) budget for 2014/15.
- 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

The Cabinet is invited to recommend to the Council as follows:

- 2.1 The proposed average rent for Housing Revenue Account (HRA) dwellings for 2014/15 of £79.23 per week (52 week basis), which is an increase of 3.7%, be approved. This will be an average increase of £2.82 per week (52 week basis). The range of increases are shown in paragraph 3.12.
- 2.2 That officers seek authority from the Secretary of State to extend the permission for the use of the Housing Revenue Account for payments to the Council's tenants under the Discretionary Housing Payments scheme, to enable any underspend on the 2013/14 budget of £420k to be used in 2014/15, as detailed at paragraphs 3.17.
- 2.3 The housing related support charges for 2014/15 and service charges for 2014/15 as outlined in Appendix 2 are approved.
- 2.4 Leaseholder service charges are set for 2014/15 as shown in Appendix 3.
- 2.5 Based on the proposals set out within this report that the Housing Revenue Account (HRA) proposed budget 2014/15, shown in Appendix 4, be approved and that the HRA Capital Budget and Funding be approved as shown in Appendix 5.
- 2.6 That the draft 3 year capital projects and planned maintenance programme be approved at an indicative funding level of £16.8m (2014/15 prices) per annum for each of the years 2014/15 through to 2016/17 as shown in Appendix 6.

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No.463976, or Email psmith2@swindon.gov.uk.

Housing Revenue Account (HRA) - Rents and Charges 2014/15

Cabinet

Date: 5th February 2014

-
- 2.7 Rents charged on General Fund properties are increased by an average increase of 3.7% and the rents and charges for the David Murray John Apartments, as shown in Appendix 7, be approved.
- 2.8 Rents charged for plots at the Hay Lane Residential Gypsy Site are increased by £1.74 per week (3.7%) to £48.74 per week (52 week basis) and the rents for workpens, as shown in Appendix 7, be approved.
- 2.9 The charges for Private Sector Leased (PSL) accommodation for those accepted as homeless outlined in Appendix 7 are approved.
- 2.10 Any underspend on the 2013-14 Housing Revenue Account is earmarked to fund additional works resulting from the abnormal amount of rainfall, commencing as soon as possible.

3. Detail

- 3.1 The Housing Revenue Account (HRA) is a statutory account set up in accordance with the Local Government and Housing Act 1989. This is a significant budget for the Council amounting to £47.6m of Gross Income in 2013/14 (a budget overview is provided at Appendix 1). The account is ring fenced and cannot be subsidised by the General Fund or vice versa.
- 3.2 The HRA contains all expenditure relating to the Council's landlord function of circa 10,500 dwellings, supported housing schemes, sheltered schemes, commercial premises and garages. Income is generated through rents, charges and interest received on balances.

Housing Revenue Account (HRA) Rents and Charges

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

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No.463976, or Email psmith2@swindon.gov.uk.

Housing Revenue Account (HRA) - Rents and Charges 2014/15

Cabinet

Date: 5th February 2014

Dwelling Rents and Capital Investment

- 3.4 The HRA Self Financing regime came into force on the 1st April 2012 which enabled the HRA to retain all revenue income generated locally instead of having to pay any surpluses back to the Government.
- 3.5 Under self-financing, the Council had to pay the Government £138.6m based on the assumptions made under a 30 year business plan model. The assumption around rents that generated this figure was that these would continue to increase in line with convergence which would generally be around 3% above inflation i.e. for 2014/15 this would be 5.79%.
- 3.6 Convergence guidance works as follows:
- 3.7 Every property has a target rent set based on a national formula that takes into account the value of the property as at January 1st 1999 and the number of bedrooms. This rent is increased by RPI +0.5% each year which is measured from September to September as per current Government rent guidance. This policy has been in place since 1999.
- 3.8 The actual rent being charged for the property is then compared with the target and the gap between the two determined.
- 3.9 Convergence expects the actual rent to increase by RPI +0.5% plus a share of the gap (up to a maximum of £2 per week). Thus if the gap between target and actual was £3.00 the rent would increase by RPI +0.5% + £1.50 (£3.00/2 years assuming target year is 2015/16). However if the gap was £7.00 then the cap would come into play and the increase would be RPI + 0.5% + £2.(£7.00/2 years = £3.50 but capped at £2)
- 3.10 The level of rent directly affects the amount of funding available for capital investment as demonstrated below. The higher the rental income then the more funding that is available for capital investment. If the 2013/14 investment programme is continued at its current level then a minimum of £16.4m (taking into account inflation) is required to ensure that the same level of work can be undertaken.

Provisional budget for 2014-15		£m
Rent (£43.0m) & other income		£48.553
Less Operational Costs	(£11.983)	
Repairs Service	(£10.146)	
Debt Interest	(£ 4.621)	
Available for investment		(£ 21.803)
Debt Repayment		(£ 5.000)
Available for Capital Investment		<u>£ 16.803</u>

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No.463976, or Email psmith2@swindon.gov.uk.

Housing Revenue Account (HRA) - Rents and Charges 2014/15

Cabinet

Date: 5th February 2014

Investment requirements

- 3.11 RAND Associates were contracted in 2011 to identify the HRA capital investment requirements for the HRA stock for the next 30 years. This included an assessment of the required investment in bathrooms and kitchens, heating, and structural repairs to the non-traditionally built stock, modernisation of sheltered housing. The total investment requirement is detailed in table 1 below, measured against the level of capital funding that would be available based on various levels of rent increase. This table shows a significant shortfall between available funding and that required under RAND recommendations of £7.9m in 2014/15, excluding an existing shortfall of £20.2m between 2012/13 and 2013/14.

Table 1: RAND Investment levels v Proposals

	12/13	13/14	14/15	15/16	16/17	17/18	18/19	TOTALS
	£m	£m	£m	£m	£m	£m	£m	£M
RAND Recommended	22.4	24.7	24.7	24.7	24.8	22.3	22.3	165.9
Approved Budget	11	15.9						26.9
Shortfall	11.4	8.8						20.2
Proposed Budget								
3.20%			16.5	16.7	17.5	18	19.4	88.1
3.7% (Recommended)			16.8	17.0	18.0	18.6	20.1	90.5
5.70%			17.3	17.7	18.6	19.3	20.9	93.8
SHORTFALL FROM								
3.7%			7.9	7.7	6.8	3.7	2.2	75.4
Total Shortfall to 18/19	11.4	8.8	7.9	7.7	6.8	3.7	2.2	48.5
Cumulative shortfall	11.4	20.2	28.1	35.8	42.6	46.3	48.5	

- 3.12 Table 2 below shows the effect of the different rent proposals on average rents, total rent income and the amount available to invest in homes. The recommended increase of 3.7% would result in rent increases between £2.12 and £4.35 per week (52 week basis). Average increases are shown in the table

Table 2:

Proposed Rent Increases	Average Rent 2014/15	Average Rent increase 2014/15	Total Rent 2014/15	Available for Investment 14/15
3.2%	£78.85	£2.44	£42.791m	£16.524m
3.7%	£79.23	£2.82	£43.031m	£16.802m
5.7%	£80.80	£4.39	£43.793m	£17.325m

- 3.13 The decision on the level of increase to 2014/15 rents affects not only on the amount available for 2014/15, but on all other years as is demonstrated in table 3 below. This is because the 2014/15 rent position is the starting base level for future years, even if no further increases were to be agreed beyond 2014/15. The

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No.463976, or Email psmith2@swindon.gov.uk.

