

# Swindon Borough Council

## Cabinet

**Wednesday, 4 February 2015**

Committee Room 6, Civic Offices  
(Anticipated meeting room)

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

### **Conservative Councillors**

David Renard (Chair)  
Brian Mattock (Vice-Chair)  
Russell Holland  
Emma Faramarzi  
Brian Ford  
Fionuala Foley  
Dale Heenan  
Richard Hurley  
Garry Perkins  
Keith Williams

**Committee Officer:** Ian Willcox (Telephone 01793 463601)  
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Swindon, SN1 2JH (Telephone 01793 445500)

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

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## **AGENDA**

### **NOTE:**

**A Cabinet Open Forum is held at 6:00 p.m. prior to the start of each scheduled Cabinet Meeting. The Open Forum is similar to the 'public question time' that happens at most Council meetings but without the need for questions. It provides the chance to meet with Cabinet Members as well as Board Directors and Directors to discuss matters relevant to the Cabinet and its responsibilities. It provides an opportunity to raise issues and give views. The Forum will normally close at 6.30 pm and the Cabinet will then reconvene for the start of the formal Cabinet meeting. If the Open Forum completes its business earlier than anticipated then the Cabinet Meeting will commence at**

## **6:15pm or at the Forum's conclusion.**

### **1. Apologies for Absence.**

### **2. Declarations of Interest.**

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

### **3. Minutes.** (Pages 5 - 12)

To receive the minutes of the meeting held on 10<sup>th</sup> December 2014.

### **4. Public Question Time.**

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

### **5. Budget 2015/16 and Beyond.** BDR (CM: RH) (Pages 13 - 74)

Appendix 6 – Minutes of Consultation Meeting with Business Ratepayers on 28th January 2015. Copies of this Appendix will be available at the Cabinet Meeting.

### **6. Capital Programme 2015/16 to 2017/18.** BDR (CM: RH) (Pages 75 - 94)

### **7. Treasury Strategy Statement 2015/16.** BDR (CM: RH) (Pages 95 - 122)

### **8. Housing Revenue Account - Rents and Charges 2015/16.** BDSD (CM: EF) (Pages 123 - 144)

### **9. Strategy to Prevent Child Sexual Exploitation.** HCSCCH&FS (CM: FF) (Pages 145 - 162)

### **10. Swindon Pay Policy Statement.** HPD (CM: KW) (Pages 163 - 182)

### **11. Sussex Square and the Affordable Development Programme.** HHM&CS (CM: EF) **All Wards** (Pages 183 - 192)

### **12. Anti-Social Behaviour Crime and Policing Act 2014.** HHM&CS (CM: EF) (Pages 193 - 198)

### **13. Motion at Council - Use of Police Community Support Officers in Supporting Council Parking Enforcement.** HHT (CM: DH / EF) (Pages 199 - 206)

### **14. Consultation on Proposals for a Combined Fire and Rescue Service** DLDS (CM: DR) (Pages 207 - 224)

**Date of Despatch:** 27 January 2015

#### **Key:**

#### **Officers:**

CE	-	Chief Executive
BDC	-	Board Director Commissioning (DCS/ DASS)
BDSD	-	Board Director Service Delivery
BDR	-	Board Director Resources (Section 151 Officer)
DPH	-	Director of Public Health
DLDS	-	Director of Law and Democratic Services (Monitoring Officer)
HHT	-	Head of Highways and Transport

HHM&CS	-	Head of Housing Management and Community Safety
HCSCCH&FS	-	Head of Children's Social Care, Community Health and Family Services
HPD	-	Head of People and Development

**Cabinet Members Responsible for the Service Area concerned:**

DR	-	David Renard	Leader of the Council and Chair of Cabinet
BM	-	Brian Mattock	Deputy Leader of the Council, Vice-Chair of Cabinet, Cabinet Member for Health and Adult Social Care
EF	-	Emma Faramarzi	Cabinet Member for Housing and Public Safety
FF	-	Fionuala Foley	Cabinet Member for Children's Services
BF	-	Brian Ford	Cabinet Member for Streetsmart
DH	-	Dale Heenan	Cabinet Member for Strategic Planning, Sustainability and Transport
RH	-	Russell Holland	Cabinet Member for Finance
RHu	-	Richard Hurley	Cabinet Member for Communities and Volunteering
GP	-	Garry Perkins	Cabinet Member for the Economy, Regeneration and Skills
KW	-	Keith Williams	Cabinet Member for Corporate Services

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

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

(<http://ww5.swindon.gov.uk/moderngov/ecCatDisplay.aspx?sch=doc&cat=13338&path=0>) or from the Committee Officer named above.

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**CABINET**

**WEDNESDAY, 10 DECEMBER 2014**

PRESENT:- Councillors David Renard (Chair), Brian Mattock (Vice-Chair), Russell Holland, Emma Faramarzi, Brian Ford, Fionuala Foley, Dale Heenan, Richard Hurley, Garry Perkins and Keith Williams.

Councillor Jim Grant attended the meeting in respect of Minutes 50 and 53.  
Councillor Stan Pajak attended the meeting in respect of Minutes 50 and 52.  
Councillor Ann Richards attended the meeting in respect of Minute 54.

**47. Declarations of Interest**

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

**48. Minutes**

Resolved –That the minutes of the meeting held on 22<sup>nd</sup> October 2014 be confirmed and signed as a correct record.

**49. Public Question Time**

The following questions were asked in accordance with Standing Order 28 –

Questioner

Mr Richard Symonds, Shaw, Swindon

Questions

Mr Symonds asked questions concerning rumours of the proposed complete closure of “The Western Flyer”, the existing cycle and pedestrian route from West Swindon to Swindon Town Centre. He asked for clarity to be provided on (a) the proposed closure, (b) whether the Council was to provide a transport alternative for those either side of the closure and the cost of this, (c) why a complete closure was required, (d) the timing of the closure and why there had not been better co-ordination in view of the major road works taking place at Bruce Street/ Great Western Way.

Response

The Chair thanked Mr Symonds for his questions and comments. Councillor Dale Heenan, Cabinet Member for Strategic Planning, Sustainability and Transport, responded at the meeting and advised that a written response would be provided.

Questioner

Mr Roy Worman, Haydon View Community Association

Questions

Mr Worman asked questions regarding the report on “Cars Parking on Grass Verges” (Agenda Item 8) and on how residents, should the Council approve the proposal to allow them to convert verges to parking at their own expense, would be able to safeguard such parking areas from indiscriminate parking by others.

Response

The Chair thanked Mr Wormen for his question and comments. Councillor Garry Perkins, Cabinet Member for the Economy, Regeneration and Skills, responded at the meeting to the question and comments.

Questioner

Mr Tim French, Cassan Road, Swindon

Questions

Mr French asked a question regarding the future of funding support for the Independent Living organisation in Wiltshire and Swindon and the detrimental effect that the loss of funding would have for the services and advice provided by this user based organisation to people with disabilities in Swindon and across Wiltshire.

Response

The Chair thanked Mr French for his question and comments. Councillor Brian Mattock, Cabinet Member for Health and Adult Social Care, responded at the meeting to the question and comments.

**50. Budget Management 2014/15 and Draft Budget 2015/16**

The Cabinet Member for Finance and the Board Director, Resources submitted a joint report setting out (a) the current forecast out-turn position of the Council's Revenue Budget, (b) proposed Budget virements 2014/15, (c) proposed match funding for provision of artificial cricket pitches to enable on-going reductions in Council costs, (d) the current context for the Council's Budget for 2015/16 and for the Medium Term Financial Plan, including revised funding assumptions for 2015/16, (e) proposed changes to the draft Budget position and proposals for 2015/16, arising since October 2014, (f) the outcome of consultation with residents and stakeholders on the draft Budget proposals, (g) Forward Swindon Ltd., (h) the Council Tax Base and Collection Fund Surplus / Deficit 2015/16, and (i) proposed fees and charges for 2015/16.

Councillor Russell Holland, Cabinet Member for Finance, introduced the report and highlighted the financial context in which the Borough was operating. He referred to the Government's austerity plans and that pressure on local government finance was likely to continue into the future regardless of the outcome of the forthcoming General Election. He commented on the Budget pressures that the Council faced, particularly in respect of Adult Social Care. He emphasised the work being undertaken by Council officers to produce a balanced budget and to enable the Council to be well-placed for the next financial year. He highlighted changes effecting the Budget out-turn projection and the draft Budget proposals for 2015/16 since the last meeting of the Cabinet in October 2014. He explained the joint report's recommendations and added an additional recommendation enabling the transfer of some functions to local parish and town councils. He referred to the proposed increases in fees and charges and to the limited response received to the Budget consultation to date. He confirmed that the Local Government Finance Settlement for 2015/16 would not be known until later in December 2014.

Councillor Jim Grant, Leader of the Opposition, referred to the content of the report and asked for clarity on the funding of the post of Chief Executive of Forward Swindon Ltd. He referred to the use made of the funding available to the Council

from the New Homes Bonus and asked for details of spending undertaken from the Council's Infrastructure Reserve. He noted that the Council was likely to face a Budget Gap following the issue of the Local Government Finance Settlement and enquired how the Council would undertake consultation on the savings required.

Councillor Holland and the Board Director, Resources referred to the arrangements in place to fund the current interim Chief Executive of Forward Swindon Ltd. and how this would change from January 2015. The Council had earmarked funding of £1.5m from the Infrastructure Reserve to meet the costs of the Rural Superfast Broadband Project for Swindon. Councillor Holland explained that it was unlikely that any more savings proposals coming forward before the Budget Council meeting in February 2015 would relate to services that would require a formal consultation exercise to be undertaken. Any representation from the public on any savings proposals would be welcomed and considered by the Cabinet in the run up to the Council meeting.

Councillor Stan Pajak, Leader of the Minority Group on the Council, referred to the contents of the report and to his disappointment at the lack of public engagement with the Council by way of response to the Budget consultation. He noted the significant public involvement there had been over the Budget proposals effecting Children's Centres and that this had not been repeated for other Budget items. He hoped that efforts could be made to encourage participation. He asked if it was possible to calculate the benefits that the Council's investment in Forward Swindon Ltd and their work brought to the Borough.

Councillor Brian Ford, Cabinet Member for Streetsmart, noted that when residents had concerns regarding Council proposals, they were usually active in making their views known and were less likely to act when satisfied with the Council's actions. Councillor Garry Perkins, Cabinet Member for the Economy, Regeneration and Skills, commented that it was difficult but possible to calculate some of the benefits that Forward Swindon Ltd. brought to the Borough. However, it was difficult to identify exactly what time periods should be used for any calculation or how the retention of a business staying in Swindon could be measured.

Councillor Pajak noted the apparent significant increase in charges for access to Lydiard House and Gardens. Councillor Garry Perkins explained that whilst the increase appeared large, it resulted in an admission price that was comparable with that of other such properties and gardens in the surrounding area. It would also assist in helping to fund the upkeep and future development of the House and Gardens.

Resolved – (1) That the Cabinet notes:-

(a) The Council expects to deliver services within the overall cash limit for 2014/15 with a current projected underspend of £28,000;

(b) The Local Government Finance Settlement for 2015/16 has yet to be published and therefore the funding assumptions in the joint report contain levels of uncertainty;

(c) The current gap between the assumed funding levels for 2015/16 and the current proposed cost of services, as set out in Table Two to the joint report, and that work is continuing to identify further options to close this gap for consideration by Members once actual funding levels are confirmed and before the final Budget is recommended to Council in February 2015;

(d) The impact on minority groups has been considered for all savings

proposals and a full Diversity Impact Assessment has been undertaken where an impact was perceived;

(e) The Council Tax Base for 2015/16 will be 67,660.0 and the estimated Council share of the Council Tax Collection Fund surplus used to support the 2015/16 Budget will be £1.621m and the deficit share for Business Rates will be £2m;

(f) The consultation responses received so far in relation to the proposals considered by the Cabinet on 22<sup>nd</sup> October 2014.

(2) That the virements as set out in Appendix 3 to the joint report be approved.

(3) That the Council's £7,500 contribution to the cost of artificial cricket pitches be approved and reflected in future 2014/15 out-turn projections and funded from the predicted Council-wide underspend.

(4) That the proposed increases in fees and charges for specific areas and services, as set out in Appendix 4 to the joint report, be approved, and all other fees and charges be increased by 3%.

(5) That the level of Council Budget required to support Forward Swindon Limited in 2015/16 remain unchanged from the 2014/15 level at £455,000.

(6) That the changes to the draft Budget proposals agreed in October 2014 for 2015/16 (Minute 41 refers), as set out in Appendices 5 and 6 and Table 2 to the joint report, be approved, including the funding, from one-off resources, of a £2m Business Rates Collection Fund deficit arising from backdated Rating Appeals.

(7) That the Director of Law and Democratic Services, in consultation with Board Director, Resources, the Cabinet Members for Finance, the Cabinet Member for Streetsmart and relevant Ward Members, be authorised to arrange for the discharge of any of the Council's functions to a parish/town council to the extent permitted by Section 101 of the Local Government Act 1972, and to enter into the necessary agreements and documentation on such terms and conditions as he considers necessary to protect the Council's interests.

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

## **51. Capital Programme Monitoring - Second Quarter and Treasury Management Performance 2014/15**

The Cabinet Member for Finance and the Board Director, Resources submitted a joint report setting out (a) the 2014/15 Capital Programme position as at the end of September 2014, (b) proposed changes to the Capital Programme, (c) the Swindon Museum and Art Gallery project, (d) Cost pressures and Capital Programme Proposals 2015/16, and (e) Mid-Year Treasury Management performance for 2014/15.

Councillor Russell Holland, Cabinet Member for Finance, referred to the report and explained that it addressed the projected outturn position of the Council's Capital Budget for 2014/15, highlighted proposed changes to the current Capital Programme, including reference to the proposed new Swindon Museum and Art Gallery project, cost pressures effecting proposals for the 2015/16 Capital Programme, and also detailed the Treasury Management performance to date for 2014/15.

The Chair referred to the submission of a bid to the Heritage Lottery Fund for



the proposed new Swindon Museum and Art Gallery project and to the Council's commitments under the bid process. He explained that the Council's contribution was subject to all other partners also delivering their contributions to the proposed project.

Resolved – (1) That the Capital Programme position and mid-year Treasury Management performance for 2014/15, as set out in the joint report, be noted.

(2) That the changes to the Council's Capital Programme, as set out in paragraph 3.5 of the joint report, be approved.

(3) That the Stage 1 Heritage Lottery Fund Grant Application for a new Swindon Museum and Art Gallery, as detailed in paragraphs 3.6 to 3.9 of the joint report, be endorsed.

(4) That the current pressures and timescale for 2015/16 Capital Programme approvals, as detailed in paragraphs 3.10 to 3.13 of the joint report, be noted.

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

## **52. Recycling - Green Waste Service**

The Cabinet Member for Streetsmart and the Head of Streetsmart submitted a joint report responding to the contents of a Motion at Council on 24<sup>th</sup> February 2014 on the Green Waste Recycling Service and that proposed the re-introduction of a "free at the point of use" service for the Eastcott Ward and Swindon Town Centre.

Councillor Brian Ford, Cabinet Member for Streetsmart, commented on the contents of the report and that it reflected the outcome of a six-month review of the operation of the Green Waste Recycling Subscription Service that had been reported to the Highways and Streetsmart Overview and Scrutiny Committee on 26<sup>th</sup> November 2014. He believed there was no evidence arising from the review to support the view that Eastcott and Town Centre Wards were disproportionately affected by the introduction of the paid-for service when compared with other wards in the Borough. In addition, there was no data showing that those Wards would significantly benefit over other wards from the re-introduction of a free at the point of use Green Waste service.

Councillor Stan Pajak, Leader of the Minority Group on the Council and Eastcott Ward Councillor, referred to the contents of the report and the basis on which the original Motion had been put forward. He noted the survey information that indicated a low incidence of fly tipping of green waste in Eastcott, which was greatly welcomed. He hoped that the issue of fly tipping of general waste in the area could be addressed. He was grateful for the actions and flexibility of the Council's officers in providing bags to those Eastcott residents who did not have space for the green waste recycling bins.

Resolved – (1) That the contents of the joint report be noted and the existing paid for Green Waste Recycling Service be retained.

(2) That the Council be advised of the contents of this joint report and of the decision in (1) above, in response to the motion at the Council meeting on 24<sup>th</sup> February 2014 (Minute 99, 2013/14 refers).

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

**Motion at Council - Cars Parking on Grass Verges**

The Cabinet Member for the Economy, Regeneration, and Skills, the Cabinet Member for Housing and Public Safety, the Cabinet Member for Streetsmart and the Board Director Service Delivery submitted a joint report setting out a response to a Council Motion of 3<sup>rd</sup> April 2014 that referred to problems associated with inadequate car parking capacity in certain residential areas leading to residents parking on grass verges, and which requested that the Cabinet considered possible options to overcome such problems (Council Minute 112, 2013/14 refers).

Councillor Garry Perkins, Cabinet Member for the Economy, Regeneration, and Skills, referred to the contents of the original Council motion and highlighted the difficulties in overcoming such problems and the options that were available to the Council. He referred to the increase in vehicle ownership, the problems that existed in both the older and newer areas of the Borough, and the measures that the Council was already taking to seek to overcome some of the problems. He noted that in some areas of the Borough there was simply no space to create further parking areas and in other areas residents were prepared to contribute to deliver their own solutions. He noted that the Council had decided in many cases not to use its enforcement powers in respect of verge parking where no alternatives existed.

Councillor Emma Faramarzi, Cabinet Member for Housing and Public Safety, referred to problems that existed in her ward and in certain social housing areas. However, she cautioned that there were likely to be areas of the Borough where residents would object to any proposals to remove green spaces adjacent to their homes and replace them with parking spaces.

Councillor Jim Grant, Leader of the Opposition, referred to the contents of the report and to the problems of lack of parking spaces. He supported the views of Councillor Faramarzi that, where residents were not supportive, precious green spaces should not be lost. However, he wondered if it would be possible for the Council to consider acting to remove verges that were no longer green spaces since they were already being used as car parks, and to replace these damaged areas with appropriate hard standing materials. He was unsure how far the £25,000 available to localities would go to overcome such problems.

Councillor Perkins noted Members comments and the difficulties of identifying practical solutions to the problem. However, the report highlighted the ways in which the Council did seek to respond given the constraints it faced.

Resolved - (1) That the summary of the history and key issues surrounding verge parking in residential areas, be noted.

(2) That the work currently under way to provide additional parking areas through the Housing Capital Repairs and Improvement Programme, be noted.

(3) That the work under way to review waiting restrictions in Residents Parking Zones in order to identify additional parking capacity and the possible opening of public car parks to Residents Parking permit holders at peak times, be noted.

(4) That the competing pressures on the Highways and Transport Capital Budget, around highway maintenance and growth and regeneration related schemes, which must currently take priority and the existing £25,000 annual Locality budget that allows local Members to prioritise schemes to address verge parking if it

is a priority issue in their area, be noted

(5) That the Head of Highways and Transport be requested to prepare information and a schedule of costs associated with the process of converting verges to parking that can be used to inform local residents seeking to self-fund such works.

(6) That the Head of Highways and Transport, in consultation with the Cabinet Member for the Economy, Regeneration, and Skills and the Director of Law and Democratic Services and, in relation to Council owned land, the Head of the Service Area for the land involved, be authorised to determine any applications from residents to convert verges to parking at their own expense, subject to any necessary planning permission.

(7) That the Council be advised of the contents of this report in response to the Motion at the Council meeting on 3rd April 2014.

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

#### **54. Polling Districts and Polling Places Review (Minute for Confirmation)**

The Leader of the Council and the Electoral Registration Officer and Returning Officer submitted a joint report concerning the outcome of a review of Polling Districts and Polling Places and setting out recommended changes that had been proposed following consultation with interested parties.

The Chair advised that the Council was required to undertake a review of its Polling Districts and Polling Places every four years. The review had looked at all current provision, with each polling place and polling station being reviewed for both accessibility and suitability. The review had also taken into account the views of interested parties such as Councillors, the Members of Parliament for Swindon, and organisations such as SCOPE. He highlighted the recommended changes, which he believed offered the best solution currently available for the provision of polling places suitable in both location and accessibility for electors.

Councillor Brian Ford, Cabinet Member for Streetsmart and Wroughton Ward Councillor, drew attention to the problems faced by electors in the Alexandra Park (WWE Polling District) area of his ward who would have to travel over a mile and a half to their nearest polling station. He believed this would do little to promote democracy and encourage voter turnout. He was supportive of exploring the option of seeking an appropriate location for a polling station nearer to the electors of the WWE.

Councillor Ann Richards, Wroughton Ward Councillor, supported Councillor Ford's comments and asked that if an alternative location could not be identified, the Council seek to encourage residents to take up the postal vote option.

The Director of Law and Democratic Services advised that the Council's Elections team was actively exploring the possible use of a building within the WWE area as a polling station, but that no agreement had yet been reached. If a location was identified, he would report this to the Council meeting on 22<sup>nd</sup> January 2015 when the Cabinet's recommendations were to be considered. He commented on the promotion that already took place with regard to the availability of postal votes to electors.

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

(1) The recommended changes to Polling Places within the Borough of Swindon, as identified in Appendix A to the joint report be approved.

(2) The Electoral Registration Officer and Returning Officer be authorised to:–

(a) Revise the boundary of the current SAD Polling District for the St Andrews Ward as shown on the map at Appendix B to the joint report, to be served by a polling station at Redhouse Community Centre;

(b) Revise the boundary of the current SAB Polling District for the St Andrews Ward as shown on the map at Appendix B to the joint report, to be served by a polling station at Bridlewood School;

(c) Create a new polling district, PSG, for the Penhill and Upper Stratton Ward as shown on the map at Appendix C to the joint report, to be served by a polling station at Penhill Children's Centre; and

(d) Implement the changes in time for the Parliamentary and Borough Council elections in 2015.

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

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

The Cabinet Member for Health and Adult Social Care and the Director of Law and Democratic Services submitted a joint report concerning a recommendation arising from the meeting of the Health and Wellbeing Board on 8th October 2014 regarding the Council's support for the adoption of the Swindon Dementia Strategy for 2014-2019.

Councillor Brian Mattock, Cabinet Member for Health and Adult Social Care, explained the background to the Strategy and what it would mean for Swindon residents and for the Council. He referred to the increasing problem of dementia locally and nationally and that the Strategy sought to address this. He explained that the Strategy reflected a partnership approach involving Health, Social Care and the Council in its delivery.

The Chair, as Chair of the Health and Wellbeing Board, expressed his support for the Strategy. He commented on the Dementia Awareness training offered by the Council and encouraged all Councillors to participate.

Resolved – That, further to Minute 77(1) of the Health and Wellbeing Board, and to its endorsement by the Swindon Clinical Commissioning Group, the Swindon Dementia Strategy for 2014-2019, be approved.

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

## Budget 2015-16 and Beyond

Cabinet

Date: 4<sup>th</sup> February 2015

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Author: Cabinet Member for Finance and  
Board Director Resources

Wards: All

Locality Affected: All

Parishes Affected: All

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### 1. Purpose and Reasons

- 1.1 This report proposes a Budget for 2015-16 and sets out the financial context for 2016-17 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 recommended to note:

- 2.1 The projected out-turn for 2014-15 and that savings arising from the early delivery of 2015-16 Budget Proposals will be used to partly finance one-off costs incurred in-year to deliver the 2015-16 Budget, thus helping to preserve the level of funding held in reserves for future years' transformation;
- 2.2 That the Council does not expect to need to replenish General Reserves as part of the 2015-16 Budget Setting process;
- 2.3 That no further consultation feedback has been received in relation to the Budget proposals presented to Cabinet in October and December 2014;
- 2.4 At the time of publication of this report, that a consultation meeting with business representatives from Swindon, on behalf of non-domestic rate payers is taking place on 28th January 2015 and the minutes will be provided at the meeting;
- 2.5 That 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.

# Budget 2015-16 and Beyond

Cabinet

Date: 4<sup>th</sup> February 2015

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## Cabinet is requested to:

- 2.6 Agree the 2014-15 virements set out in Appendix 5;
- 2.7 Endorse the Medium Term Financial Strategy set out in Appendix 9.
- 2.8 Agree that there are no changes to the proposed fees and charges set out in Appendix 1 to the report to Cabinet on 10th December 2014;
- 2.9 Agree the Specific Reserves held in support of the 2015-16 Revenue Budget set out in Appendix 7;
- 2.10 Agree that the Head of Revenues and Benefits be authorised to increase awards of Business Rates Retail Relief in accordance with the scheme approved in March 2014 to £1,500 per annum in 2015-16 and to award 'transitional relief' payments that limit increases in Business Rates payments to 15% for small businesses with rateable values up to £18,000 and 25% for medium sized business with a rateable value up to £50,000;
- 2.11 Agree the key principles of the Public Power Solutions Limited (formerly Swindon Commercial Services Ltd (SCS)) Business Plan for 2015-16 on behalf of the Council in its shareholder capacity and authorise the Board Director Resources, in consultation with the Leader of the Council, to agree any future changes to the Business Plan on behalf of the Council in its shareholder capacity;
- 2.12 Recommend to Council the level of Special Expenses for 2015-16 shall be £1,041,299 and the areas of land and services that will be charged as special and general expenses set out in Appendix 10; and
- 2.13 Recommend to Council, subject to any changes resulting from the Government's announcement of the final Local Government Finance Settlement for 2015-16 that:-
  - 2.13.1 The 2015-16 Budget be set at £136.554m and the Budget Requirement for tax setting purposes be set at £134.554m, recognising the £2m of funding from reserves;
  - 2.13.2 There be no increase in Council Tax for 2015-16, and
  - 2.13.3 It be determined that the proposed increase (that is no increase at all) in the basic amount of Council Tax for 2015-16 is not excessive in accordance with Schedule 5 of the Localism Act 2011.

## **3. Detail**

- 3.1 Central Government policy has had a specific focus on reducing the public sector deficit which has meant that Local Government (together with the public sector as a whole) is required to reduce its expenditure. The 2015-16 Budget is the third year of the new Local Government Funding reforms, which includes a

# Budget 2015-16 and Beyond

Cabinet

Date: 4<sup>th</sup> February 2015

general reduction in the overall level of income available to councils and the Chancellor of the Exchequer has recently confirmed his intention to continue with public sector funding reductions as part of an overall deficit reduction strategy. Although Swindon Borough Council has benefitted from the New Homes Bonus funding, in real terms, there has been a significant reduction in funding. It is therefore vital that budget setting takes into account projected on-going reductions in funding as set out below.

Table 1 – Medium Term Funding Gap

	2016-17	2017-18	2018-19
<u>Changes compared to 2015-16</u>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Predicted Grant Funding Reduction	10,000	9,500	9,000
Inflation	4,000	4,000	4,500
Social Care Packages	2,500	2,500	2,500
Pension and Debt Charges	3,000	2,000	2,000
Pay Incremental Progression	700	700	700
Other Cost Pressures	1,500	1,500	1,500
Reduction in Collection Fund Surplus	800	300	300
Less Council Tax Base Growth	(1,000)	(1,000)	(1,000)
Illustrative Council Tax Increase	(1,500)	(1,500)	(1,500)
<b>Funding Gap</b>	<b>20,000</b>	<b>18,000</b>	<b>18,000</b>

- 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 grant reductions in future years will be more significant than we have seen during the last three years. This means wherever possible it is desirable to deliver savings within year in order to generate additional revenue for future years.
- 3.3 Members are reminded that, prior to the 2015-16 Budget round, £83m of savings have already been implemented during the last six years, over 500 post deletions have been identified during the last four years and management capacity was reduced by nearly £1m during the period 2006 to 2013.
- 3.4 As part of its on-going strategy to remain financially sustainable, officers operate an on-going cycle of savings identification. Recognising the sustained nature of the challenging financial position, the Council needs to use its one-off reserves to fund the implementation of significant transformation programmes rather than relying on them to fund on-going expenditure, where possible.
- 3.5 The Council's Medium Financial Strategy is set out in Appendix 9. This sets out the strategic approach adopted to develop budget proposals within the national and local financial and economic context, which Members are asked to endorse.

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## 4. The Forecast Out-turn 2014-15

- 4.1 The starting position for the 2015-16 Budget is the current year's Budget for 2014-15. Table 2 below sets out the forecast position to 31st March 2015, which shows that the Council expects to be able to deliver the 2014-15 Budget without drawing on General Reserves. On that basis, no provision has been included in the Proposed Budget for 2015-16 to replenish Reserves as a result of projected drawings in-year.
- 4.2 As part of the continuous cycle of savings identification and implementation and the strategy adopted by Cabinet to implement savings as early as possible, officers have delivered a significant proportion of the 2015-16 Adult Social Care savings in-year. This has created some in-year funding capacity that can be redirected on funding costs incurred in year than were planned to be funded from reserves. In particular, £4m of costs are being incurred in-year to reshape the ICT service and insource services from Capita plus £3m is being used to fund the transfer of recreation and golf assets to the private sector. As a result, it is proposed that the funding accumulated from the early delivery of savings is used to partly fund these activities. This approach is reflected in Table 2 below.

Table 2 – Forecast Out-turn 2014-15

Department	Budget 2014/15	Full-Year Projected Out-turn	Projected Variance	Of which is early delivery of 2015-16 Savings	Movement since last report
	£'000	£'000	£'000	£'000	£'000
Chief Executive	982	642	(340)	(55)	(32)
Resources	12,728	12,678	(50)	0	0
Corporate	(4,795)	(4,795)	0	0	555
Commissioning	96,271	94,826	(1,445)	(1,581)	(1,183)
Service Delivery	37,482	38,375	893	0	(254)
<b>Total General Fund</b>	<b>142,668</b>	<b>141,726</b>	<b>(942)</b>	<b>(1,636)</b>	<b>(914)</b>
Contingency Fund	0	(500)	(500)	(500)	(500)
	<b>142,668</b>	<b>141,226</b>	<b>(1,442)</b>	<b>(2,136)</b>	<b>(1,414)</b>
Contribution towards one-off 2014-15 costs	0	1,442	1,442	(1,442)	1,442
<b>Net Position</b>	<b>142,668</b>	<b>142,668</b>	<b>0</b>	<b>(694)</b>	<b>28</b>

- 4.3 A number of budget virements have been proposed since the last meeting and Members are asked to approve the budget transfers set out in Appendix 5.



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## 5. The 2015-16 Provisional Finance Settlement

- 5.1 On 18<sup>th</sup> December 2014, the Government published information to advise councils of the impact of the 2015-16 Provisional Local Government Finance Settlement. This showed that Swindon's expected funding position compared to that assumed in the December Cabinet report was £0.77m worse than had been predicted.
- 5.2 As a result, a number of additional savings proposals have been identified to meet this additional amount along with the £1m funding gap that existing at the time of writing the December Budget report. These are set out later in the report.
- 5.3 **The recommendations of this report are based around the provisional grant funding levels and any minor change announced in the Local Government Finance Settlement, due within the next week or so, will be managed through the Council's £0.5m contingency fund.**

## 6. Council Tax 2015-16

- 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. Had Council Tax levels been increased in line with the referendum level from 2011-12 to 2015-16, the Council would have generated an extra £9.9m of income. As things stand, Swindon's average Council Tax bill is £7.4% below the unitary average.
- 6.2 The Council Tax freeze grant available to councils freezing council tax levels in 2015-16 is equivalent to a 1% Council Tax increase using a base-line level of tax base before the 2014-15 Council Tax support changes. For Swindon, this amounts to £861k, which is slightly higher than previously assumed (£830k).
- 6.3 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 2015-16, the Government is expected to set the threshold at 2% for Swindon.
- 6.4 One of the key decisions for Members is whether to accept the freeze grant or to increase Council Tax levels. The Government has again set the referendum limit at 2% and a Council Tax increase set just below the referendum limit at 1.9% would generate an additional £643k above the level of the freeze grant. Both the freeze grant and Council Tax income are on-going funding sources.

## 7. Business Rates Changes 2015-16

- 7.1 In 2014-15, 450 businesses have been awarded retail relief of up to £1,000 each. A total value of £432k has been awarded to assist these businesses. In the

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Autumn Statement in December 2014, the Chancellor of the Exchequer announced that Local Authorities could increase awards to eligible shops, restaurants and public houses to £1,500 during 2015-16. On the basis that Central Government will recompense the Council for these payments, Members are asked to approve this increase.

- 7.2 Transitional relief payments are awarded to businesses to limit increase in rates bills following a general revaluation. The limits are usually prescribed for five years at a time. Due to the postponement of the revaluation in 2015 until 2017, there is no legislation in place to extend the current limits after 1st April 2015. During the Autumn Statement the Chancellor of the Exchequer asked that Local Authorities use their discretionary powers to extend the 'transitional relief' scheme and to limit increases in the rates paid by smaller businesses to 15% and medium sized businesses to 25%. In 2014-15, 44 ratepayers were awarded transitional relief of £32k. The Department for Communities and Local Government has also advised that they will recompense councils for these payments and, on that basis, Members are asked to approve these changes.

## **8. New Homes Bonus 2015-16**

- 8.1 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 2014-15 allocation would be used to support the revenue budget, with the remainder being used to help fund capital expenditure. As part of the December 2014 report, Members agreed to use all of the on-going New Homes Bonus up to value being received in 2014-15 (£5.1m) to support the on-going revenue Budget from 2015-16.
- 8.2 The Council has recently been notified of its allocation for 2015-16 which is £6.1m. The level of growth between the 2014-15 level and 2015-16 has slowed with the increase based on the number of new homes generating an extra £1m compared to £1.5m between 2010-11 and 2011-12.
- 8.3 Due to uncertainty around the New Homes Bonus in the event of a change in national government as a result of the May 2015 General Election, it is proposed that the extra £1m receivable in 2015-16 is not used to support the base budget. Instead, it is proposed to use this to fund future years' savings initiatives with any balance being added to reserves for use in future years.

## **9. Public Power Solution Limited (PPS) (formerly Swindon Commercial Services (SCS)) Business Plan 2015-16**

- 9.1 PPS is required to share with the Council, as its shareholder, its Business Plan for the following financial year in January each year. The Business plan was considered by the PPS Board and Council officers late in 2014 and the key messages from the Board are set out below.

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- 9.1.1 On 1st November 2013, SCS underwent a major change to refocus the company on 3 distinct business areas; waste, energy and heat, as previously approved by the Council. This was a significant change to the company, and as such, PPS should be viewed as a start-up company, with 2013-2014 being classed as its' first year of trading. Linked to this refocusing, from January 2015, the company formerly known as Swindon Commercial Services Ltd ("SCS") has been rebranded as Public Power Solution Limited (PPS).
- 9.1.2 In order for the company to start-up, it has received financial support from the Council, its 100% shareholder, in the form of company loans. These are in place to finance the Solid Recovered Fuel (SRF) plant, historical loans from 2010, acquisition of DW Dunn and future loans for the can baler. There is an overarching objective for the repayment of these loans and this is shown within the financial sections of the plan as reductions in cash and loan balances as profits are generated. These repayments will also result in a reduction in interest payments. The loan repayments will be achieved through the success of the energy solutions business (PV) through developer fees; at this stage the loan repayments could not be achieved through profits made from the SRF plant as a standalone business.
- 9.1.3 PPS is awaiting the outcome from the Public Inquiry into the Wroughton Solar Park Project, which is expected by 6<sup>th</sup> March 2015. The outcome from this inquiry is significant to the Company's initial trading position, interest charges and the speed at which the loans can be repaid. This is due to the significance of the fees the company will receive should the project be given the green light. Due to this, where there is an impact from the project, two sets of financials have been produced; 'with' Wroughton and 'without' Wroughton. SCS delivered its first solar park at Braydon Manor Farm, Wiltshire, in December 2014 and has a number of other solar opportunities in the pipeline.
- 9.1.4 Members are asked to note and endorse the key principles of the PPS Business Plan for 2015-16 on behalf of the Council as shareholder of the company and, in the event of any update to the Plan being required, it is suggested that the Board Director Resources be authorised, in consultation with the Leader of the Council, to agree any future changes to the Plan on behalf of the Council as shareholder.