Housing Revenue Account (HRA) - Rents and Charges 2014/15

Cabinet

Date: 5th February 2014

figures below assume rent increases from 2015/16 to 2018/19 to demonstrate the cumulative effect of the 2014/15 decision.

Table 3: Effect of 2014/15 Rent decision on total rent over 5 years

						5 Year	
	14/15	15/16	16/17	17/18	18/19	Totals	Var
	£k	£k	£k	£k	£k	£k	£k
3.2%	42,791	42,791	42,791	42,791	42,791	213,955	
3.7%	43,031	43,031	43,031	43,031	43,031	215,155	1,200
5.7%	43,793	43,793	43,793	43,793	43,793	218,965	5,010

- 3.14 As can be seen from the information in the tables provided above, a rent increase of 3.2% provides a similar level of funding to 2013/14, once inflation is taken into account.

Rent Proposals 2014/15

- 3.15 The rent increase is not just about balancing the 2014-15 budget, it is also about the medium to long term sustainability of the HRA business plan., The HRA business plan makes assumptions around operational costs, rent increases, debt charges and inflation in order to ascertain whether capital investment plans are affordable not just in the short term, but over the medium and long term (to 30 years). This longer term view also takes into consideration the significant investment that RAND recommends is required as detailed above at paragraph 3.11.
- 3.16 The current business plan also contains assumptions around losses of rents due to voids and bad debts, and the business plan makes an assumption (reviewed annually) that these will increase over the next few years due to the impact of welfare reform changes. In effect this reduces the anticipated total income available to the HRA and therefore future rent increases will need to take this anticipated loss of rent into account.
- 3.17 In addition, although RPI has been measured at 3.2% to the end of Sept 13 for 2014/15 rent setting purposes, the HRA business plan costs have been estimated to increase at an average of 3.5% for 2014/15 and beyond (other than HRA salary costs at 1% per annum) which immediately reduces the anticipated amount available for investment. Inflation assumptions used to build other Council budgets for 2014/15 include, electricity & gas 10%, water & insurance 5%, transport 4.5%, superannuation 4.4%, NNDR 4% and general contracts 3%.
- 3.18 The HRA 2013/14 budget is currently projecting an underspend on the in year revenue budget due mainly to unforeseen savings on staff vacancies due to on-going organisational review. However, due to the recent adverse weather conditions there is an increasing demand for roof repairs and making good of

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No.463976, or Email psmith2@swindon.gov.uk.

Housing Revenue Account (HRA) - Rents and Charges 2014/15

Cabinet

Date: 5th February 2014

associated damage to tenants' homes. The winter conditions have also highlighted the vulnerability of certain grassed areas damaged by off road parking on wet ground. It is therefore recommended that any underspend on the Account is earmarked to fund additional works resulting from the abnormal amount of rainfall, commencing as soon as possible..

- 3.19 In 2013/14 the Council obtained permission from the Secretary of State to provide Discretionary Housing Payments Fund (DHP) of up to £420k through the HRA. A description of DHP is given below.

DHP could help top-up housing benefit if a household is facing hardship, including if they have been affected by recent housing benefit changes. A discretionary housing payment is not a long-term answer.

This funding is only for the benefit of HRA tenants to ensure that sufficient funding is available to support those affected by Welfare Reform. The original permission is valid for the financial year beginning 1 April 2013. Given that current forecasts indicate that it is unlikely that the full £420k will have been spent by 31st March 2014, authority is sought to write to the DCLG for permission to extend the arrangement into 2014/15 for the use of any unspent funds at year end.

Support and Service Charges

- 3.20 As part of rent setting last year all service charges were re-calculated to ensure that they fully recovered their costs, a policy which has continued this year. The main cost pressures this year have come from increases in the cost of utilities which are continuing to rise above the rate of inflation (Gas and electricity are predicted to rise by 8%-10%). These increases have to be passed on via increases in the service charges, full details of all service charges can be found in Appendix 2.
- 3.21 Since the consultations and reports were prepared for Housing Advisory Forum further work has been done on the allocation of costs between service and support charges in sheltered housing which has resulted in a change to the proposed charges. The total proposed charge in the consultation was £27.97 per week made up of service charge £21.78 per week and support charge £6.19 per week. The revised proposal is now £24.87 and £3.10 respectively although the overall total charge is unchanged at £27.97.

Leaseholder Service Charges

- 3.22 Leaseholders are recharged the full cost of providing services. The charges proposed for leaseholder are shown in Appendix 3.
- 3.23 It is proposed to introduce a charge for the costs of the administration involved in the resale of leases, to cover officer time in processing these applications.
-

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No.463976, or Email psmith2@swindon.gov.uk.

Housing Revenue Account (HRA) - Rents and Charges 2014/15

Cabinet

Date: 5th February 2014

Currently leaseholders are charged for the Councils legal fees, but not for other admin costs. The proposed charge is £150 per transaction and is included in Appendix 3.

Garage Rents and Parking Charges

- 3.24 Garage and parking space rents for tenants have been held this year due to the level demand as demonstrated by the level of voids. Cross over charges and premium parking provision have been increased in line with inflation. Details are shown in Appendix 2.

Consultation

- 3.25 The rent setting presentation explained the options available when setting the budget this year. 3 different rent options were presented these were:
- RPI only – a 3.2% increase.
 - RPI +0.5% – a 3.7% increase (Recommended)
 - Convergence – a 5.7% rent increase.
- 3.26 Two general rent consultation meetings were held (one of which was combined with Swindon Tenants Voice), the Tenants Association of Sheltered Housing (TASH), the Housing Advisory Forum and Leaseholder Link. An extract has also been circulated via ehousing and the housing Facebook page for comments. The main issues discussed were around the level of rent increases and the affordability for tenants, the effect of each of these options on the amount of capital funding for investment, the effect of welfare reform.
- 3.27 The recommendations from each of these groups were;
- Swindon Tenants Voice recommended that the rent should be increased in line with RPI i.e. a 3.2% increase.
 - TASH supported the officer's recommendation of a 3.7% increase.
 - The Housing Advisory Forum moved that there is an increase in line with inflation and the majority voted in favour.
 - Leaseholder Link had no specific comments.

Housing Revenue Account (HRA) Budget 2014/15

- 3.28 The HRA budget for 2014/15 is dependent upon the decisions Members make around changes to rents, service charges, support charges, and capital investment.

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No.463976, or Email psmith2@swindon.gov.uk.

Housing Revenue Account (HRA) - Rents and Charges 2014/15

Cabinet

Date: 5th February 2014

-
- 3.29 Appendix 4 shows the proposed HRA budget for 2014/15 assuming Members agree to the recommendations on rents and charges set out in this report. The following paragraphs outline the major movements (key variances) from the 2013/14 base budget to the proposed 2014/15 budget. This section will also bring to Members' attention the short term and medium financial implications and challenges facing Swindon's HRA.
- 3.30 The current HRA debt will stand at £140.5 million on 31 March 2014 and the average interest rate for this is 3.32%. Interest on this borrowing for 2014/15 is £4.66m (item 26, Appendix 4).
- 3.31 The budgeted cost of revenue repairs (item 3&4, Appendix 4) has been increased by £125k to £10.146m in 2014/15 to ensure the repairs team can undertake gas enforcement, non-traditional stock surveys, and stock condition surveys. This will ensure that essential repairs and maintenance, vacant property repairs and specialist services are carried out to provide an effective repairs service.
- 3.32 The proposed budget includes an increase in bad debt provision from 2.59% of rents to 3.5%, which has resulted in an increase in the provision of £400k (item 10, Appendix 4).
- 3.33 The HRA Capital Improvement Programme covers 3 major areas, these are
- Capital projects i.e. kitchens & bathrooms, insulation improvements etc.
 - Planned maintenance programme i.e. fencing, paths, electrical maintenance, heating etc.
 - Regeneration & acquisition / new build programme.
- 3.34 The capital projects and planned maintenance programme has been increased by £810k to £16.802m (item 1, Appendix 5). This reflects additional funding to address some of the items identified in the latest stock condition survey and will provide approximately 530 kitchens and 200 bathrooms as part of the on-going maintenance programme. The additional funding provided by the extra 0.5% increase will be to increase overall investment, including that in sheltered housing.
- 3.35 Currently the Right to Buy legislation has resulted in an increase in the number of properties being sold. However, due to current economic conditions and the changes in the discounts, the net receipt to the Council has reduced. It is anticipated that there will be an additional receipt available for investment under the Governments new Right to Buy mechanism of circa £0.5m per annum, although this is ring-fenced to new build, and/or acquisition of properties and must be match funded by the HRA.
-

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No.463976, or Email psmith2@swindon.gov.uk.

Housing Revenue Account (HRA) - Rents and Charges 2014/15

Cabinet

Date: 5th February 2014

-
- 3.36 It is proposed to provide an additional £1m, on top of that budgeted for in 2013/14, to enable the purchase of 1 & 2 bedroom properties within the HRA estate areas, (item 2, Appendix 5). This will provide options for those tenants who need to downsize due to the introduction of the Welfare Reforms.
- 3.37 Any other new build and major regeneration programmes will be brought to Cabinet for separate approval and will take account of the Draft Housing Strategy 2015-25 which is planned to be brought to Cabinet in July 2014. Regeneration and new build opportunities can take advantage of the borrowing headroom available to the HRA.
- 3.38 A draft 3 year capital programme is attached at Appendix 6. The purpose of recommending a 3 year programme rather than the usual 1 year is to enable better forward planning and provide certainty. Any future decisions around rent increases will increase the base amount available. It is recommended that the indicative level of spend outlined in Appendix 6 be approved.
- 3.39 The proposals contained in this report will produce a balanced HRA budget in 2014/15.

General Fund Rents and Service Charges

- 3.40 It has been agreed in previous year that the rent increases for the residential properties owned by the General Fund (including the David Murray John Tower - DMJ) would follow the same rent setting approach as used for HRA properties. Appendix 7 shows the proposed service charges for the DMJ and Christopher House (Flats over the shops at Marlowe Avenue) and it is recommended that these be approved.

Hay Lane Residential Gypsy Site

- 3.41 There are 37 plots at Hay Lane and a rent of £47.00 per week was charged in 2013/14. It is proposed to increase this charge for 2014/15 in line with other general fund properties to £48.74 per week, an increase of 3.7%.
- 3.42 Workpens at Hay Lane vary in size and each has a separate charge. It is proposed that the charges are increased by 3.7% for 2014/15 and it is therefore recommended that charges for Hay Lane outlined at Appendix 7 be approved.
- 3.43 The Council does not charge for its transit Gypsy and Traveller site so as to encourage illegal encampments to move on. No change to this is proposed.

Homelessness Contributions

- 3.44 The level of homelessness contributions for private accommodation are linked to the Local Housing Allowance that is payable for each size of property. The details of these charges are shown on Appendix 7 but should be noted that these

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No.463976, or Email psmith2@swindon.gov.uk.

Housing Revenue Account (HRA) - Rents and Charges 2014/15

Cabinet

Date: 5th February 2014

charges are subject to any changes to Local Housing Allowances made by Government.

4. Alternative Options

- 4.1 The setting of local authority rent guidance is based on a formula provided by Central Government, although the Council has the ability to set the rents at any level it decides. It does however need to be mindful of its duty as a landlord to provide and maintain a decent standard of accommodation for its tenants and for future generations in need of affordable housing.
- 4.2 The Council has chosen to use a level of rent increase that is lower than that suggested by the formula. However this will still enable the properties to be maintained at the decent homes standard and make some headway to the recommended programme of works as shown at paragraph 3.11, such as sheltered housing improvements and extending the kitchen and bathroom programmes.
- 4.3 The Council could choose a much higher rent than that given under the formula; this could cause severe financial hardship for some of our poorest tenants.
- 4.4 Alternatively the Council could set a much lower rent increase; this would have a direct effect on the ability of the HRA to maintain its properties to the decent homes standard. Any reduction in rent increase would need to coincide with a simultaneous reduction in costs and this would reduce the service provided to tenants.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

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

Legal and Human Rights Implications

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

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

- 5.3 There are no such direct implications.

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No.463976, or Email psmith2@swindon.gov.uk.