## 10. The Proposed Budget 2015-16

- 10.1 A number of changes to services and resulting Budget savings have already been approved by Cabinet at its meetings in October and December 2014 following consultation with residents and stakeholders. The Council is undertaking further consultation with the Business community. The meeting with business representatives from Swindon, on behalf of non-domestic rate payers,

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at the time of the publication of this report, will take place on 28<sup>th</sup> January 2015. The minutes of the meeting with Business Representatives will be circulated as Appendix 6 at the meeting.

- 10.2 No changes to the Draft Budget are proposed as a result of feedback from the general consultation but further changes have been required to close the remaining gap between income and expenditure commitments.
- 10.3 One specific change announced in the Provisional Grant Settlement relates to the withdrawal of the specific grant for Welfare Funding. As a result of this national policy, and recognising the increasing financial pressure on Council Budgets, the Cabinet is minded to withdraw base budget funding for its Emergency Assistance Fund which is directly financed from this grant. Recognising the support this fund provides to some residents, the Council has sought the views of key stakeholders and submitted a robust response to the Provisional Local Government Finance Settlement Consultation asking the Government to reinstate this grant. The Final Settlement is due within the next few days and, if this specific grant funding is reinstated, the Cabinet will withdraw this proposal.
- 10.4 Should the Government not reinstate the specific grant, it is proposed that the specific reserve created as part of closing the 2013-14 accounts to supplement this Fund is used to cashflow the existing scheme during any consultation period and also to pump-prime the introduction of alternate forms of support. A specific consultation will be launched around this proposal with the intention of working with key stakeholders to co-design a reshaped service not requiring on-going funding from the Council. This proposal will be brought back to Cabinet after the consultation period ends and a detailed proposal has been developed. Further, the Cabinet Member for Finance is minded to review the position in respect of local welfare with the Cabinet Member advisory group and will consider whether it is possible to make a business case to consider use of reserve funding with a view to the Council taking a transformative approach towards this matter.
- 10.5 All proposals that have been added or amended since the Draft Budget was presented to Cabinet on 10<sup>th</sup> December 2014 are shown in Table 3 below and 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 2015-16 scheduled Budget Management reports. The summaries set out in Appendices 4 and 5 include all proposals that make up the total 2015-16 budget including those proposed by Cabinet in October 2014.

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Table 3 – Changes between the Draft and Final Proposed Budget 2015-16

	£'000
<b>2015-16 Draft Budget (10<sup>th</sup> December 2014)</b>	<b>138,603</b>
Net reduction in Specific Grant income compared to December report	676
Section 31 grants shown as financing in December Report moved to service income	(1,000)
<b>Changes since December 2014</b>	
Reduction in the use of the £1m contingency allowed for in the December Cabinet report for new cost pressures and under-delivery of assumed savings targets	(305)
Reduction in allowance for inflation by assuming those contracts linked to RPI are increased by 2% rather than the 2.5% assumed in the December Cabinet report and negotiating no uplift for Children Centre contracts, an uplift linked to pay for Seqol and no uplift for voluntary sector organisations	(468)
Move the management responsibility for the Crematorium and Cemeteries Service to the Register Service. This will allow the deletion of one vacant post and enable a review of the operating model for the merged teams	(60)
Additional deferred payments income as funding is beginning to be recovered as properties are sold	(100)
Localities saving from restructuring the team to accommodate Community Navigators and Sustainable Transport work	(70)
Reduction in Public Health grant covered from transfer of responsibility for Bariatric clinic provision service from SBC to CCG and reduction in Smoking Cessation contract expenditure	(122)
Adoption grant - reduction in the number of posts previously funded from Adoption Reform Grant from 5 to 4. Base budget still assumes funding for 4 posts despite the grant ceasing	(45)
Consult on the removal of base budget funding for the Emergency Assistance Fund (Welfare Scheme) following the Government withdrawing the specific grant funding for this purpose and use the £300k earmarked specific reserve to cashflow the scheme during the consultation period and fund the transition to alternative forms of support not reliant on on-going Council funding	(321)
Additional Adult Social Care Learning Disabilities work linked to on-going work to reduce expenditure recognising our spend is above the level of comparator authorities	(234)
<b>Final Proposed Budget 2015-16</b>	<b>136,554</b>

Further information on the subject of this report can be obtained from Kirsty Cole on (01793) 464610 or Email [kcole@swindon.gov.uk](mailto:kcole@swindon.gov.uk)

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	£'000
<b>Financed By:</b>	
~ Formula Grant	57,348
~ Council Tax Income	77,544
~ Collection Fund Surplus – Council Tax	1,662
~ Collection Fund Deficit – Business Rates	(2,000)
<b>Budget Requirement for Tax Setting Purposes</b>	<b>134,554</b>
~ Reserves Funding (Business Rates Appeals)	2,000
<b>Final Proposed Budget 2015-16</b>	<b>136,554</b>

## 11. Relationship between Revenue and Capital Budgets

- 11.1 The 2015-16 Revenue Budget includes a cost pressure of £1m to cover the estimated increase in debt charges to finance the capital programme being delivered during 2014-15 and any interest incurred on schemes starting in 2015-16. This is modelled on previous years' capital cash outflows, which tend to be in the order of around £60m per annum.
- 11.2 The 2015-16 Capital Programme is set out elsewhere on the agenda and any significant increase in the published programme will have an impact on the annual revenue budget to the tune of £0.8m per £10m of capital expenditure financed from corporate resources.
- 11.3 For future years, it is envisaged that an annual cost pressure of £1m may not be enough due in particular to the significant requirement to create new school places over the next three years, which is highlighted in the capital programme report. This is reflected in the medium term funding gap set out in Table One.

## 12. Members Allowances

- 12.1 The Council agreed at its meeting on 6<sup>th</sup> November 2014 (Minute 54(2) of the Council) to increase Councillors' Basic and Special Responsibility Allowances by an amount equivalent to the percentage increase in pay awarded to local authority staff nationally in the 2014/15 Pay Round. The 2015-16 Budget allows for a 2.2% uplift in staff pay and therefore Councillors' allowances. Appendix 8 sets out details of the Basic and Special Responsibility Allowances applying to Councillors for the 2015/16 Municipal Year.

## 13. Special Expenses (charges for services provided in the non-parished area)

- 13.1 As part of the Borough of Swindon is parished and part unparished, the Borough Council is responsible for providing some services to a proportion of its residents that parishes provide elsewhere within the Borough. In order that the cost of these local services are only charged to residents in the non-parished area (to avoid residents living within parishes paying for the same services twice) a



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special calculation has to be made as part of the annual Council Tax setting process.

- 13.2 The cost of “parish-type” services provided by the Borough Council in the non-parished area are called special expenses. Whilst Council Tax levels have remained frozen, the Council has also tried to freeze the special expenses charge. As service levels have remained broadly unchanged and any growth in the tax base has been broadly matched with new grounds maintenance work in the new areas, it is proposed that the charge for 2015-16 remains at £27.81 per band D household.
- 13.3 A breakdown of the sum to be charged as special expenses is summarised below with full details set out in Appendix 10. Members are asked to approve the value of £27.81 for 2015-16 in order that this figure can be included in the Council Tax calculations to be presented to Council on 23<sup>rd</sup> February 2015.

Table 4 –Level of Special Expenses 2014-15 and 2015-16

	2014-15	2015-16
	£	£
Total value of Special Expenses	1,004,978	1,041,229
Divided By the tax base for the non-parished area	36,137.3	37,440.8
Charge per Band D Household	27.81	27.81

- 13.4 During 2014-15, a number of parish councils approached the Borough Council with proposals to enhance the level of grounds maintenance and street cleaning services within their area. Recognising the financial challenges of the Borough Council, they put forward proposals to take over some of the Borough Council services and to fund an enhanced service through their local precept. As agreed by Cabinet on 22<sup>nd</sup> October 2014 (Cabinet Minute 41(5), 2014/15 refers), a number of service transfers are being agreed before the start the 2015-16 Financial Year. Although not material at this stage, further service transfers could affect the special expenses calculation in future years as the profile of services provided by parishes will increase resulting in a respective increase in the range of services that need to be charged as special (chargeable to households in the non-parished area only), rather than general expenses (chargeable to all households) in future. This will be kept under review over the next couple of years.

## 14. Contingencies and Risk

- 14.1 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 2015-16, and alongside the level of general and earmarked reserves, reflect the overall potential risk associated with delivering the Budget proposals. The corporate contingency fund has been set at £0.5m and the

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specific reserves held to support the budget are set out in Appendix 7. In light of these, the Board Director Resources, as part of his Section 151 responsibilities, is content that the 2015-16 Budget as proposed, including the specific reserves and general contingency is deliverable.

## **15. One-Off Resources Commitments**

- 15.1 No additional one-off funding is required to support the 2015-16 Budget over and above that included in previous reports and referred to in section 4 and Table 3 of this report.

## **16. Fees and Charges**

- 16.1 No changes are proposed to the fees and charges proposed to Cabinet on 10<sup>th</sup> December 2014 and therefore the charges for 2015-16 that have been increased by more than 3% remain unchanged from the Draft Budget.

## **17. General Reserves**

- 17.1 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.

## **18. Alternative Options**

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

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

### Financial and Procurement Implications

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

### Legal and Human Rights Implications

- 19.2 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.



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

- 19.3 There are no such direct implications.

## Diversity Impact Assessment

- 19.4 A Diversity Impact Assessment (DIA) has been produced for each of the savings proposals that could affect minority groups that were published on the Council's Internet alongside the Draft Budget proposals considered by Cabinet on 22<sup>nd</sup> October 2014. For new proposals, a full consultation process will be undertaken before the changes are implemented and a DIA will be considered as part of that process. In particular, the proposal to withdraw on-going revenue funding for the Emergency Assistant Fund (Welfare Fund) will be brought back to Cabinet with a full DIA before a final decision is taken.

## **20. Consultees**

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

## **21. Background Papers**

- 21.1 None

## **22. Appendices**

- 22.1 Appendix 1: Forecast Out-turn by Directorate and by Service Type 2014-15  
22.2 Appendix 2: Summary of Proposed Budget By Group 2015-16  
22.3 Appendix 3: Summary Budget Proposals By Directorate 2015-16  
22.4 Appendix 4: Detailed Budget Proposals 2015-16 By Group  
22.5 Appendix 5: Virements 2014-15  
22.6 Appendix 6: Minutes of the Ratepayers meeting on 28th January 2015 – To be tabled at the meeting  
22.7 Appendix 7: Reserves Policy and Specific Reserves held to support the 2015-16 Budget  
22.8 Appendix 8: 2015-16 Members Allowances  
22.9 Appendix 9: Medium Term Financial Strategy  
22.10 Appendix 10: Special Expenses 2015-16

## **23. Key Decision/Decision in Cabinet Work Programme and Forward Plan**

- 23.1 The Council's Budget will be determined by the full Council on 23<sup>rd</sup> February 2015. This is therefore not a key decision for the Cabinet at this meeting. It is included in the Cabinet Work Programme and Forward Plan for February 2015

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Tier 1 Pillar	Tier 2 Function	Budget 2014/15 £'000	Full-Year Projected Out-turn £'000	Projected Variance £'000	Projected Variance - last report £'000	Movement since last report £'000	Commentary on Reasons for Variance
<b>General Fund</b>	<b>Chief Executive</b>	197 422 2,837	197 397 2,758	0 (25) (79)	0 (15) (59)	0 (10) (20)	Staff vacancy Projection includes Government settlement of European election expenditure. Minor variances on community facilities
	Localities One Swindon Transformation Hub Economy & Skills	538 0 (3,012)	536 0 (3,246)	(2) 0 (234)	0 0 (234)	(2) 0 0	Non recurring receipts (covenant release etc.) and DMJ Facilities Management savings
<b>Resources</b>	Finance Revenues & Benefits Corporate	982 4,137 1,737 (4,795)	642 4,137 1,687 (4,795)	(340) 0 (50) 0	(308) 0 (50) (555)	(32) 0 0 555	Increased court costs and benefit subsidy income Contribution towards the costs associated with termination of some services provided under the Capita contract.
	IT & HR Communication & Insight	6,535 319	6,535 319	0 0	0 0	0 0	
<b>Commissioning</b>	Management Children & Adults	7,933 740 63,113	7,883 722 60,922	(50) (18) (2,191)	(605) (18) (833)	555 0 (1,358)	Early delivery of the 2015-15 Budget savings to deliver the £4.2m of targeted savings to be implemented by 1st April 2015 across a number of areas. A reduction in costs of £882k is due to care reviews, successful renegotiation of supported living care contracts and savings from breaks and variations in care. An increase in income of £476k is partly due to greater complexity of some of the cases and a higher number of cases receiving support from Health. In addition new debt recovery processes have improved income collection rates.
	Economy / Attainment	2,660	2,661	1	24	(23)	Increased costs for tribunals and specialist equipment, staffing pressure offset with print savings, mitigated by vacancies to be unfilled to March
<b>Service Delivery</b>	Public Health	9,832	9,830	(2)	(24)	22	Restructuring of some public health services and staff vacancies has generated savings of at least £335k. The forecast underspend will be transferred into the Public Health reserve and re-invested in services in 15-16 in accordance with guidance from D of H.
	Children and Families Housing Services	19,584 342	20,526 165	942 (177)	684 (95)	258 (82)	Increased demand for externally commissioned placements for looked after children. Changes relate to external contracts and the Community Safety Partnership
<b>Service Delivery</b>	Commercial Services	96,271 1,217	94,826 1,205	(1,445) (12)	(262) (38)	(1,183) 26	Variance relates to NNDR savings previously reported but subsequently moved to Corporate as part of the tactical savings virement
	Streetsmart	12,909	13,162	253	377	(124)	Savings from staffing and reduction in other spend and a small increase in income.
<b>Service Delivery</b>	Leisure, Libraries, Culture & Traded Services	(322)	689	1,011	854	157	Includes the one-off costs of operating the golf courses and leisure centres up to the transfer date of 1st November

Tier 1 Pillar	Tier 2 Function	Budget 2014/15 £'000	Full-Year Projected Out-turn £'000	Projected Variance £'000	Projected Variance last report £'000	Movement since last report £'000	Commentary on Reasons for Variance
	Highways & Transport	8,709	8,403	(306)	28	(334)	Additional income from Car parking and savings across a number of areas on staffing and operational costs.
	Planning & Regulatory	4,197	3,811	(386)	(389)	3	Increased one off planning fee income £350k and increased building control, land charges and taxi licencing income £84K
	Business Services & Support	8,718	8,598	(120)	(76)	(44)	Tactical savings across a number of budgets.
	Delivery Assets	2,054	2,507	453	391	62	Main cause of variances are additional staffing costs in Stores and Fleet £21k and Security £30k.
<b>General Fund Total</b>		<b>37,482</b>	<b>38,375</b>	<b>893</b>	<b>1,147</b>	<b>(254)</b>	
		<b>142,668</b>	<b>141,726</b>	<b>(942)</b>	<b>(28)</b>	<b>(914)</b>	
<b>Health</b>	Health Commissioning	36,709	36,979	270	485	(215)	Demand for children's health placement and wheelchairs budget. Discussions on-going with health commissions on how pressures on placements will be met.
	Health Service Delivery	1,339	1,328	(11)	(29)	18	Increase in salary commitments following the recently advised pay settlement has reduced previously declared savings in this area.
	Income from CCG and NHS England	(38,048)	(38,218)	(170)	(417)	247	Capital funding from CCG to meet costs of wheelchair purchases.
<b>Health Total</b>		<b>0</b>	<b>89</b>	<b>89</b>	<b>39</b>	<b>50</b>	
<b>Dedicated Schools Grant</b>	DSG Commissioning	154,096	153,884	(212)	(187)	(25)	Additional High Needs (HN) payments & top ups, Health Contribution & change of move date, Increased unplaced post 16's, HN Contingency not spent, equal pay actual spend, increased pupil growth
	Dedicated School Grant	(154,096)	(154,326)	(230)	0	(230)	Additional funding as a result of a net increase in early years pupil numbers
<b>Dedicated Schools Grant Total</b>		<b>0</b>	<b>(442)</b>	<b>(442)</b>	<b>(187)</b>	<b>(255)</b>	
<b>Housing Revenue Account</b>	Supervision & Management	(36,571)	(37,297)	(726)	(685)	(41)	Review of budgets has identified additional savings on smaller budgets such as materials, mileage etc, which has offset staff pressure of £10k
	Special Services	118	89	(29)	(54)	25	Additional cost pressure of £25.1k relates to revised staffing forecasts
	Repairs	10,704	10,741	37	271	(234)	Additional staff savings of £243k and a slight increase in income of £20k is offsetting an increase in contract payments and materials of £29k.
<b>Housing Revenue Account Total</b>		<b>25,749</b>	<b>25,529</b>	<b>(220)</b>	<b>(229)</b>	<b>9</b>	£9k variance relating to revised DHP forecast
		<b>0</b>	<b>(938)</b>	<b>(938)</b>	<b>(697)</b>	<b>(241)</b>	
<b>Grand Total</b>		<b>142,668</b>	<b>140,435</b>	<b>(2,233)</b>	<b>(873)</b>	<b>(1,360)</b>	

# Budget Management 2014-15 - Projected Out-turn By Service

## Appendix 1b

Service Area Summary 2014-15	Budget 2014-15 £'000	Full-Year Projected Out-turn £'000	Projected Variance £'000	Projected Variance - last report £'000	Movement since last report £'000
Culture, Leisure & Libraries	4,675	5,591	916	759	157
Education and Other Children Services	7,293	7,465	172	170	2
Environmental & Regulatory	17,046	17,134	88	303	(215)
Highways & Transport	1,237	1,159	(78)	65	(143)
Housing GF	3,431	3,345	(86)	(79)	(7)
Planning & Development	(3,077)	(3,681)	(604)	(564)	(40)
Public Health	9,664	9,695	31	8	23
Revenues & Benefits	1,445	1,395	(50)	(50)	0
Social Care - Adults	57,099	54,923	(2,176)	(819)	(1,357)
Social Care - Children	21,389	22,191	802	540	262
<b>Corporate &amp; Support:</b>					
Central Services	12,802	12,846	44	(361)	405
Contingency Split out	507	507	0	0	0
Debt Management (Debt Charges & Investments)	9,156	9,156	(0)	0	(0)
<b>Total General Fund</b>	<b>142,668</b>	<b>141,726</b>	<b>(942)</b>	<b>(28)</b>	<b>(914)</b>
Total DSG	0	(442)	(442)	(187)	(256)
Total Health	0	89	89	39	49
Total HRA	0	(938)	(938)	(698)	(240)
<b>Grand Total</b>	<b>142,668</b>	<b>140,435</b>	<b>(2,233)</b>	<b>(873)</b>	<b>(1,360)</b>

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# Summary of Proposed Budget By Group 2015-16 (including proposals approved by Cabinet Oct-14)

Appendix 2

	Chief Executive's £'000	Resources £'000	Commissioning £'000	Service Delivery £'000	Total £'000
<b>2014-15 Budget</b>	<b>982</b>	<b>7,933</b>	<b>96,271</b>	<b>37,482</b>	<b>142,668</b>
<b>Reversal of One Off funding</b>	<b>0</b>	<b>565</b>	<b>(441)</b>	<b>(124)</b>	<b>0</b>
<b>2014-15 Base Budget</b>	<b>982</b>	<b>8,498</b>	<b>95,830</b>	<b>37,358</b>	<b>142,668</b>
Changes in Funding (outside Formula Grant)	0	(7,429)	266	50	(7,113)
Inflation	102	323	1,751	1,234	3,410
Other Cost Pressures	443	3,159	4,775	490	8,867
Savings not directly impacting front-line services	(734)	(4,600)	(4,002)	(526)	(9,862)
Service Changes	0	(321)	(870)	(225)	(1,416)
<b>Net Changes set out in Appendix 4</b>	<b>(189)</b>	<b>(8,868)</b>	<b>1,920</b>	<b>1,023</b>	<b>(6,114)</b>
<b>2015-16 Budget</b>	<b>793</b>	<b>(935)</b>	<b>98,191</b>	<b>38,505</b>	<b>136,554</b>

**Summary of Proposed Budget for 2015-16 by Function/Directorate (including proposals approved by Cabinet Oct-14)**

Appendix 3

	Budget 2014-15 £'000	Reverse One-offs £'000	Base Budget 2014-15 £'000	Funding Changes £'000	<-----Inflation----->			Other Costs £'000	<-----Savings & New Income----->				Proposed Budget for 2015-16 £'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	
<b>PP001 - Chief Executive</b>													
PF100 - Stronger Together	197		197	0	4	0	0	(2)	0	0	0	0	199
PF110 - Internal Audit	422		422	0	8	0	(1)	(3)	0	0	0	0	426
PF310 - Law & Democratic Services	2,837		2,837	0	73	2	(15)	(24)	(94)	0	0	0	2,779
PF400 - Localities	538		538	0	13	0	0	(5)	(70)	0	0	0	476
PF430 - Economy & Skills	(3,012)		(3,012)	0	8	29	(19)	477	(570)	0	0	0	(3,087)
<b>Total for Chief Executive</b>	<b>982</b>	<b>0</b>	<b>982</b>	<b>0</b>	<b>106</b>	<b>31</b>	<b>(35)</b>	<b>443</b>	<b>(734)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>793</b>
<b>PP002 - Resources</b>													
PF200 - Finance	4,137	(90)	4,047	0	36	103	(2)	8	15	0	0	0	4,207
PF210 - Revenues & Benefits	1,737		1,737	724	10	4	0	(4)	0	0	0	(321)	2,150
PF240 - Corporate	(14,509)	655	(13,854)	(8,153)	137	14	(10)	2,156	(3,615)	0	0	0	(23,325)
PF240 - Corporate Contingency	507		507	0	0	0	0	0	0	0	0	0	507
PF240 - Debt Charges	9,207		9,207	0	0	0	0	1,000	0	0	0	0	10,207
PF250 - IT & HR	6,535		6,535	0	16	8	0	(6)	(1,000)	0	0	0	5,553
PF410 - Communication & Insight	319		319	0	7	0	0	5	0	0	0	0	331
<b>Total for Resources</b>	<b>7,933</b>	<b>565</b>	<b>8,498</b>	<b>(7,429)</b>	<b>206</b>	<b>129</b>	<b>(12)</b>	<b>3,159</b>	<b>(4,600)</b>	<b>0</b>	<b>0</b>	<b>(321)</b>	<b>(370)</b>
<b>PP005 - Commissioning</b>													
PF500 - Management	740		740	0	14	0	0	3	0	0	0	0	757
PF510 - Children & Adults	63,113		63,113	0	47	1,258	(117)	3,397	(277)	(3,200)	(100)	(770)	63,351
PF520 - Economy / Attainment	2,660	(470)	2,190	68	42	11	0	144	0	0	0	0	2,455
PF540 - Public Health	9,832		9,832	0	28	1	(5)	21	(122)	0	0	0	9,755
PF600 - Children and Families	19,584	29	19,613	198	279	201	(20)	1,217	(80)	(223)	0	(100)	21,085
PF630 - Housing Services	342		342	0	20	13	(21)	(7)	0	0	0	0	347
<b>Total for Commissioning</b>	<b>96,271</b>	<b>(441)</b>	<b>95,830</b>	<b>266</b>	<b>430</b>	<b>1,484</b>	<b>(163)</b>	<b>4,775</b>	<b>(479)</b>	<b>(3,423)</b>	<b>(100)</b>	<b>(870)</b>	<b>97,750</b>
<b>PP006 - Service Delivery</b>													
PF530 - Commercial Services	1,217	(95)	1,122	0	19	15	0	(8)	0	0	0	0	1,148
PF610 - Streetsmart	12,909		12,909	50	181	128	(11)	344	(70)	0	0	0	13,531
PF620 - Leisure, Libraries, Culture & Traded Services	(322)		(322)	0	85	53	(67)	(32)	(107)	0	0	(225)	(615)
PF640 - Highways & Transport	8,709		8,709	0	116	273	(86)	104	(69)	0	(200)	0	8,847
PF650 - Planning & Regulatory	4,197		4,197	0	41	1	(34)	(8)	(50)	0	0	0	4,147
PF660 - Business Services & Support	8,718	(29)	8,689	0	77	312	(12)	(15)	0	0	0	0	9,051
PF670 - Delivery Assets	2,054		2,054	0	37	123	(17)	105	(30)	0	0	0	2,272
<b>Total for Service Delivery</b>	<b>37,482</b>	<b>(124)</b>	<b>37,358</b>	<b>50</b>	<b>556</b>	<b>905</b>	<b>(227)</b>	<b>490</b>	<b>(326)</b>	<b>0</b>	<b>(200)</b>	<b>(225)</b>	<b>38,381</b>
<b>Total for General Fund</b>	<b>142,668</b>	<b>0</b>	<b>142,668</b>	<b>(7,113)</b>	<b>1,298</b>	<b>2,549</b>	<b>(437)</b>	<b>8,867</b>	<b>(6,139)</b>	<b>(3,423)</b>	<b>(300)</b>	<b>(1,416)</b>	<b>136,554</b>



**2015-16 Budget - Detailed Proposals (changes proposed in December 2014 and February 2015)**  
**Service Area - Funding**

Proposal	Consultation Required? Y/N	Change Proposed in December 2014 £'000	Change Proposed in February 2015 £'000	Total Changes Proposed for 2015-16 £'000	Post Deletions 2015-16 (FTEs)	
					Filled	Vacant
<b><i>Proposals previously approved</i></b>				(3,672)		
<b><u>Cost Pressures (positive numbers)</u></b>						
Education Services Support Grant - the reduction due to academy conversions and fall in rate from £113 to £87 per pupil was less than assumed in the December Cabinet report			(84)	(84)		
New burdens funding – the reduction in temporary funding awarded to transition to the new Local Council Support Scheme was lower than assumed in the December Cabinet report			(41)	(41)		
Reduction in Public Health Grant			122	122		
Cessation of Adoption Reform Grant			198	198		
Cessation of grant for Welfare fund and associated administration			521	521		
Cessation of Extended Rights to Free Travel Grant (part of Local Services Support Grant)			22	22		
Reduction in Benefit Admin Grant			100	100		
Reduction in Council Tax Support Admin Grant			34	34		
Cessation of Lead Local Flood Authority Grant (part of part of Local Services Support Grant)			32	32		
<b><u>Additional Income (negative numbers)</u></b>						
Extra Council Tax Freeze Grant 2015-16 above £850k assumed	N		(11)	(11)		
Local Reform and Community Voices Grant	N		(104)	(104)		
New SEND Implementation Grant	N		(121)	(121)		

**2015-16 Budget - Detailed Proposals (changes proposed in December 2014 and February 2015)**

**Service Area - Funding**

Proposal	Consultation Required? Y/N	Change Proposed in December 2014 £'000	Change Proposed in February 2015 £'000	Total Changes Proposed for 2015-16 £'000	Post Deletions 2015-16 (FTEs)	
					Filled	Vacant
NNDR S31 Grants towards Small Business Rates Relief, Business Rates Inflation Cap, and Retail Relief	N		(1,000)	(1,000)		
Additional Extra Care Act funding from the Department of Health to cover the additional responsibilities of the Care Act.	N		(1,236)	(1,236)		
<b>Total of proposals to be approved by Cabinet 04-02-14</b>		0	(1,568)	(1,568)	0.0	0.0
<b>Total 2015-16 Budget Proposals</b>		0	(1,568)	(5,240)	0.0	0.0

**2015-16 Budget - Detailed Proposals (changes proposed in December 2014 and**

**February 2015)**

**Service Area - Delivery**

Appendix 4 ctd

Proposal	Consultation Required? Y/N	Change Proposed in December 2014 £'000	Change Proposed in February 2015 £'000	Total Changes Proposed for 2015-16 £'000	Post Deletions 2015-16 (FTEs)	
					Filled	Vacant
<b><i>Proposals previously approved</i></b>				(125)		
<b><i>Cost Pressures (positive numbers)</i></b>						
Reduction in recycling income due to a fall in market prices for the sale recyclates			150			
<b><i>Other Tactical Savings (negative numbers)</i></b>						
Review the Council's remaining catering provision to deliver necessary efficiencies in advance of the Leisure & Culture change programme.	Y - staff consultations on minor restructuring		(30)	(30)	TBC	
Move the management responsibility for the Crematorium and Cemeteries Service to the Register Service. This will allow the deletion of one vacant post and enable a review of the operating model for the merged teams.	Y - staff consultations on minor restructuring		(60)	(60)		1.0
<b>Total of proposals to be approved by Cabinet 04-02-14</b>		0	60	60	0.0	1.0
					0.0	1.0
<b>Total 2015-16 Budget Proposals</b>		0	60	(65)	0.0	2.0

**2015-16 Budget - Detailed Proposals (changes proposed in December 2014 and February 2015)**

**Service Area - Vulnerable People**

Proposal	Consultation Required? Y/N	Change Proposed in December 2014 £'000	Change Proposed in February 2015 £'000	Total Changes Proposed for 2015-16 £'000	Post Deletions 2015-16 (FTEs)	
					Filled	Vacant
<b><i>Proposals previously approved</i></b>				(2,268)		
<b><u>Cost Pressures (positive numbers)</u></b>						
Increasing demand for services to Older People - based on latest information from population figures and trend analysis of recent activity		100	100	100		
Emergency Planning officer - has been funded from one off funding for 2 years and is an essential post		32	32	32		
New Learning Disability Manager position to continue to drive savings assumed in the 2015-16 Budget		80	80	80		
Additional responsibilities of the Care Act to be funded by additional grant from the Department of Health		1,236	1,236	1,236		
Children's - additional front line staff and agency provision to meet increasing demands for services.		480	480	480		
<b><u>Other Tactical Savings (negative numbers)</u></b>						
Additional deferred payments income as funding is beginning to be recovered as properties are sold	N	(100)	(100)	(100)		
Adults - Reduction in pension contribution to Seqol through staff turnover. New staff join the Seqol scheme.	N	(25)	(25)	(25)		
Reduction in Public Health grant covered from transfer of responsibility for Bariatric clinic provision service from SBC to CCG and reduction in Smoking Cessation contract expenditure	N	(122)	(122)	(122)		
Additional Adult Social Care Learning Disabilities work linked to on-going work to reduce expenditure recognising our spend is above the level of comparator authorities. These additional savings will be driven during 2015-16, rather than by 1st April 2015 so slightly higher risk around delivery.	N	(234)	(234)	(234)		
Adoption service - a review of staffing budgets has resulted in a reduction of 1 FTE through more efficient use of hours available within the team.	N	(45)	(45)	(45)		

**2015-16 Budget - Detailed Proposals (changes proposed in December 2014 and February 2015)**

**Service Area - Vulnerable People**

2015-16 Budget Proposals								
Proposal			Change Proposed in December 2014 £'000	Change Proposed in February 2015 £'000	Total Changes Proposed for 2015-16 £'000	Post Deletions 2015-16 (FTEs)		
		Consultation Required? Y/N				Filled	Vacant	
Total of proposals to be approved by Cabinet 04-02-14			0	1,402	1,402	0.0	0.0	
						1.0	1.0	
Total 2015-16 Budget Proposals			0	1,402	(866)	1.0	1.0	

**2015-16 Budget - Detailed Proposals (changes proposed in December 2014 and February 2015)**

**Service Area - Corporate and Resources**

Proposal	Consultation Required? Y/N	Change Proposed in December 2014 £'000	Change Proposed in February 2015 £'000	Total Changes Proposed for 2015-16 £'000	Post Deletions 2015-16 (FTEs)	
					Filled	Vacant
<b><i>Proposals previously approved</i></b>				<b>1,655</b>		
<b><u>Cost Pressures (positive numbers)</u></b>						
Reduction in inflation cost pressure allowed for in previous reports following the decision to reduce the allowance for contract inflation from 3% to 2% in light of falling RPI		(516)	(477)	(993)		
Contingency for other cost pressures that may arise between October 2014 and 1st April 2015 and changes between grant assumptions and actual grant settlement received from the Government		700	(1,000)	(300)		
Loss of Internal Audit income from selling services to the Fire Authority following the contract expiration		(17)		(17)		
<b><u>Other Tactical Savings (negative numbers)</u></b>						
Budget reductions driven through a 2013-14 Out-turn versus 2014-15 Budget comparison. These savings cut across many service areas and do not impact service levels as the budgets are being realigned to actual expenditure levels	N	(15)		(15)		
Deletion of vacant post in Scrutiny section (redundancy was agreed)	Not required, already implemented	(7)		(7)		1.0
Localities saving from realigning the team to meet Council's priorities and accommodate Community Navigators and Sustainable Transport work	Y - staff consultations on minor restructuring		(70)	(70)	TBC	
Income from Seqol for increased level of Payroll service provided to Seqol Health staff that have now been transferred onto the Council's core Council payroll infrastructure	N		(38)	(38)		
13% Government grant reduction passported to parishes through a small reduction in the Council Tax Support grant paid to them	N		(17)	(17)		
Contribution from Public Power Solutions Ltd (formerly Swindon Commercial Services Ltd) for additional financial support and extra Waterside site occupation	N		(20)	(20)		

**2015-16 Budget - Detailed Proposals (changes proposed in December 2014 and February 2015)**

**Service Area - Corporate and Resources**

Proposal	Consultation Required? Y/N	Change Proposed in December 2014 £'000	Change Proposed in February 2015 £'000	Total Changes Proposed for 2015-16 £'000	Post Deletions 2015-16 (FTEs)	
					Filled	Vacant
Proposed cessation of base budget funding for Swindon Emergency Assistance Fund (Welfare fund) following the discontinuation of the Government specific grant. £300k of transitional funding has been earmarked to enable the continuation of support whilst a consultation exercise is undertaken. This transitional funding would also be used to reduce the impact on vulnerable people and put in place alternative support if it proceeds.	Y - still to be undertaken		(321)	(321)		
<b>Total of proposals to be approved by Cabinet 04-02-14</b>		<b>145</b>	<b>(1,943)</b>	<b>(1,798)</b>	<b>0.0</b>	<b>1.0</b>
					<b>2.0</b>	<b>1.0</b>
<b>Total 2015-16 Budget Proposals</b>		<b>145</b>	<b>(1,943)</b>	<b>(143)</b>	<b>2.0</b>	<b>2.0</b>

**2015-16 Budget - Detailed Proposals (changes proposed in December 2014 and February 2015)**

**Service Area - Economy, Skills and Assets**

Proposal	Consultation Required? Y/N	Change Proposed in December 2014 £'000	Change Proposed in February 2015 £'000	Total Changes Proposed for 2015-16 £'000	Post Deletions 2015-16 (FTEs)	
					Filled	Vacant
<b><i>Proposals previously approved</i></b>				<b>220</b>		
<b><i>Cost Pressures (positive numbers)</i></b>						
Reduction in cost pressure from £500k to £470k associated with loss of rental income and NNDR costs for void properties		(20)		(20)		
Additional security costs to meet service and legislation requirements in terms of health & safety etc including managing traffic at Waterside Depot linked to the CA Site		30		30		
<b><i>Other Tactical Savings (negative numbers)</i></b>						
Multi-Agency Town Centre Hub - Police contribution	N	(30)		(30)		
<b>Total of proposals to be approved by Cabinet 04-02-14</b>		<b>(20)</b>	<b>0</b>	<b>(20)</b>	<b>0.0</b>	<b>0.0</b>
<b>Total 2015-16 Budget Proposals</b>		<b>(20)</b>	<b>0</b>	<b>200</b>	<b>0.0</b>	<b>0.0</b>



	Chief Executive £'000	Resources & Corporate £'000	Commissioning £'000	Delivery £'000	Contingency Fund £'000	Total General Fund £'000
<b>Cabinet 10/12/14</b>	<b>831</b>	<b>9,257</b>	<b>96,082</b>	<b>35,991</b>	<b>507</b>	<b>142,668</b>
<u>New Virements</u>						
Transfer of staffing budgets across services		138	(19)	(119)		0
Transfer on non-staffing budgets across services		44	(40)	(4)		
Additional Budgets moved to reflect the transfer of Capita Services back to SBC		43		(43)		0
Re-allocation of services across functions due to the retirement of Head of Libraries, Leisure & Culture	103		49	(152)		0
Pay award vired out to service budgets	49	(546)	198	299		0
Identification of further in-year savings		10		(10)		0
Realignment of budget for waste contract with Service Delivery area responsible for the contract		(1,521)		1,521		0
<b>Cabinet 04/02/15</b>	<b>983</b>	<b>7,425</b>	<b>96,270</b>	<b>37,483</b>	<b>507</b>	<b>142,668</b>

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## **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 ongoing 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 2015/16 Budget.