Housing Revenue Account (HRA) - Rents and Charges 2014/15

Cabinet

Date: 5th February 2014

Diversity Impact Assessment

- 5.4 A thorough Diversity Impact Assessment was carried out in support of the HRA report in 2012. This has been updated annually to reflect the changes in rents and identified no adverse impact for any protected characteristic.
- 5.5 Setting of local authority rents is largely determined by Government formula. Any significant departure from the recommendation will not be in the best interests of tenants. Significant changes would constitute an adverse impact as the Council is proposing increases in charges that relate to Government guidelines. Tenants who are eligible for Housing benefit will continue to be able to claim their full entitlement under the national scheme, and support to enable them to do this is provided both by housing officers and benefits advisers. Housing staff are aware that a large proportion of Council tenants are on low incomes and that these increases in charges could cause hardship in some cases. Any tenants who feel that proposed increases in housing and support costs will cause them hardship will be able to seek advice from Tenancy Sustainment Officers and their local Neighbourhood Housing Officers as well as from the Citizens Advice Bureau.
- 5.6 Information regarding Housing Benefit and the support available from Housing will be provided to all tenants when they receive notification of new rents for 2014/15. Tenants who fall into rent arrears will be managed according the Council's Rent Arrears Policy for which a Diversity Impact Assessment has also been completed.
- 5.7 The additional funding that will be provided by the higher rent increases will be of direct benefit to all tenants as it will ensure that the housing stock is maintained in both the short and long term. This will promote the corporate priorities of
- "Work with residents to create well cared for neighbourhoods" and*
- "Together, find new ways to reduce vulnerability and improve health for all"*

6. Consultees

- 6.1 The Board Director, Resources (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

7. Background Papers and Appendices

- 7.1 Appendix 1 – Proposed HRA Budget Overview 2014/15.
- Appendix 2 – Service charges for 2014/15
- Appendix 3 – Leaseholder charges for 2014/15
- Appendix 4 – Detailed HRA Budget 2014/15

Further information on the subject of this report can be obtained from Paul Smith on Direct Dial No.463976, or Email psmith2@swindon.gov.uk.

Housing Revenue Account (HRA) - Rents and Charges 2014/15

Cabinet

Date: 5th February 2014

Appendix 5 – Proposed HRA Capital Budget 2014/15

Appendix 6 – Proposed HRA 3 year Capital Programme

Appendix 7 – Proposed HGF Rents & Service Charges 2014/15

8. Key Decision/Decision in Forward Plan

- 8.1 This is not a key decision to be made by Cabinet because the final decision on setting Housing Revenue Account rents and charges for 2014/15 and approving the HRA budget for 2014/15 are to be made by full Council on 24th February 2014. At this meeting, Council will also be asked to approve the General Fund rents and charges for the David Murray John Tower, the Hay Lane Residential Gypsy Site and homelessness contributions.
- 8.2 This item is included in the Cabinet Work Programme and Forward Plan for February 2014.

Appendix 1 – Overview of HRA Revenue Budget

	2013/14 Budget	2014/15 Proposed Budget
	£	£
Expenditure		
Management (staff, overheads and service charge costs)	11,929,600	11,907,100
Repairs (incl. staff costs)	10,021,100	10,145,900
Rent, Rates and Taxes	75,000	76,000
Debt Management fees and Debt Rescheduling Premium	189,300	60,000
Gross Expenditure	22,215,000	22,189,000
Income		
Rents	(41,537,700)	(43,031,200)
Voids and Bad debt	1,478,300	1,871,400
Service Charges	(3,767,500)	(4,099,000)
Other Income (garages, commercial property, Homeline)	(3,858,600)	(3,294,700)
Gross Income	(47,685,500)	(48,553,500)
Net Cost of Services	(25,470,500)	(26,364,500)
Net Interest costs (after interest receivable has been deducted)	4,725,300	4,561,700
Projected (surplus) / deficit for the year	(20,745,200)	(21,802,800)
Use of operating Surplus with £5m Loan Repayment		
Contribution to capital expenditure and loan repayment	5,000,000	5,000,000
Depreciation Charges = transfer to Major Repairs Reserve to fund capital	11,142,300	14,400,000
Revenue Surplus used in Capital Programme (RCCO)	4,602,900	2,402,800
Use of Operating Surplus	20,745,200	21,802,800

Appendix 2 – Service charges for 2014/15

	Current Charge 2013/14 £	Proposed Charge 2014/15 £
<u>Flats (Communal entrance)</u>		
Service Charge - Staircase Lighting	0.83	0.64
Multi Storey service charge	13.92	14.35
Neighbourhood Wardens Low & medium rise blocks service charge	1.95	1.99
Neighbourhood Wardens General stock service charge	1.16	1.17
<u>Sheltered Housing</u>		
Sheltered service charge	22.46	24.87
Heating charge - private use	11.30	11.44
Heating charge - communal use	3.74	3.76
Water charge	3.46	3.61
Guest room charge	13.00	13.00
Guest flat charge	15.00	15.00
<u>Other</u>		
Cable TV charge	1.97	2.00
Communal TV aerials	1.06	1.10
Home contents insurance (per £100 of cover)	0.11	0.11
Grass Cutting	1.22	1.27
Hedge	1.22	1.27
<u>Support Charges</u>		
Sheltered housing support charge	6.19	3.10
Sheltered transitional protection	-1.67	-1.67
Homeline Charge	4.15	4.15
Homeline transitional protection	-0.30	-0.30
Homeline Charge - private tenants	5.57	5.57
Homeline Plus level 1	12.85	12.85
Homeline Plus level 2	14.30	14.30
Homeline Plus level 3	16.22	16.22

Current Charge 2013/14 £	Proposed Charge 2014/15 £
---	--

Garage / Parking Charges

Garage rent	7.51	7.51
Account Garage + VAT	8.30	8.30
Parking space	2.54	2.54
Cross over - existing tenants	2.13	2.21
Cross over - new tenants	4.17	4.32
Cross over - new build properties (2 spaces)	8.33	8.64
Account parking space + VAT	2.83	2.83
Premium Garage + VAT	9.60	9.96
Premium parking space + VAT	6.00	6.22

Supported Housing

Service Charge	36.25	37.59
Heating charge - private use	9.73	10.90
Heating charge - communal use	3.42	3.83
Water charge	5.42	5.80
Electricity	6.27	6.75

Small Housing Schemes

Service charge - Moredon Road	34.26	34.62
Service charge - William Robins Court - LD clients	26.09	27.02
Service charge - William Robins Court - General needs	14.12	11.25
Service charge - Baileys Farm Gardens - General needs	13.42	13.92
Service charge - Baileys Farm Gardens - General needs water	3.30	3.82
Service charge - Marlowe Avenue	23.17	24.03
Service charge - Twyford Close	8.62	8.63
Service charge - Evelyn House	20.96	21.74
Service charge - Tyndale Gardens	26.10	27.07
Service charge - Kimmerfield Court	22.21	23.03
Service charge - Kimmerfield Court - Private heating charge	8.00	8.40
Service charge - Kimmerfield Court - Communal heating charge	2.00	2.10

Appendix 3 - Leaseholder Charges

	Current Charge 2013/14 £	Proposed Charge 2014/15 £
Ground Rent - Annual Charge	10.00	10.00
Leaseholder management charge - all properties	143.68	149.00
Leaseholder management charge - properties with communal areas	172.06	178.43
Service Charge - Staircase Lighting adjusted to actual charge during annual review	40.31	43.55
Multi Storey service charge	599.59	627.24
Administration charge for dealing with the re-sale of leasehold interest		150.00

In addition leaseholder pay property insurance based on the insured value of their property and a contribution to any repairs carried out on their block of flats

Appendix 4 - Detailed HRA Budget 2014/15

Item		2013/14 Budget £	2014/15 Proposed Budget £
	<u>EXPENDITURE</u>		
1	S&M General	6,418,500	6,116,800
2	S&M Special	5,511,100	5,790,300
3	Repairs Administration	1,921,300	2,016,400
4	Contribution to Repairs Account	8,099,800	8,129,500
5	Rent, Rates & Taxes	75,000	76,000
	<u>Capital Financing</u>		
6	Capital Charges - depreciation council dwellings	11,142,300	14,400,000
7	Capital Charges - debt rescheduling premium	40,900	0
8	Revenue Contribution to Capital Outlay (RCCO) - Charged	4,602,900	2,402,800
9	Debt Management	148,400	60,000
10	Provision for Bad Debts	830,000	1,230,000
11	<u>TOTAL EXPENDITURE</u>	38,790,200	40,221,800
	<u>INCOME</u>		
	<u>Rent income</u>		
12	Dwellings	(41,537,700)	(43,031,200)
13	Less voids	648,300	641,400
14	Garages	(1,056,300)	(1,056,300)
15	Shops / Commercial	(172,300)	(172,300)
16	Support charges - Sheltered	(434,400)	(216,000)
17	Sheltered Housing Service Charges	(1,875,100)	(2,426,900)
18	Homeless Hostel Service Charge	(474,800)	(468,200)
		(44,902,300)	(46,729,500)
19	Miscellaneous Properties Rent	(911,000)	(95,000)
20	Service Charges - Flats	(78,400)	(78,400)
21	Sheltered Housing Heating Charges	(904,800)	(909,500)
22	Homeline	(717,100)	(861,300)
23	Other Service Charges / Other income	(1,001,900)	(1,109,800)
		(3,613,200)	(3,054,000)
24	<u>TOTAL INCOME</u>	(48,515,500)	(49,783,500)
25	<u>NET COST OF SERVICES</u>	(9,725,300)	(9,561,700)
26	Loan Charges - Interest	4,829,300	4,665,700
27	Interest on balances (interest receivable)	(104,000)	(104,000)
28	Right to buy mortgage interest (interest receivable)		
29	<u>NET OPERATING EXPENDITURE</u>	(5,000,000)	(5,000,000)
30	Loan repayments	5,000,000	5,000,000
31	<u>PROJECTED (SURPLUS) / DEFECIT FOR THE YEAR</u>	0	0

Appendix 5 - Proposed HRA Capital Budget 2014/15

<u>Item</u>		2013/14 Budget	2014/15 Proposed Budget
		£	£
	<u>HRA Capital Schemes</u>		
1	Capital Projects and Planned Maintenance Programme Slippage from 2012/13 Programme	15,992,000 3,807,625	16,802,800
2	Regeneration and Acquisition Programme	11,960,839	1,000,000
3	Non-Core Works:	1,050,000	0
4	Total Capital Programme	32,810,464	17,802,800
	<u>HRA Capital Funding</u>		
5	Depreciation - transfer to MRR to fund capital	11,142,300	14,400,000
6	S106 Funding	1,200,000	
7	Direct Revenue Financing	4,602,900	2,402,800
8	In year resources available	16,945,200	16,802,800
	<u>HRA Capital Reserves</u>		
9	Usable Capital Receipts		
10	Prudential Borrowing		
11	HRA Capital Reserves - Unallocated	1,881,374	881,374
	HRA Capital Reserves - Allocated to existing Programmes	15,865,264	16,865,264
		17,746,638	17,746,638
12	Total HRA Capital Funding	34,691,838	34,549,438
13	Surplus (Deficit) in Funding	1,881,374	16,746,638
14	<u>Revenue</u>		
15	Repairs Budget	10,021,100	10,145,900
15	Total Revenue and Capital Repairs	30,870,725	26,948,700

Appendix 6 - Proposed 3 year Capital Programme

		2013/14	2014/15	2015/16	2016/17
	Element	£ 000's	£ 000's	£ 000's	£ 000's
1	Planned maintenance	2,200	2,200	2,200	2,200
2	Roofs	1,287	1,285	1,285	1,285
3	Windows	445	625	625	625
4	External / entrance doors	580	780	680	680
5	Central heating	2,635	2,335	2,335	2,335
6	Electrics	1,483	1,260	760	760
7	Kitchens	2,692	3,273	3,273	3,248
8	Bathrooms	589	740	740	740
9	External walls	90	90	90	90
10	Environmental & communal areas	184	190	190	190
11	related assets	265	285	285	285
12	Preliminaries	64	0	0	0
13	Contingent major repairs	1,525	1,075	1,075	1,075
14	Exceptional extensive	880	1,290	1,890	1,915
15	Improvements	513	515	515	515
16	Major aids & adaptations	500	800	800	800
17	Environmental improvements	60	60	60	60
	TOTAL:	15,992	16,803	16,803	16,803

All budgets are shown in 2014/15 prices.

Appendix 7 - Proposed HGF Rents & Service Charges **2014/15**

	Current Charge 2013/14 £	Proposed Charge 2014/15 £
<u>Hay Lane Caravan Site</u>		
Caravan Site Pitch Rent	47.00	48.74
Caravan Site Workpen Rent Size 1	4.00	4.15
Caravan Site Workpen Rent Size 2	8.00	8.30
Caravan Site Workpen Rent Size 3	10.00	10.37
Caravan Site Workpen Rent Size 4	12.00	12.44
<u>Christopher House, Marlowe Avenue</u>		
Service Charge	18.66	19.35
<u>David Murray John Building</u>		
Heating charge - 1 bed property	11.17	11.17
Heating charge - 2 bed property	13.14	13.14
Service charge - 1 bed property	26.13	26.13
Service charge - 2 bed property	30.74	30.74
<u>PSL rents</u>		
1 Bed	148.28	148.28
2 Bed	169.04	169.04
3 Bed	195.00	195.00
4 Bed	200.00	200.00

These charges are subject to any changes to Local Housing Allowances made by Government

COUNCIL

MONDAY, 24 FEBRUARY 2014

MINUTE FOR CONFIRMATION

CABINET

WEDNESDAY, 5 FEBRUARY 2014

**88. Housing Revenue Account - Rents and Charges 2014/15
(Minute for Confirmation)**

The Cabinet Member for Public Protection, Housing and Streetsmart (Delivery), and the Board Director, Service Delivery submitted a joint report concerning the proposed budget for the Housing Revenue Account (HRA) for 2014/15, including proposals for rents, service charges and support charges for 2014/15.