### Reserves

It is recommended that the minimum level of General Reserves the Council needs to hold to support the 2015/16 Budget is £6m. This is in the context of the Council delivering its services within Budget for the last six years.

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

By the start of 2015/16, the Council expects to be holding around £53m of reserves, of which £39m support the General Fund. By holding these reserves, the Council is accruing investment interest of around £312k per annum (assuming investment returns of around 0.8%). 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 to help balance the budget, 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 in this way.

As part of closing the 2014/15 accounts the number of reserves established in recent years to support services is being reviewed and amalgamation of many of the balances will be proposed to provide a more straightforward reserves position. The £53m expected to be held in 2015-16 is summarised below. Full details will be brought back to Cabinet early in the next Financial Year as normal for consideration and approval:-

#### **General Fund (£39m)**

- **£10m** relates to ring-fenced sums to cash flow the major Wichelstowe (£5m) and PFI (£5m) projects. These reserves fluctuate depending on the yearly cash flows of each project and will be fully depleted by the end of each project's life (well before, in the case of Wichelstowe).
- **£8m** relates to infrastructure and regeneration funding, which has been sourced mainly from the Planning Delivery Grant and New Homes Bonus (£4.2m) issued by the Government.
- **£15m** of cash flowing reserves to fund programmes of work to deliver future years' budgets, noting that £7m was used to support delivery of the 2015-16 Budget proposals. This includes funding for future year's savings implementation, such as £3m for severance costs, plus commitments already approved by Cabinet to pump-prime the 2015-16 savings such as the Recreation and Golf asset transfers (£3m), Business Rates Appeals Deficit (£2m), IT service reshaping funding (£2m) etc. This reserve funding has been created through the Council's on-going strategy to delivery future year's Budget savings early.
- **£6m** of service specific reserves set out below:-

Insurance Fund	£3m	This fund is set at an industry standard level of covering twice the aggregate excess liability in any financial year. It was increased in 2013 to reflect the increased liabilities associated with bringing SCS back in-house and higher levels of self-funding which was offset by a significant reduction in premiums
Section 106 Administration	£0.7m	To fund the team delivering the projects funded from Section 106 receipts
Other	£2.3m	A number of smaller service-specific reserves often financed from external funding or earmarked for committed projects

#### **Other Funds (£14m)**

- **£8m** of Schools balances representing the combined total of all individual schools' rolled-forward balances (£7m) and the non-schools retained DSG reserve (£1m).
- **£6m** of HRA Balances representing both general (£1.5m) and specific reserves (£1.2m) that have deliberately been increased to fund regeneration work (£3.3m) in the next few years

**ALLOWANCES APPLYING TO ALL COUNCIL MEMBERS**

The Council at its meeting on 6<sup>th</sup> November 2014 agreed to support the recommendations of the Council's Independent Remuneration Panel on Councillors' Allowances that the level of Councillors' Basic and Special Responsibility Allowances for 2015/16 should be indexed linked to the percentage increase in pay awarded to local authority staff nationally in the 2014/15 Pay Round, it being recognised that this was still to be agreed. (Minute 54(2) of the Council refers). The award subsequently agreed nationally equated to an overall pay increase of 2.2%. The effect of this increase for Councillors Allowances in 2015/16 rounded to the nearest pound is set out below:

**Basic Allowance\***

- (a) Basic Allowance is intended to recognise the time devoted by Councillors to their work, including approved duties, Council meetings and such inevitable calls on their time as meetings with Constituents, and incidental costs for which no other provision is available.
- (b) The Basic Allowance for each member will be £7,880 for 2015/16.

**ALLOWANCES APPLYING TO CERTAIN COUNCIL MEMBERS AND CO-OPTED NON-ELECTED MEMBERS****Special Responsibility Allowances\***

For each year a Special Responsibility Allowance shall be paid to those Councillors who hold special responsibilities in relation to the work of the Council. Only one Special Responsibility Allowance is payable. If a Councillor is appointed to more than one position where a Special Responsibility Allowance is payable, then the larger of the allowances will be paid. The Council has agreed that the following Special Responsibility Allowances will be payable in the 2015/16 Municipal Year.

<b>Type of Allowance</b>	<b>Allowance</b>
Leader of the Council	£20,107
Deputy Leader of the Council	£11,956
Cabinet Member	£10,053
Chair of Audit	£4,347
Chair of Overview	£3,804
Chair of Scrutiny and Leader of the Opposition	£10,053
Chair of Scrutiny <b>if not</b> Leader of the Opposition	£5,038
Chair of Planning	£6,521
Leader of the Opposition <b>if not</b> Chair of Scrutiny	£4,773
Leader of Minority Group	£1,630
Chair of Licensing	£4,347
Licensing Committee Members	£1,086
Chair of Standards	£4,347
Co-opted Standards Members / Independent Persons	£1,022
Chair of Joint Swindon and Wiltshire Police and Crime Panel if a Swindon Councillor	£5,037
Vice-Chair of Joint Swindon and Wiltshire Police and Crime Panel if a Swindon Councillor	£2,555.

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## MEDIUM TERM FINANCIAL STRATEGY 2015 - 2020

### 1 Background and Scope

- 1.1 In common with all local authorities, Swindon Borough Council is facing unprecedented pressures on its resources due to a combination of increasing demands for services and cumulative reductions in Government funding as part of the Coalition Government's response to the national funding deficit. The 2014 Autumn Statement and its accompanying forward projections confirmed that this position is set to remain in place at least until 2019/20.
- 1.2 The Council has, to date, been successful in responding to the financial challenges it has faced. Expenditure each year has been contained within the approved budget, while spending reductions that have had to be implemented have largely protected key front line services. However, against a backdrop of savings totalling £100m over the past 7 years (including those for 2015-16), it is becoming increasingly difficult to identify options to ensure a sustainable spending position over the medium-term that reflects the level of resources that will be available.
- 1.3 Over 80% of recent years' savings have been achieved through reducing the cost of services with no discernible impact on service users. A particular focus has been on reducing back office and management costs. Within this, the number of staff employed in corporate support services was 44% lower in 2014 than in 2006. While increasing the efficiency of current services will need to remain an element of any future financial strategy, there is now significantly less scope to pursue this as a major element. For this reason, the Council has changed its focus to resourcing a smaller number of more strategic programmes, aimed at taking a more transformational approach to changing service delivery.
- 1.4 The purpose of this Medium Term Financial Strategy (MTFS) is to set out the key financial management principles, budget assumptions, corporate and service issues and an outline strategy to address the funding deficit. It is used as the framework for the detailed budget setting process to ensure that resources are managed effectively in order to deliver the aspirations of the Council and its agreed priorities as set out in the Corporate Strategy;
  - Work with residents to create well cared for neighbourhoods
  - Right skills, right jobs, in the right places
  - Together, find new ways to reduce vulnerability and improve health for all
  - Work with people and families to help them fulfil their potential
  - Consistently make the best use of all available resources and focus them on what matters most
- 1.5 The MTFS and the annual budget process have close links to the corporate planning process that ensures Business Plan activities for all services relate to the Corporate Strategy priorities and reflect available budgets. Arrangements are being put in place to ensure that service planning, financial planning and performance monitoring arrangements are fully integrated and informing future workforce development plans, to ensure that the Council is considering the use of all resources (not just financial), in delivering its priorities.

- 1.6 The MTFS focuses primarily on the General Fund Revenue Account, which records the majority of the expenditure and income relating to the day to day running costs of the Council and is the element of the Council's budget that is partly funded by Council Tax. Reference is made to investment in assets, which is classed as capital expenditure, since any additional borrowing required to fund such expenditure needs to be financed from the General Fund Revenue Account.
- 1.7 The Housing Revenue Account, which records income and expenditure relating to tenants in the Council's houses, is ring-fenced from the rest of the Council's finances and has its own financial strategy, which is part of a 30 year business plan.

## **2 Forecast Resources**

- 2.1 The main income sources for the General Fund Revenue Account are Government Grant (Formula Grant and specific grants) and Council Tax. Related to the former, local authorities have the opportunity to benefit from increases in Business Rates income in future years, as explained below.

### *Government Grant*

- 2.2 New funding arrangements for local authorities were introduced by the Coalition Government from April 2013. From this point onwards, Formula Grant levels (the general grant support provided to local authorities) will no longer be changed each year to reflect movements in demographic and socio-economic profiles of individual areas. Instead, the proportion of overall general grant provided to individual authorities is expected to remain constant until around 2020, with any changes to individual Formula Grant allocations simply reflecting the change to the national level of grant determined by the Government. This represents a particular challenge for growing areas such as Swindon, as population growth will no longer be taken into account in the resources received.
- 2.3 The new system does, however, include an element of 'Localisation of Business Rates'. Local authorities are able to retain a share of the net increase in income that they receive in Business Rates, to provide funding to meet additional costs of service provision. Retained Business Rates income for individual areas is subject either to a tariff or a levy on any Business Rate growth that may be achieved (both annually increased by inflation). The level of tariffs and levies is unique to each local authority. As a tariff authority, Swindon Borough Council receives £0.28p for every £1 increase in Business Rates receivable.
- 2.4 While the new system removes some of the unpredictability in previous grant funding mechanisms, it introduces a number of new risks. The level of change in the overall rateable value is proving impossible for local authorities to predict with any degree of accuracy, due to the scale of changes in exemptions and reliefs claimed by landlords due to different property usage and, most particularly, the number and scale of successful Business Rate appeals. It is expected that the level of volatility will reduce in future years as the historic backlog of appeals is reduced by the Valuation Office Agency.
- 2.5 A further challenge is changes made by the Government each year to specific grants for particular purposes, outside of the main Formula Grant. Typically a number of such grants are said to be "rolled into" the Formula Grant each year,



meaning that like for like comparisons are very difficult to determine. Sometimes the overall level of Formula Grant is increased to reflect the funding associated with the former specific grant. Often it is not, meaning that the change is merely presentational. Since 2011-12, Swindon Borough Council has seen £29m of its specific grants rolled into the Formula Grant, although the latter has only increased by £3m, i.e. the net reduction in specific grants has been £26m.

- 2.6 In order to incentivise house building, the Coalition Government introduced the New Homes Bonus, a grant which matches the level of Council Tax income payable for each new property for a period of 6 years. It also includes a reward for bringing empty homes back into use. As a growth area, Swindon has benefited more than many areas from this grant. It is not universally supported, as it is felt by many to unfairly reward areas which typically have thriving economies at the expense of others which have less opportunity to benefit from growth. Hence, although it has brought welcome additional resources to Swindon, the Council has been more cautious in previous years than some in using this grant to support its base revenue expenditure, although plans for 2015-16 include using £5m of the £6.1m for this purpose.

#### *Council Tax*

- 2.7 The level of Council Tax is a matter to be determined by individual local authorities. Successive Governments have attempted to restrict increases in Council Tax levels by a variety of means, including capping individual local authority budgets and offering grants to incentivise Council Tax freezes. Through such measures, changes in Council Tax levels across the country have become much more uniform in recent years. Most authorities, including Swindon Borough Council, have frozen their tax levels since 2010, although an increasing number have raised tax within the 2% threshold permitted in the past two budget years.
- 2.8 As a result of continuing housing development in the Borough, there is an expectation that the Council Tax yield will grow each year, regardless of the decision on the Council Tax level. For planning purposes, an average increase of 800 Band D equivalent properties each year is assumed.
- 2.9 Swindon Borough Council has not yet formally determined the level of its Council Tax for 2015-16 and subsequent years. For the purposes of this MTFS, a 1% increase has been assumed for 2015-16, which reflects the equivalent increase through accepting the freeze grant in recent years. An alternative increase of 1.94% would generate an additional £643k of annual income in 2015-16.
- 2.10 From 2016-17 onwards, in line with many Councils and recognising the increasing difficulty of balancing the annual Budget, an increase just below the 2% current referendum threshold has been modelled. If Council Tax levels remain frozen, the cumulative funding gap assuming a tax base increase of 800 per annum increases by an estimated £2.95m over the period to 2019/20. If growth reverts to 2011-12 levels (1,200 band D equivalent households per annum), this rises to £3.1m.

### 3 Forecast Expenditure

- 3.1 This section builds on the Council's current base expenditure level and sets out the key corporate and service pressures that will need to be addressed over the MTFS period as a result of significant demographic, legislative and economic issues.

#### *Inflationary Pressures*

- 3.2 The level of inflation has recently fallen below the Government's target rate of 2%. As a result, the Council has been able to reduce its provision for inflation relating to contracts for goods and services in 2015-16 below that in previous years. With inflation seemingly set to remain at relatively low levels for the foreseeable future, predicted inflationary cost pressures are now lower than they have been for many years, but are expected to rise slightly throughout the MTFS period.
- 3.3 The position on pay inflation is slightly different. After a number of years of zero or minimal salary cost rises, an increase of 2.2% was agreed for most local authority staff from 1 January 2015, equivalent to just over 1% per year over the 2014 – 2016 period it covers. In addition, Swindon Borough Council has allowed a figure of £0.7m in its proposed 2015-16 budget for the cost of incremental progression, equivalent to a further 1% salary increase overall. Looking beyond 2015-16, an allowance of 2% has been modelled to cover pay inflation and incremental progression.

#### *Demographic Pressures*

- 3.4 Between the 2001 and 2011 censuses, Swindon's population grew to 209,000, this 16% increase being the highest in the South West. It is estimated that our population could increase to 240,000 persons by 2021 and 265,400 by 2031, equivalent to growth of approximately 14% from 2011 to 2021, and a further 10% from 2021 to 2031. This increase is significantly higher than that predicted for England overall.
- 3.5 The age structure of the population is also projected to change, with significantly higher growth in the older age groups than in the younger groups. This will result in an increase in the ratio of children and older people to working age people so that by 2031 for every one person under the age of 16 or aged 65+ there will be 1.5 persons of working age instead of 2 persons of working age in 2011.
- 3.6 The 2 most significant impacts on the Council's expenditure levels associated with demographic change are as follows;
- a) The underlying costs of providing Adult Social Care services are rising at a rate of between £3m - £5m per year. Actions have been identified that have partly mitigated these increases in recent years.
  - b) The increasing school age population has necessitated Swindon expanding existing schools and building new schools at a much faster rate than most local authorities. To date the impact has been at Primary level, but this is naturally translating into requirements for further Secondary places over the next few years. With Government grant providing only a

small proportion of the funding for these facilities, the associated additional borrowing requirement is creating an annual pressure on the revenue debt charges budget.

### *General Pressures*

- 3.7 The Council continues to respond to the ever changing national economic and policy landscape. New legislation, such as the Care Act 2014, regularly means changes to the services the Council is obliged to deliver, often with insufficient resources being provided to meet the associated additional costs. A current example is the change to Local Welfare provision, where the Council needs to consider whether to continue funding emergency support to individuals as the funding from the Department for Work and Pensions is set to be withdrawn. Although it is impossible to predict the specific future legislative changes that will impact on local authorities, past experience gives a strong indication that additional costs will regularly arise from such changes that needs to be allowed for.
- 3.8 The pension fund for Swindon Borough Council employees is administered by Wiltshire Council. Every three years an Actuary is required to revalue the fund and adjust the contributions required from councils and other employers in the scheme to ensure the liabilities of the fund will be fully funded over the long-term. The reductions in workforce, the increasing age profile of staff and the relatively low returns from investments in recent years mean that, based on historic actuarial advice the Council's employer contributions could be increasing by several million pounds each year.
- 3.9 However, in an attempt to avoid large "knee-jerk" increases, on 13th May 2010, the Wiltshire Pension Fund Committee agreed to put in place a stabilisation policy which limits increases or decreases in employer contributions to +1 or -1% per annum from 1 April 2014 onwards. The objective was to stabilise employer contributions rates over the next 24 years by underpaying in unfavourable market conditions and overpaying in more favourable times. A 1% increase amounts to just under £1m for Swindon and, as a result, the annual increases for the MTFS period have been modelled at £1m per annum and this level of increase is expected to continue for the foreseeable future.
- 3.10 Swindon is growing, with large new housing developments being constructed in several parts of the Borough. This is accompanied by additional costs associated with maintaining new roads and open spaces and expanding universal services such as waste and recycling collections. The Council clearly benefits from additional Council Tax from the new properties (and New Homes Bonus, for a period of time), but no additional Government funding is provided to help meet such additional costs.
- 3.11 In addition to the need for new schools highlighted in paragraph 3.6, the Council also needs to fund capital investment associated with its other assets, notably highways and footways and operational property, plus equipment associated with enabling individuals to continue to live independently. Government grant is received for highways maintenance through the Local Transport Plan, which the Council has chosen to supplement in recent years through additional borrowing. Most other capital expenditure is unsupported by external resources and is reliant on Council borrowing or other funds held such as s106 deposits.

3.12 Table 1 below sets out the Council's current net budget, the predicted funding reductions and expenditure requirements to show the funding gap expected for the next five years.

Table 1 – MTFS Funding Position

	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
15% Reduction in Formula Grant	8,600	7,100	5,700	4,300
Other Grant Reductions	1,400	2,400	3,300	3,400
Predicted Grant Funding Reduction	10,000	9,500	9,000	7,700
Inflation	4,000	4,000	4,500	4,800
Social Care Packages	2,500	2,500	2,500	2,500
Pension and Debt Charges	3,000	2,000	2,000	2,000
Pay Incremental Progression	700	700	700	700
Other Cost Pressures	1,500	1,500	1,500	1,500
Reduction in Collection Fund Surplus	800	300	300	300
Less Council Tax Base Growth	-1,000	-1,000	-1,000	-1,000
Less Council Tax Increase (1.94%)	-1,500	-1,500	-1,500	-1,500
<b>Predicted Funding Gap</b>	<b>20,000</b>	<b>18,000</b>	<b>18,000</b>	<b>17,000</b>
Council Tax Income	79,985	82,489	85,061	87,701
Formula Grant ##	48,748	41,648	35,948	31,648
<b>Predicted Net Budget</b>	<b>128,733</b>	<b>124,137</b>	<b>121,009</b>	<b>119,349</b>

## The Formula Grant predictions are likely to vary from the above figures due to the likelihood of specific grants being discontinued and some elements being added to it.

## 4 One-off Resources

- 4.1 The Local Government Act 2003 states that the level of reserves is a matter for each local authority to determine and they must set a level of reserves in consideration of the risks and uncertainties that might force them to spend more on their services than they planned for at the beginning of each financial year. The Section 151 Officer has a statutory responsibility as well as a duty under the Council's Constitution to advise members on what he/she feels is reasonable as part of the annual budget setting process. This is particularly important within the context of the financial challenges currently facing councils and the need to consider financial sustainability in the years to come.
- 4.2 Sections 26 and 27 of the Act give the Secretary of State power to determine minimum reserves for local authorities in England by regulation. This has not been done in recent years but the guideline issued refers to general reserves being at least 5% of the authority's net revenue budget. It should be noted that the current financial context is considerably more challenging than when the guidance was developed, indicating this figure probably should be higher. Swindon Borough Council's 2014-15 Net Budget is £143m which would suggest a level of General Reserves of £8.6m to cover unforeseen costs. Through sound financial management over a number of years, the s151 officer has concluded that a minimum level of £5m is manageable for Swindon, which has been accepted by External Audit, with the current balance held being £6m.
- 4.3 In addition to General Reserves, authorities are required to keep specific reserves to cover known risks and expected costs falling outside of their budgeted expenditure. For Swindon, the level of reserves is higher than many similar authorities at £67m, with £15m of these relating to the Housing Revenue Account and Dedicated Schools Grant and the balance of £52m supporting General Fund activities.
- 4.4 The Council has deliberately pursued a strategy over recent years of seeking to maximise such one-off resources, recognising the challenge of responding to continuing reductions in funding alongside increasing demand for services. This has been achieved predominantly through early delivery of savings identified for future year budgets, that have led to underspends by the end of each financial year. This both gives the Council resilience and cover against any need to take knee-jerk reactions when unforeseen costs arise and has also allowed significant pump priming of transformation activities that lead to lower on-going costs.
- 4.5 Table 2 below sets out uses of one-off reserves to support the last 2 years' revenue budgets, which includes some of the £52m currently held;

Table 2 – Recent Use of One-Off Resources

	<b>£m</b>		<b>On-Going Saving</b>
Hills Landfill Contract Buy-Out	1.6	Agreed at Cabinet October 2013 to enable the Council to benefit from lower costs through the SCS Waste Plant	£630k pa + future surplus on plant
Leisure/Golf Transfer	3.2	Agreed at Cabinet October 2013 to fund the project and implementation costs to enable the transfer of assets to GLL and Twigmarket	£1m pa on-going plus backlog maintenance
Green Waste implementation	0.5	Agreed at Cabinet December 2013 as part of the introduction of charging for the new service	£0.9m pa on-going
Capita Severance and IT Reshaping	5.0	Agreed at June 2014 Cabinet as part of insourcing some services	On-going £3m pa
Severance Costs above the £1m pa base budget	0.6	Agreed as part of annual Budget Reports	Part of staffing saving
Cash flowing Business Rates Appeals	2.0	Agreed at December Cabinet to allow SBC to benefit from future growth	On-going £1m pa + growth in 2016-17
PFI Top-Up	2.3	Underspend on debt charges budget in 2012-13 and 2013-14 redirected into the PFI reserve to avoid a cost pressure on the revenue account	Cost avoidance of £1m pa x 3.5 years
	<b>15.2</b>		

4.6 Specific reserves fall into two categories, although both are earmarked for specific purposes:-

- Corporate - £37m
- Service Specific - £30m (£15m for General Fund services)

#### *Corporate*

4.7 £11m relates to ring-fenced sums to cash flow the major Wichelstowe and PFI projects. These reserves fluctuate depending on the yearly cash flows of each project and will be fully depleted by the end of each project's life (well before, in the case of Wichelstowe). These sums are not available to be used to supplement other general expenditure.

4.8 £5m relates to infrastructure and regeneration funding, which has been sourced mainly from the Planning Delivery Grant and New Homes Bonus issued by the Government. Much of this funding is currently unallocated and could potentially be redirected on to other types of local authority expenditure. However, growing the Swindon economy is a key priority for the Council which is likely to require some up

front public sector investment, which would be difficult to identify without this funding being available.

- 4.9 £7m of cash flowing reserves have been established to fund programmes of work to deliver future years' budgets. This sum is not yet earmarked for specific activities, although the value should be considered within the context of the £15m one-off spend incurred to deliver the last 2 Budget rounds.
- 4.10 £3m for severance costs, against average spend of £1.2m pa over the last 3 years. Note that the base budget provision for severance is proposed to be removed in 2015-16.
- 4.11 £3m has been set aside to facilitate the leisure and golf transfer to GLL and Twigmarket.
- 4.12 The remainder is available to support a range of potential or committed costs, including £2m to cover the anticipated cost of business rates appeals in order that additional income from business rates growth can be used to support the 2015-16 budget and £1.5m for the Council's contribution to the Superfast Broadband Extension programme.

*Service Specific*

- 4.13 £3.3m relates to the Insurance Fund, which is set at an industry standard level of covering twice the aggregate excess liability in any financial year. It was increased in 2013 to reflect the increased liabilities associated with bringing SCS back in-house and higher levels of self-funding, which was offset by a significant reduction in premiums.
- 4.14 £2m is to reshape the ICT Infrastructure, as approved by Cabinet in June 2014.
- 4.15 £0.8m is being spent to fund service improvements including pothole repairs, as approved by Cabinet in determining the 2014-15 budget.
- 4.16 £0.6m is to cover the Council's payments under the Carbon Reduction Commitment scheme.
- 4.17 The remainder consists of lower sums earmarked for specific service initiatives, many of which are due to be spent in the current financial year. All of these sums will be reviewed by the end of the year to simplify the current arrangements and determine whether any can be released to supplement corporate reserves.

## 5 Responding Strategies

### *Core Principles*

5.1 The Council has a number of agreed principles as a basis for financial management and budget planning, which are set out in the Financial Procedure Rules within the Council's Constitution. The key points are summarised below:

- Budgets and resources should be aligned to key priorities as set out in the Corporate Strategy;
- Detailed budget estimates reflecting annual service plans should be developed and future liabilities anticipated, with any proposals that require additional financial commitments being considered by the Cabinet prior to being introduced;
- Where overspends or new pressures occur in individual budgets, appropriate corrective action should be identified and implemented by the relevant senior officer to ensure that expenditure remains, wherever possible, within the existing approved cash limit;
- Revenue and capital budget planning should be fully integrated and no capital scheme should progress unless all required finance and other approvals have been obtained and the scheme is formally included in the capital programme.

### *Budget Planning Approaches*

5.2 The Council has adopted the Stronger Together vision that sets out a new way of working for and with local people. In this, the strands of commissioning and joined up service delivery are both closely linked to a more localised approach to engagement and co-creation with residents, voluntary sector providers and other partners. No single approach is, however, capable of ensuring that the Council maintains a sustainable financial position over the medium term. A number of different strands will therefore be pursued in parallel, as follows;

- a) Cost reduction – a continuing drive to reduce all costs associated with the Council through systematically reviewing the justification and cost effectiveness of all current budgets and focusing procurement resources on large and medium sized contracts, to identify opportunities for cost reduction to obtain the best price. This strand is expected to diminish in the years ahead, given the significant focus on efficiency savings over the past 5 – 10 years;
- b) Asset rationalisation – ensure that premises overhead costs are kept to a minimum by optimising the number of different buildings used by the Council and its partners across the Borough, realising the potential for joint use as much as possible and disposing of assets not needed for operational or investment purposes;
- c) Alternative service delivery models – consideration of whether other current organisations, such as Parish Councils, voluntary organisations, community groups, private companies or entirely new organisations can take on delivery of current Council services. A localised approach to service delivery was



acknowledged as a key strand in the Stronger Together objective of stemming the increasing demand on public services, which is being manifested in the changing role of Localities to focus on the key pressure area of social care;

- d) Strategic commissioning – a focus on what outcomes are most desirable for Swindon residents and exploration without preconceptions of the role that the Council can best play in order to secure these, with or without direct involvement. This approach is expected to provide the evidence base to direct the Council's resources towards those activities which have the greatest impact on outcomes and, consequently, to justify withdrawing from those that have the least impact;
- e) New income generation – adopting commercial practices to better understand both our current and potential future customers and the supply markets that they and the Council on their behalf use to fulfil service needs, in order to identify opportunities to maximise current and realise new income streams. Evidence nationally is that local authority income from fees and charges has fallen since 2010, hence the particular focus of this workstream is expected to be on maximising the potential of the Council's new opportunity to benefit from business rate growth;
- f) Develop its borrowing and Treasury management strategy to ensure the optimum approach to strategic corporate financing, reducing borrowing costs where possible and identifying opportunities to improve returns on the Council's cash resources, recognising the prime aim needs to be security of sums invested.

#### *Optimising Use of Resources*

5.3 The following general principles should be applied in determining the most appropriate use of financial resources;

- a) The use of specific grant funding should be managed to ensure that it does not lead to on-going revenue budget pressures if / when the grant is subsequently withdrawn;
- b) Service specific reserves should be used for the specific one-off purposes for which they have been created, which should align with the agreed corporate priorities;
- c) Corporate reserves should be used to pump prime programmes or activities that will help ensure a more sustainable financial position is reached over the medium-term rather than as a primary method of covering on-going pressures in the budget;
- d) Further borrowing for capital expenditure purposes should be focussed on statutory or essential items for which no or insufficient grant or other funding is available or to support schemes that will secure a satisfactory financial return for the Council over time;

### *Engagement and Lobbying*

- 5.4 There are increasing examples of local authorities taking very different approaches to engage with local residents around the scale of their challenges and the choices they face. This was a key part of the Stronger Together intent and is an area which the Council will develop further as work progresses towards highlighting different options for its future year budgets. Creating a dialogue about alternative ways to reshape, deliver and access services will best ensure that delivery of the Council's priorities is achieved in ways that best secure the outcomes that local people most value as individuals and communities.
- 5.5 With the local government funding system being effectively frozen for the foreseeable future, the Council will focus its lobbying efforts on maximising the funding and partnering opportunities associated with being a high growth area, building on the success of our recent Local Growth Fund allocation. We will seek opportunities to work, both formally and informally, with similar authorities who face the same challenge. This will include seeking recognition of the additional burden high growth areas face around education provision in particular as well as more generally as a consequence of a rapidly ageing population. Looking specifically at Swindon, we will see government support to help remove the limitation on wider economic growth resulting from its relatively underperforming town centre.

## Items proposed to be charged as Special Expenses in 2015 / 2016

Service	Reason for being charged as a Special Expense	Power/Duty of Authority to provide services	Parishes which will provide Services in 2015/2016
<b>ALLOTMENTS</b> <b>£49,440</b>	<p>Swindon Borough Council only provides Allotments (Leisure gardens) in the non-parished area of Swindon. Therefore the costs should be borne by taxpayers in the non-parished area of the town <i>only</i>.</p> <p>In other areas of the Borough, allotments are provided by Parish Councils themselves and are paid for by the collection of Parish Precepts from local residents.</p>	<p>Power to provide allotments.</p> <p>Duty to provide allotment gardens if demand unsatisfied.</p>	<p>Bishopstone Highworth Haydon Wick South Marston Stratton St Margaret Wanborough Wroughton</p>
<b>BUS SHELTERS</b> <b>£17,510</b>	<p>The arrangement with Parish Councils is that bus shelters will be provided by the Borough Council in the non-parished area of the town <i>only</i>. Therefore the costs should be borne by tax-payers in the non-parished area only.</p> <p>In other areas of the Borough, Bus shelters are provided by Parish Councils themselves and are paid for by the collection of Parish Precepts from local residents</p>	<p>Power to provide and maintain bus shelters.</p>	<p>Bishopstone Chiseldon Haydon Wick Highworth South Marston Stanton Fitzwarren Stratton St Margaret Wanborough Wroughton</p>
<b>COMMUNITY CENTRES</b> <b>£178,279</b>	<p>Most Community Centres that are provided by Swindon Borough Council are in the non-parished area of the town and generally benefit people in the immediate vicinity. Therefore the costs should be borne by tax-payers in the non-parished area only.</p> <p>The exceptions to this are the Community Centres provided at Nythe and Coleview - more details about these Centres are given in Appendix 2.</p> <p>In other areas of the Borough, Community Centres are provided by Parish Councils themselves and are paid for by the collection of Parish Precepts from local residents.</p>	<p>Power to provide and equip buildings for use as community centres.</p>	<p>South Marston Stratton St Margaret Wroughton</p>
<b>DOG BINS</b> <b>£56,000</b>	<p>The arrangement with Parish Councils is that Dog Bins will be provided by the Borough Council in the non-parished area of the town <i>only</i>. Therefore the costs should be borne by tax-payers in the non-parished area only.</p> <p>In other areas of the Borough, Dog Bins are provided by Parish Councils themselves and are paid for by the collection of Parish Precepts from local residents.</p>		<p>Chiseldon Haydon Wick Highworth Liddington Stratton St Margaret Wanborough Wroughton</p>

Service	Reason for being charged as a Special Expense	Power/Duty of Authority to provide services	Parishes which will provide Services in 2015/2016
<b>OPEN SPACES</b> £740,000 (incl. Recreation)	For detailed information see schedule A	<p>Power to acquire open space and undertake its care, management and control.</p> <p>Power to maintain open spaces and make bylaws in respect of opens spaces.</p>	<p>Bishopstone Chiseldon Haydon Wick Highworth South Marston Stanton Fitzwarren Stratton St Margaret Wanborough Wroughton</p>
<b>RECREATION</b>	For detailed information see schedule A	<p>Parks and pleasure grounds – power to purchase or take on lease plant and improve lands for being used as public walks or pleasure grounds.</p> <p>Power to make byelaws to regulate public walks or pleasure grounds.</p> <p>Power to close park/pleasure grounds to the public and grant use of the same to any public charity/institution for any show.</p>	<p>Bishopstone Blunsdon Chiseldon Haydon Wick Highworth Liddington South Marston Stratton St Margaret Wanborough Wroughton</p>

**Special Expenses 2015-16 - Open Spaces**

<b>Location</b>	<b>Previously listed as:-</b>
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 2015-16 – 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	
Rodbourn 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	

# Items proposed to be charged as General Expenses in 2015 / 2016

Appendix 10c

Function	Reason for being charged as a General Expense	Power/Duty	Parish Councils which are likely to incur expenditure in 2015/16
<b>BURIAL GROUNDS, CEMETERIES AND CREMATORIA</b>	These facilities are available to all residents in Swindon; the cost therefore should continue to be borne as a general and not a Special Expense.	Power to provide burial grounds, cemeteries and crematoria.	Blunsdon, Highworth, Stratton St Margaret
	The amount of money involved is considered to be 'de minimus'.	Power to maintain a closed churchyard.	Bishopstone, Blunsdon, Chiseldon, Highworth, South Marston, Stratton St Margaret
	The amount of money involved is considered to be 'de minimus'.	Power to acquire burial ground by agreement and undertake care management and control of any such burial ground.	Blunsdon, Stratton St Margaret
	The amount of money involved is considered to be 'de minimus'.	Power to maintain burial grounds.	Bishopstone, Blunsdon, Chiseldon, Highworth, South Marston, Stanton Fitzwarren, Stratton St Margaret
<b>BYELAWS</b>	Byelaw as affecting open space and recreation grounds owned by the Borough Council are prepared for both parished and non-parished locations. The cost of drawing up the byelaws should be charged to the location, but as the cost is small, it is suggested that it be regarded as 'de minimus' and therefore not material.	Power to make byelaws in regard to pleasure grounds etc.	Haydon Wick, Stratton St Margaret
		Burial grounds.	Haydon Wick, Highworth, Stratton St Margaret
		Open spaces.	Haydon Wick, Highworth, Stratton St Margaret
<b>CLOCKS</b>	The clocks provided in the non-parished areas are for general use.	Power to provide public clocks.	Stratton St Margaret
<b>CONFERENCE FACILITIES</b>	These facilities are available to all residents in Swindon; the cost therefore should continue to be borne as a general and not a Special Expense.	Power to encourage visitors and provide conference and other facilities.	Bishopstone, Haydon Wick, Highworth, Stratton St Margaret
<b>COMMUNITY CENTRES</b>	The Council incurs minimal costs (such as rates and maintenance charges) for some	Power to provide and equip buildings for use as community centres.	Highworth, Stratton St Margaret, Wroughton

# Items proposed to be charged as General Expenses in 2015 / 2016

Appendix 10c

Function	Reason for being charged as a General Expense	Power/Duty	Parish Councils which are likely to incur expenditure in 2015/16
	facilities leased to community organisations in the Borough. Nythe and Coleview Community Centres are located within the Special Expenses areas and could therefore be charged as Special Expenses. However, as the sums are negligible and as the cost of these centres has historically been charged as a General Expense, it is proposed to charge these costs as a general expense.		
<b>DOCUMENTS</b>	Arrangements affecting official documents are an integral part of the Council's administration function and as such are not intended to benefit a specific part of the Borough only. The costs, therefore, should be charged Borough-wide.	Duty of proper officer of authority to retain documents deposited with them.  Provision of proper depositories for all papers specified as belonging to the Parish Council.  Documents of authority to be open to inspection.  Duty where required by an enactment to keep photographic copy of documents.	Bishopstone, Blunsdon, Chiseldon, Covingham, Haydon Wick, Highworth, South Marston, Stanton Fitzwarren, Stratton St Margaret, Wroughton  Bishopstone, Blunsdon, Covingham, Haydon Wick, Highworth, South Marston, Stanton Fitzwarren, Stratton St Margaret, Wanborough, Wroughton  Bishopstone, Blunsdon, Covingham, Haydon Wick, Highworth, South Marston, Stanton Fitzwarren, Stratton St Margaret, Wanborough  Bishopstone, Covingham, Haydon Wick, Stanton Fitzwarren, Wanborough
<b>DRAINAGE</b>	Drainage facilities benefit all residents in Swindon; the cost should therefore continue to be borne as a general and not a Special Expense.	Power to deal with ponds, pools and ditches that are likely to be prejudicial to health.	Bishopstone, Highworth, Wroughton