Councillor Richard Hurley, Cabinet Member for Public Protection, Housing and Streetsmart (Delivery), presented the report and explained how the report set out the context and background to the proposed Housing Revenue Account Budget for 2014/15, and the reasons for the proposed changes in the levels of rents and services charges. He explained how the likely underspend on the HRA this Financial Year would be used to mitigate damage to tenants' homes and estate infrastructure resulting from the recent adverse weather.

The Head of Housing Services referred to the outcome of the consultation that had taken place with tenants groups, the Housing Advisory Forum and other stakeholders on the proposals for the HRA and rents and charges.

Councillor Des Moffatt referred to the Labour Group's view on the proposed HRA Budget and on what it believed was a more appropriate level of increase for Council rents.

Councillor Russell Holland, Cabinet Member for Finance, referred to the financing of the HRA and on how the level of Council rent affected the amount that the Council had available to invest in improvements to the Housing stock and tenants' homes. He commented on the position of Housing Debt and the effect of this for investment in Swindon's Housing stock. He advised that those tenants in receipt of Benefits would have any increase met through an increased Benefit payment.

Councillor Hurley explained the reasons why he supported the recommended increases in rents and service charges. He reiterated the importance for tenants of the Council seeking to invest in the Council's housing stock. He believed the proposed recommendations offered the best outcomes for both the Council and its tenants.

Resolved – That, subject to the confirmation of the Council –

- The proposed average rent for Housing Revenue Account (HRA)

dwelling for 2014/15 of £79.23 per week (52 week basis), which is an increase of 3.7%, be approved. (This will be an average increase of £2.82 per week (52 week basis) and the range of increases is set out in paragraph 3.12 of the joint report.

- The Board Director, Service Delivery seek authority from the Secretary of State to extend the permission for the use of the Housing Revenue Account for payments to the Council's tenants under the Discretionary Housing Payments scheme, to enable any underspend on the 2013/14 budget of £420,000 to be used in 2014/15, as detailed at paragraphs 3.17 of the joint report.
- The housing related support charges for 2014/15 and service charges for 2014/15, as outlined in Appendix 2 of the joint report of the Cabinet Member for Public Protection, Housing and Streetsmart (Delivery), and the Board Director, Service Delivery, be approved.
- Leaseholder service charges set for 2014/15 as shown in Appendix 3 of the joint report, be approved.
- Based on the proposals set out within the joint report the Housing Revenue Account (HRA) proposed budget for 2014/15, as shown in Appendix 4 to the joint report, be approved and that the HRA Repairs Budget and Funding be approved as shown in Appendix 5 to the joint report.
- The draft Three-year capital projects and planned maintenance programme be approved at an indicative funding level of £16.8m (2014/15 prices) per annum for each of the years 2014/15 through to 2016/17 as set out in Appendix 6 to the joint report.
- Rents charged on General Fund properties be on the same basis as HRA properties resulting in an average increase of 3.7% and the rents and charges for the David Murray John Apartments, as shown in Appendix 7 to the joint report, be approved.
- Rents charged for plots at the Hay Lane Residential Gypsy Site be increased by £1.74 per week (3.7%) to £48.74 per week (52 week basis) and the rents for work-pens (small lock-ups), as shown in Appendix 7 to the joint report, be approved.
- The charges for Private Sector Leased (PSL) accommodation for those accepted as homeless, as outlined in Appendix 7 to the joint report, be approved.
- Any underspend on the 2013/14 Housing Revenue Account be earmarked to fund additional works resulting from the abnormal amount of rainfall, commencing as soon as possible.

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

Pay Policy Statement

Council

Date: 23 February 2014

Author:	Cabinet Member for Customer Support and Corporate Services and Head of People and Development
Wards:	All
Locality Affected:	All
Parishes Affected:	All

1. Purpose and Reasons

- 1.1 The Localism Act 2011 requires local authorities to agree and publish a Pay Policy Statement by 1st April each year. This report sets out the Council's Pay Policy Statement 2014/15 for approval by Council.
- 1.2 The report was endorsed by Cabinet at its meeting of 5 February 2014.

2. Recommendations

Council is recommended to:

- 2.1 Approve the updated Council's Pay Policy Statement for 2014/15, as set out in Appendix 1 to the report.

3. Detail

- 3.1 Section 38 of the Localism Act 2011 placed a requirement on local authorities to prepare a pay policy statement for each new financial year. The Pay Policy Statement for 2013/14 has been updated for 2014/15 and must be approved by the full Council before the 31st March 2014. It must be published as soon as is reasonably practicable after approval and this must include publication on the authority's website. The Statement must set out the Council's policies relating to the:
 - 3.1.1 Remuneration of its Chief Officers,
 - 3.1.2 Remuneration of its lowest paid employees,
 - 3.1.3 The relationship between the remuneration of its Chief Officers and the remuneration of its employees who are not Chief Officers, and
 - 3.1.4 The Pay Policy Statement does not cover or include school staff and is not required to do so.
- 3.2 Each Council is an individual employer in its own right and has the autonomy to make decisions on pay that are appropriate to local circumstances and which deliver value money for local taxpayers. The provisions of the Localism Act do not seek to change this or determine what decisions on pay should be taken.

Further information on the subject of this report can be obtained from Nicola Houwayek, Head of People & Development, 07824 550456, nhouwayek@swindon.gov.uk.

Pay Policy Statement

Council

Date: 23 February 2014

They do however require councils to be open about their policies in relation to pay and how decisions are made.

- 3.3 The proposed Swindon Statement has been put together taking into account the relevant sections within Chapter 8 “Pay Accountability” of the Localism Act 2011. In its development, consideration has also been given to the guidance produced by the Department for Communities and Local Government - *Openness and Accountability in Local Pay* (February 2012) - guidance under Section 40 of the Localism Act” and the Code of Recommended Practice for Local Authorities on Data Transparency.
- 3.4 The statement is broadly the same as that published for 2013/14, with the following changes and updates having been made:
- 3.4.1 Page 3: Structure Overview – this section gives an overview of the structure of the organisation. Some senior accountabilities and reporting lines are currently being reviewed and, as a result, this section may need to be updated before publication in April.
- 3.4.2 Pages 6 and 7: The pay figures shown are those for April 2013 and will be updated as at 1st April 2014, to reflect the actual figures at that time. Please note that ratios are not expected to significantly change from those in 2013/14, although there will be some impact due to the transfer in of staff from Swindon Commercial Services Ltd.
- 3.4.3 Page 8: Living Wage - a short statement has been included about our current position on the Living Wage.
- 3.4.4 Page 12: Auto-enrolment – information now included on auto-enrolment.
- 3.4.5 Page 13: Information has been included on the changes due to the Local Government Pension Scheme (LGPS) from 1 April 2014. This includes a table of pension contribution bands.
- 3.5 The proposed Pay Policy Statement 2014-15 is attached as **Appendix A**. The Statement sets out the Council’s policies in relation to the pay of its workforce, particularly its Chief Officers.
- 3.6 The Statement aims to ensure the Council’s approach to pay and reward attracts and retains a high performing workforce whilst ensuring value for money. The Council has previously published information on pay as part of its responsibilities under the Code of Practice for Local Authorities on Data Transparency.
- 3.7 The Council is required to approve the Statement before 31st March each year and as soon as possible publish it on its website demonstrating an open and transparent approach to pay policy. The Statement may be amended by resolution of full Council during the year to which it relates.
-

Further information on the subject of this report can be obtained from Nicola Houwayek, Head of People & Development, 07824 550456, nhouwayek@swindon.gov.uk.