# Items proposed to be charged as General Expenses in 2015 / 2016

Appendix 10c

Function	Reason for being charged as a General Expense	Power/Duty	Parish Councils which are likely to incur expenditure in 2015/16
<b>ENTERTAINMENT AND THE ARTS</b>	These are provided by the Borough both as a means of attracting visits and to benefit all residents throughout the Borough. The cost arising should be borne as a General and not a Special Expense.		Stratton St Margaret
<b>FINANCE, EXPENDITURE (Section 137 of the 1992 Finance Act)</b>	When relying upon this power, the Council's expenditure is mainly in the form of grant aid and the Council is therefore not deemed to be performing a function under Section 35 (2) of the 1992 Finance Act. These costs can therefore be excluded for the purposes of this report. On the occasions when grant aid is not involved, it is likely that either the whole Borough would benefit, or that the amount involved would be 'de minimus'.	Power to incur expenditure which in the Council's opinion is in the interests of and will bring direct benefit to their area or any part of it.	Bishopstone, Blunsdon, Chiseldon, Covingham, Haydon Wick, South Marston, Stanton Fitzwarren, Stratton St Margaret, Wanborough, Wroughton
<b>GIFTS</b>	In most cases, gifts are received by Cultural Services and are used to benefit all the residents of the Borough. Any cost arising is small and should be regarded as 'de minimus'.	Power to accept, hold and administer for the purpose of discharging any of its functions, gifts of property.	Stratton St Margaret
<b>HIGHWAYS</b>	Most functions provided by the Council and relying on Highway legislation are intended to benefit all residents and the costs should be borne as a general expense.	Power to maintain footpaths and bridleways.	Bishopstone, Chiseldon, Hannington, Highworth, Liddington, South Marston, Wanborough, Wroughton
		Power to maintain privately maintained footpaths and bridleways.	Hannington, South Marston, Wanborough
		Power to plant trees and lay out grass verges in a highway maintainable at public expense with the consent of the highway authority.	Chiseldon, Hannington, Highworth, Liddington, South Marston, Stratton St Margaret

# Items proposed to be charged as General Expenses in 2015 / 2016

Appendix 10c

Function	Reason for being charged as a General Expense	Power/Duty	Parish Councils which are likely to incur expenditure in 2015/16
<b>HIGHWAYS (cont)</b>		Power to erect flagpoles and other structures for displaying decorations.	Bishopstone, Highworth, Stratton St Margaret
		Power to light roads and public places (these powers shall not be exercised except with the consent of the highway authority).	Highworth
		Power of district or parish councils to transfer lighting system to highway authority.	
		Power to consent to or refuse to consent to the stopping up or diversion of a highway.	Bishopstone, Highworth
		Power to consent to or refuse to consent to removal of requirement of maintenance of highway at public expense.	Bishopstone
		Power to prosecute in respect of footpaths and bridleways.	Bishopstone
		Power to provide parking spaces	Bishopstone, Hannington, Highworth, South Marston, Stratton St Margaret
<b>INFORMATION</b>	It is the Council's policy to inform the public about its services and the cost incurred is not intended to be borne by a part of the Borough only. All costs arising should be charged as a general expense.	Power to provide or assist in the provision of information about services available within the area of the authority.	Bishopstone, Blunsdon, Chiseldon, Covington, Haydon Wick, South Marston, Stanton Fitzwarren, Stratton St Margaret
<b>LITTER</b>	Litter control, including provision of bins, is intended to benefit the whole Borough and the cost should be borne generally.	Provision of litter bins.	Bishopstone, Blunsdon, Castle Eaton, Covington, Hannington, Haydon Wick, Highworth, Liddington, South Marston,

# Items proposed to be charged as General Expenses in 2015 / 2016

Appendix 10c

Function	Reason for being charged as a General Expense	Power/Duty	Parish Councils which are likely to incur expenditure in 2015/16
			Stanton Fitzwarren, Stratton St Margaret, Wanborough, Wroughton
<b>MARKETS AND FAIRS</b>	Where costs occur, they are small and do not represent the direct provision of a service by the Borough Council. Consequently any costs should be borne as a general expense.	Power to appoint times and charges for markets under a Local Act which confers powers to make byelaws on such matters.	Highworth
<b>NOTICES</b>	The Council has powers to serve and display notices as part of its administration. Any costs incurred should therefore be charged as a general expense because they do not benefit a particular area.	Power to regulate markets and fairs. Power in respect of public notices.	Chiseldon, Highworth, Stratton St Margaret
<b>OPEN SPACES</b>	Please see schedule B.	Power to serve notices. Power to acquire open space and undertake its care, management and control. Power to maintain open spaces.	Bishopstone, Covingham, Chiseldon, Haydon Wick, Highworth, South Marston, Wanborough Bishopstone, Blunsdon, Covingham, Haydon Wick, Highworth, South Marston, Stratton St Margaret, Wroughton Bishopstone, Blunsdon, Chiseldon, Covingham, Haydon Wick, Highworth, Liddington, South Marston, Stanton Fitzwarren, Stratton St Margaret, Wanborough, Wroughton
<b>PARISH PROPERTY</b>		Power to make byelaws in respect of open spaces Custody and management.	Bishopstone, Haydon Wick, South Marston, Stratton St Margaret Bishopstone, Blunsdon, Castle Eaton, Chiseldon, Haydon Wick, Highworth, South Marston, Stanton Fitzwarren, Stratton St Margaret, Wanborough

# Items proposed to be charged as General Expenses in 2015 / 2016

Appendix 10c

Function	Reason for being charged as a General Expense	Power/Duty	Parish Councils which are likely to incur expenditure in 2015/16
PUBLIC BUILDINGS	The Council's buildings are available for public meetings and assemblies by all residents and organizations throughout the Borough and the cost of providing and maintaining them should be borne as a general expense.	Power to execute works in relation to parish property.	Bishopstone, Blunsdon, Castle Eaton, Chiseldon, Haydon Wick, Highworth, South Marston, Stanton Fitzwarren, Stratton St Margaret, Wanborough
		Power to acquire or provide buildings, offices for use for public meetings and assemblies.	Bishopstone, Blunsdon, Chiseldon, Castle Eaton, Hannington, Haydon Wick, Highworth, South Marston, Stanton Fitzwarren, Stratton St Margaret, Wanborough, Wroughton
PUBLIC CONVENIENCES	The Council's public conveniences are available to all residents of, and visitors to, the Borough, and the cost of providing and maintaining them should be a general expense.	Power to provide and regulate public conveniences.	Highworth
		Duty when undertaking sanitary conveniences to make provision insofar as is reasonable and practical for the needs of disabled persons.	Highworth
RECREATION	Please see schedule B. Where this power is exercised by the Borough Council, it is intended that the resulting show will be for the benefit of all residents.	Parks and pleasure grounds - power to purchase or take on lease plant and improve lands for purpose of being used as public walks or pleasure grounds.	Bishopstone, Chiseldon, Covingham, Hannington, Haydon Wick, Highworth, South Marston, Stratton St Margaret, Wroughton
		Power to make byelaws to regulate public walks or pleasure grounds.	Haydon Wick, Stratton St Margaret
		Power to close park/pleasure ground to the public and grant use of the same to any public charity/institution for any show.	Bishopstone, Haydon Wick, South Marston, Stratton St Margaret

# Items proposed to be charged as General Expenses in 2015 / 2016

Appendix 10c

Function	Reason for being charged as a General Expense	Power/Duty	Parish Councils which are likely to incur expenditure in 2015/16
RECREATION (cont)	The pitches, facilities and sports centers are intended for general use.	Power to set aside part of park for football or cricket; provide facilities for games/recreation; provide and maintain reading rooms and pavilions; provide and maintain refreshment rooms; provide seats.	Bishopstone, Blunsdon, Castle Eaton, Chiseldon, Covingham, Hannington, Hatdon Wick, Highworth, Stratton St Margaret, Wanborough, Wroughton
		<b>Swimming pools, bathing places -</b>	
		Power to provide swimming pools.	Highworth
		Power to provide life-saving appliances at bathing places.	Highworth
		<b>Other recreational facilities -</b>	
		Power to provide sports centres.	Bishopstone, Highworth, Stratton St Margaret, Wanborough
		Power to provide swimming pools.	Highworth
		Power to provide tennis courts.	Bishopstone, Blunsdon, Chiseldon, Highworth, Wanborough, Wroughton
		Power to provide squash courts.	Highworth
		Power to provide badminton courts.	Highworth, Stratton St Margaret
		Power to provide dance studios.	Bishopstone
		Power to provide pitches for team games.	Bishopstone, Blunsdon, Chiseldon, Haydon Wick, South Marston, Stratton St Margaret, Wanborough, Wroughton
		Power to provide cycle tracks.	Hannington; Wroughton
		Power to provide golf courses.	

# Items proposed to be charged as General Expenses in 2015 / 2016

Appendix 10c

Function	Reason for being charged as a General Expense	Power/Duty	Parish Councils which are likely to incur expenditure in 2015/16
<b>STREET LIGHTING</b>	Any costs arising would be for the general benefit of residents of, and visitors to the Borough and should be charged as a general expense.	Power to provide bowling greens. Power to affix to a building lamps, brackets, pipes, electric lines and apparatus as may be required for purposes of street lighting.	<b>Wanborough, Wroughton</b> <b>Bishoptone; Highworth</b>
<b>TOURISM</b>	These facilities are provided by the Borough both as a means of attracting visits and to benefit residents throughout the Borough. The cost arising should be borne as a general and not a Special Expense.	Power to encourage tourism.	<b>Bishopstone, Highworth, Stanton Fitzwarren, Stratton St Margaret,</b>
<b>TRAINING</b>	Where this power is exercised by the Borough Council, it is intended that the resulting show	Power to enter into arrangements with the Training Commission or the Secretary of State under the Employment and Training Act 1973.	<b>Stratton St Margaret</b>
<b>TRUSTS</b>	Any costs incurred would be extremely small and should be regarded as 'de minimus'	Power to act as custodian trustee. Power to act as managing trustee.	<b>Bishopstone, Blunsdon, Hannington, South Marston, Stratton St Margaret, Wroughton</b> <b>Blunsdon, Hannington</b>
<b>WAR MEMORIALS</b>	The Council maintains the War Memorial near the Town Hall, but does so for the benefit of all residents, the costs therefore should be borne as a general expense.	Power to incur reasonable expenditure to maintain, repair and protect any war memorial within a local authority district.	<b>Bishopstone, Blunsdon, Chiseldon, South Marston, Stratton St Margaret, Stanton Fitzwarren, Wroughton</b>
		Power to incur expenditure on a war memorial to alter any memorial so as to make it serve as a memorial in connection with any war subsequent to that which it was erected for.	<b>Bishopstone, Stratton St Margaret, Wroughton</b>

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

<b>Function</b>	<b>Power / Duty</b>	<b>Location</b>	<b>Reason</b>
<b>Recreation</b>	Purchase/lease plant & lands for public walks or pleasure grounds	Angel Ridge Playground	3
		Bruddele Woods.	2
		Canal Walk.	2
		Cavendish Square Playground	3
		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
		Pilgrim Close Play Area	3
		Queens Park	2
		Ramsbury Avenue Play Area	3
		Risingham Mead Play Area	3

Function	Power / Duty	Location	Reason
<b>Recreation ctd.</b>		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
		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
		Wichelstowe Playground	3
		Winterslow Road Play Area	3
<b>Open Spaces</b>	Power to acquire & Power to maintain.	Basil Close.	1
		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
		Highland Close Shaw	3
		Liden Drive Play Area	3
		Liden Park	2
		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



Function	Power / Duty	Location	Reason
Open Spaces <i>ctd.</i>		Redcap Gardens Shaw	3
		Richard Jefferies Parkway.	2
		Riverside Park	2
		Royal Mead Open Space	3
		Shaw Forest Park	2
		Shaw Ridge	2
		Shaw Valley Parkway	2
		Tadpole Brook	1
		Tamworth Drive	3
		The Ridge Woodhall Park.	1
		Westlea Park	2
		Westlea Parkway	2
		Westfields Way Copse	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.

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## Capital Programme 2015/16 to 2017/18

**Cabinet**

**Date: 4<sup>th</sup> February 2015**

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Author: Cabinet Member for Finance

Board Director, Resources

Wards: All

Locality Affected: All

Parishes Affected: All

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

- 1.1 To report new Capital Programme requirements for the period 2015/16 to 2017/18 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 requested to recommend the Council to:

- 2.1 Include the strategic Highways projects set out in Appendix 5, funded through the Growth Deal secured by the Swindon and Wiltshire Local Enterprise partnership (SWLEP), within the Council's capital programme, noting the related capacity funding the Council has secured from Government as detailed in Appendix 6;
- 2.2 Note the current position and future budget requirement for the additional Children's Services schemes referred to at paragraphs 3.5 to 3.8 below and detailed in Appendix 1.
- 2.3 Approve a budget of £500,000 for Condition Works, funded from Capital Maintenance Grant, as referred to at paragraph 3.9 below and detailed in Appendix 1.
- 2.4 Approve a total budget of £7.927m for the 2015/16 local priority Highways and Transport schemes referred to at paragraphs 3.10 and 3.11 below and detailed at Appendix 2.
- 2.5 Approve a total budget of £2m for 2015/16, funded from borrowing, for Repairs and Maintenance on Corporate Property as referred to in paragraphs 3.12 to 3.13 and detailed at Appendix 3.
- 2.6 Approve a total budget requirement of £1,006,700 for Older Peoples and other capital schemes referred to in paragraph 3.14 and detailed at Appendix 4.
- 2.7 Approve a budget of £253,000, for refurbishment work to the County Ground Athletics Track, funded from Section 106 Planning Agreement income and

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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](mailto:psmith2@swindon.gov.uk).

# Capital Programme 2015/16 to 2017/18

**Cabinet**

**Date: 4<sup>th</sup> February 2015**

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referred to in paragraphs 3.15 to 3.17, subject to discussions with Swindon Town Football Club if required.

- 2.8 Note the position around future investment requirements at Waterside detailed at paragraphs in 3.18 to 3.19.
- 2.9 Approve the retention of £30k raised by Wroughton Parish Council in relation to the purchase of Kingsfarm Wood to be administered through a working party as detailed at paragraph 3.20.
- 2.10 Authorise the Cabinet Member for the Economy, Regeneration, and Skills, in consultation with opposition spokespersons and the Board Director, Resources, to recommend a preferred bidder in relation to Superfast Broadband as detailed in paragraph 3.21.
- 2.11 Approve a budget of £150,000 relating to feasibility work on Strategic Projects, forming part of the Strategic Economic Plan and funded from the balance of the £1m Regeneration Reserve previously approved by the Cabinet, as detailed at paragraphs 3.22 to 3.24 below.
- 2.12 Note the award of £787,500 of Department for Communities and Local Government (DCLG) capacity funding as detailed at paragraph 3.4.
- 2.13 Approve a capital budget of £197k for Library IT Equipment as detailed in paragraphs 3.25 to 3.29.

## **3. Detail**

### Capital Programme 2015/16

- 3.1 The Council approved, on Cabinet's recommendation, a 2014/15 programme in February 2014 (Council Minute 94, 2013/14 refers) with indicative costs in years beyond reflecting the Government's decision to approve grants on a yearly basis rather than the previous 3-year period.
- 3.2 This report details the Capital Programme approval requirements for 2015/16, and indicative requirements beyond 2015/16. There are also a number of 2015/16 requirements where full costs are not known at this stage and will require a further approval at a subsequent Cabinet meeting.

### **Growth Deal**

- 3.3 In July 2014, the Government announced the successful Growth Deal negotiated with the Swindon and Wiltshire Local Enterprise Partnership (SWLEP) amounting to an investment of £129.1 million. £3.75 million was confirmed for 2015/16 for Swindon with indicative allocations through to 2020/21 of £91.12million. The successful schemes in Swindon and the annual allocations are shown in Appendix 5, which Cabinet is asked formally to include within the Council's

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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](mailto:psmith2@swindon.gov.uk).

# Capital Programme 2015/16 to 2017/18

**Cabinet**

**Date: 4<sup>th</sup> February 2015**

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capital programme. The schemes relate to New Eastern Villages, Bus Rapid Transit, Wichelstowe third access, and Sustainable Transport. There are additional schemes in the Wiltshire Council area. The previously prioritised Local Transport Board schemes for M4 junctions 15 and 16 have been rolled into the Growth Deal process.

- 3.4 The level of funding provided for these strategic infrastructure projects is much greater than Swindon has received for many years and represents a step change in the scale of the Council's capital programme. In order to build capacity for the delivery of New Eastern Villages schemes, Swindon has applied for and been successful in attracting £787K of Department of Communities and Local Government (DCLG) Capacity Funding to complement the existing project team. The money will help meet our obligations with regards delivery of Eastern Villages transport schemes and fund legal and other professional advice to ensure the development is socially and financially sustainable in the long term. The bid set out the additional skills and capacity required to deliver Eastern Villages and is set out in detail at Appendix 6.

## **Children's Services Schemes**

- 3.5 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.
- 3.6 In 2014, the Council was 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. 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. In addition, if new requirements for schools are met through Free Schools, then the Council would not receive additional Basic Need Grant.
- 3.7 Capital Maintenance grant for 2015/16 has not been notified at the date of writing this report but is estimated at c£1m (2014/15 £1.54m). Notification of the exact sum is not expected until late January/early February 2015.
- 3.8 Appendix 1 contains a summary of the position on all schemes as at the date of the writing of this report. However, it is not possible at present to provide robust cost information around any of the schemes required from September 2015 on due to a combination of circumstances, namely the timing of the report reviewing Special Educational Needs requirements (expected in March '15), outcomes of

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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](mailto:psmith2@swindon.gov.uk).

# Capital Programme 2015/16 to 2017/18

**Cabinet**

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feasibility work and the outcome of Free School applications. Once the various reports and information has been received an update will be provided to Cabinet. The information included in this report highlights the likely need and provides an indication only of the potential budgetary requirements for the proposals.

- 3.9 The only approval sought in this report for Children's Services relates to £500,000 required for condition works which relates to high priority condition issues outside of the schools ability to fund from their own delegated funding (which is fairly small), such as replacement heating systems. This is highlighted on the attached appendix and a further £500,000 will be sought next year, funded from capital maintenance grant.

## **Local Priority Highways and Transport Schemes**

- 3.10 The Government has confirmed Local Transport Plan grant funding for 2015/16 of £4,177,000. In addition to this, Local Growth Funding of £3,750,000 has also been awarded and the proposed Highways programme has therefore been developed within this total envelope of funding to ensure no further borrowing is required which would require a subsequent increase in debt charges.
- 3.11 In the absence of any firm funding notification beyond 2015/16, officers are recommending that Cabinet only make new approvals for 2015/16 although Appendix 2 shows indicative requirements for future years.

## **Property and Assets**

- 3.12 Appendix 3 contains a summary of the property and assets related capital schemes requiring approval. The total budget requirement for 2015/16 is £2,000,000 and relates to Repairs and Maintenance as well as DDA ("Disability Discrimination Access) requirements on the Council's general fund Property portfolio. The backlog requirement is estimated at around £14m and the total value of the estate c£490m. As no funding is available for this, borrowing of £2m will be required. Indicative proposals beyond 2015/16 are shown on Appendix 3 but no approval is required at this stage.
- 3.13 The cost to the Revenue Budget in funding this shortfall from increased borrowing is estimated at £160,000 per annum.

## **Older People and Other Proposals**

- 3.14 Appendix 4 contains details of three new scheme approvals with a total budget requirement of £1,006,700 fully funded from grants. All of these proposals relate to expenditure that assists individuals staying in their own homes for longer and therefore potentially reduce demand on other services. Officers are recommending that only 2015/16 proposals are approved at this stage due to no firm funding being available beyond this.

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## **County Ground Athletics Track**

- 3.15 The County Ground Athletics Track facilities are currently being managed by Swindon Borough Council (the Council) as part of their Leisure portfolio. The Council's leisure centres transferred to GLL on 1<sup>st</sup> November 2014 and the transfer excluded the athletics track and associated facilities, although it was previously managed by Croft Leisure Centre staff. It is proposed that the County Ground Athletics Track is transferred to Swindon Harriers Athletics Club (the Club), which is the major user of the facility, under a 21-year lease. As part of any agreement there will be a requirement to support the Club in delivering a sustainable operation. Phase one of this project requires the provision of a new track surface, suitable floodlighting, and athletics equipment. The track is now at the end of its usable life for competitive athletics, the existing floodlights require essential repairs for safety reasons and some of the equipment inventory needs replacement for club and school athletics meetings. The estimated cost of this work is £253,000, which can be funded through Section 106 Planning Agreement income.
- 3.16 As a second phase, the project will provide a clubhouse with changing room facilities. The new clubhouse is required as the existing changing room block has subsidence, has reached the end of its useful life and is currently closed, and temporary toilet arrangements are in place with no mains services. This second phase of the project will also consider shared occupation by a range of users across the County Ground to consolidate the land use, parking, utility and social potential of the site, and will involve a further capital bid.
- 3.17 Swindon Town Football Club (STFC) has long-standing ambitions to develop the County Ground. If proposed plans come forward to redevelop their stadium that affect the works undertaken within either phase 1 or any future phase 2 to the County Ground Athletics facility, then reimbursement of the capital costs incurred for these works would need to be part of any redevelopment agreement entered into with the STFC. The Swindon Harriers lease will also include terms that enable it to be determined to enable the STFC redevelopment to be progressed, conditional on alternative facilities for athletics being provided.

## **Waterside Investment**

- 3.18 Work is underway to firm up the capital investment requirements at Waterside to ensure the site is safe, fit for purpose, and able to meet increasing demand on the services delivered from it. This report does not require any specific approvals at this stage. However, in order to provide Members visibility around this work and the potential financial impact, some additional detail is provided as follows:
- 3.18.1 Drainage work - Unknown risk of layout of drainage systems..
- 3.18.2 Works required to the access and egress and site circulation to ensure the site meets Health and Safety and capacity requirements. The

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# Capital Programme 2015/16 to 2017/18

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capital programme currently includes a budget of £800k towards this, but additional funding is likely to be required.

3.18.3 Capital repairs and maintenance requirements identified by condition surveys in the region of £1.2m.

3.18.4 Accommodation work - Under the Integration Programme a business case is developing to assess the costs and benefits of improving the decoration, orientation, equipment etc. of the accommodation to provide staff with fit for purpose and effective operational environments, which will meet the future demand on the services, provided from the depot and are aligned to New Ways of Working.

3.19 Current estimates are in the region of £3m to £4m for the above works with the largest proportion of expense being on the first three items listed above, but this is subject to additional work in order to provide a robust requirement and therefore further detail will be brought back to Cabinet once this is known.

## **Kingsfarm Woodland**

3.20 The Cabinet Member for Finance previously approved Officer's actions under delegated powers in November 2012 to purchase Kingsfarm Woodland at a value of £185,000 funded from a mixture of £130,000 S106 monies and £50,000 from the Wiltshire Wildlife Trust. In the original proposal, agreement was obtained from Wroughton Parish Council that it would raise £30,000 to offset these costs as a gesture, which it has been able to do. Following subsequent discussions with the Parish, the proposal is for the Parish to retain these funds for the further site benefit and administer them through a working party (including representation from the Council) rather than passport these funds back to the Council, and therefore approval is sought from Cabinet for this proposal.

## **Superfast Broadband**

3.21 Cabinet approved the tendering of the Superfast Broadband Extension opportunity in June 2014 (Cabinet Minute 8, 2014/15 refers). The project has subsequently conducted a review of current broadband coverage across the Borough, verified this coverage and then tendered the opportunity through an Open OJEU exercise. The bid responses have been received and the bid evaluation process is due to be concluded by 11<sup>th</sup> February 2015. The chosen supplier will increase superfast broadband coverage (>24mbps) from 80% of Borough premises currently to greater than 95% of premises by 2017. A report will be brought to Cabinet in due course.



# Capital Programme 2015/16 to 2017/18

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## **Growth Feasibility Reserve**

- 3.22 Since the Strategic Economic Plan was submitted in April 2014, further opportunities to bid to the Local Growth Fund have emerged and this is likely to continue irrespective of the outcome of the General Election. In order to maximise the competitiveness of our bids to government it is essential we meet their funding criteria to produce outline business cases following Treasury guidance. This involves specialist economic appraisal including Value for Money and Benefit Cost Ratios, which it is necessary to buy in from consultants. This can cost in the region of £20-35K per project depending on the level of detail.
- 3.23 All new growth-related capital projects are derived from the Infrastructure Delivery Plan that outlines the investment necessary to support the growth of Swindon as set out in the Local Plan 2026. Next projects for scheme development include:
- 3.23.1 the Railway Crossing in Swindon Town Centre,
  - 3.23.2 the “all vehicle” bridge to open up Kingsdown,
  - 3.23.3 District Heating pipes and plant for Wichelstowe, Eastern Villages and North Star,
  - 3.23.4 Higher Education facilities in Swindon Town Centre, and
  - 3.23.5 The Magic Roundabout and other transport schemes designed to improve capacity, journey reliability and release land for development.
- 3.24 Cabinet previously approved a sum of £1.079m funding from the Growth Feasibility Reserve to progress scheme development at Eastern Villages, with sums of £149k approved in June 2014 and a further £549k approved in July 2014. This request is for £150K of the remaining balance of to work up further schemes for Growth Deal 2 and beyond.

## **Library IT Equipment**

- 3.25 The Library Service is heavily IT dependent but much of the current infrastructure is old with outdated software and hardware. It is the single biggest cause of customer complaints. Updating the IT will improve the customer experience.
- 3.26 Libraries are increasingly involved in delivering digital literacy including running IT starter courses, job clubs, online job searching, and helping residents access local and national government information online. We are currently collaborating with Revenues and Benefits and the Department of Work and Pensions (DWP) to support residents register for Universal Credits. Without updating the IT infrastructure we will be unable to continue with this
- 3.27 The scheme will comprise:

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# Capital Programme 2015/16 to 2017/18

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- 3.27.1 Replacing the PN (public PCs) servers: without replacing we cannot update the public PCs.
  - 3.27.2 Replace the public PCs: the PCs are part of the SBC IT refresh programme. They currently operate on XP, which will be unsupported after March 2015.
  - 3.27.3 Install wifi at North, Highworth, West, Moredon and Stratton libraries: this will not only improve wifi coverage and thus the customer experience but also allow us to reduce the number of PCs from 180 to 150 as people can use their own devices e.g. smartphones, tablets
  - 3.27.4 Replace 13 of the current self-service (RFID) machines and upgrade 11 others: Many of the machines are obsolete and constantly break down requiring maintenance. The current company Bibliotheca have indicated they cannot continue to support these machines.
- 3.28 Many of our smaller libraries operate with single staffing and without self-service we would need to increase staffing levels at these sites.
- 3.29 The anticipated capital cost £197k would be funded from £71k s106 income, £51k from existing IT budgets with the balance of £75k to be funded from borrowing and repaid over 5 years through budget savings due to on-going maintenance being included within the purchase costs.

## **4. Alternative Options**

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

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

### Financial and Procurement Implications

- 5.1 These 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.

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# Capital Programme 2015/16 to 2017/18

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## Diversity Impact Assessment (DIA)

- 5.4 The Highways and Transport proposals in this report are under the umbrella of a DIA covering the Local Transport Plan; this is available from the Service Manager, Transport Planning. This DIA identified that there was no adverse impact for any equality group. DIA's have been carried out for all of the other proposals requiring 15/16 approval and have identified no adverse impact. These are held in the respective service areas.

## **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 Appendix 1- Children's Services proposals  
8.2 Appendix 2 - Highways and Transport proposals  
8.3 Appendix 3 - Property Proposals  
8.4 Appendix 4 - Older Peoples & Other proposals  
8.5 Appendix 5 - Growth Deal allocations  
8.6 Appendix 6 – Department of Communities and Local Government (DCLG) Capacity Funding

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

- 9.1 This is not a Key Decision and is included in the Cabinet Work Programme / Forward Plan for February 2015.

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Project Name	Required By	Approval Required	Total	Notes
Expansion of the Chalet Special School	Sep-15	15/16	330,000	A feasibility to review of Liden/Chalet site and what potential there is to provide the additional accommodation required for the increase in pupil numbers, this is due back at the end of February '15. There are 5 additional places are required for September '15, for which an interim solution maybe required depending on the outcome of the feasibility. Current costs based on a double mobile unit and are indicative only
St Luke's additional places (9) BESD	Sep-15	15/16	TBA	9 additional places are required for September '15. A feasibility to review the existing accommodation is due to report back at the end of Feb '15. It is anticipated that only internal works will be required.
Post 16 provision at Crowds Hill Special School	Sep-16	16/17	805,000	This scheme is dependant on Phase 1 provision of the part of the existing Crowds Hill School being completed, as the post 16 students would be accommodated in part of the existing accommodation which requires to be refurbished. Current tender returns for Phase 1 are coming in over the Cabinet agreed budget. Awaiting the outcome of the SEN report due March '15 which will inform the options.
Complex Needs 11-25 provision	Sep-16	15/16	4,770,000	Current SEN data shows that there is a need for an additional Complex Needs provision. Awaiting the outcome of the SEN report due March '15 which will inform the options.
Town Centre Primary School Places	Sep-16	15/16	3,127,000	Initially funding was sought for a 1FE Primary School, however, recent birth data has shown that there will only be a requirement for an additional reception class in 2015, this is being provided at Holy Cross Primary and another in 2016. The 2016 class is subject to a feasibility to review the potential for providing additional accommodation at an existing town centre school, due back end of March 15. It is anticipated that the budget required will be considerably less than previously advised.
Tadpole Farm Primary School 2	Sep-17	16/17	6,342,000	S106 funding available. see below
Rowborough Farm Primary School	Sep-17	16/17	6,495,000	Basic Need funding unknown at this stage
Secondary School Places 1 - 6 FE by Sept 18	Sep-18	16/17	18,341,000	New College & Bristol Diocese have both submitted bids to the DfE for Free Schools which are currently under consideration with the outcome expected by March/April 15. If one or other of these is unsuccessful then the Borough would need to provide the Secondary School building.
Secondary School Places 2 - 6FE by Sept 20	Sep-20	17/18	18,480,000	
<b>Condition Works</b>	<b>N/A</b>	<b>15/16</b>	<b>500,000</b>	<b>REQUIRING APPROVAL</b>
Condition Works	N/A	16/17	500,000	
<b>Totals</b>			<b>59,690,000</b>	
<b>Funding</b>				
Basic Need Actual			323,334	15/16 and 16/17 actuals
Basic Need Future Years			-	Unknown at this stage
Maintenance Estimated			1,000,000	Actuals expected late January/Early February 15
S106 Actual			930,989	Identified sums
S106 - Tadpole			5,077,986	Subject to legal agreement
<b>Totals</b>			<b>7,332,309</b>	
Current identified shortfall			52,357,691	Subject to future grant awards and other outcomes

Specific Funding (a)-(b)	Project Name	15/16 For Approval	16/17 For information	17/18	Total	Notes
	Highway Maintenance					
	Major Carriageway maintenance and surface dressing	1,094,000	1,211,000	1,134,000	3,439,000	Carriageway works required to repair/replace existing deteriorated road surfaces. Failure to complete this work results in further deterioration in the road network with the associated higher costs of later repairs. This also leads to increased pressure on revenue budgets and an increased number of potholes and associated insurance claims.
	Rights of Way Improvement Plan	40,000	40,000	40,000	120,000	Works required to maintain and improve access to the Rights of Way network. Failure to complete this work results in further deterioration in the rights of way network with the associated higher costs of later repairs and reduced accessibility.
	Structural Maintenance	300,000	225,000	225,000	750,000	Structure works required to repair/replace existing deteriorated highway structures. Failure to complete this work results in further deterioration in the road network with the associated higher costs of later repairs. This also leads to increased pressure on revenue budgets and an increased potential of need to introduce weight limits or close roads.
	Pavement Condition Management UKPMS	50,000	50,000	50,000	150,000	UKPMS is the national management system for surveying and assessing network condition. The amount of survey must meet minimum standards to support WGA valuation requirements.
	Street Lighting	175,000	125,000	125,000	425,000	Replacement of street lights significantly beyond their design life. Failure to complete this work results in further deterioration in structures and potential risk of higher instances of insurance claims. New installations fitted with energy efficient LED lanterns that contribute to energy savings.
	Drainage	-	100,000	100,000	200,000	Drainage improvements to mitigate flooding in high risk areas identified in the Local Flood Risk Management Strategy (LFRMS) action plan. Failure to complete this work results in increased risk of flooding of highway infrastructure and residential properties.
	Minor Road Maintenance	1,250,000	1,050,000	1,050,000	3,350,000	Carriageway works required to repair/replace existing deteriorated road surfaces in residential areas. Failure to complete this work results in further deterioration in the road network. This leads to increased pressure on revenue budgets and an increased number of potholes and associated insurance claims.
	Footway maintenance	375,000	275,000	275,000	925,000	Footway works required to repair/replace existing deteriorated path surfaces. Failure to complete this work results in further deterioration in the footway. This leads to increased pressure on revenue budgets and an increased number of insurance claims.
	Traffic Signals	100,000	75,000	75,000	250,000	Replacement of traffic signal equipment significantly beyond its design life. Failure to complete this work could lead to signal failure at critical junctions on the highway network and associated disruption.
	<b>Sub-total</b>	<b>3,384,000</b>	<b>3,151,000</b>	<b>3,074,000</b>	<b>9,609,000</b>	
(b)	<b>Integrated Schemes</b>					
	Locality Schemes	175,000	175,000	175,000	525,000	£25k pa for each Locality area to be allocated by local Members according to community priorities. A Stronger Together commitment and political priority.
	Locality Max - Bids	75,000	75,000	75,000	225,000	Cabinet Member priority allowing competitive bidding process for a larger Locality based scheme each year.
	Advanced Design of Future Schemes	100,000	100,000	100,000	300,000	Reflects Member priority around working up "shovel ready" schemes to allow funding bids on short timescales. Most external funding bid competitions do not now allow time to work up schemes as part of the bidding process. Schemes need to be ready to go at bidding stage. Will limit ability to bid for external funding.
	SW Public Transport Information Systems	20,000	20,000	20,000	60,000	Annual committed cost of participation in regional public transport information system (SW Traveline). Would need to withdraw from system without this funding. There would be no network wide public transport information service in Swindon.
	Pedestrian Crossings	37,000	37,000	37,000	111,000	Annual review of requests from Members and residents for pedestrian crossing facilities. Annual review of road casualty statistics to identify accident hotspots in need of attention. Will not be able to Member and public requests and concerns on road crossings and casualties. Will not be able to address road safety hazards as they emerge.
	Sustainable Transport	136,000	136,000	136,000	408,000	Funding bid to Local Growth Fund and Local Sustainable Transport Fund committed this amount of capital from local budgets to support the programme of bus, walking and cycling projects. Necessary to support successful bids.
	<b>Sub-total</b>	<b>543,000</b>	<b>543,000</b>	<b>543,000</b>	<b>1,629,000</b>	
	Other					
	Car Park maintenance	250,000	250,000	250,000	750,000	Budget required to allow repair and the remedial works at our existing car parks in order to maintain existing standards. If works not completed there is a deterioration in the assets alongside a negative public perception of car parks and the town as a whole.
	<b>Sub-total</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>750,000</b>	
	Other					

(c)	West of A419 junction enhancements for Eastern Villages	2,500,000			2,500,000	One off works to be funded from dedicated LGF
(c)	Sustainable Transport	1,250,000			1,250,000	One off works to be funded from dedicated LGF
	<b>Sub-total</b>	<b>3,750,000</b>	<b>-</b>	<b>-</b>	<b>3,750,000</b>	
	<b>TOTAL BUDGET REQUIREMENT</b>	<b>7,927,000</b>	<b>3,944,000</b>	<b>3,867,000</b>	<b>15,738,000</b>	
(a)	<b>Funding</b>	<b>Confirmed</b>	<b>Estimate</b>	<b>Estimate</b>		
(b)	LTP Maintenance Grant	2,799,000	2,566,000	2,489,000	7,854,000	
(c)	LTP Integrated Grant	1,378,000	1,378,000	1,378,000	4,134,000	
	Local Growth Fund	3,750,000			3,750,000	
	<b>TOTAL FUNDING</b>	<b>7,927,000</b>	<b>3,944,000</b>	<b>3,867,000</b>	<b>15,738,000</b>	

Project Name	15/16 For Approval	16/17 For information	17/18 For information	Total
Non Highways Structures (bridges within parks etc)		100,000	100,000	200,000
Playground Refurbishment	-	250,000	250,000	500,000
Lydiard Car Park provision		90,000	90,000	180,000
General R&M incl DDA works	2,000,000	2,000,000	2,000,000	6,000,000
				-
<b>Total</b>	<b>2,000,000</b>	<b>2,440,000</b>	<b>2,440,000</b>	<b>6,880,000</b>
<b>Funding</b>	<b>15/16</b>	<b>16/17</b>	<b>17/18</b>	<b>Total</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Shortfall - Borrowing	2,000,000	2,440,000	2,440,000	6,880,000
Revenue Budget Impact p.a @ £80k per £1m	160,000	195,200	195,200	550,400



Project Name	15/16 For Approval	16/17 For information	17/18 For information	Total	Comments
Wheelchairs and Health Community Equipment	538,000	538,000	538,000	1,614,000	Demand for wheelchairs and community equipment to support discharge from hospital is growing. Allowing people to live independently at home reduces the demand on adult care services and supports people health and wellbeing. Project is also around providing wheelchair and equipment to children and young people to allow them to overcome disability and live independent fulfilling lives.
Community Equipment and Adaptations	80,700			80,700	The demand for equipment and adaptations to allow people to continue to live independently at home remains high. Equipment such as hoists, stair lifts and riser recliners improves independence and reduce the demand for care funded by the Council. The anticipated rise in demand for social care due to demographic factors in Swindon over next few years makes it necessary to ensure that Council invests in equipment that enables people to stay in their own homes and as independent as possible for as long as possible.
Disabled Facilities Grant ("DFG")	388,000	388,000	388,000	1,164,000	The award of Mandatory grants for the adaptation of the homes of disabled persons. Such grants (other than those for disabled children) are means tested and fund only those works recommended by an Occupational Therapist as being necessary to meet the needs of the disabled occupier. This can include external ramping, door widening, specialist bathroom facilities, stairlifts and the provision of ground floor facilities. Grants can range from £1k to the mandatory maximum of £30k. Where a need has been identified and applicants qualify for assistance the council has no discretion over the award of grant. By enabling disabled persons to remain living in their own homes the project supports 'Care in the Community' policies, assists in reducing the potential revenue costs of the council providing alternative care arrangements, reduces potential health care costs and improves the quality of life for many disabled persons.
<b>Total</b>	<b>1,006,700</b>	<b>926,000</b>	<b>926,000</b>	<b>2,858,700</b>	
<b>Funding</b>	<b>15/16 Confirmed</b>	<b>16/17 Estimated</b>	<b>17/18</b>	<b>Total</b>	
Swindon CGT	538,000	538,000	538,000	1,614,000	
Social Care specific grant	80,700			80,700	
DFG specific grant	388,000	388,000	388,000	1,164,000	
<b>Total</b>	<b>1,006,700</b>	<b>926,000</b>	<b>926,000</b>	<b>2,858,700</b>	

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## Swindon Growth Deal Allocations

<b>Scheme name</b>	<b>Confirmed 2015/16 £m</b>	<b>Provisional 16/17 – 20/21 £m</b>	<b>LGF total £m</b>
Eastern Villages	2.5	46.2	48.7
Sustainable Transport	1.25	2.5	3.75
Rapid Transit		9.9	9.9
Wichelstowe Western Access		22.9	22.9
M4 Junction 15		3.7	3.7
M4 Junction 16		5.92	5.92
<b>Total</b>	<b>3.75</b>	<b>91.12</b>	<b>94.87</b>

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## DCLG Capacity Funding

<b>New Eastern Villages</b>	<b>Cost in 2014/15 £</b>	<b>Cost in 2015/16 £</b>	<b>Total Funding Request £</b>
Planning Officer	22,500	45,000	70,000
Highways Development Management Officer	25,000	50,000	75,000
Major Projects Transport Engineer (Client Side) and Project Manager	45,000	90,000	135,000
Infrastructure Delivery and Sustainability Coordinator	20,000	40,000	60,000
Highways scheme development	150,000	200,000	350,000
Master planning	25,000	25,000	50,000
Development Economics and viability	25,000	25,000	50,000
<b>Total</b>	<b>312,500</b>	<b>475,000</b>	<b>787,500</b>

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## Treasury Strategy Statement 2015/16

**Cabinet**

**Date: 4<sup>th</sup> February 2015**

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

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### 1. Purpose and Reasons

- 1.1. To report the Treasury Management Strategy for 2015/16, including Prudential Indicators up to 2016/17, 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 23<sup>rd</sup> February 2015,
- 2.2. Note the position with regard to the Council's bankers, as detailed at paragraphs 3.11 and 3.12,
- 2.3. Note the position on investment returns detailed in paragraphs 3.13 to 3.16, and increase investment periods to a maximum of 2 years as detailed in the Treasury Management Strategy.

### 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

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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 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 2015/16 covers three main areas:
- Capital Issues:

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- the capital plans and the prudential indicators;
- the MRP strategy.

## 3.9. Treasury Management Issues:

- 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 Arrangements

- 3.11. In reported to Cabinet previously, the Council has been using the Co-Operative Bank (the Co-Op) as its main banker, with the current contract running until March 31<sup>st</sup> 2015.
- 3.12. Officers have carried out a full procurement to secure new banking arrangements as soon as practicable and Lloyds Bank was appointed as the preferred supplier in late 2014. At the time of writing the report, some Lloyds accounts were up and running with the intention that the full service is operational by March 2015.

## Investment Returns

- 3.13. The annual Investment Strategy details priorities when making Investments of surplus funds as security first, liquidity second, followed by return on investment. These priorities follow both CIPFA and DCLG guidance.
- 3.14. The impact of this guidance is that the potential return on investments is secondary to security and liquidity and these parameters have a significant impact on the interest rate achieved by the Council in comparison with some

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other bodies and individuals as it restricts both to whom the Council can lend, and for how long.

- 3.15. The current Investment Strategy currently restricts investments to a maximum of one year, which was a move to mitigate the volatile bank situation over the last few years. This situation has eased somewhat and therefore the 2015/16 strategy proposed in this report extends the maximum investment period to 2 years. Whilst this will not affect the quality of the counterparties to whom the Council can lend, it may enable improved investment returns. It is not recommended to increase this maximum limit beyond this period as interest rates are likely to rise. The Policy also recommends that investments > 1 year are limited to £20m in total (approximately 1/3<sup>rd</sup> of the average portfolio) and £10m to any one Counterparty. The exact length of any investment will, as always, be based on rates available at that time, interest rate forecasts, and forward liquidity requirements.
- 3.16. The Council is part of a benchmarking club, which consists of around 12 to 13 other public bodies in the West and Wales, including a variety of Local Authorities, Fire Authorities etc. As at the date of the last benchmarking exercise, approximately half of these bodies had investments out for a period in excess of 12 months. Capita Asset Services, our treasury advisors have advised that it is fairly typical for authorities to lend beyond one year, but it is of course at the discretion of individual authorities to set their own policies around this.

#### **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.

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### 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

### **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.

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## **Appendix 1- Treasury Management Strategy 2015/16**

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# **TREASURY MANAGEMENT STRATEGY 2015/16**

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# **Appendix 1- Treasury Management Strategy 2015/16**

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## **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**

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## 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.

<b>Table 1 - Portfolio position forecasts</b>				
	<b>14/15</b>	<b>15/16</b>	<b>16/17</b>	<b>17/18</b>
	£'000's	£'000's	£'000's	£'000's
Gross Borrowing b/fwd	266,564	255,058	268,557	312,056
New Borrowing	-	20,000	50,000	60,000
Maturing Debt	- 11,506	- 6,501	- 6,501	- 1,501
<b>Gross Borrowing c/fwd</b>	<b>255,058</b>	<b>268,557</b>	<b>312,056</b>	<b>370,555</b>
Net Investments c/fwd	- 70,000	- 75,000	- 80,000	- 80,000
<b>Net Borrowing c/fwd</b>	<b>185,058</b>	<b>193,557</b>	<b>232,056</b>	<b>290,555</b>
CFR	476,696	475,510	484,259	502,722
Less PFI liabilities	- 55,541	- 54,156	- 52,810	- 51,280
<b>Net Borrowing Requirement</b>	<b>421,155</b>	<b>421,354</b>	<b>431,449</b>	<b>451,442</b>
<b>(Under)/Over borrowing</b>	<b>- 236,097</b>	<b>- 227,797</b>	<b>- 199,393</b>	<b>- 160,887</b>

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### 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 2014	0.50	2.50	3.90	3.90
Mar 2015	0.50	2.70	4.00	4.00
Jun 2015	0.75	2.70	4.10	4.10
Sep 2015	0.75	2.80	4.30	4.30
Dec 2015	1.00	2.90	4.40	4.40
Mar 2016	1.00	3.00	4.50	4.50
Jun 2016	1.25	3.10	4.60	4.60
Sep 2016	1.25	3.20	4.70	4.70
Dec 2016	1.50	3.30	4.70	4.70
Mar 2017	1.50	3.40	4.80	4.80
Jun 2017	1.75	3.50	4.80	4.80
Sep 2017	2.00	3.50	4.90	4.90
Dec 2017	2.25	3.50	4.90	4.90
Mar 2018	2.50	3.50	5.00	5.00

2.2 Until 2013, the economic recovery in the UK since 2008 had been the worst and slowest recovery in recent history. However, growth has rebounded during 2013 and especially during 2014, to surpass all expectations, propelled by recovery in consumer spending and the housing market. Forward surveys are also currently very positive in indicating that growth prospects are strong for 2015, particularly in the services and construction sectors. However, growth in the manufacturing sector and in exports has weakened during 2014 due to poor growth in the Eurozone.

2.3 There does need to be a significant rebalancing of the economy away from consumer spending to manufacturing, business investment and exporting in order for this initial stage in the recovery to become more firmly established. One drag on the economy is that wage inflation has been lower than CPI inflation so eroding disposable income and living standards, although income tax cuts have mitigated this to some extent. This therefore means that labour productivity must improve significantly for this situation to be corrected by warranting increases in

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pay rates. In addition, the encouraging rate at which unemployment has been falling must eventually feed through into pressure for wage increases, though current views on the amount of hidden slack in the labour market probably means that this is unlikely to happen in the near future. The US, the main world economy, faces similar debt problems to the UK, but thanks to reasonable growth, cuts in government expenditure and tax rises, the annual government deficit has been halved from its peak without appearing to do too much damage to growth.

- 2.4 Borrowing interest rates have been volatile during 2014 as alternating bouts of good and bad news have promoted optimism, and then pessimism, in financial markets. During July to October 2014, a building accumulation of negative news has led to an overall trend of falling rates. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times, when authorities will not be able to avoid new borrowing to finance new capital expenditure and/or to refinance maturing debt;
- 2.5 There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.

### **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.*

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*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 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 Council's debt charges, the benefit is in the medium to longer term as rates are currently still low historically.
- 4.3 Against this background and the risks within the economic forecast, caution will be adopted with the 2015/16 treasury operations. The Board Director Resources 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 the

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anticipated rate to US tapering of asset purchases, or 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 are still lower than they will be in the next few years

## **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 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 (premiums incurred).

4.6 The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

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

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

## **5 Investment Policy, Creditworthiness Policy and Investment Strategy**

### **Introduction: changes to credit rating methodology**

5.1 The main rating agencies (Fitch, Moody's and Standard & Poor's) have, through much of the financial crisis, provided some institutions with a ratings "uplift" due to implied levels of sovereign support. More recently, in response to the evolving regulatory regime, the agencies have indicated they may remove these "uplifts". This process may

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commence during 2014/15 and / or 2015/16. The actual timing of the changes is still subject to discussion, but this does mean immediate changes to the credit methodology are required.

- 5.2 It is important to stress that the rating agency changes do not reflect any changes in the underlying status of the institution or credit environment, merely the implied level of sovereign support that has been built into ratings through the financial crisis. The eventual removal of implied sovereign support will only take place when the regulatory and economic environments have ensured that financial institutions are much stronger and less prone to failure in a financial crisis.
- 5.3 Both Fitch and Moody's provide "standalone" credit ratings for financial institutions. For Fitch, it is the Viability Rating, while Moody's has the Financial Strength Rating. Due to the future removal of sovereign support from institution assessments, both agencies have suggested going forward that these will be in line with their respective Long Term ratings. As such, there is no point monitoring both Long Term and these "standalone" ratings.
- 5.4 Furthermore, Fitch has already begun assessing its Support ratings, with a clear expectation that these will be lowered to 5, which is defined as "A bank for which there is a possibility of external support, but it cannot be relied upon." With all institutions likely to drop to these levels, there is little to no differentiation to be had by assessing Support ratings.
- 5.5 As a result of these rating agency changes, the credit element of our future methodology will focus solely on the Short and Long Term ratings of an institution. "Rating Watch" and Outlook information will continue to be assessed where it relates to these categories. This is the same process for Standard & Poor's that we have always taken, but a change to the use of Fitch and Moody's ratings. Furthermore, we will continue to utilise CDS ("Credit Default Swap") prices as an overlay to ratings in our new methodology.

### **Investment Policy**

- 5.6 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.
- 5.7 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

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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.

- 5.8 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.
- 5.9 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.

### **Creditworthiness Policy**

- 5.10 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.
- 5.11 Our 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.
- 5.12 The criteria for providing a pool of high quality investment counterparties (both Specified and Non-specified investments) is:

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- 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**

5.13 **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).

5.14 **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:

- 2015/16 1.00%
- 2016/17 1.50%
- 2017/18 2.50%

The suggested budgeted investment earnings rates for returns on investments placed for periods up to 100 days during each financial year for the next three years are as follows:

- 2015/16 0.90%
- 2016/17 1.50%
- 2017/18 2.00%

### **Investment Periods**

Investment periods are currently restricted to no longer than 12 months, which was primarily introduced in order to limit exposure to market risk, particular in the light of bank failures. These risks have reduced substantially over the past 12 months and therefore the strategy for 15/16 is to increase the maximum lending period to 24

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months in order to attract better returns at no additional risk. Lending to counterparties will still be in line with the creditworthiness policy detailed above and recommended by Capita and it is proposed to limit these to a total of £20m. Any investments to banks and building societies for a period in excess of 365 days would be classed as a “non-specified investment” as detailed in Annex 2 to this strategy.

## **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

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## 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	2015/16 £'000	2016/17 £'000	2017/18 £'000
General Fund Approved	66,000	-	-
General Fund Estimated New	20,660	41,793	26,713
HRA Approved	15,000	-	-
HRA Estimated New	17,800	16,800	16,800
<b>Total</b>	<b>119,461</b>	<b>58,593</b>	<b>43,513</b>

- 1.2 The figures in this indicator (General Fund approved) include an assessment of the level of re-phasing of the 2014/15 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.

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<b>Table 2 Capital Financing Requirement</b>				
<b>General Fund</b>	<b>14/15</b>	<b>15/16</b>	<b>16/17</b>	<b>17/18</b>
CFR b/fwd	270,575	285,623	290,822	295,917
Spend from borrowing	19,548	10,000	10,000	10,000
Less MRP	- 4,500	- 4,801	- 4,905	- 5,007
Sub-total	285,623	290,822	295,917	300,910
Add PFI Liability	55,541	54,156	52,810	51,280
Closing CFR incl PFI	341,164	344,978	348,727	352,190
<b>HRA</b>	<b>14/15</b>	<b>15/16</b>	<b>16/17</b>	<b>17/18</b>
CFR b/fwd	140,532	135,532	130,532	135,532
Spend from borrowing	-	-	10,000	20,000
Less MRP	- 5,000	- 5,000	- 5,000	- 5,000
Closing CFR	135,532	130,532	135,532	150,532
<b>Total CFR</b>	<b>476,696</b>	<b>475,510</b>	<b>484,259</b>	<b>502,722</b>

## 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 4 calculates the impact of new approvals funded from borrowing on the tax payer, based on approvals required in the February Cabinet Report.

<b>Table 3 - Estimate of the ratio of financing costs to net revenue stream</b>				
	<b>14/15</b>	<b>15/16</b>	<b>17/18</b>	<b>18/19</b>
General Fund	10.1%	11.1%	12.0%	12.6%
HRA	39.0%	38.2%	38.1%	37.4%

# Treasury Management Strategy 2015/16 Appendix 1- Annex 1

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

	2014/15 Estimate £	2015/16 Estimate £	2016/17 Estimate £	2017/18 Estimate £
Current Approved Programme	5.16	15.90	15.67	15.45
New Proposals	0.00	0.52	1.60	1.58

## 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 internal borrowing will be reduced as new external borrowing is introduced of £115m (net of maturing debt) over the next 3 years (£13m, £44m, £45m). The boundary also includes a further contingency of £20m.

**Table 5 - Operational Boundary**

Op Boundary	15/16	16/17	17/18
Debt	288,557	332,056	390,555
Other Long Term Liabilities	54,156	52,810	51,280
<b>Total</b>	<b>342,713</b>	<b>384,866</b>	<b>441,835</b>

**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**

Authorised Limit for External Debt	15/16	16/17	17/18
Borrowing	421,354	431,449	451,442
Other Long Term Liabilities	59,156	57,810	56,280
<b>TOTAL</b>	<b>480,510</b>	<b>489,259</b>	<b>507,722</b>

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# Treasury Management Strategy 2015/16 Appendix 1- Annex 1

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## 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:

- 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	2015/16	2016/17	2017/18
<b>Interest rate Exposures</b>			
	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>
Limits on fixed interest rates based on net debt	100%	100%	100%
Limits on variable interest rates based on net debt	30%	30%	30%
<b>Maturity Structure of fixed interest rate borrowing 2014/15</b>			
	<b>Lower</b>	<b>Upper</b>	
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/;

<b>Maximum principal sums invested &gt; 364 days</b>			
£m	2015/16	2016/17	2017/18

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Principal sums invested > 364 days	£20m	£20m	£20m
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## **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 1<sup>st</sup> April 2008 and will apply its principles to all investment activity. In accordance with the Code, the Board Director – Resources 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

**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
<b>Supranational Bonds greater than 1 year to maturity</b> <b>(a) Multilateral development bank bonds</b> - 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>(b) A financial institution that is guaranteed by the United Kingdom Government</b> (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.
<b>(c) Gilt edged securities</b> 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



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

**(d) 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

**(e) 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).

**(f) Building societies not meeting the basic security requirements under the specified investments.** The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings. The Council may use such building societies but will take specific advice before doing so.

**(g) Share capital** in a body corporate – The use of these instruments will be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. Revenue resources will not be invested in corporate bodies. See note 1 below.

**(h) Loan capital** in a body corporate. See note 1 below.

**(i) Bond funds.** See note 1 below.

**(j) Pooled property funds** – The use of these instruments can be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. This Authority will seek guidance on the status of any fund it may consider using.

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

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

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## Housing Revenue Account (HRA) - Rents and Charges 2015/16

Cabinet

Date: 4<sup>th</sup> February 2015

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Author: Cabinet Member for Housing and Public Safety  
Board Director, Commissioning

Wards: All

Locality Affected: All

Parishes Affected: All

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### 1. Purpose and Reasons

- 1.1 To present the proposed rents, service charges and support charges for 2015/16 and the proposed Housing Revenue Account (HRA) budget for 2015/16.
- 1.2 The effective management of financial resources through robust financial management processes underpins the Council's ability to achieve its plans and priorities.
- 1.3 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 *"Working with residents to create well cared for neighbourhoods"* and *"Together, finding new ways to reduce vulnerability and improve health for all."*

### 2. Recommendations

Cabinet is invited to recommend to the Council as follows:

- 2.1 The proposed average rent for Housing Revenue Account (HRA) dwellings for 2015/16 of £81.34 per week (52 week basis), which is an increase of 2.2%, be approved. This will be an average increase of £1.96 per week (52 week basis). The range of increases is shown in paragraph 3.15.
- 2.2 To authorise the Board Director, Commissioning to 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, and provide a budget of £300k in 2015/16 as detailed at paragraphs 3.23.
- 2.3 The housing related support charges for 2015/16 and service charges for 2015/16 as outlined in Appendix 2 are approved.
- 2.4 Leaseholder service charges are set for 2015/16 as shown in Appendix 3.
- 2.5 Based on the proposals set out within this report that the Housing Revenue Account (HRA) proposed budget 2015/16, shown in Appendix 4, be approved

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Further information on the subject of this report can be obtained from Paul Smith, 01793 463976, psmith2@swindon.gov.uk.

# Housing Revenue Account (HRA) - Rents and Charges 2015/16

Cabinet

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and that the HRA Capital Budget and Funding be approved as shown in Appendix 5.

- 2.6 That a budget of £1m is approved to acquire properties as detailed at paragraph 3.39 below, and to authorise the Board Director, Commissioning in consultation with the Board Director, Resources to commit this expenditure.
- 2.7 That the draft 3 year capital projects and planned maintenance programme be approved at an indicative funding level of £16.8m (2015/16 prices) per annum for each of the years 2015/16 through to 2017/18 as shown in Appendix 6.
- 2.8 Rents charged on General Fund properties are increased by an average increase of 2.2% and the service charges for Christopher House and David Murray John Apartments, as shown in Appendix 7, be approved.
- 2.9 Rents charged for plots at the Hay Lane Residential Gypsy Site are increased by £1.07 per week (2.2%) to £49.81 per week (52 week basis) and the rents for workpens, as shown in Appendix 7, are approved.
- 2.10 The charges for Private Sector Leased (PSL) accommodation for those accepted as homeless outlined in Appendix 7 are approved.
- 2.11 Any underspend on the 2014-15 Housing Revenue Account is added to revenue reserves.

### **3. Detail**

- 3.1 The Housing Revenue Account (HRA) is a statutory account set up in accordance with the Local Government and Housing Act 1989. This is a significant budget for the Council amounting to £50.4m of Gross Income in 2014/15 (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 10,350 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:
  - 3.3.1 Rent - a charge for the occupation of a dwelling. Rents pay for the management and maintenance of the properties.

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# Housing Revenue Account (HRA) - Rents and Charges 2015/16

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3.3.2 Service charge - additional services which may not be provided to every tenant, or which may be connected with communal facilities e.g. a caretaker service.

3.3.3 Support charge - additional services to help tenants maintain their tenancies i.e. the warden service in sheltered accommodation and the Homeline alarm system.

## **Dwelling Rents and Capital Investment**

3.4 Government rent policy guidance, introduced nationally for local authorities in April 2002, has in previous years established the local authority average guideline rent increase by applying Retail Price Index (RPI) inflation at the previous September plus 0.5%, and a convergence factor of up to £2 per week. The £2 per week convergence factor cap reflected the policy objective of increasing Local Authority rents to similar levels to those charged by Registered Providers (Housing Associations). Under self-financing, the Government calculated an allocation of debt to Swindon of £138.6m on the basis that this would be affordable given rents would increase per the policy in place at the time and detailed above.

3.5 Following consultation the Government has announced that from 2015/16 this guidance will be replaced by new guidance that requires rent increases to be via a formula of September Consumer Price Index (CPI) + 1% for the next 10 years. Historically CPI has been lower than RPI, so the expected impact of this policy would be to reduce annual rent increases, and therefore significantly reduce the rental income predictions on which our business plan is based. (estimated loss of 2015/16 income alone is over £2m)

3.6 To illustrate the difference, the comparative inflation indices for September 2014 and resultant formula rent increase are as follows:

Inflation Index	Formula Increase (RPI + 0.5% / CPI + 1%)
RPI – 2.3%	2.8% (+ up to £2 per week)
CPI – 1.2%	2.2%

3.7 On the introduction of its new guidance the Government's existing rent restructuring policy will cease from 2015/16, with the exception of re-letting properties at the converged rent level on re-let.

3.8 Whilst the move to the new social rent policy represents potentially lower rent increases for tenants, the removal of rent convergence and change in formula

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# Housing Revenue Account (HRA) - Rents and Charges 2015/16

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represents a real, and significant, loss of rental income to the Council. More importantly it maintains the situation where existing tenancies are being charged considerably less rent than incoming new tenants. The difference between rents for neighbouring properties is on average around £4 per week, with the maximum difference at over £12 per week.

- 3.9 With the introduction of HRA Self-Financing in March 2012, the settlement that resulted in loans of £138.6m being taken on by the Council was calculated on the basis of projected income from rent convergence level increases, albeit with adjustments recognising the impact of the £2 above inflation increases. Therefore, rents were increased to meet interest and debt repayment requirements in accordance with the projected levels in the Business Plan.
- 3.10 The level of rent directly affects the amount of funding available to run housing services and service the debt, but also importantly for capital investment as demonstrated below. The higher the rental income, then the more funding that is available ultimately for capital investment once operational costs have been taken into account. This becomes increasingly important because of the much needed investment required in the Council's non- traditionally built homes and upgrades required to the sheltered housing stock. Cabinet previously approved a 3-year programme from 2014/15 to 2016/17 of £16.8m per annum in order to aid certainty and allow longer-term investment planning rather than the previous annual approach.
- 3.11 A summary of the proposed 2015/16 budget is shown below:

Provisional budget for 2015-16		£m
Rent (£43.98m) & other income		£50.378
Less Operational Costs	(£ 12.111)	
Repairs Service	(£ 12.167)	
Debt Interest (net of interest received)	<u>(£ 4.300)</u>	
Available for investment		£ 21.800
Debt Repayment		<u>(£ 5.000)</u>
Available for Capital Investment		<u>£ 16.800</u>

## Investment requirements

- 3.12 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, as well as modernisation of sheltered housing. RAND recommended investment of £108.176m over the first 5 years of the business plan. Up to and including these 15/16 proposals £61.027m will have been provided, which leaves a £47.149m shortfall to be

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# Housing Revenue Account (HRA) - Rents and Charges 2015/16

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funded in 2016/17 to meet the 5 year recommendation. Assuming that a further £16.8m is available to support this in 16/17 then the overall shortfall in investment over 5 years will be in the region of £30m. The detailed long term future requirements outlined in the RAND report will be considered as part of the Medium Term Financial Plan that will be presented to the March Cabinet meeting.

- 3.13 Table 1 below shows the effect of the different rent proposals on average rents, total rent income and the amount available to invest in homes.

**Table 1 Investment in property based on different rent levels**

	<b>2015/16</b>		
Proposed Increase	<u>1.20%</u>	<u>2.20%</u>	<u>3.20%</u>
Rent Income	£50.0m	£50.4m	£50.8m
Cost	(£33.6m)	(£33.6m)	(£33.6m)
<b>Balance for Capital</b>	<b>£16.4m</b>	<b>£16.8m</b>	<b>£17.2m</b>
Required Budget	£16.8m	£16.8m	£16.8m
<b>Surplus/(Shortfall)</b>	<b>(£0.4m)</b>	<b>Nil</b>	<b>£0.4m</b>
 Average Rent (52 week basis)	 £80.55	 £81.34	 £82.14

- 3.14 A capital budget of £16.8m in 15/16 would equate to the 14/15 budget although in real terms is a reduction due to the impact of inflation.
- 3.15 Table 2 below shows the rent increases by property size and the range of increases within that band. The historical rent calculation formula means that there is no “average” property within the stock as the rent for each property is based on a combination of number of bedrooms and 1999 property value. Previous Government policy was that rents would converge in line with a formula towards “target rents,” which would result in more consistency between properties. However as this process stopped before all properties reached their target rent, there is still a wide range of actual rents being paid.

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# Housing Revenue Account (HRA) - Rents and Charges 2015/16

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**Table 2 Average and range of rent by property size**

No of properties at Dec 14	Bed room size	Final position at year end 2014/15	Rent for existing tenants for 2015/16	Rent for new tenants for 2015/16	Lowest rent per week	Highest rent per week
277	Bedsits	£64.74	£66.96	£68.69	£60.58	£75.43
3,247	1	£71.22	£73.13	£77.50	£64.24	£86.90
2,840	2	£79.67	£81.65	£84.73	£72.73	£99.40
3,824	3	£86.14	£88.13	£92.69	£80.20	£114.28
192	4	£98.40	£100.55	£107.11	£83.16	£111.77
4	5	£105.20	£107.52	£115.20	£85.26	£118.87
2	>5	£107.21	£102.05	£114.52	£98.81	£105.29
10,386	<b>OVERALL</b>	£79.38	£81.34	£85.40		

## **Rent Proposals 2015/16**

- 3.16 As detailed in earlier paragraphs, the debt allocated to Swindon was based on an assumption that rents would rise faster under previous policy and could support the repayment of the debt and the related interest
- 3.17 As cost inflation is likely to outstrip CPI inflation, officers are recommending that rent increases of 2.2% (i.e. CPI plus 1%) are applied in line with Government guidance in order that funding available for investment, although much lower than that required, is held at the sum previously approved by Cabinet in February 2014, being £16.8m
- 3.18 Rent increases affect not only the annual budget proposals but also all future years of the business plan due to the cumulative nature of the impact on the starting budget for future years. The HRA business plan makes assumptions over 30 years, in line with the original debt calculation, around operational costs, rent income (including the effect on voids and bad debts), 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.
- 3.19 As costs increase (most likely in line with RPI) and rents increase in line with CPI, there is likely to be a widening gap in the funding available to support capital investment unless rents are increased by CPI plus 1%. Although officers are always looking to improve the value for money from available budgets through improved procurement, a reduction in the available funding will increase the difference between the investment need and that which can be delivered. Whilst the Government continues to apply a borrowing cap to the HRA there is only a

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# Housing Revenue Account (HRA) - Rents and Charges 2015/16

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limited amount of capacity to fill this through increased borrowing, as well as the budget having to bare increased debt costs if this were the case.

- 3.20 The HRA 2014/15 budget is currently projecting a revenue underspend in year due mainly to unforeseen savings on staff vacancies around on-going organisational review. However, due to the adverse weather conditions over the previous 12 months the demand continues for additional roof repairs and improving certain grassed areas damaged by off road parking due to wet ground conditions. Therefore, these funds will be diverted towards these additional requirements.

## **Affordable Rents**

- 3.21 There are different guidelines that cover affordable rent properties, these are set out below

*The maximum annual rent increase on an Affordable Rent property will be RPI + 0.5 per cent. However associations will be required to rebase the rent on each occasion that a new tenancy agreement is issued (or renewed) for an Affordable Rent property. This requirement, which overrides the RPI + 0.5 per cent limit, is designed to ensure that the rent set at the beginning of each new tenancy is no higher than 80 per cent of the market rent.*

*Source House of Commons Library Affordable Rent Model Standard Note: SN/SP/5933  
18 March 2013*

- 3.22 In light of the discussions around rents that are applied to social rent levels it is proposed that the rent increase for affordable rent properties is kept in line with the social rents at 2.2%.

## **Discretionary Housing Payments Fund (DHP)**

- 3.23 In 2014/15 the Council obtained permission from the Secretary of State to provide Discretionary Housing Payments Fund (DHP) of up to £420k through the HRA. 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 current permission is valid for the financial year beginning 1<sup>st</sup> April 2014. Given that current forecasts indicate that it is unlikely that the full £420k will have been spent by 31<sup>st</sup> March 2015, authority is sought for the Board Director, Commissioning to write to the DCLG for permission to extend the arrangement into 2015/16 and a budget of £300k has been earmarked to support this arrangement.

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# **Housing Revenue Account (HRA) - Rents and Charges 2015/16**

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## **Support and Service Charges**

- 3.24 As part of rent setting in previous years 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 5%-10%). These increases have to be passed on via increases in the service charges; however, where there has been an over recovery of service charges in earlier years this has been used to reduce the impact of the increases. Full details of all service charges can be found in Appendix 2.

## **Leaseholder Service Charges**

- 3.25 Leaseholders are recharged the full cost of providing services. The charges proposed for leaseholder are shown in Appendix 3.
- 3.26 It is proposed to increase the charge for the costs of the administration involved in the resale of leases, to cover officer time in processing these applications. Currently leaseholders are charged for the Council's legal fees, but not for other admin costs. The proposed charge is £155 per transaction and is included in Appendix 3.

## **Garage Rents and Parking Charges**

- 3.27 Garage and parking space rents for tenants have been held this year due to the level of 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**

- 3.28 The rent setting presentation explained the options available when setting the budget this year. 3 different rent options were presented these were:
- CPI only – a 1.2% increase.
  - CPI + 1% – a 2.2% increase (Recommended)
  - CPI + 2% – a 3.2% increase.
- 3.29 Two general rent consultation meetings were held, and the Housing Advisory Forum was asked for its views. An extract has also been circulated via ehousing and the housing Facebook page for comments. An online survey was undertaken and feedback cards were also provided. The outcome of all the preferences expressed from the various consultations are given below.

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## Housing Revenue Account (HRA) - Rents and Charges 2015/16

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	Option 1 1.2%	Option 2 2.2%	Option 3 3.2%
Survey Monkey	28	20	27
Housing Sounding Board	31	36	44
Rent Consultations	5	8	0
TOTAL	64	64	71

- 3.30 The above table shows that there was a fairly even split between each of the options, it was made clear to tenants during the consultations that Option 1 would result in a reduction in capital funding. Addresses were checked for those taking part to see if they were tenants. A cross check also found several individuals making multiple returns, this is accounted for in the results. Twenty responses were anonymous, eight stated a preference for option 1, four for option 2 and eight for option 3,

### **Housing Revenue Account (HRA) Budget 2015/16**

- 3.31 The HRA budget for 2015/16 is dependent upon the decisions Members make around changes to rents, service charges, support charges, and capital investment.
- 3.32 Appendix 4 shows the proposed HRA budget for 2015/16 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 2014/15 base budget to the proposed 2015/16 budget. This section will also bring to Members' attention the short term and medium financial implications and challenges facing Swindon's HRA.
- 3.33 The current HRA debt will stand at £135.5 million on 31 March 2015 and the average interest rate for this is 3.32%. Interest on this borrowing for 2015/16 is £4.50m (item 26, Appendix 4).
- 3.34 The budgeted cost of revenue repairs (item 3&4, Appendix 4) has remained at a similar level to last year at £12.167m in 2015/16. The intention is to increase the size of this team to enable them to undertake some of the smaller capital works that would have historically been carried out by contractors. The cost of these works will be charged to the capital programme. Re-tendering exercises have

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Further information on the subject of this report can be obtained from Paul Smith, 01793 463976, psmith2@swindon.gov.uk.

# Housing Revenue Account (HRA) - Rents and Charges 2015/16

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resulted in a reduction in the cost of vacant property repairs, this has allowed additional spend in other areas.