Pay Policy Statement

Council

Date: 23 February 2014

- 3.8 The Pay Policy Statement references a number of existing policies and other information that will be linked to the statement on the internet. These links will be made available as soon as the statement is made available on the internet in April. The majority of these are already available to Members and staff via the intranet.

4. Alternative Options

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

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

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

Legal and Human Rights Implications

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

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

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

Links to One Swindon, Strategic Objectives, Plans and Policies

- 5.3 The Council's policies in respect of pay and terms and conditions support the Council's strategic objectives as part of ensuring that services to the community can be delivered to the required standards and with due regard to economy, efficiency and effectiveness.

Diversity Impact Assessment (DIA)

- 5.4 The Pay Policy Statement is not a policy in its own right but brings together and references existing policies. All these existing policies have all been through the DIA process. A separate DIA of the statement has been undertaken which does not identify any adverse impact.

Risk Management

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

Further information on the subject of this report can be obtained from Nicola Houwayek, Head of People & Development, 07824 550456, nhouwayek@swindon.gov.uk.

Pay Policy Statement

Council

Date: 23 February 2014

6. Consultees

- 6.1 The Board Director Finance, Revenues, Benefits and Property (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports. The Pay Policy Statement has been consulted on with the trade unions

7. Background Papers

- 7.1 None

8. Appendices

- 8.1 Appendix A - Pay Policy Statement

9. Key Decision/Decision in Forward Plan

- 9.1

COUNCIL

MONDAY, 24 FEBRUARY 2014

MINUTES FOR CONFIRMATION

CABINET

WEDNESDAY, 5 FEBRUARY 2014

90. Pay Policy Statement (Minute for Confirmation)

The Cabinet Member for Customer Support and Corporate Services, and the Head of People and Development submitted a joint report concerning the proposed Swindon Borough Council Pay Policy Statement for 2014/15.

Councillor Claire Ellis, Cabinet Member for Customer Support and Corporate Services, explained that the Council was required under Section 38 of the Localism Act 2011 to agree and publish a Pay Policy Statement by 1st April each year. This was the Council's third Pay Policy Statement and was put forward for consideration prior to its submission to the Council for approval.

Councillor Kevin Small, Chair of the Scrutiny Committee, advised that the national Joint Negotiating Committee (JNC) for Youth and Community had confirmed a 1% pay increase for effected local government staff earlier in the week.

The Chair thanked Councillor Small for this information, which would be taken into account in the preparation of the final Statement.

Resolved – That the Council's proposed Pay Policy Statement for 2014/15, as set out in Appendix 1 to the joint report, be endorsed and submitted to the Council for approval.

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

This page is intentionally left blank

COUNCIL

MONDAY, 24 FEBRUARY 2014

MINUTES FOR CONFIRMATION

CABINET

WEDNESDAY, 5 FEBRUARY 2014

**91. Bringing Empty Shops Back Into Use - Motion at Council
(Minute for Confirmation)**

The Cabinet Member for the Economy, Regeneration and Culture and the Board Director Commissioning submitted a joint report setting out activities being undertaken to develop the economic performance of Swindon Town Centre and responding to issues highlighted in a Motion to the Council on 11th April 2013.

Councillor Garry Perkins, Cabinet Member for the Economy, Regeneration and Culture, referred to the various initiatives that were underway to promote and deliver economic development opportunities and to improve the Swindon Town Centre “offer” to residents, visitors and businesses. He explained some of the difficulties associated with “pop-up shops” as highlighted by the experience of some other local authorities and, in particular, the problem of sustaining new “pop-up” businesses in the longer term.

Councillor Perkins highlighted the success of Swindon Town Centre and the Brunel Centre, in particular, in minimising the number of empty shop units despite the impact of the recession and commented on the recent data indicating an increase in Town Centre “footfall” that was above the national average. He referred to recent comments by the Planning Inspectorate regarding the strength of retail provision in Swindon Town Centre, and explained the work being undertaken by inSwindon to promote themed Town Centre markets to encourage visitors to the area and the wider benefits that this would bring.

Resolved – (1) That inSwindon’s plans to develop a range of themed markets to assist the local economy and improve the experience of residents when shopping in Swindon’s Town Centre be noted and endorsed.

(2) That the Council be recommended to note the contents of the joint report in response to the Motion at Council on 11th April, 2013.

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

This page is intentionally left blank

Bringing Empty Shops Back Into Use - Motion at Council

Cabinet

Date: 5th February 2014

Author: Cabinet Member for the Economy, Regeneration and Culture
Board Director Commissioning (DCS/DASS)

Wards: Central

Locality Affected: Town Centre

Parishes Affected: None

1. Purpose and Reasons

- 1.1 The report informs members of the Cabinet about activities to develop the economic performance of Swindon Town Centre (the town centre).
- 1.2 This report is in response to the Motion at Council from the 11th April 2013 (Minute 126 2012/13 refers)
- 1.3 The contents of the report relate to the One Swindon priority, "We can all benefit from a growing economy and a revitalised town centre" and the objective of the Corporate Strategy "Right skills, right jobs, right place".

2. Recommendations

Cabinet is recommended to:

- 2.1 Endorse inSwindon's plans to develop a range of themed markets to assist the local economy and improve the experience of residents when shopping in Swindon's town centre.
- 2.2 Request that the Council note the contents of this report in response to the Motion at Council on 11th April, 2013.

3. Detail

- 3.1 The Motion agreed by the Council on 11th April 2013 stated:

"That this Council notes that in large towns and cities such as Brighton, Pop Up Shops have brought empty shops back to life, have enabled new businesses to grow and have assisted young retail entrepreneurs onto the high street."

This Council notes the work already undertaken by the Cabinet Member for Regeneration and Culture, the North Swindon MP Justin Tomlinson, Forward Swindon Ltd and InSwindon to find sustainable as well short-term uses for properties in the town centre, including funding from Mary Portas Project and the Coalition Government.

Council requests the Chief Executive and the Cabinet Member for Regeneration and Culture to provide a report to Cabinet on the continuing work that InSwindon,

Further information on the subject of this report can be obtained from Paddy Bradley, 01793 463201, pbradley@swindon.gov.uk.

Bringing Empty Shops Back Into Use - Motion at Council

Cabinet

Date: 5th February 2014

in collaboration with Swindon Borough Council, have been pursuing with the shop owners to ensure empty premises are brought back into use.”

- 3.2 There is a wide range of work underway to open up economic development opportunities and to improve the town centre “offer” to residents, visitors and businesses.
- 3.3 Swindon Borough Council has set a priority within its Economic Strategy, agreed by the Council in January 2013, to revitalise the town centre (Council Minute 93 2012/13 refers).
- 3.4 The implementation of this priority is set within the framework of the master plan for the town centre, procured by Forward Swindon Ltd., which enables a coherent programme of development to come forward.
- 3.5 Current projects that Swindon Borough Council is supporting include the extensive developments at Kimmerfields, North Star and Regents’ Circus, which together encompass more than £450m of private sector investment in the town centre.
- 3.6 In December 2013, Cabinet agreed to develop a new museum and art gallery in the town centre, which will not only aim to house the Borough’s important historical artefacts and nationally recognised collection of paintings and ceramics, but will also create jobs and commercial opportunities (Cabinet Minute 67, 2013/14 refers). This initiative has emerged from the master planning process with keen support from a range of partners.
- 3.7 Swindon Borough Council is leading developments to enhance the cleanliness of the town centre and improve the management of the environment around Fleet Street and Bridge Street.
- 3.8 The Council is working with a range of partners to improve the town centre offer. The Council is a key investor in the operating company for the Swindon Business Improvement District (BID), inSwindon, which has been operating since 1st April 2007. The activity of inSwindon BID Company Ltd is crucial to the success of Swindon’s town centre and its work is largely under three headings:
 - 3.8.1 **Marketing** – to develop and improve on current marketing products in order to ensure the image and profile of the town centre is well regarded (www.swindontowncentre.co.uk).
 - 3.8.2 **Events** – to develop and enhance activity in the town centre through partnerships with community groups and sponsors. These include, for example, the Christmas campaign, which includes the Christmas Light Switch on Event and the Festive Market. More recently, inSwindon has introduced a weekly Farmers’ Market in Havelock Square.

Further information on the subject of this report can be obtained from Paddy Bradley, 01793 463201, pbradley@swindon.gov.uk.

Bringing Empty Shops Back Into Use - Motion at Council

Cabinet

Date: 5th February 2014

- 3.8.3 **Projects** – these have at their heart the aim to provide quality tangible benefits to the BID Company investors in the form of cost savings. Such benefits include the Swindon Town Centre Loyalty card, trade improvement, and distribution of information as well as inSwindon's responsibility to address the safety, security, and cleanliness of the town centre. The inSwindon Street Ambassadors help to reduce problems such as crime and theft, street drinking, begging and rough sleepers through liaison with businesses and Wiltshire Police. This work is further strengthened by the project sponsored by the One Swindon Board to increase collaboration between One Swindon partners in order to improve the experience, particularly in the evening, of residents and visitors by co-ordinating groups that monitor the behaviour of young people and adults in and around the town centre.
- 3.9 inSwindon has established a town team to revitalise retail opportunities, working with, the Member of Parliament for North Swindon, Justin Tomlinson, GWE Business West and Forward Swindon Ltd. through the use a grant of £10,000 as part of the extended work of the Mary Portas Town Centre Pilots. The main drive to revitalise the town centre retail offer will come from the promotion of themed markets. These include the Farmers' Market, the Festive Christmas Market, but also other markets relating to different types of foods. In addition, inSwindon is developing the concept of a Teenage Market. The concept of the Teenage Market aims to support Swindon's young people by providing them with a platform to be entrepreneurial, try out a new business idea and sell creative products. In addition to the retail opportunities, the idea of a Teenage Market would also include a performance element, providing a free platform for local performers and large community groups to showcase their skills and talents.
- 3.10 Street markets have been part of the town centres in the UK for many years. In the past they tended to be very local affairs but the last decade has seen a growth in specialist markets such as Continental, German and Food Markets that offer a more specialised experience. Street markets can bring benefits to the town centre. They offer an alternative shopping experience; a place for social interaction; provide an attraction for tourists and can make a contribution to the local economy.
- 3.11 The objectives of a strategy to develop street markets are to:
- 3.11.1 support the local economy;
 - 3.11.2 enhance the shopping experience;
 - 3.11.3 provide an additional attraction to encourage more shoppers to Swindon Town Centre;
 - 3.11.4 encourage local producers and businesses; and
-

Further information on the subject of this report can be obtained from Paddy Bradley, 01793 463201, pbradley@swindon.gov.uk.

Bringing Empty Shops Back Into Use - Motion at Council

Cabinet

Date: 5th February 2014

3.11.5 add vibrancy to the town centre.

- 3.12 Swindon Borough Council has supported the development of a form of Pop-Up shops, such as Artsite, but this is a long-term commitment to cultural activities in Swindon, rather than a short-term commercial opportunity. inSwindon has looked at the way Pop-Up Shops have developed in places such as Brighton. Spaces which could become Pop-Up Shops are rarely comparable, with each site in each town subject to its own variations in rent, rates and services; fit out and refurbishment requirements; natural footfall; and location within the town.
- 3.13 Existing tenants and owners also do not see the longer-term benefits of Pop-Up Shops and, in particular, do have concerns about potential differences in approaches taken by the Council in relation to business rates and, in some cases, rents. As a result, the use of Pop-Up Shops is not the main strategy for improving the town centre retail offer. Currently, the number of empty shops in the town centre is declining to 15.8% in January 2014, compared with 21.3% in February 2013.

4. Alternative Options

- 4.1 inSwindon and the Town Team could develop a different range of activities to support an improvement in the retail offer in the town centre.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 Funding for improvements is covered by existing budgets in addition to the grant awarded by central government as part of the Mary Portas Town Centre Programme.

Legal and Human Rights Implications

- 5.2 All legal and human rights implications have been taken into account in preparing this report. It is considered that the report's recommendations are compatible with Convention Rights.

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

- 5.3 There are no immediate implications for staff although, through inSwindon and Council, officer priorities, roles and capacity will be reviewed on an on-going basis.

Diversity Impact Assessment

- 5.4 A Diversity Impact Assessment (DIA) has not been undertaken at present, as this report does not recommend any service changes. However, as this report

Further information on the subject of this report can be obtained from Paddy Bradley, 01793 463201, pbradley@swindon.gov.uk.

Bringing Empty Shops Back Into Use - Motion at Council

Cabinet

Date: 5th February 2014

involves work to develop business opportunities in the town centre led by inSwindon, a DIA will be undertaken as part of the development of the proposed projects.

Risk Management

- 5.5 No risk management issues have been identified at this stage, any risk management issues will be identified at the appropriate time.

6. Consultees

- 6.1 The Board Director, Resources (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 None.

9. Key Decision/Decision in Forward Plan

- 9.1 This is not a Key Decision and is included in the Cabinet Work Programme / Forward Plan for December 2013.

This page is intentionally left blank