- 3.35 The proposed budget includes a decrease in bad debt provision from 3.5% of rents to 1.55%, which has resulted in a decrease in the provision of £530k (item 10, Appendix 4).
- 3.36 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.
- 3.37 The capital projects and planned maintenance programme has been maintained at £16.8m (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.
- 3.38 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 Government's 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. It is anticipated that there will be circa £1.2m available to spend at the end of March 2015.
- 3.39 It is proposed to provide an additional £1m on top of that budgeted for in 2014/15, to enable the purchase of 1 and 2 bedroom properties within the HRA estate areas. In addition, this funding stream will also be used to acquire properties that are suitable to support Adult Social Care clients who need accommodation, (item 2, Appendix 5). This will provide options for those tenants who need to downsize due to the introduction of the Welfare Reforms. Appendix 5 items 17 -20 provide a summary of the retained Right To Buy (RTB) income that is available for investment in new build programmes. It is anticipated that this funding, referred to in the previous paragraph, will be used to help fund this.
- 3.40 Any other new build and major regeneration programmes will be brought to Cabinet for separate approval and will take account of the Housing Strategy 2015-26. Regeneration and new build opportunities can take advantage of the borrowing headroom available to the HRA.

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# **Housing Revenue Account (HRA) - Rents and Charges 2015/16**

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- 3.41 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.
- 3.42 The proposals contained in this report will produce a balanced HRA budget in 2015/16.

## **General Fund Rents and Service Charges**

- 3.43 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**

- 3.44 There are 37 plots at Hay Lane and a rent of £48.74 per week was charged in 2014/15. It is proposed to increase this charge for 2015/16 in line with other general fund properties to £49.81 per week, an increase of 2.2%.
- 3.45 Workpens at Hay Lane vary in size and each has a separate charge. It is proposed that the charges are increased by 2.2% for 2015/16 and it is therefore recommended that charges for Hay Lane outlined at Appendix 7 be approved.
- 3.46 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**

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

## **4. Alternative Options**

- 4.1 The setting of local authority rent is a local decision. Central Government provides guidance that increases should be based on CPI + 1%. The Council 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.

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# Housing Revenue Account (HRA) - Rents and Charges 2015/16

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- 4.2 The Council has chosen to use a level of rent increase that is in line with Government guidance. This will enable the properties to be maintained at the decent homes standard, but will not address the major repairs that were recommended in the RAND survey, 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. A 1.2% increase would result in a reduction of £400,000 in 2015/16 which would reduce the allocation for kitchens and bathrooms from £2.42m to £2.02m. Due to the subsequent reduction in the base budget in future years, there would be a loss of income in excess of £12m over the 30 year life of the HRA business plan.

## **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 thorough Diversity Impact Assessment was carried out in support of the HRA Business Plan in 2012. This has been updated annually to reflect the changes in rents and identified no adverse impact for any protected characteristic. A copy can be obtained from the report author.
- 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

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# Housing Revenue Account (HRA) - Rents and Charges 2015/16

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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 2015/16. 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.

## Risk Management

- 5.8 The main risks facing the HRA are the impending introduction of Universal Credits. Universal credit seeks to empower benefit claimants by paying all benefits to the claimant and then allowing them to pay for the services they receive. Currently all housing benefit entitlements are paid directly to the Council, thus safeguarding the cash flow from this benefit source, under Universal Credit this funding would need to be paid by the tenant to the Council in arrears. This will mean that housing officers will need to arrange and manage the payment arrangements for a significantly higher number of tenants. Currently around 70% of tenants have all or some of their rent paid directly by housing benefit. Universal Credit will commence in Swindon in February 2015 for single person households. Housing staff will be carefully monitoring the impact of this change and taking action as required.

## **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**

Appendix 1 – Proposed HRA Budget Overview 2015/16.

Appendix 2 – Service charges for 2015/16

Appendix 3 – Leaseholder charges for 2015/16

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# Housing Revenue Account (HRA) - Rents and Charges 2015/16

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Appendix 4 – Detailed HRA Budget 2015/16

Appendix 5 – Proposed HRA Capital Budget 2015/16

Appendix 6 – Proposed HRA 3 year Capital Programme

Appendix 7 – Proposed HGF Rents & Service Charges 2015/16

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

- 9.1 This is not a key decision to be made by Cabinet because the final decision on setting Housing Revenue Account rents and charges for 2015/16 and approving the HRA budget for 2015/16 are to be made by full Council on 23<sup>rd</sup> 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.
- 9.2 This item is included in the Cabinet Work Programme and Forward Plan for February 2015.



## Appendix 1 – Overview of HRA Revenue Budget

	2014/15 Budget	2015/16 Proposed Budget
	£	£
<b>Expenditure</b>		
Management ( staff, overheads and service charge costs)	11,944,500	11,974,700
Repairs (incl. staff costs)	12,176,900	12,167,000
Rent, Rates and Taxes	76,000	76,700
Debt Management fees and Debt Rescheduling Premium	60,000	60,000
<b>Gross Expenditure</b>	<b>24,257,400</b>	<b>24,278,400</b>
<b>Income</b>		
Rents	(43,031,200)	(43,980,000)
Voids and Bad debt	1,871,400	1,139,800
Service Charges	(4,115,800)	(4,049,100)
Other Income (garages, commercial property, Homeline)	(3,440,600)	(3,489,600)
<b>Gross Income</b>	<b>(48,716,200)</b>	<b>(50,378,900)</b>
<b>Net Cost of Services</b>	<b>(24,458,800)</b>	<b>(26,100,500)</b>
Net Interest costs ( after interest receivable has been deducted	4,561,700	4,300,500
<b>Projected (surplus) / deficit for the year</b>	<b>(19,897,100)</b>	<b>(21,800,000)</b>
<b>Use of operating Surplus with £5m Loan Repayment</b>		
Contribution to capital expenditure and loan repayment	5,000,000	5,000,000
Depreciation Charges = transfer to Major Repairs Reserve to fund capital	14,400,000	14,400,000
Revenue Surplus used in Capital Programme (RCCO)	497,100	2,400,000
<b>Use of Operating Surplus</b>	<b>19,897,100</b>	<b>21,800,000</b>

## **Appendix 2 – Service charges for 2014/15**

	<b>Current Charge 2014/15</b>	<b>Proposed Charge 2015/16</b>
	<b>£</b>	<b>£</b>
<b><u>Flats (Communal entrance)</u></b>		
Service Charge - Staircase Lighting	0.64	0.59
Multi Storey service charge	14.35	14.04
Neighbourhood Wardens Low & medium rise blocks service charge	1.99	1.99
Neighbourhood Wardens General stock service charge	1.17	1.17
<b><u>Sheltered Housing</u></b>		
Sheltered service charge	24.87	25.11
Heating charge - private use	11.44	11.58
Heating charge - communal use	3.76	3.80
Water charge	3.61	3.65
Guest room charge	13.00	13.00
Guest flat charge	15.00	15.00
<b><u>Other</u></b>		
Cable TV charge	2.00	2.00
Communal TV aerials	1.10	1.12
Home contents insurance (per £100 of cover)	0.11	
Grass Cutting	1.27	1.30
Hedge	1.27	1.30
<b><u>Support Charges</u></b>		
Sheltered housing support charge	3.10	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	5.69
Homeline Plus level 1	12.85	12.85
Homeline Plus level 2	14.30	14.30
Homeline Plus level 3	16.22	16.22

	<b>Current Charge 2014/15</b>	<b>Proposed Charge 2015/16</b>
	<b>£</b>	<b>£</b>
<b><u>Garage / Parking Charges</u></b>		
Garage rent	7.51	7.51
Account Garage + VAT	8.30	8.30
Parking space	2.54	2.54
Cross over - existing tenants	2.21	2.26
Cross over - new tenants	4.32	4.42
Cross over - new build properties (2 spaces)	8.64	8.83
Account parking space + VAT	2.83	2.83
Premium Garage + VAT	9.96	9.96
Premium parking space + VAT	6.23	6.23
<b><u>Supported Housing</u></b>		
Service Charge	37.59	38.42
Heating charge - private use	10.90	9.55
Heating charge - communal use	3.83	3.36
Water charge	5.80	4.40
Electricity	6.75	8.46
<b><u>Small Housing Schemes</u></b>		
Service charge - Moredon Road	34.62	35.26
Service charge - William Robins Court - LD clients	27.02	25.21
Service charge - William Robins Court - General needs	11.25	11.48
Service charge - Baileys Farm Gardens - General needs	13.92	14.23
Service charge - Baileys Farm Gardens - General needs water	3.82	3.65
Service charge - Marlowe Avenue	24.03	24.36
Service charge - Twyford Close	8.63	8.24
Service charge - Evelyn House	21.74	22.22
Service charge - Tyndale Gardens	27.07	27.67
Service charge - Kimmerfield Court (SBC element)	7.55	7.65
Service charge - Kimmerfield Court - Private heating charge	8.40	8.61
Service charge - Kimmerfield Court - Communal heating charge	2.10	2.84

## **Appendix 3 - Leaseholder Charges**

	<b>Current Charge 2014/15</b>	<b>Proposed Charge 2015/16</b>
	<b>£</b>	<b>£</b>
Ground Rent - Annual Charge	10.00	10.00
Leaseholder management charge - all properties	143.68	152.28
Leaseholder management charge - properties with communal areas	172.06	182.36
Service Charge - Staircase Lighting adjusted to actual charge during annual review	40.31	27.90
Multi Storey service charge	599.59	607.79
Administration charge for dealing with the re-sale of leasehold interest	150.00	155.00
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		2014/15 Budget	2015/16 Proposed Budget
		£	£
	<b><u>EXPENDITURE</u></b>		
1	S&M General	6,152,400	6,286,800
2	S&M Special	5,792,100	5,687,900
3	Repairs Administration	1,284,700	1,472,700
4	Contribution to Repairs Account	10,892,200	10,694,300
5	Rent, Rates & Taxes	76,000	76,700
	<b><u>Capital Financing</u></b>		
6	Capital Charges - depreciation council dwellings	14,400,000	14,400,000
7	Capital Charges - debt rescheduling premium	0	0
8	Revenue Contribution to Capital Outlay (RCCO) - Charged	497,100	2,400,000
9	Debt Management	60,000	60,000
10	Provision for Bad Debts	1,230,000	700,000
<b>11</b>	<b><i>TOTAL EXPENDITURE</i></b>	<b>40,384,500</b>	<b>41,778,400</b>
	<b><u>INCOME</u></b>		
	<b><u>Rent income</u></b>		
12	Dwellings	(43,031,200)	(43,980,000)
13	Less voids	641,400	439,800
14	Garages	(1,056,300)	(1,056,300)
15	Shops / Commercial	(172,300)	(252,700)
16	Support charges - Sheltered	(216,000)	(216,000)
17	Sheltered Housing Service Charges	(2,428,700)	(2,312,500)
18	Homeless Hostel Service Charge	(483,200)	(454,300)
		<b>(46,746,300)</b>	<b>(47,832,000)</b>
19	Miscellaneous Properties Rent	(95,000)	(94,400)
20	Service Charges - Flats	(78,400)	(78,400)
21	Sheltered Housing Heating Charges	(909,500)	(987,900)
22	Homeline	(861,300)	(892,800)
23	Other Service Charges / Other income	(1,255,700)	(1,193,400)
		<b>(3,199,900)</b>	<b>(3,246,900)</b>
<b>24</b>	<b><i>TOTAL INCOME</i></b>	<b>(49,946,200)</b>	<b>(51,078,900)</b>
<b>25</b>	<b><i>NET COST OF SERVICES</i></b>	<b>(9,561,700)</b>	<b>(9,300,500)</b>
26	Loan Charges - Interest	4,665,700	4,497,500
27	Interest on balances (interest receivable)	(104,000)	(197,000)
28	Right to buy mortgage interest (interest receivable)		
<b>29</b>	<b><i>NET OPERATING EXPENDITURE</i></b>	<b>(5,000,000)</b>	<b>(5,000,000)</b>
30	Loan repayments	5,000,000	5,000,000
<b>31</b>	<b><i>PROJECTED (SURPLUS) / DEFECIT FOR THE YEAR</i></b>	<b>0</b>	<b>0</b>

## Appendix 5 - Proposed HRA Capital Budget 2014/15

<u>Item</u>		2014/15 Budget £	2015/16 Proposed Budget £
	<b><u>HRA Capital Schemes</u></b>		
1	Capital Projects and Planned Maintenance Programme Slippage from 2013/14 Programme	16,802,800 13,853,000	16,800,000
2	Regeneration and Acquisition Programme	1,000,000	1,000,000
3	Non-Core Works:	0	0
4	<b>Total Capital Programme</b>	<b>31,655,800</b>	<b>17,800,000</b>
	<b><u>HRA Capital Funding Applied</u></b>		
5	Depreciation - transfer to MRR to fund capital	14,400,000	14,400,000
	In year Capital receipts	1,228,900	
6	S106 Funding	0	
7	Direct Revenue Financing	497,100	2,400,000
8	In year resources available	16,126,000	16,800,000
	<b><u>HRA Capital Reserves</u></b>		
9	Usable Capital Receipts		
10	Prudential Borrowing		
11	RTB Funding Used	262,000	390,000
12	HRA Capital Reserves	15,267,800	610,000
		15,529,800	1,000,000
13	<b>Total HRA Capital Funding</b>	<b>31,655,800</b>	<b>17,800,000</b>
14	<b><u>Revenue</u></b>		
15	<b>Repairs Budget</b>	<b>12,176,900</b>	<b>12,167,000</b>
16	<b>Total Revenue and Capital Repairs</b>	<b>42,832,700</b>	<b>28,967,000</b>
	<b><u>RTB retained funding</u></b>		
17	Brought forward	1,199,300	1,238,300
18	Used in year	(262,000)	(390,000)
19	Additional funding from in year sales	301,000	
20	Resources carried forward	1,238,300	848,300

## **Appendix 6 - Proposed 3 year Capital Programme**

		2014/15	2015/16	2016/17	2017/18
	Element	£ 000's	£ 000's	£ 000's	£ 000's
1	Planned maintenance - Fences & paths	525	500	500	500
2	Planned maintenance - Cyclical	1,675	1,831	1,831	1,831
3	Roofs	1,685	1,927	1,927	1,927
4	Windows	625	972	972	972
5	External / entrance doors	780	804	804	804
6	Central heating	2,335	2,880	2,780	2,780
7	Electrics	1,260	1,295	795	795
8	Kitchens	2,800	1,804	1,804	1,804
9	Bathrooms	740	619	393	393
10	External walls - Repairs	90	90	90	90
11	External walls - Internal Wall Insulation	0	188	563	563
12	Environmental & communal areas	190	200	200	200
13	Related assets	305	264	264	264
14	Contingent major repairs	1,125	193	193	193
15	Exceptional extensive - Encapsulation	1,290	1,575	2,275	2,275
16	Improvements	515	699	449	449
17	Major aids & adaptations	803	900	900	900
18	Environmental improvements	60	60	60	60
	<b>TOTAL:</b>	<b>16,803</b>	<b>16,800</b>	<b>16,800</b>	<b>16,800</b>

All budgets are shown in 2014/15 prices.

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

	<b>Current Charge 2014/15</b>	<b>Proposed Charge 2015/16</b>
	<b>£</b>	<b>£</b>
<b><u>Hay Lane Caravan Site</u></b>		
Caravan Site Pitch Rent	48.74	49.81
Caravan Site Workpen Rent Size 1	4.15	4.24
Caravan Site Workpen Rent Size 2	8.30	8.48
Caravan Site Workpen Rent Size 3	10.37	10.60
Caravan Site Workpen Rent Size 4	12.44	12.71
Caravan Site Workpen Rent Size 5	1.04	1.06
<b><u>Christopher House, Marlowe Avenue</u></b>		
Service Charge	19.35	19.35
<b><u>David Murray John Building</u></b>		
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
<b><u>PSL rents</u></b>		
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		



## Strategy to Prevent Child Sexual Exploitation

**Cabinet**

**Date: 4<sup>th</sup> February 2014**

---

Author: Cabinet Member for Children's Services  
Head of Children, Families and Community Health

Wards: All Wards

Locality Affected: All

Parishes Affected: All

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

- 1.1 Child Sexual Exploitation (CSE) is among the most serious and challenging issues that any Council will face. This report sets out how the Council will further enhance its work in this area and proposes a strategy and associated delivery plan for the agreement of the Cabinet and Council. The Strategy does not pre-empt any new recommendations that may come out from any new national reports, research documents, local case reviews or other new learning. It does however take into account the national guidance, reports of recent high profile cases across the Country, the Ofsted thematic CSE Review and other research of note.
- 1.2 Over the past few years there have been a number of high profile trials and we know that CSE has a risk of taking place in virtually every town and city across the country. In this instance, Swindon is no different and we wish to take a zero tolerance approach to this crime.
- 1.3 Tackling CSE is vital to support the Council's Corporate Priority of reducing vulnerability. It also contributes to the One Swindon Priority: Living independently, protected from harm, leading healthy lives and making a positive contribution. There are also links to the Crime and Disorder Act whereby Section 17 of the Act 1998 makes it a statutory responsibility for all local authorities to consider community safety as part of its core business.

### **2. Recommendations**

Council is recommended to:

- 2.1 Agree the Child Exploitation Strategy for Swindon Borough Council as set out in Appendix 1  
  
Note the associated delivery plan that will be monitored and updated at regular intervals.
- 2.2 Agree to support the introduction of a pledge: Zero tolerance of CSE in Swindon.
- 2.3 Authorise the Cabinet Member for Children's Services to sign the Zero tolerance of CSE pledge on behalf of Swindon Borough Council and invite other Councillors to do so.

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Further information on the subject of this report can be obtained from Karen Reeve, Tel: 01793463200. [KReeve@swindon.gov.uk](mailto:KReeve@swindon.gov.uk)

# Strategy to Prevent Child Sexual Exploitation

Cabinet

Date: 4<sup>th</sup> February 2014

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## 3. Detail

### Background

- 3.1 Child Sexual Exploitation (CSE) is a national issue. It involves the exploitation of children and young people whereby they receive 'something' (e.g. affection, food, accommodation, drugs, alcohol, cigarettes, gifts, money) as a result of their performing, and/or another or others performing on them, sexual activities. In all cases, those exploiting the child have power over them by virtue of their age, gender, intellect, physical strength and/or economic or other resources. Violence, coercion and intimidation are common, involvement in exploitative relationships being characterised in the main by the child's limited availability of choice resulting from their social/economic and/or emotional vulnerability.
- 3.2 A national response is needed in order for these issues to be tackled in a coherent way that will lead to effective action and prevention across the country. However, we need to do everything we can to address the issue locally and pro-actively prevent as well as pursue perpetrators and protect children and young people.
- 3.3 We know that CSE can take many different forms including:
- Exploitation by family members, including being 'sold for sex',
  - Sexually exploitative relationships with older adults,
  - Sexually exploitative relationships with peers,
  - Sexual exploitation through technology including grooming through social media and the taking and circulation of sexually explicit images of the child.
- 3.4 The Swindon Local Safeguarding Children's Board (LSCB) developed in 2012 a strategy that outlined how partner agencies will work together. This is based broadly on three strands – Prevent, Protect and Pursue. It was developed following the work of the Board's Sexual Exploitation and Runaways sub group. CSE has been a strategic priority for the Board since 2012/13 and the Board monitors an associated action plan.
- 3.5 Swindon Borough Council is a very active partner in this work and has led several areas of its activity. There is also positive engagement by all the partner agencies across the area. The Council has funded a new full time permanent post to take forward its work in this area and also enhanced the numbers of social workers it employs.
- 3.6 The LSCB has affirmed its expectation that all agencies will work together using the agreed multi-agency child protection and CSE procedures and having a Swindon Council Strategy and delivery plan identifies how our services will support and enhance the work of the Board to further protect the children and young people of Swindon.
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Further information on the subject of this report can be obtained from Karen Reeve, Tel: 01793463200. [KReeve@swindon.gov.uk](mailto:KReeve@swindon.gov.uk)

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- 3.7 Whilst those who have worked in children's services for many years know that CSE is not a new phenomenon what is new is the level of professional and public awareness. This has been generated by recent high profile cases and what has been discovered about what may be new and more organised patterns of abuse. i.e. networks of offending. Hence it has become everybody's responsibility to identify, prevent, and protect children and young people from this form of abuse.
- 3.8 Swindon Borough Council is committed to the same three LSCB strands of activity for its strategy and delivery plan, that being to Prevent, Protect and Pursue. It is fully committed to working with the LSCB and its partners, both statutory, voluntary and community based in order to provide an effective response. We wish to take a zero tolerance approach to this crime.
- 3.9 The strategy identifies that we will need an effective response that we will:
- maintain good strategic leadership,
  - ensure excellence in the management of our service delivery and provide good services to children and young people that need it,
  - involve and engage the community to raise awareness,
  - support the police to prosecute offenders whenever and wherever possible, and
  - ensure we learn from good practice and relate this back to our own provision.
- 3.10 Some areas of the Council's activity already demonstrate a good understanding of the forms of CSE and provide good services, some less so and practice is developing across the Country, not just in Swindon. We want to learn from the challenges highlighted nationally and apply the learning locally to ensure we support staff to be open to the issues of CSE in their day to day activity.
- 3.11 We want to challenge where needed whilst fully supporting the need for excellence in partnership working and intelligence gathering. Consistency in each of the three strands of the strategy will be the challenge in what is an incredibly difficult form of abuse to identify and support young people to disclose especially when some young people do not see themselves as victims at all and can be difficult to engage.
- 3.12 Although CSE is not solely a children's issue and requires effective work and engagement from across the whole of the Council's services the delivery plan will be led by and regularly reviewed by Children's Services senior management team in consultation with the Cabinet Member for Children's Services and the delivery plan adapted as required to enable a robust response and approach to CSE (and Missing Children). However, they will rely on service leaders from across the Council to engage with them and support activity or lead activity to address the need to prevent, protect and pursue.
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Further information on the subject of this report can be obtained from Karen Reeve, Tel: 01793463200. [KReeve@swindon.gov.uk](mailto:KReeve@swindon.gov.uk)

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- 3.13 Much work has already taken place with schools, providers of services, raising children and young people awareness and across agencies and Council departments. Training is being offered extensively and a range of practice tools for staff are available. But we are not complacent and more can and will be done to secure an excellence in our services and a zero tolerance approach to CSE. We are committed to refine further and develop our approach and work with our partners as more becomes known about this form of child abuse.
- 3.14 It is also recommended that we introduce a Pledge that supports the concept of a 'Zero Tolerance of CSE', an approach launched recently in the Wiltshire. As we share a number of services across the area having a Pledge is one way that others can also engage in helping protect children and young people.
- 3.15 Accordingly, given the importance of building awareness and tackling this issue, it is recommended that Council be invited to adopt the Strategy and authorise the Cabinet Member for Children's Services to sign the Zero tolerance of CSE pledge on behalf of Swindon Borough Council and invite other Councillors to do so. The Pledge 'Zero tolerance of CSE in Swindon' will commit the signatory to find out more about what CSE is: sign up and complete an on-line training course and tell 5 other people about CSE and encourage them to complete the course and also sign the pledge.

## 4. Alternative Options

- 4.1 There is no statutory requirement to have a CSE Strategy although it would be considered good practice to have one and it can be adapted as thought appropriate.

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

### Financial and Procurement Implications

- 5.1 The Council has already provided some additional resources to fund a CSE Operational Manager and provided some additional social work resources to meet service demand. No further new financial resources are being sought at this time.

### Legal and Human Rights Implications

- 5.2 Legal and Human Rights considerations have been taken fully into account in compiling this report. It is considered that the recommendations of this report are compatible with Convention Rights

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

- 5.3 None have been identified other than as covered in Section One of the main body of the report.

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## Diversity Impact Assessment

- 5.4 A Diversity Impact Assessment (DIA) has been completed. No adverse or other significant issues were found. Indeed the strategy will positively impact on vulnerable children living in Swindon's community. A copy of the DIA can be obtained from the report author via [kreeve@swindon.gov.uk](mailto:kreeve@swindon.gov.uk)

## Risk Management

- 5.5 CSE is appropriately registered on the Risk Register for the 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**

- 7.1 No unpublished papers

## **8. Appendices**

- 8.1 Child Sexual Exploitation Strategy and Delivery Plan

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

- 9.1 This is not a Key Decision as it is recommended that full Council be asked to adopt the Strategy. It is included in the Cabinet Work Programme and Forward Plan for February 2015.

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## Strategy & Delivery Plan to Prevent Child Sexual Exploitation for Children, Families & Community Health & Swindon Borough Council

23.01.15

### Introduction

The sexual exploitation of children and young people has been identified throughout the UK, in both rural and urban areas and in all parts of the world. It affects boys and young men as well as girls and young women; they are equally vulnerable. Increasingly victims are identified under 16 years of age, across all cultures. Many children and young people are exploited in the community, although the behaviours associated with exploitation may bring them into care and a number of children/young people are also targeted whilst being Looked After by Local Authority Children's Social Care:

Swindon Borough Council has adopted the same definition as the Local Safeguarding Children Board (LSCB) who in turn use the Department of Health's definition, which is;

*'involving exploitative situations, contexts and relationships where young people (or a third person or persons) receive 'something' (e.g. food, accommodation, drugs, alcohol, cigarettes, affection, gifts, money) as a result of their performing, and/or another or others performing on them, sexual activities. It can occur through the use of technology without the child's immediate recognition; e.g. being persuaded to post sexual images on the internet/mobile phones without immediate payment or gain. In all cases, those exploiting the child have power over them by virtue of their age, gender, intellect, physical strength and/or economic or other resources. Violence, coercion and intimidation are common, involvement in exploitative relationships being characterised in the main by the child's limited availability of choice resulting from their social/economic and/or emotional vulnerability.'* (DoH 2008)

We recognise that child sexual exploitation (CSE) can take many different forms including:

- 1) Exploitation by family members, including being 'sold for sex'
- 2) Sexually exploitative relationships with older adults
- 3) Sexually exploitative relationships with peers
- 4) Sexual exploitation through technology including grooming through social media and the taking and circulation of sexually explicit images of the child

The Swindon Local Safeguarding Children's Board has had a developed a strategy in place since 2012 which sets out about how partner agencies will work together. This is based broadly on three strands – Prevent, Protect and Pursue. It was

developed following the work of the Board's Sexual Exploitation and Runaways sub group. CSE has been a strategic priority for the Board since 2012/13 and the Board monitors an associated action plan. Swindon Borough Council is a very active partner in this work and has led several areas of its activity.

The Board has affirmed its expectation that all agencies will work together using the agreed multi-agency child protection and CSE procedures and this strategy and delivery plan identifies how our services across the Council will further support and enhance the work of the Board to protect the children of Swindon.

We also plan to introduce a Pledge that supports the concept of a 'Zero Tolerance of CSE', an approach launched recently in the Wiltshire Assembly. As we share a number of services across the area having a Pledge is one way that others can also engage in helping protect children and young people. The Pledge 'Zero tolerance of CSE in Swindon' will commit the signatory to find out more about what CSE is: sign up and complete an on-line training course and tell 5 other people about CSE and encourage them to complete the course and sign the pledge too.

This Strategy takes into account the national guidance, reports of recent high profile cases across the Country, the Ofsted thematic CSE Review and other research of note.

## **Swindon Borough Council's Commitment and Strategy**

Whilst those who have worked in children's services for many years know that CSE is not a new phenomenon what is new is the level of professional and public awareness generated by recent high profile cases and what has been discovered about what may be new and more organised patterns of abuse. Hence, it has become everybody's responsibility to identify, prevent, and protect children and young people from this form of abuse

We know that CSE takes place in many towns and cities across the country. In this instance, Swindon is no different and we wish to take a zero tolerance approach to this crime.

Swindon Borough Council is committed to the same three strands of activity for its strategy and delivery plan as the Swindon LSCB, that being to Prevent, Protect and Pursue. It is fully committed to working with the LSCB and its partners, both statutory, voluntary and community based in order to provide an effective response.

An effective response means that we will:

- maintain good strategic leadership,
- performance manage our service delivery and provide good services to children and young people that need it,
- involve and engage the community to raise awareness



- disrupt perpetrators and support the police to prosecute offenders whenever and wherever possible and
- ensure we learn from good practice and relate this back to our own provision

Some areas of the Council's activity already demonstrate a good understanding of the forms of CSE and provide good services, some less so and practice is developing across the Country, not just in Swindon. We want to learn from the challenges highlighted nationally and apply the learning locally to ensure we support staff to be open to the issues of CSE in their day- to- day activity. We want to challenge where needed whilst fully supporting the need for excellence in partnership working and intelligence gathering. Consistency in each of the three strands of the strategy will be the challenge in what is an incredibly difficult form of abuse to identify and support young people to disclose.

Although CSE is not solely a children's issue and requires effective work and engagement from across the whole of the council's services the delivery plan will be led by and regularly reviewed by the Children's Services senior management team and the delivery plan adapted as required to enable a robust response and approach to CSE (and Missing Children). However they will rely on service leaders from across the Council to engage with them and support activity or lead activity to address the need to prevent, protect and pursue. The overall strategy and effectiveness of the delivery plan will be led and monitored by the Cabinet Member Children's Services with Council's Corporate Board, and scrutinised by elected Members.

Much work has already taken place with schools, providers of services, raising children and young people awareness and across agencies and council departments. But we are not complacent and more can and will be done to secure an excellence in our services and a zero tolerance approach to CSE. We are committed to further refine and developing our approach and work with our partners and in particular the Police as more becomes known about this form of child abuse. It is hoped in particular that the development of a multi-agency safeguarding hub (MASH) in Swindon will enable an enhanced approach at the front door to our services by identifying risk indicators of CSE much earlier and enabling earlier intelligence sharing.

It is proposed that an annual report is prepared for the relevant Council body and LSCB on the evidence of effectiveness, the prevalence as far as can be ascertained and the achievements and challenges the Council has identified in the preceding year.

## Prevalence & Research

In April 2014, a literature review was commissioned and compiled by the Council's Strategy and Research team in response to a request from our service. It incorporated a literature review from across the country on prevalence, risk, best practice and evidence of 'what works' in responding to CSE, as well as six in-depth interviews with practitioners in the UK, exploring individual local approaches.

Its report noted that data on prevalence of CSE can be contradictory; some studies suggest a possible reduction in recent years, whilst knowledge from specialist teams has identified a sharp increase in case referrals, further to the instigation of the specialist team itself.

Statistics indicate a recent rise in victims aged under 16 in the UK (relative to age 16 – 18). Any statistics on prevalence are however likely to be underestimates, due to the amount of activity that goes unreported.

There are recommended data sources for starting to build a picture of local prevalence and this needs to be developed further in Swindon to allow us to build a richer picture of prevalence and local intelligence. However, given the disparate electronic database resources and recording practice this will be a challenge for all child care professionals across the county and not just in Swindon. At this time there is no national definition, data set/collection or benchmarking conducted which makes it much harder for our area to ascertain our effectiveness.

Data collected locally in September 2014 suggested there were around seventy cases known to children's social care in Swindon in the preceding three years where CSE was a possible or probable concern. Of these approx. 25 were of a high or medium risk nature across this 2-3 year time frame. There was a range of forms of abuse described and a range of ages and ethnicities for the victims. Alleged perpetrator information is sparse but indicates a cross sample of ethnicities as well. This would fit the national research which indicates perpetrators come from a diverse range of backgrounds despite on occasions the prevalence of reporting in the media re Asian communities.

One common feature and high- risk indicator that CSE may be a factor for a child is a child going missing from home (or placement). Hence there are specific links built into the work of the LSCB, child protection procedures and the Boards 'Missing Children sub group' to ensure connections are made for children going missing and children for whom there may be CSE concerns. Hence, data linked to missing children is also used in the identification of prevalence.

## What we know about our performance

There have been three key practice assessments and /or audits conducted since March 2014 plus an external inspection that have further informed our view on what we know about our practice.

### Ofsted Inspection:

Firstly, Ofsted conducted the Single Inspection Framework inspection in March 2014 which assessed performance in Swindon Children's services and at the same time Ofsted reviewed Swindon's LSCB.

Ofsted found in the headlines section of the report that the:

*'strategic overview of child sexual exploitation (CSE) is robust. However this is not yet translated into consistently high quality and timely practice by staff working within children's services'*

In the more detailed section Ofsted said that:

*'The strategic overview of CSE is well embedded across the partnership, with some effective practices taking place to share information about vulnerable young people and disrupt patterns of activities. A dedicated post within children's services links directly with other agencies and service providers to support a coherent approach to the CSE strategy. Awareness raising of CSE is on-going across the partnership, including amongst hoteliers and other providers of night time services such as taxi drivers and takeaway outlets' and 'Highly vulnerable young people identified as being at risk are discussed at the monthly Multi-Agency Risk Panel (MARF). Through the dedicated CSE worker, social workers will discuss referrals they will present at the panel so that action plans are established and the level of risk is appropriately identified and shared with all agencies. Whilst there is confidence in the strategic overview of CSE, it is less clear how social workers respond to referrals where CSE is an emerging factor and connected friends and groups of children are implicated in the information'*

In response to the issues raised by inspectors, the service conducted an immediate practice audit. It also continued to address the findings of the Inspection through an 'Ofsted Action Plan'

### Multi-Agency Risk Panel

The LSCB in May 2013 was supported by the Council to establish a Multi-Agency Risk Panel (MARF), which is now led and chaired by a senior manager from within Children's Services. It aims is to facilitate the effective information sharing; intelligence gathering and care planning for the children/young people considered most 'at risk' in the area (- although not just from CSE it is predominantly CSE cases that the MARF considers) and has so far considered more than 25 children and young people. This forum provides a key activity around which we will all ensure

themes and trends, intelligence or areas of concern and good practice are used to better inform further service improvements or future resource needs.

### **Practice Audit:**

As noted above a second practice audit of a number of cases looked at recent referrals (only) from September 2013 to March 2014 -the date of the Ofsted inspectors being present, which had highlighted the need to improve practice on the front line of social work services.

Positively it found that referrals were appropriate and initial assessments were conducted but that in headline terms three areas for improvements were found;

- Assessments were descriptive and gave a good account of the context but were not consistently holistic or analytical enough in developing an understanding of how the YP's vulnerabilities impacted on them or enhanced their risk of CSE.
- The CSE vulnerability/risk assessment checklist needed to be a component of the assessments undertaken in cases where CSE was considered a feature.
- That a deeper understanding and attitudinal change was needed by social workers

This last point identified a positive and widespread understanding of what indicates the signs and symptoms of CSE and the potential factors that pre-dispose vulnerability to it; however, there is a need for more in depth work to be undertaken when taking into consideration attitudinal changes to CSE across the workforce.

It was not uncommon it noted to see language such as "engaging in risky behaviour", "making lifestyle choices", "inability to understand risk she is placing herself at", "unmanageable". This phrasing and emphasis towards choice and problematic behaviour in relation to young people suffering CSE did not necessarily convey that the workforce has a deeper understanding of the victim nature of young people suffering CSE, such as the power dynamics that might be involved.

We know this last point about attitudinal behaviour is a common feature highlighted nationally for many workers needing to come to understand the context of this form of abuse and is not peculiar to Swindon but still needs to be addressed.

Work was strengthened in the service to ensure staff were accessing training, the issues were discussed and understood and the connections between key agencies were being made.

### **Thematic audit of CSE June-September 2014**

Whilst continuing to address the issues identified by Ofsted and in the practice audit the need for a further thematic audit/review was identified –this to look at cases that had been worked with for longer periods and to provide a more qualitative measure. Involving front line practitioners and managers to help inform us about what more

subtle or organisational learning changes may be most effective in improving our work going forward.

This review/audit looked at in depth 20 cases that had been worked long term and identified similar issues to the practice audit, the headlines being:

- Recognition of young people at risk of being exploited and the most common indicators linked to CSE seem to be widely known by staff. However the robustness of response is less effective when the young person has not disclosed actual CSE or the quality of engagement of parents is variable.
- Some cases showed a lack of compliance with S47(child protection) processes which could have resulted in delaying effective intervention and engagement.
- It was not possible to evaluate fully the role of early help within the cases audited due to differences in the depth of case recording and inability to identify CSE cases systematically from early help records.
- Workers were able to reflect on how the young person's family experiences, history or life disadvantages could affect them, this was frequently however not included in case files and analysis on assessments but could be articulated and reflected upon by the current case holding workers. Hence case recording is an area for improvement to provide the needed 'audit trail'
- Overall it could be demonstrated that practitioners got to know families well, but it was less clear how well understood exploited young people actually were.
- The attitudinal element described earlier was evident still in some cases.
- Staff were found to be open to having more opportunities to learn more about working with CSE cases and they expect that there will be increase in this area of work.

It was also observed that, occasionally, this alertness to the risks of CSE by professionals can prove a hindrance when "along with a heightened awareness and understanding, came a heightened level of anxiety" especially seen in some professional teams working 'around' a child. Hence as a Council we will need to work with partners to ensure that anxiety management is not left to the social workers to do on behalf of the whole team around the child.

Hence all of the above learning from inspection and audits will be incorporated in our delivery plan in order to ensure that the response to CSE is right every time and of a good or outstanding quality.

The work above should be noted and it should not be forgotten that significant improvements have been made in understanding and recognising CSE over the past two to three years across all agencies.

## **What does good practice look like?**

The literature review mentioned earlier noted there was not much available about what seems to constitute good practice however some has never been evaluated so

needs to be treated carefully to ensure good outcomes are being seen. In particular the good practice noted included the need for:

- A child (young person)-centred approach.
- Good recognition of the signs of CSE.
- That key to supporting young people experiencing CSE is good access for them to a range of services, attention, assertive outreach and advocacy.
- The need for non-time limited support in direct work with victims as being crucial to establishing trust, increasing the victim's understanding of abuse, and reaching disclosure - "a key attachment figure" (for that young person) being critical to reducing risk at an individual case level.
- Where young people are experiencing lower levels of risk availability of indirect support, which may include referrals to Child and Adolescent Mental Health Services or help in accessing sexual health services for example is needed.
- That use of secure accommodation (whereby the Court is asked to agree to lock up a young person for their own safety) is only considered where that young person is at serious risk of harm, and no other viable options exist.

What was difficult to ascertain in the research was what an 'optimum operating model' for managing CSE is. Whilst there are examples of areas that are responding well and consistently, there is little available that benchmarks 'what works' in terms of utilising a dedicated resource. In addition, some areas have only very recently funded or appointed CSE lead workers and the nature and scale of response varies significantly between authorities.

Hence, we will need to recognise we are working in an area where what works (has a meaningful long- term impact) is still largely unknown, but staying child focused will likely help ensure we are able to keep young people safer.

We do know that there is evidence showing the potential negative impacts of an under-developed approach to CSE that we can learn from.

Serious case reviews has shown problems where there has been confusion about sexual activity and the issue of consent (i.e. assuming those aged over 16 are engaged in consensual activity); linking CSE to risk taking behaviour (rather than viewing that young person as vulnerable); and a lack of action following disclosure, meaning that abuse was allowed to continue. We will need to be mindful of this within our services. We must also find ways to work with young people who do not see themselves as victims or at risk and sometimes refuse to engage in work with professionals.

Recent research has also highlighted the potential negative health consequences associated with not identifying risk soon enough – including Post Traumatic Stress Disorder (PTSD), substance misuse, self-harm, STIs, depression, eating disorders and flashbacks.

We will therefore also need to develop our operational approach to CSE including defining further our thresholds for services across early help and children's social care that specifically relate to CSE risks

**The following delivery plan identifies the key areas of activity, practice development or areas for focus that will make the children and young people of Swindon safer.**

DRAFT

<b>Key Areas of Activity- Three Year Delivery Plan</b>
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***NB: The working copy of this delivery plan will have action owners, specific tasks and target dates for completion. The actions listed below are listed to enable an overview of the areas that will be acted on.***

Key Area	Actions
<b>Leadership &amp; Management:</b>	
	Elected Members Briefed, all have done the on line training as a minimum and are engaged in raising awareness in their localities.
	Corporate Board and Senior Leaders aware and engaged across Council
	Whistleblowing policy effective across the Council
	Data of prevalence, research etc is used to inform and revise the CSE strategy and ensure adequate resource provision
	Local arrangements with partners are effective, and challenged if needed
	Ensure staff across the Council are briefed on the CSE Strategy & they know what their role is in relation to it.
<b>Community Engagement:</b>	
	Development of community communication & engagement strategy -to include work of the Communities/Localities staff
	Ensure good engagement and understanding in Schools
	Develop ways to engage young people and help to educate them about areas of risk and prevention
	Identify who in our BME community to best speak to and discuss how we reach their community -to include work of the Communities/Localities staff
	Introduce a zero tolerance to CSE Pledge
<b>Case Identification:</b>	
	<ul style="list-style-type: none"> <li>• Role of early help provision is supported to prevent CSE</li> <li>• Use of tools- screening tool, handbook is enhanced and supported</li> </ul>



Role of others across council in identifying intelligence is enhanced and further developed (to include actions for Leisure, Housing, Licensing –off licences, taxis, hoteliers, localities staff )
Role of schools in identifying victims is enhanced and supported (truant, poor behaviour indicators, referral etc)
Exploration of a MASH for Swindon
<b>Practice Development:</b>
<p>Social Work Practice Improvements to include:</p> <ul style="list-style-type: none"> <li>• Better use of tools- screening tool, handbook,</li> <li>• Minimum standard of case work document to be developed</li> <li>• Further improve management oversight</li> <li>• Further improve case working (care plans)</li> <li>• Ensure missing children processes compliance &amp; intelligence to inform continued improvements in case-working</li> <li>• Ensure further improvements in risk management and understanding across all cases</li> <li>• Role /requirements of the Outreach Service defined</li> <li>• Threshold criteria to be specified for CSC and CSE cases</li> <li>• Role of dedicated worker –recruit, define, ensure the role is effective</li> </ul>
Define model of proposed case working with the benefit of research and best practice examples shared nationally
Ensure good engagement in the LSCB CSE & Missing Sub group to ensure effective liaison(Chair Wilts police)
Undertake evaluation of the Multi-Agency Risk Panel that the Council leads and Chairs
<p>Training &amp; development of staff- on line course. LSCB led</p> <ul style="list-style-type: none"> <li>• Ensure meets needs</li> <li>• Ensure all relevant staff across the council attended</li> </ul>
Enabling partners to support their staff so that SWs are not carrying out this function
Taxi licensing to include CSE training, checking and vetting, and drivers alert to issues to aid identification of risk
Support local hoteliers to be alert to CSE
Role of Early Help professions. i.e. YEWS, EWO's, YOT, School nurses to be further enhanced
Housing staff to be trained and alert to CSE risks and contribute to prevention and protection as appropriate
Leisure staff to be trained and alert to CSE risks and contribute to prevention and protection as appropriate
Legal Services to research and identify what legal powers are available to the Council and advise support and assist relevant services as and

when these powers may need to be deployed
<b>Long Term &amp; Therapeutic Support for Victims:</b>
<ul style="list-style-type: none"> <li>• Define commissioning need</li> <li>• Barnardos current spot purchasing for long term support to be reviewed</li> <li>• Use young people's feedback to inform 'what works'</li> </ul>
<b>Engagement with LSCB:</b>
Ensure we fully support the LSCB to engage all areas of the wider children's workforce and community
<b>Data Set:</b>
Develop a robust multi-agency local data set in order to develop further our intelligence, direct resources, benchmark Inc: Cross reference soft data- i.e. truant, missing, exclusions
Campaign for a national definition and data set
<b>Prevent:</b>
<p>Ensure staff are supporting the use of disruption activity that use the full range of powers available to the Council- including</p> <ul style="list-style-type: none"> <li>• Links to CSP</li> <li>• Enforcement</li> <li>• Housing</li> <li>• Licensing</li> </ul>

## Pay Policy Statement

**Cabinet**

**Date: 4<sup>th</sup> February 2015**

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Author: Head of People and Change and Cabinet Member for Corporate Services

Wards: All

Locality Affected: All

Parishes Affected: All

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

- 1.1 The Localism Act 2011 requires local authorities to agree and publish a Pay Policy Statement by 1<sup>st</sup> April each year. This report sets out the Council's Pay Policy Statement 2015/16 for consideration by Cabinet, prior to referral to Council for approval.
- 1.2 The Council's policies in respect of pay and terms and conditions support the Council's strategic objectives as part of ensuring that services to the community can be delivered to the required standards and with due regard to economy, efficiency and effectiveness.

### **2. Recommendations**

Cabinet is recommended to:

- 2.1 Review the Council's Pay Policy Statement for 2015/16, as set out in Appendix 1 to the report, and recommend it to the Council for approval.

### **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 2014/15 has been updated for 2015/16 and must be approved by the full Council before 31<sup>st</sup> March 2015. It must be published as soon as is reasonably practicable after approval including 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

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

# Pay Policy Statement

Cabinet

Date: 4<sup>th</sup> February 2015

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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. 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 2014/15, with the following changes and updates having been made:

3.4.1 Page 3: Structure Overview – this section gives an overview of the current structure of the organisation.

3.4.2 Pages 6 and 7: The pay figures shown are those as at November 2014 and will be updated as at 1<sup>st</sup> April 2015, to reflect the actual figures at that time.

3.5 The proposed Pay Policy Statement 2015/16 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 31<sup>st</sup> March each year and may be amended by resolution of full Council during the year to which it relates.

3.8 The Pay Policy Statement references a number of existing Council 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 2011, there are no alternative options being put forward.

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

# Pay Policy Statement

Cabinet

Date: 4<sup>th</sup> February 2015

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

### Financial and Procurement Implications

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

### Legal and Human Rights Implications

- 5.2 The attached Pay Policy Statement complies with 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)

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

### 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 are currently being reviewed and a full diversity impact assessment will be completed on each of these.

### Risk Management

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

## 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. The Pay Policy Statement has been consulted on with the trade unions

## 7. Background Papers

- 7.1 LGA and ALACE Pay Policy Statement Guidance.

## 8. Appendices

- 8.1 Appendix 1 – Draft Pay Policy Statement

## 9. Key Decision/Decision in Forward Plan

- 9.1 This is not a Key Decision for the Cabinet (as adoption is by the Council) and is included in the Cabinet Work Programme / Forward Plan for February 2015.

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

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# Swindon Borough Council Pay Policy Statement 2015

## Introduction

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

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

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

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

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

## Transparency and Autonomy

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

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

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

If a candidate is a former employee in receipt of a Local Government Pension Scheme pension or a redundancy payment this will not rule them out from being re-employed by the Council. Clearly where a former employee left the Council on redundancy terms then the old post has been deleted and the individual cannot return to the post as it will not exist. The Council will apply the provisions of the Redundancy Payments Modification Order regarding the recovery of redundancy payment if this is relevant. Pensions Regulations also have provisions to reduce pension payment in certain circumstances to those who return to work within the local government service.

### **Amendments to the Pay Policy Statement**

This pay policy statement relates to the financial year 2015/16. Information on the Council's workforce will be published after 1<sup>st</sup> April 2015 for the financial year.

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

### **Publication of and Access to Information**

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

For further information about this pay policy statement please contact the Council's Head of Human Resources at [nhouwayek@swindon.gov.uk](mailto:nhouwayek@swindon.gov.uk).



## Structure Overview

As of 24<sup>th</sup> November 2014 the Council employs 2443 employees (excluding schools) and provides a wide range of functions.

With effect from 1<sup>st</sup> October 2014, 239 employees from the Swindon Capita Partnership were transferred to the Council under Transfer of Undertakings (Protection of Employment) Regulations (TUPE). These employees were integrated into the various service areas according to their roles and responsibilities.

With effect from 1<sup>st</sup> November 2014, 266 employees from the Council's leisure function were transferred from the Council under Transfer of Undertakings (Protection of Employment) Regulations (TUPE) to Greenwich Leisure Limited and Twigmarket.

The service areas are gathered together in the following groupings:

### Chief Executive

The Chief Executive is the lead policy advisor to the Council and supports Councillors to make decisions on behalf of the community, and to develop plans for the future of Swindon. Further information about the [Chief Executive](#) can be found on the Council's website.

The following services, Internal Audit; Economy, Skills and Property Development; Law and Democratic Services; and Localities, Community Involvement and Volunteering; report directly to the Chief Executive.

### Commissioning

Commissioning is the process of identifying the needs and resources within the population and developing policy direction, service models and the market to meet those needs in the most appropriate and effective way. Effective commissioning is a key route to achieving the Council's Priorities.

The service areas that support Commissioning include Public Health, Commissioning Children and Adults, Children's Social Care, Community Health and Family Services, Housing Management and Community Safety, Education Services and Partnerships and Strategic Commissioning.

The current Board Director Commissioning also holds statutory roles and risk as Director of Adult Social Services (DASS) and Director of Children Services (DCS).

### Service Delivery

Service Delivery is accountable for joined-up delivery across all service areas, partners and providers leading to effective delivery of statutory, support and commercial services to agreed outcomes.

The service areas that support Service Delivery include StreetSmart, Delivery Assets, Planning, Regulatory Services, Libraries and Heritage and, Business Services Support.

## Resources

Resources are the enabling function of the Council.

The service areas that support Resources include Finance and Change, Performance, People and Engagement, Information and Technology, Customer and Business Services and Strategic Project (Wichelstowe)

The current Board Director Resources also holds the statutory role as the Council's Section 151 (S151) Officer for the Council.

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

## Senior Officers

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

- Definition
- New Appointments and Pay
- Terms and Conditions

### Definition

Senior Officers have been defined as the posts of:

- Chief Executive – Head of Paid Service
- Statutory and non-statutory Chief Officers (a person for whom the Head of Paid Service has direct responsibility), i.e.:
  - Board Director – Commissioning (DCS/DASS)
  - Board Director – Service Delivery
  - Board Director – Resources and Section 151 Officer
  - Director of Law and Democratic Services – Monitoring Officer
  - Head of Localities, Community Involvement & Volunteering
  - Head of Internal Audit
  - Director of Public Health
- All Deputy Chief Officers (a person who reports directly to or is directly accountable to one or more of the statutory or non-statutory Chief Officers), ie:
  - All Tier 2 posts at Head of Service Level

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

## **New Appointments and Pay**

In relation to Senior Officers, legislation requires the Full Council or a meeting of Members to be offered the opportunity to vote before large salary packages are offered in respect of a new appointment. For this purpose, salary packages should include salary, any bonuses, fees or allowances routinely payable to the appointee to which the officer is entitled as a result of their employment. The Secretary of State considers that £100,000 is the right level for that threshold to be set.

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

There are 5 levels in Swindon's Executive pay structure as detailed below (as from 2011 / 2012):

Level	Salary Range	
	Minimum	Maximum
CEO	£147,400	£183,700
Board Director	£115,200	£138,000
Director 5	£95,100	£113,900
Director 4	£78,500	£94,000
Director 3	£64,900	£77,700

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

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

## **Process for Setting Pay**

As agreed by Full Council in June 2005 and updated by the Special Committee in November 2013, pay for Senior Officers is set in line with the Executive Pay Strategy. A copy of the Executive Pay Strategy can be found on the Council's website.

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

## **Pay Relationships**

This section provides information on the following:

- Gender Ratio
- Lowest Paid Employees
- Highest to Lowest Paid Employees
- Pay Increases and Pay Progression
- Living Wage

- Terms and Conditions
- Job Evaluation

### **Gender Ratio**

The table below reflects the Council's Male / Female ratio on our current National Joint Council (NJC) and Hay Evaluation Scheme (Hay) Grades:

Grade	Female	Male	Total
J	44	10	54
K	289	159	448
L	144	171	315
M	224	189	413
N	167	125	292
Q	217	95	312
R	79	71	150
S	19	25	44
T	13	16	29
U	12	10	22

Other pay bands with the current Council structure include those who were transferred from the former Swindon Primary Care Trust (PCT) and those who are paid at Advisory level. Employees who were transferred from the Swindon Capita Partnership are not included in the above table as NJC / Hay Grades have not been allocated.

### **Lowest Paid Employees**

It was nationally agreed that with effect from 1<sup>st</sup> October 2013, Spinal Column Point (SCP) 4 would be removed from the pay scales, making the minimum of the national NJC scale (SCP 5) £6.44 per hour. The Council has implemented a higher minimum salary point (Point 2 of our Grade J), which equates to £6.58 per hour or £12,702 pa, based on a 37 hour standard working week. This is above the national minimum wage of £6.50 per hour. Should the minimum wage be increased to a level above the minimum rates outlined above, a new minimum level of pay will be negotiated and implemented.

The definition of the lowest-paid employees adopted by the Council for the purposes of this statement is as follows:

"The lowest paid employees within the Council are those substantive employees who are paid on the minimum salary point of the Council's substantive pay structure."

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

Apprentices are paid from the first day of their apprenticeship and they're entitled to the [National Minimum Wage](#). The current [National Minimum Wage](#) rate for an apprentice is £2.73 per hour. This rate applies to apprentices aged 16 to 18 and those aged 19 or over that are in their first year. Apprentices aged 19 or over who have completed their first year must be paid at least the minimum wage rate for their age. Please see the table below:

Year	Age 21 and over	Age 18 – 20	Under 18	Apprentice *
October 2014	£6.50	£5.13	£3.79	£2.73

\*This rate is for apprentices under 19 or those in their first year. Those aged 19 or over and past the first year will receive the rate that applies to their age.

A copy of the Council's pay scales can be found at Appendix 1 at the end of this statement.

### **Highest to Lowest Paid Employees**

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

The Chief Executive's substantive rate of pay is £178,457. He has, however, taken a voluntary reduction in pay and the table below reflects this (implemented from 1<sup>st</sup> April 2012). However, if the Chief Executive was in a redundancy situation, then any financial calculations would be based on his substantive rate of pay.

<b>Highest Pay</b>	£161,003.00
<b>Mean Pay</b>	£25,294.83
<b>Median Pay</b>	£22,073.00
<b>Lowest Pay</b>	£12,702.00
<b>Ratio of Mean to Highest</b>	1 : 6.4
<b>Ratio of Median to Highest</b>	1 : 7.3
<b>Ratio of Lowest to Highest</b>	1 : 12.7

### **Definitions**

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

The above rates of pay do not include any pension contributions. Information about the pension schemes and contribution rates can be found on pages 12 - 14.

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

The ratio between the highest paid salary and median average salary, the 'pay multiple' is 1:7.3. The Council does not have a policy on maintaining or reaching a specific 'pay multiple'. However, the Council is conscious of the need to ensure that the salary of the highest paid employee is not excessive but is consistent with the needs of the Council as expressed in this policy statement.

The Hutton Review raised concerns about multiples in the order of 1:20 or higher, between the lowest and the highest paid employees in local authorities. The Council's current ratio of lowest to highest is 1:12.7 and so is well below that level.

### **Pay Increases and Pay Progression**

Where it has been recognised that a role has changed due to responsibilities, job content, redesign of the post, for example, a revised role profile will be submitted for re-evaluation in accordance with the Council's approved job evaluation schemes. Further information about the Council's approved job evaluation schemes can be found on pages 9-10.

### **National Pay**

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

The 2014 / 2015 pay award has been agreed nationally and has two elements:

1. Lump sum payments of between £100 and £325 to be paid in full in December 2014 (pro rata for part time workers);
2. The long term deal is for a 2.2% increase which applies to grade K and above to run from 1 January 2015 (and is not backdated to April 2014).

Higher amounts will be paid to grade J of between 2.32% and 7.93%.

This will mean pay increases for all staff on local government terms and conditions, including employees that have recently transferred back from the Swindon Capita Partnership. A change from previous years is that the on-going increase will not be backdated to April; this is reflected in the lump sum payments being made in December 2014 in accordance with the national agreement.

### **Local Pay**

In November 2014, the Council's Cabinet approved a sum of £700,000 within the 2015/16 Budget proposals (subject to the approval of the Full Council in February 2015) and we have been working with staff and unions on how the Council should best use this money to reduce salary differentials. In the same way as incremental progression would have done in the past, staff at the top of the grade will not qualify for any increase in April 2015 through any local pay progression arrangements and 12 months service as at 1 April 2015 is also required.

The result of a union ballot confirmed that the option of a 1.6% pay increase for staff received the majority vote. This will be applied from April 2015 and is additional to the payments outlined in the National Pay update.

## **Executive Contracts**

Pay progression for those on Executive Contracts is outlined in [The Executive Pay Strategy](#).

## **Living Wage**

Swindon Borough Council has not implemented the Living Wage. We are keen to support lower paid staff, as demonstrated by our lowest rate of pay being higher than the minimum wage and the national minimum for NJC graded staff. However, the Council is in an on-going, challenging financial position and is required to manage its budgets as effectively as possible. As the Living Wage is set externally, to commit to the Living Wage would mean that the Council has no control over any future increases. We will keep this position under regular review.

## **Terms and Conditions**

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

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

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

## **Job Evaluation**

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

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

### **Hay**

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

Jobs have been evaluated by trained assessors. A trained evaluation panel evaluates jobs against each of the elements within the scheme using detailed role

profiles. The outcome of the evaluation assigns a profile and points score that shows the total size of the job.

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

### **National Joint Council (NJC) Evaluation Scheme**

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

All jobs from grade N and below are graded using the NJC Evaluation Scheme.

All roles are evaluated using either scheme; however the Council sets its own pay line.

A copy of the Council's pay scales can be found at Appendix 1 at the end of this statement.

## **Pay Policies and Procedures**

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

- Allowances
- Reimbursement of Subsistence or other Expenses
- Flexible Retirement, Early Retirement and Redundancy Payments Policy
- Termination Payments
- Relocation Expenses
- Honorariums and Higher Duty Pay
- Election Payments
- Market Factor Supplements.

### **Allowances**

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

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

A copy of the [Allowances Guidance](#) can be found on the Council's website.



### **Reimbursement of Subsistence or Other Expenses**

In accordance with the requirements of the National Conditions of Service, the Council makes provision for the reimbursement of approved expenses. The Council has produced guidance for employees on travel and subsistence and this applies equally to all staff, irrespective of grade.

A copy of the [Travel and Subsistence Policy](#) can be found on the Council's website.

### **Flexible Retirement, Early Retirement and Redundancy Payments Policy**

On termination, redundancy payments and any discretion exercised in relation to retirement or redundancy will be paid in line with the Council's Policy on [Flexible Retirement, Early Retirement and Redundancy Payments Policy](#). A copy of which can be found on the Council's website.

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

### **Termination Payments**

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

### **Relocation Expenses**

The aim of the scheme is to provide financial recompense to employees who need to move their main residence to take up an appointment with the Council. This scheme does not cover the purchase of a second property. Eligibility criteria will also apply, including the decision to offer relocation will be made prior to the post being advertised, with Board Directors having discretion to offer relocation. Relocation expenses limited to below £8,000 may be offered but this should be stated when the post is advertised. The Council's policy requires repayment in part or in full if the employee leaves within 3 years of appointment.

A copy of the [Relocation Policy](#) can be found on the Council's website.

### **Honorariums and Higher Duty Pay**

Employees on any grade may be awarded an honorarium payment or a higher duty allowance if they meet the criteria for either payment. The Council has a policy covering [Honorariums and Higher Duty Pay](#). This does not apply to Chief Officers.

A copy of this policy can be found on the Council's website.

### **Election Payments**

Payments made to employees (including the Returning Officer and the Deputy Returning Officer) working during local, parliamentary or European elections or referenda are made in line with either the statutory fees or a local scale of fees agreed in consultation with Wiltshire Council. This could apply to Chief Officers.

### **Market Factor Supplements**

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

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

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

## **Pensions**

This section includes information the following:

- Auto-Enrolment
- Local Government Pension Scheme
- Changes to the Local Government Pension Scheme
- National Health Service (NHS) Pension Scheme.

### **Auto Enrolment**

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

- Earn over £10,00 per year (or pro-rata pay period) (April 2014);
- Are age 22 or over; and

- Are under State Pension Age.

The aim of the legislation is to encourage people to save towards their retirement and have enough income to enjoy it.

Swindon Borough Council will be implementing auto-enrolment in September 2017. However, employees can still opt to join the relevant pension scheme at any time. This has been clearly communicated to employees.

Any employee who transferred from the Swindon Capita Partnership to the Council on 1<sup>st</sup> October 2014, who were not in any pension at all, were automatically enrolled into the LGPS on 1<sup>st</sup> October 2014 unless they decided to opt out. Employees who were currently in the Capita Pension Scheme were given the option to either freeze their Capita Pension or transfer the value into the Local Government Pension Scheme.

## **Pension Schemes**

### **Local Government Pension Scheme (LGPS)**

The Council offers all its employees access to the [Local Government Pension Scheme \(LGPS\)](#), in accordance with the statutory provisions of the scheme.

Any pension payments made on termination of employment either on grounds of redundancy, in the interests of the efficiency of the service or on grounds of ill health will be made within the statutory terms of the LGPS.

The discretions which the Council is able to apply under the scheme upon termination of employment are the same for senior employees as for all other employees who are LGPS members.

### **Changes to the Local Government Pension Scheme (LGPS)**

With effect from 1<sup>st</sup> April 2014 the Local Government Pension Scheme changed. The table below shows the main provisions of the new 2014 scheme compared with the 2008 scheme.

	<b>LGPS 2008</b>	<b>LGPS 2014</b>
<b>Basis of pension</b>	Final salary	Career Average Revalued Earnings (CARE)
<b>Accrual rate</b>	1/60 <sup>th</sup>	1/49 <sup>th</sup>
<b>Pensionable pay</b>	Pay excluding non-contractual overtime and non-pensionable additional hours.	Pay including non-contractual overtime and additional hours for part time staff.
<b>Contribution flexibility</b>	No	Yes, members can pay 50% contributions for 50% of the pension benefit.
<b>Normal pension age</b>	65	Equal to the individual member's State Pension

		Age (minimum 65).	
Qualifying period for benefits	3 months		2 years
Contribution rates  (the new rates have not yet been confirmed and are included as a guideline only. Please note: 2008 contribution rates are based on whole-time equivalent pay whereas the 2014 contribution rates will be based on actual salary).			
		</	

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

### **NHS Pension Scheme**

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

The NHS Pension Scheme has undergone significant changes that became effective on 1 April 2008. [Members Guide - SD Guide \(PDF 919kb\)](#) provides further information on this.

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

## Appendix 1

## Pay Scales: 2013 / 2014

NJC Pay Grades			2013-14	
Grade	Point	Payroll Point	New Rate	Hourly Rate
<b>J</b>	<b>1</b>	<b>1</b>	12,266.00	6.36
	<b>2</b>	<b>2</b>	12,702.00	6.58
	<b>3</b>	<b>3</b>	13,139.00	6.81
	<b>4</b>	<b>4</b>	13,574.00	7.04
	<b>5</b>	<b>5</b>	14,009.00	7.26
<b>K</b>	<b>1</b>	<b>6</b>	14,383.00	7.46
	<b>2</b>	<b>7</b>	15,072.00	7.81
	<b>3</b>	<b>8</b>	15,761.00	8.17
	<b>4</b>	<b>9</b>	16,449.00	8.53
	<b>5</b>	<b>10</b>	17,138.00	8.88
<b>L</b>	<b>1</b>	<b>11</b>	17,546.00	9.09
	<b>2</b>	<b>12</b>	18,370.00	9.52
	<b>3</b>	<b>13</b>	19,193.00	9.95
	<b>4</b>	<b>14</b>	20,017.00	10.38
	<b>5</b>	<b>15</b>	20,840.00	10.80
<b>M</b>	<b>1</b>	<b>16</b>	21,218.00	11.00
	<b>2</b>	<b>17</b>	22,073.00	11.44
	<b>3</b>	<b>18</b>	22,927.00	11.88
	<b>4</b>	<b>19</b>	23,781.00	12.33
	<b>5</b>	<b>20</b>	24,636.00	12.77
<b>N</b>	<b>1</b>	<b>21</b>	25,094.00	13.01
	<b>2</b>	<b>22</b>	25,962.00	13.46
	<b>3</b>	<b>23</b>	26,829.00	13.91
	<b>4</b>	<b>24</b>	27,696.00	14.36
	<b>5</b>	<b>25</b>	28,563.00	14.80

Removed:  
01/10/2013

Hay Pay Grades				
<b>Q</b>	<b>Q1</b>		28,920.00	
			33,587.00	mid point
			38,254.00	
<b>R</b>	<b>R1</b>		32,671.00	
			38,158.00	mid point
			43,643.00	
<b>S</b>	<b>S1</b>		37,132.00	
			43,426.00	mid point
			49,719.00	
<b>T</b>	<b>T1</b>		43,372.00	
			49,748.00	mid point
			56,123.00	
<b>U</b>	<b>U1</b>		48,821.00	
			55,660.00	mid point
			64,741.00	

**Executive  
Pay Scales  
2013/14**

Level	Salary Range	
	From	To
<b>CEO</b>	<b>£147.4k</b>	<b>£183.7k</b>
<b>Board Director</b>	<b>£115.2k</b>	<b>£138.0k</b>
<b>Director 5</b>	<b>£95.1k</b>	<b>£113.9k</b>
<b>Director 4</b>	<b>£78.5k</b>	<b>£94.0k</b>
<b>Director 3</b>	<b>£64.9k</b>	<b>£77.7k</b>

## Sussex Square and the Affordable Housing Development Programme

**Cabinet**

**Date: 4<sup>th</sup> February 2015**

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Author: Cabinet Member for Housing and Public Safety,  
Head of Housing and Community Safety

Wards: All

Locality Affected: All

Parishes Affected: All

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

- 1.1 Following the successful bid to the Homes and Communities Agency approval is sought to use Housing Revenue Account (HRA) resources to develop sites set out in the bid.
- 1.2 If adopted, this will promote the corporate objective of: “Working with residents to create well cared for neighbourhoods” and “Together, finding new ways to reduce vulnerability and improve health for all”. It will complement the Council’s Local Plan and Economic Strategy.

### **2. Recommendations**

Cabinet is recommended to:

- 2.1 Authorise the Head of Housing and Community Safety to proceed with development of the successful sites referred to in paragraph 3.7 of the report.
- 2.2 Authorise the Head of Housing and Community Safety to identify further sites for development, and seek additional grant funding.

### **3. Detail**

- 3.1 The Government announced in January 2014 the opportunity for Local Authorities, Housing Associations and approved Housing Developers to bid for £1.7bn of grant funding to support a national programme to deliver up to 165,000 homes nationwide.
- 3.2 The grant on offer was considerably lower than in previous bid rounds with bidders expected to fund the difference between the build cost and any grant award through the following
  - 3.2.1 Borrowing capacity generated through the additional net rental income stream of the new properties developed;
  - 3.2.2 The additional borrowing capacity that can be generated through the additional income generated from the conversion of social rent properties to Affordable Rent (or other tenures) at re-let;

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Further information on the subject of this report can be obtained from James Graham on Direct Dial No.464474, or Email [jgraham@swindon.gov.uk](mailto:jgraham@swindon.gov.uk).

# Sussex Square and the Affordable Housing Development Programme

Cabinet

Date: 4<sup>th</sup> February 2015

- 
- 3.2.3 Cash generated through the sale of high value or costly to maintain existing stock (disposals); and
- 3.2.4 Existing Housing Revenue Account (HRA) resources such as reserves, or from new borrowing.
- 3.3 The Homes and Communities Agency (HCA) indicated that it would consider bids with "Affordable Rents". These rents are defined at levels less than 80% of market levels, although only provide grant up to the amount that would have been necessary if the rents had been set at the full 80% of market level. Therefore, any shortfall would need to be financed through the HRA's own resources and not an uplift in grant.
- 3.4 A number of options on Affordable Rents at either 70% or 80% of market rent were presented to the Housing Advisory Forum on 12<sup>th</sup> March 2014. The Housing Advisory Forum advised the Cabinet Member for Housing and Public Safety that they were opposed to charging Affordable Rents and preferred to develop using the current rent policy.
- 3.5 In the Cabinet Member Decision Note, Affordable Housing Rent Policy, signed on 9<sup>th</sup> July 2014, it was agreed to base the Affordable Rent at 80% of the Local Housing Allowance (LHA) for Swindon [clarify which meeting this was, or how this decision was made]. LHA is set at a level where 70% of privately rented properties are priced above the LHA rate and 30% are below.
- 3.6 The 2014 / 15 Affordable Rent rates for Swindon are therefore:

Bed	Social Rent	LHA	Affordable Rent
	£ per week	£ per week	£ per week
1 bed	75.75	102.42	81.94
2 bed	82.83	126.25	101.00
3 bed	90.60	151.50	121.20
4 bed	104.78	196.15	156.92

## Proposed Developments

- 3.7 The following short list of schemes was successful:

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# Sussex Square and the Affordable Housing Development Programme

Cabinet

Date: 4<sup>th</sup> February 2015

Table 3: Proposed Developments in the 2015-18 Bid

Please note that all of the sites will be subject to on-going consultations with Ward Councillors and local residents as part of the planning process.

Scheme name	Expected start date	N <sup>o</sup> Units	TSC / Grant £
Sussex Square, Walcot	09/14	38 Rent 10 Sale	765,000
Brookfield, Highworth	2015	4	90,000
Townsend House, Bath Road	2015	15	325,000
Royal British Legion, Penhill	2016	16	360,000
Former Refuge site, Cranmore Avenue, Park South	2016	14	308,000
Hawthorn, Gorse Hill	2017	17	382,000
Total		114	2,230,000

## Sussex Square

- 3.8 A summary of the financial breakdown of the bids is included at Appendix 2
- 3.9 Sussex Square sits alongside a key gateway into Swindon's town centre. The neighbourhood centre, along with the residential properties and community buildings have fallen into serious decline in recent years. The Cabinet approved a comprehensive regeneration scheme in 2013 (Minute 28, 2013/14 refers). The regeneration of the area represents an important opportunity to improve the combined offer of residential, retail and community buildings
- 3.10 Members are keen to ensure the quality of the housing design and specifications. Acknowledging that rents will be slightly higher, account has been taken of running these homes as cost efficiently as possible. The energy performance fabric of the properties will be built to Code 4 of the Sustainable Homes Standards. This means that the homes have 25% less CO<sup>2</sup> emissions compared to premises built to 2010 Building Regulations.
- 3.11 It is not possible to state exactly what this saves because the way individual households live has such a strong impact on running costs. Roughly speaking, a

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# Sussex Square and the Affordable Housing Development Programme

Cabinet

Date: 4<sup>th</sup> February 2015

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2-bed, 2-storey house built to this standard should cost 7% less to run than an equivalent home with minimum fabric. The average fuel bill in the UK is around £1500. Regardless of technology or fabric, any house built to current building regulations, should cost anywhere between 68-86% less to run than an existing build.

- 3.12 It is proposed that the works will comply with all planning requirements, building regulations and statutory requirements. All materials and workmanship will comply with the latest relevant British Standard Specification and Codes of Practice.
- 3.13 The regeneration project is estimated at this stage to cost in the region of £10.3 million. The high cost is driven by the complexity of the work to demolish the existing Sussex Square and relocate the utilities that currently run through the Square to the road. This means that £2.5 million is being spent on site works which is unusually high, but a reflection of the work required to renovate the site.
- 3.14 Willmott Dixon is in the final stages of being appointed to carry out the demolition and construction work. The contract includes requirements to support the local economy by working to promote the local supply chain, and carry out additional activities to contribute to the community. This will include activities such as creating opportunities for apprenticeships, and training opportunities for local people.
- 3.15 Willmott Dixon has undertaken to:
- Send out a monthly newsletter to keep local residents informed of progress.
  - Put a community notice board on the site hoardings with information.
  - Hold regular surgeries for local residents.
  - Coordinate work experience and apprentices.
  - Source 80% of labour and material from within 30 mile radius of Swindon.
  - Contact local Police to make contact with local young people at risk of offending to offer additional support to take up opportunities.
  - Contact local schools and colleges to encourage youth involvement.
  - Provide 24-hour security on site.
- 3.16 The development currently plans for 38 Affordable Rent properties and 10 properties to be sold as low cost homes, which will be marketed to households in Swindon who are in housing need. If these do not sell they can be rented out in the same way as the other properties on the site.
- 3.17 For future developments a Design Brief has been written, which will assist the Borough Architects in the design phase. A copy of the General Design Brief is available at Appendix 1.

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# Sussex Square and the Affordable Housing Development Programme

Cabinet

Date: 4<sup>th</sup> February 2015

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- 3.18 There is still £700 million of capital funding available for grant to support development of Affordable Rented housing. This is managed in a process called Continuous Market Engagement. It is proposed to identify suitable sites for development, which will be the subject of future bids.

## Conversions

- 3.19 The development programme requires 142 “conversions” of properties currently rented at Social Rent levels to be converted to Affordable Rent. Properties will only be converted when they are vacant, and people are given the choice to bid on them in the normal way, and on the same tenancy terms as other housing. This would be done over the three years of the Affordable Housing Programme. The approach will be to convert 2- and 3-bed houses only, avoiding conversion of larger, and potentially much more expensive 4 and 5 bed properties. To mitigate the increased rent only properties that meet higher energy efficiency ratings (SAP ratings B and C) will be converted. A SAP rating is the standard for comparing the energy performance of different homes. Where necessary empty properties will be upgraded to convert them to SAP rating B. Approximately one property per week will be converted over the three years of the Affordable Housing Programme.

## **4. Alternative Options**

- 4.1 The Council could advise the Homes and Communities Agency that it no longer wishes to proceed with the Affordable Homes Development Programme. This would obviously have serious reputational risks for the Local Authority and any future bids to the HCA.

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

### Financial and Procurement Implications

- 5.1 The bid for grant included an assessment of the borrowing that could be supported from the additional rent income created from the projects over 30 years, which equates to the life of the HRA business plan. The actual costs of funding will be determined on a case by case basis, taking into account loan rates and available reserves at that time to ensure the programmes are financed in the most advantageous way.

### Legal and Human Rights Implications

- 5.2 All legal and human rights considerations have been taken fully into account in compiling this report. A successful bid will require a signed agreement between the Council and the HCA on the delivery of the programme. It is considered that the recommendations of this report are compatible with Convention rights.

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# Sussex Square and the Affordable Housing Development Programme

Cabinet

Date: 4<sup>th</sup> February 2015

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

- 5.3 There are no direct implications in this report.

## Diversity Impact Assessment (DIA)

- 5.4 A thorough Diversity Impact Assessment has been carried out as part of the rent setting process for 2014/15. The assessment reflected on any adverse impacts at the increases proposed. In accepting that affordable rent levels will be higher it should be noted that tenants who are in severe hardship, for example reliant on state benefits will be eligible for Housing Benefit and able to claim their full entitlement under the national scheme. 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 Housing Officers and their local Neighbourhood Housing Officers as well as from the Citizens Advice Bureau.
- 5.5 Copies of the DIAs are available from the report author.

## Risk Management

- 5.6 No additional risks unmitigated were identified.

## **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 Appendix 1 – General Design Brief
- 8.2 Appendix 2 – Financial summary of the Affordable Homes Development Programme.

## **9. Key Decision/Decision in Forward Plan**

- 9.1 This is a key decision and is included in the Cabinet Work Programme and Forward Plan for February 2015.

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Further information on the subject of this report can be obtained from James Graham on Direct Dial No.464474, or Email [jgraham@swindon.gov.uk](mailto:jgraham@swindon.gov.uk).

General design brief:

Properties to be Lifetime Homes where possible.

Properties to be semi-detached where possible. Where terraces are required, we should use ginnels (these are tunnels through houses, which allow easy access to gardens, avoiding the necessity to have bins stored at the front of properties).

Large windows. Lots of light, which is good for reducing depression.

Properties to avoid having large plain redbrick walls. Plain redbrick walls are cheap, but we would prefer to see variation in bricks to break up plain walls or variation on materials (such as render, wood, and metal), use of recesses in walls and bay windows to break up large walls.

Parking to be on-plot and owned by the tenant.

Gardens to be large enough for children to play.

Internal communal space to be avoided where possible, allowing flats to have independent entrances, reducing the need for service charges.

Solar panels to be included where the orientation is right, and to be sufficient to be of benefit to tenants. This might also be used to reduce service charges by offsetting the lighting and heating for communal space.

Kitchens to be kitchen / diners, and to have space for washing machine, tumble dryer, fridge freezer and dishwasher. Kitchens to be open plan with space for dining furniture.

Boilers to be placed in kitchens where possible, and definitely not to be placed in bedrooms.

Separate lounge for houses, large enough to accommodate 3 piece suite.

Downstairs WC for 3+ bed houses.

Draught lobbies. This is an internal porch, good for wet shoes, coats, drying dogs, and minimising loss of warmth.

Where possible, bedrooms to be double, where necessary single rooms should not be smaller than 8 by 8.

Storage to be designed in.

Buildings to be designed for long-life, so block construction, avoiding dry-lining on the groundfloor, and stud walls upstairs.

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Financial summary of the Affordable Homes Development Programme.

	To be built	Conversions to Affordable Rent	Capital Contribution	Sales
Sussex	34	58	2863000	1410000
Brookfield	4	3	6000	0
Cranmore Ave	14	4	0	0
RBL	16	16	0	0
Townsend	15	26	0	0
Hawthorns	17	35	0	0
<b>Totals</b>	100	142	2869000	1410000

Value of Additional Income from Conversions	Value of Income from Rents	Grant	Cost	Target delivery date
995000	3537000	765000	9570000	Sep-17
68000	377000	90000	541000	Aug-16
93000	1087000	308000	1488000	Aug-17
515000	1650000	360000	2525000	Dec-17
325000	1317000	325000	1967000	Sep-16
808000	1545000	382000	2735000	Apr-17
2804000	9513000	2230000	18826000	

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## Anti Social Behaviour Crime and Policing Act 2014

Cabinet

Date: 4<sup>th</sup> February 2015

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Author: Cabinet Member for Housing and Public Safety,  
Board Director Commissioning

Wards: All

Locality Affected: All

Parishes Affected: All

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### 1. Purpose and Reasons

- 1.1 To inform Members of the implications and opportunities set out in the Anti-Social Behaviour, Crime and Policing Act 2014.
- 1.2 Recommend changes required to the Council's Scheme of Delegations to enable Council officers to implement Public Space Protection Orders, Civil Injunctions, Closure Notices and Community Protection Notices as enabled by the Act.
- 1.3 This report supports the delivery of the Swindon Health and Wellbeing Strategy and One Swindon Outcomes, reducing vulnerability, improving residents health, providing well cared for neighbourhoods, and making best use of the Council's resources.

### 2. Recommendations

Cabinet is recommended to seek the confirmation of the Council to:

- 2.1 The Head of Housing and Community Safety, Director of Public Health and the [Head of Planning, Regulatory Services, Heritage and Libraries](#) in consultation with the Director of Law and Democratic Services, each be granted delegated authority to serve Community Protection Notices in accordance with Part 4 of the Anti-Social Behaviour, Crime and Policing Act 2014 and in the event of a breach serve fixed penalty notices.
  - 2.2 The Director of Law and Democratic Services, at the request of the Head of Housing and Community Safety, be granted delegated authority to seek Civil Injunctions and where appropriate make applications for breach in accordance with Part 1 of the Anti-Social Behaviour, Crime and Policing Act 2014.
  - 2.3 The Head of Housing and Community Safety and the Head of Planning [Regulatory Services, Heritage and Libraries](#), in consultation with the Director of Law and Democratic Services each be granted authority to make Public Space Protection Orders in accordance with Chapter 2 of the Anti-Social Behaviour, Crime and Policing Act 2014 and in the event of a breach serve fixed penalty notices.
  - 2.4 The Head of Housing and Community Safety, in consultation with the Director of Law and Democratic Services be granted authority to issue Closure Notices and
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Further information on the subject of this report can be obtained from Michael Ash on Direct Dial No.464410, or Email [mash@swindon.gov.uk](mailto:mash@swindon.gov.uk).

# Anti Social Behaviour Crime and Policing Act 2014

Cabinet

Date: 4<sup>th</sup> February 2015

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apply for Closure Orders in accordance with Chapter 3 of the Anti-Social Behaviour, Crime and Policing Act 2014.

- 2.5 That the Director of Law and Democratic Services be authorised to make the necessary changes to the Council's Constitution and Scheme of Delegations as referred to in the joint report.

## 3. Detail

- 3.1 The Anti-Social Behaviour, Crime and Policing Act received Royal Assent in March 2014 and updated Government guidance was issued in July 2014. The Council then consulted with its Community Safety Partners on the provisions available under the implementation of the Act, culminating with a event in October 2014. This report sets out the preferred approaches from all the relevant partners and highlights the powers which it is proposed be adopted and used by the Council.
- 3.2 Anti-social behaviour is a broad term used to describe the day to day incidents of crime, nuisance and disorder that can have a substantial impact of people's lives, including, litter and vandalism, public drunkenness, aggressive dogs, and noisy or abusive neighbours. Such a wide range of behaviours means responsibility for dealing with anti-social behaviour is shared between a number of agencies, particularly the Police, the Council and social landlords. Victims can feel helpless, sometimes referred from one agency to another. In many cases, the behaviour is targeted against the most vulnerable in our society and even what is perceived as 'low level' anti-social behaviour, when targeted and persistent, can have devastating effects on a victim's life.
- 3.3 The reforms set out in Parts 1-6 of the Act are intended to ensure that Community Safety Partner agencies have effective powers that are quick, practical and easy to use to provide better protection to victims and communities and act as a deterrent to perpetrators. 19 existing powers are replaced with just 6.
- 3.4 The new powers are summarised in the paragraphs below. In implementing the new powers, the Council along with partners will always attempt to seek restorative solutions to issues and only use these powers as a last resort. This will mean that appropriate services across the Council and its partners must be engaged and involved in the decision making process

## Community Protection Notices (CPN)

- 3.5 A Community Protection Notice (CPN) is intended to deal with particular ongoing problems or nuisances, which negatively affect the community's quality of life by targeting those responsible. These include graffiti, rubbish and noise. A CPN does not discharge the Council from its duty to issue an Abatement Notice where the behaviour constitutes a statutory nuisance for the purposes of Part 3 of the

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# Anti Social Behaviour Crime and Policing Act 2014

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Date: 4<sup>th</sup> February 2015

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Environmental Protection Act 1990. The test to be applied in issuing a Community Protection Notice is broad and focuses on the impact anti social behaviour is having on victims and communities. A CPN can be issued by the Police, the Council or social landlords.

- 3.6 The Council will need to assess who is likely to use these powers the most in any given period and how the enforcement of them will be dealt with between the various agencies. It is suggested that if approved and adopted a review takes place after 12 months to assess usage and determine whether or not the most effective procedures are in place.
- 3.7 Under the procedure outlined in the Government Guidance which accompanies the Act a written warning has to be served followed by the CPN then at a later stage a Fixed Penalty Notice (FPN) may be issued for non-compliance. [Failure to comply with a CPN can result in prosecution. In the case of a corporate defendant ie a business there could be a fine for breach of up to £20,000](#) In addition the CPN can be appealed within 21 days of service.

Failure to comply with a CPN can result in one of the following sanctions:

- (i) Fixed Penalty Notice,
- (ii) Remedial Action,
- (iii) Remedial Orders,
- (iv) Forfeiture Orders,
- (v) Seizure.

## Civil Injunctions

- 3.8 The injunction is a civil power, which can be applied for to deal with anti social behaviour. It replaces six orders formerly available to the Council and the Police. A civil injunction can offer fast and effective protection for victims and communities and sets a clear standard of behaviour for perpetrators, stopping the person's behaviour from escalating. Civil injunctions are also available to social landlords. Any partner agency seeking to apply for an injunction must have evidence the respondent is engaged in, or threatened to engage, in conduct that has caused or is likely to cause harassment alarm or distress to any person. Where any action is to be taken against a person under 18 years of age then the Youth Offending Team should be part of the decision making process.

## Public Space Protection Orders (PSPO)

- 3.9 The Public Space Protection Order (PSPO) is designed to stop individuals or groups committing anti social behaviour in a public space. Local authorities alone are able to issue PSPOs after consultation with the Police and the Police and Crime Commissioner. An effective means of consultation will be required to ensure quick, effective and recorded consultation takes place for evidential purposes at later stages in the process.

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# **Anti Social Behaviour Crime and Policing Act 2014**

**Cabinet**

**Date: 4<sup>th</sup> February 2015**

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- 3.10 PSPO's can have blanket restrictions or requirements applied, or can be targeted against certain behaviours by certain groups and at certain times. PSPO's can restrict access to public rights of way where that route is being used to commit anti social behaviour. They can last for up to three years but any individual has the right to appeal to the High Court on the grounds that the Council did not have the power to make the order or included a particular prohibition which was inapplicable or could challenge whether or not effective consultation was carried out at the time. The behaviour in question must be or likely to have a detrimental effect on the quality of life of those in the locality; be persistent or continuing in nature and be unreasonable.

## **Closure Power**

- 3.11 The Closure Power allows the Police or the Council to prevent access to premises which are being used, or likely to be used to commit nuisance or disorder.
- 3.12 A Closure Notice can be issued by the Police or the local authority. The Notice can be for up to 48 hours but cannot prevent those who habitually reside in the property or the owner from access. Within 48 hours the Police or local authority must apply to the Magistrates Court for a Closure Notice that if successful can prevent access for a maximum of 3 months. Breaching a Closure Order is a criminal offence and can carry a custodial sentence. Breaching either a Notice or an Order carries an unlimited fine for residential and non-residential premises.

## **Criminal Behaviour Orders**

- 3.13 Issued by the courts after conviction, the order will ban the offender from certain activities or places and require them to address their behaviour for example attending drug treatment programmes - a combination of prohibitions and positive activities, designed to be preventative and not punitive. A breach would see an individual face a maximum five year prison term.
- 3.14 The order is subject to two conditions, firstly that the court is satisfied beyond reasonable doubt that the offender has engaged in behaviour that caused or was likely to cause harassment alarm or distress to any person. Secondly, that the court considers in making the Order it will help in preventing the offender from engaging in such behaviour.

## **Police Dispersal Power**

- 3.15 A Police power to direct any individual causing or likely to cause anti social behaviour or crime and disorder away from a particular place and to confiscate related items. A person can be removed from an area for up to 48hrs. The power is granted by a senior Police Officer (Inspector or above), in respect of implementation within Swindon and Wiltshire, Police Community Support Officers

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Further information on the subject of this report can be obtained from Michael Ash on Direct Dial No.464410, or Email [mash@swindon.gov.uk](mailto:mash@swindon.gov.uk).

# Anti Social Behaviour Crime and Policing Act 2014

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Date: 4<sup>th</sup> February 2015

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have been given designated powers, with restrictions, to implement the directions power. The exclusion period may not exceed 48 hours.

- 3.16 In deciding to issue a power the Police must have regard to the Human Rights Act and in particular the rights of freedom of expression and freedom of assembly as set out in articles 10 and 11. There are exceptions that allow people into an area the subject of a Dispersal Power, for example the need to enter the area for employment reasons. Those under the age of 16 can be removed to the place where they habitually reside or to a place of safety. The Power is not applicable to those under the age of 10.

## **4. Alternative Options**

- 4.1 The Council could determine to not adopt all or some of the powers. However the Anti-Social Behaviour, Crime and Policing Act 2014 replaces existing powers that the Council currently enacts to reduce the incidence and impact of anti social behaviour, crime and disorder. The Council along with partners will always attempt to seek alternative restorative solutions to issues and will only use these powers as a last resort. This will mean that appropriate services across the Council and its partners must be engaged and involved in the decision making process.

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

### Financial and Procurement Implications

- 5.1 The use of new powers can be resourced from within existing housing and community safety budgets.

### 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. In particular in deciding to issue a Police Dispersal Power, the Police must have regard to the Human Rights Act and in particular the rights of freedom of expression and freedom of assembly as set out in articles 10 and 11 of the Human Rights Act.

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

- 5.3 Anti social behaviour, crime and disorder can have a detrimental impact on the health of victims. The proposals within this report seek to reduce this impact.

### Diversity Impact Assessment (DIA)

- 5.4 A thorough Diversity Impact Assessment has been carried out and identified the following.

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Further information on the subject of this report can be obtained from Michael Ash on Direct Dial No.464410, or Email mash@swindon.gov.uk.

# Anti Social Behaviour Crime and Policing Act 2014

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Date: 4<sup>th</sup> February 2015

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**Disability:** Although there is no directly negative impact linked to the changes, it is important to note that some perpetrators of anti-social behaviour have mental health problems and there is a statistically significant link between mental health issues and perpetrating ASB. Therefore, although the implementation of the Act doesn't directly negatively impact on this group, support needs to continue to be offered to perpetrators as well as victims. It is predicted that in 2015 in Swindon 22,084 people aged 18-64 are will have a common mental disorder.

**Age:** All those of the criminal age of responsibility (10+ years of age) may be subject to a Civil Injunction. Therefore all may be affected by the implementation of these tools. In Swindon UA at the 2011 Census, people aged 0 to 18 years numbered 48,965 and made up 23.4% of the population. Use of the tools will be considered on a case by case basis and following consideration of the merits in any particular case, including the likely impact on any given individual having considered their personal circumstances at a multi-agency case conference. Decisions for the authority to pursue any such orders could only be made by an officer with the appropriate delegated authority and the Youth Offending Team must be consulted

There is a negligible potential negative impact on groups due to sex; religion or belief; gender reassignment; pregnancy and maternity; or sexual orientation

- 5.5 A copy of the DIA can be obtained from the report author.

## Risk Management

- 5.6 No additional risks have been identified.

## **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 for the Cabinet as Council is to agree any change to the Council's Scheme of Delegations. It is included in the Cabinet Work Programme and Forward Plan for February 2015.

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Further information on the subject of this report can be obtained from Michael Ash on Direct Dial No.464410, or Email [mash@swindon.gov.uk](mailto:mash@swindon.gov.uk).



## **Motion at Council: Use of Police Community Support Officers in Supporting Council Parking Enforcement**

**Cabinet**

**Date: 4<sup>th</sup> February 2015**

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Author:	Cabinet Member for Strategic Planning, Sustainability and Transport, Cabinet Member for the Economy, Regeneration and Skills, and Service Manager Parking
Wards:	All
Locality Affected:	All
Parishes Affected:	All

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

- 1.1 This report seeks to respond to the issues highlighted within the Motion at Council on 18<sup>th</sup> September 2014 concerning parking enforcement and the involvement of Police Community Support Officers (PCSO's) in this process (Council Minute 43 refers).
- 1.2 This report responds to the motion and comments received from the Wiltshire and Swindon Police and Crime Commissioner on this matter
- 1.3 The issue of using Police Community Support Officers (PCSO's) to assist with parking enforcement relates to the Council's strategic priority of making the best use of Swindon's resources inside and outside the Council.

### **2. Recommendations**

The Cabinet is recommended to:

- 2.1 Note that the Leader of the Council wrote to the Wiltshire and Swindon Police and Crime Commissioner on 11<sup>th</sup> September 2014 and that the response received from the Police and Crime Commissioner dated 1<sup>st</sup> October 2014, was circulated to all Councillors at the Council meeting on 6<sup>th</sup> November 2014.
- 2.2 Note the work currently taking place to move Parking Enforcement officers and the Police to the Plus One building to enable the teams to work more closely together on local priorities which are identified in the neighbourhoods.
- 2.3 Request that the Cabinet Member invites the members of the Wiltshire and Swindon Police and Crime Panel to consider the issues highlighted in the Council's motion on 18<sup>th</sup> September 2014 and the subsequent response of the Police and Crime Commissioner.
- 2.4 Request the Leader of the Council to again contact the Police and Crime Commissioner regarding the content of the letter dated 1<sup>st</sup> October 2014 to ask him to reconsider the issue of the involvement of Police Community Support Officers (PCSO's) in parking enforcement in specific areas where it has been identified at a neighbourhood priority.

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Further information on the subject of this report can be obtained from Dawn Woollard, Direct Dial Telephone Number 01793 463771, [dwoollard@swindon.gov.uk](mailto:dwoollard@swindon.gov.uk).

# Motion at Council: Use of Police Community Support Officers in Supporting Council Parking Enforcement

Cabinet

Date: 4<sup>th</sup> February 2015

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- 2.5 Advise the Council of the contents of this report in response to the Motion at the Council meeting on 18<sup>th</sup> September 2014.

## 3. Detail

- 3.1 On 18<sup>th</sup> September 2014 Council passed the following resolution:

*"This Council notes the car parking issues that have arisen around some of the Borough's schools. This has led to at times to it being unsafe for pedestrians and also problems for residents living near to the schools who find they are not able to move their own vehicles during these times.*

*This Council recognises that there is no simple solutions to the problem of parking in and around some schools and recognises the strategies and work that schools have already done to alleviate the problem. This Council further recognises that schools need support from the Council in solving the on-going parking issues through Traffic Regulation Orders and an increased ability to enforce existing Traffic Regulation Orders.*

*This Council recognises it does not have enough traffic enforcement officers to make a meaningful impact in enforcing existing parking regulations. This Council believes that granting Police Community Support Officers (PCSOs) the powers to enforce Council parking regulations would enable more visibility and more flexibility to respond quickly to the needs of residents living in neighbourhoods near to schools.*

*The Council requests that the Leader of the Council write to the Wiltshire and Swindon Police and Crime Commissioner communicating the Council's interest in granting PCSOs the powers to enforce parking regulations. Council also requests the Cabinet Member for Strategic Planning, Sustainability and Transport to bring a report to Cabinet with further detail on how PCSOs could be granted new powers to enforce council parking regulations and how PCSOs could work with existing council parking enforcement officers"*

### Enforcement Powers (Civil Enforcement Officers)

- 3.2 Part 6 of the Traffic Management Act 2004 describes Civil Enforcement officers as the following:

*"Civil enforcement officers*

*(1) A local authority may provide for the enforcement of road traffic contraventions for which it is the enforcement authority by individuals to be known as civil enforcement officers.*

*(2) A civil enforcement officer must be(a) an individual employed by the authority, or*

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Further information on the subject of this report can be obtained from Dawn Woollard, Direct Dial Telephone Number 01793 463771, [dwoollard@swindon.gov.uk](mailto:dwoollard@swindon.gov.uk).



# Motion at Council: Use of Police Community Support Officers in Supporting Council Parking Enforcement

Cabinet

Date: 4<sup>th</sup> February 2015

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(b) where the authority have made arrangements with any person for the purposes of this section, an individual employed by that person to act as a civil enforcement officer.

(3) Civil enforcement officers—

(a) when exercising specified functions must wear such uniform as may be determined by the enforcement authority in accordance with guidelines issued by the appropriate national authority, and

(b) must not exercise any of those functions when not in uniform.

(4) In subsection (3)(a) “specified” means specified by regulations made by the appropriate national authority.

(5) A parking attendant appointed under section 63A of the Road Traffic Regulation Act 1984 (c. 27) by a local authority that is an enforcement authority—

(a) is a civil enforcement officer in relation to parking contraventions for which that authority is the enforcement authority, and

(b) may be appointed a civil enforcement officer in relation to other road traffic contraventions for which they are the enforcement authority.”

## The Wiltshire Police – Wiltshire and Swindon Police and Crime Commissioner’s View

- 3.3 The Wiltshire and Swindon Police and Crime Commissioner’s replied to the Leader of the Council in a letter dated 1<sup>st</sup> October 2014. The response identifies that the Chief Constable is reluctant to give additional powers to Police Community Support Officers (PCSO’s) as it would change their status within the community and potentially prejudice their community engagement to local priorities.
- 3.4 The Chief Constable and the Wiltshire and Swindon Police and Crime Commissioner did note that the neighbourhood policing teams should respond to local priorities, which are identified in a neighbourhood. They also agreed that highway and traffic problems outside schools were recognised and would be targeted through the normal neighbourhood tasking process.
- 3.5 A copy of the Police and Crime Commissioner’s letter was circulated to all Councillors at the Council meeting on 6<sup>th</sup> November 2014. The Leader of the Council had contacted the Commissioner on 11<sup>th</sup> September on the publication of the Council papers setting out the proposed Motion. This is attached as Appendix 1.
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Further information on the subject of this report can be obtained from Dawn Woollard, Direct Dial Telephone Number 01793 463771, [dwoollard@swindon.gov.uk](mailto:dwoollard@swindon.gov.uk).

# Motion at Council: Use of Police Community Support Officers in Supporting Council Parking Enforcement

Cabinet

Date: 4<sup>th</sup> February 2015

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- 3.6 The Cabinet is recommended to consider if it would wish to further pursue this matter with the Police and Crime Commissioner or through the Wiltshire and Swindon Police and Crime Panel.

## Joint Working

- 3.7 The Plus One Centre building on the Civic Campus is being vacated as a result of the co –location of other teams on the campus and is to be occupied by Wiltshire Police as the base of their Swindon Town Centre team. It is also intended that Council teams who work with the police will also relocate into Plus One to improve joint working and outcomes.
- 3.8 This will integrate the work of various teams in the Town Centre Locality. The aim is to ensure a safer and cleaner town centre, and make it more welcoming to residents, visitors, and business as a platform for economic improvement, drawing on the contributions of local networks and resources.
- 3.9 The Plus One building will act as the co-located base for the integrated teams from early 2015, with joint tasking and deployment starting from that date. This will increase co-ordination and the resource pool to tackle issues, reduce duplication of effort and help prevent avoidable issues escalating.
- 3.10 It is hoped that this joint locating of both Police and parking teams will assist in the more effective targeting of parking enforcement where specific problems are identified.
- 3.11 By having a visual presence of PCSO's at the various locations will also have an effect in influencing parking behaviour when inappropriate parking is occurring.
- 3.12 Working closely with the Police by having joint daily briefs will enable the Council to highlight those issues that they are able to assist with.
- 3.13 With the recent recruitment to vacant posts within the Parking operations team, these officers will be able to concentrate on addressing the issues reported to us in a more productive manner than historically.

## **4. Alternative Options**

- 4.1 Further discussions could be held with the Police and / or Police and Crime Commissioner to encourage them to consider reviewing their objections to granting PCSOs the powers to enforce parking regulations or to assist in the process. This would need looking at legally, as the enforcement process is currently a decriminalised process and parking issues cannot be enforced by the Police.

# Motion at Council: Use of Police Community Support Officers in Supporting Council Parking Enforcement

Cabinet

Date: 4<sup>th</sup> February 2015

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

### Financial and Procurement Implications

- 5.1 There are no financial implications arising from this report as no additional actions are recommended.

### Legal and Human Rights Implications

- 5.2 Legal and Human Rights implications were taken fully into account in the preparation of this report and it is believed the recommendations are compatible with Convention rights.

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

- 5.3 There are no other direct implications arising from the report.

### Diversity Impact Assessment

- 5.4 A diversity impact assessment has not been completed as no change is proposed to existing services, due to the response from the Wiltshire Police and the Police and Crime Commissioner.

### Risk Management

- 5.5 A risk register has not been completed as there is no specific action proposed.

## 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 Appendix 1 - Letter from the Wiltshire and Swindon Police and Crime Commissioner, 1<sup>st</sup> October 2014.

## 9. Key Decision/Decision in Forward Plan

- 9.1 This is not a Key Decision for the Cabinet as Council is to agree any change to the Council's Scheme of Delegations. It is included in the Cabinet Work Programme and Forward Plan for February 2015.

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Further information on the subject of this report can be obtained from Dawn Woollard, Direct Dial Telephone Number 01793 463771, [dwoollard@swindon.gov.uk](mailto:dwoollard@swindon.gov.uk).

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David Renard  
Leader, Swindon Borough Council  
Civic Centre  
Euclid Street  
Swindon  
SN1 2JH

1<sup>st</sup> October 2014

Dear David

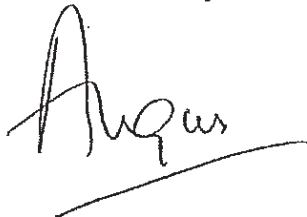
**PCSO POWERS re PARKING ENFORCEMENT**

The Chief Constable and I have discussed the above proposal again following my reply (15<sup>th</sup> September) to your email of 11<sup>th</sup> September.

We understand that the request has been made following recognition by the Borough council that there are not enough traffic enforcement officers to make a meaningful impact in enforcing existing parking regulations. This has led at times to it being unsafe for pedestrians in the vicinity of some schools in the Borough and has caused problems for residents living near to those schools.

We agreed that it would be premature to re-criminalise on-street car parking offences. There was a long debate and a considerable rationale for decriminalisation which would need to be studied before any change is contemplated. The Chief Constable is reluctant to give additional powers to PCSOs as this would change their status within the community and potentially prejudice their community engagement role. We did, however, note that the neighbourhood policing teams should respond to local priorities which are identified in the neighbourhood. Following this process it would seem logical for highway and traffic problems outside schools to be targeted through the normal neighbourhood tasking process. This should assist resolving the problem in so far as it emanates from a lack of regularly control.

Yours sincerely



Angus Macpherson  
**Police and Crime Commissioner**

Office of the Police and Crime Commissioner for Wiltshire and Swindon  
London Road, Devizes, Wiltshire. SN10 2RD  
Telephone: 01380 734022  
Facsimile: 01380 734025  
Email: [pcc@wiltshire.pcc.pnn.gov.uk](mailto:pcc@wiltshire.pcc.pnn.gov.uk)  
Web Site: [www.wiltshire-pcc.gov.uk](http://www.wiltshire-pcc.gov.uk)

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## Response to the Consultation on Proposals for a Combined Fire and Rescue Service

Cabinet

Date: 4<sup>th</sup> February 2015

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Author:	Leader of the Council, and Director of Law and Democratic Services
Wards:	All
Locality Affected:	All
Parishes Affected:	All

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### 1. Purpose and Reasons

- 1.1 To seek Cabinet's consent to a proposed response from Swindon Borough Council to the consultation being undertaken by the Department for Communities and Local Government on the locally led proposals to create a Combined Fire and Rescue Authority covering the current Dorset Combined Fire Authority area and the Wiltshire and Swindon Combined Fire Authority area.

### 2. Recommendations

Cabinet is recommended:

- 2.1 That the Director of Law and Democratic Services, in consultation with the Leader of the Council and the political group leaders on the Council, finalise and submit the Council's response to the Department for Communities and Local Government in support of the locally-led proposal to create a combined Fire and Rescue Authority covering Bournemouth, Dorset, Poole, Swindon, and Wiltshire.

### 3. Detail

- 3.1 The Cabinet on 10<sup>th</sup> September 2014 considered the contents of the Wiltshire and Swindon Fire Authority Consultation Document on the future of that service. It authorised the Director of Law and Democratic Services, in consultation with the Leader of the Council and the political group leaders on the Council to develop, finalise and submit the Council's response to the Wiltshire and Swindon Fire Authority by 20<sup>th</sup> October 2014 (Cabinet Minute 27, 2014/15 refers).

- 3.2 The Council's response is set out below:

*"Swindon Borough Council is supportive of Scenario 3 (Merge with Dorset Fire Authority and increased collaboration with local partners) whilst recognising that there are a number of issues to be resolved before any final view could be taken, in particular around:*

- The funding gap identified in the Consultation Paper;*
- The equalisation of precepts and the impact on Swindon residents; and*
- The governance arrangements of the proposed merged authority and*

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Further information on the subject of this report can be obtained from Stephen Taylor, (01793) 463012, [staylor@swindon.gov.uk](mailto:staylor@swindon.gov.uk).

# **Response to the Consultation on Proposals for a Combined Fire and Rescue Service**

**Cabinet**

**Date: 4<sup>th</sup> February 2015**

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*what assurance can be given that the views of the relevant constituent authority are given full weight when considering matters relating to that authority's area."*

- 3.3 As a result of the outcome of the consultation exercises carried out by the Fire Authorities, Dorset Fire Authority and Wiltshire and Swindon Fire Authority have jointly submitted a draft scheme and business case to the Secretary of State requesting that he makes an order under sections 2 and 4 of the Fire and Rescue Services Act 2004 to:
- 3.3.1 Revoke the Dorset Fire Services (Combination Scheme) Order 1996, and
  - 3.3.2 Revoke the Wiltshire and Swindon Fire Services (Combination Scheme) Order 1996, in order that
  - 3.3.3 A single fire and rescue authority be created for the combined area of the Dorset Fire Authority and the Wiltshire and Swindon Fire Authority on 1<sup>st</sup> April 2016.
- 3.4 The Department for Communities and Local Government is now undertaking a formal consultation exercise in respect of the proposal and the consultation document is attached as Appendix 1. The deadline for responses to the Consultation is the 28<sup>th</sup> January but, unfortunately, in common with a number of other authorities involved, this Council did not receive the Consultation Paper from the DCLG and did not know of it's existence until informed of it by the Wiltshire and Swindon Fire Authority on the 21<sup>st</sup> January 2015.
- 3.5 The draft scheme and business case submitted to the Secretary of State by the Dorset Fire Authority and the Wiltshire and Swindon Fire Authority largely responds to the issues raised in this Council's initial consultation response, as set out in paragraph 3.2 above.
- 3.6 The business case has addressed the issue of the funding gap. The Consultation Paper identifies two potential ways forward in relation to the precept equalisation issue. So far as the governance aspect is concerned, discussions are ongoing and it has already been agreed by the DCLG that there will be equal representation on the new Combined Fire Authority from each of the current Combined Fire Authority areas – ie 15 from the Wiltshire and Swindon CFA area and 15 from the Current Dorset CFA area. Both current Combined Fire Authorities consider this will give the appropriate weight to the views of the constituent authorities
- 3.7 Accordingly, it is proposed that the Council formally respond to the Department for Communities and Local Government consultation indicating that Swindon Borough Council is supportive of the proposals to establish a combined Fire Authority for Dorset, Wiltshire, and Swindon, which it believes is in the interests of economy, efficiency and effectiveness and public safety of the residents of the

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Further information on the subject of this report can be obtained from Stephen Taylor, (01793) 463012, [staylor@swindon.gov.uk](mailto:staylor@swindon.gov.uk).



# **Response to the Consultation on Proposals for a Combined Fire and Rescue Service**

**Cabinet**

**Date: 4<sup>th</sup> February 2015**

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areas concerned. This response takes into account the support in principle already expressed by the Council for the proposed Combined Authority and the contents of the Department for Communities and Local Government's Consultation Document (Appendix 1).

- 3.8 It is suggested that, as previously, the Director of Law and Democratic Services, be authorised in consultation with the Leader of the Council and the political group leaders on the Council, to finalise and submit the Council's response.
- 3.9 The Council is represented on the Wiltshire and Swindon Fire Authority by Councillors Andrew Bennett, Nick Martin, Garry Perkins and Joe Tray.

## **4. Alternative Options**

- 4.1 The Council could determine not to respond to the consultation.

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

### Financial and Procurement Implications

- 5.1 The Financial implications for the Wiltshire and Swindon Fire Authority and for local tax payers were set out in the original consultation document from the Fire Authority and in the scheme and business case submitted to the Secretary of State. The issue of Council Tax equalisation is also highlighted in the consultation document at Appendix 1. The implications for the Council's finances will be dependent on the decision of the Secretary of State on the future of the Dorset and the Wiltshire and Swindon Fire Authorities.

### Legal and Human Rights Implications

- 5.2 Legal and Human Rights implications were 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 This report has no other specific implications.

### Diversity Impact Assessment

- 5.4 A Diversity Impact Assessment (DIA) has not been completed at this stage as this report sets out a consultation exercise being undertaken by the Secretary of State on proposals by the Dorset and the Wiltshire and Swindon Fire Authorities.

### Risk Management

- 5.5 There are no specific identified risks.
- 

Further information on the subject of this report can be obtained from Stephen Taylor, (01793) 463012, [staylor@swindon.gov.uk](mailto:staylor@swindon.gov.uk).

# **Response to the Consultation on Proposals for a Combined Fire and Rescue Service**

**Cabinet**

**Date: 4<sup>th</sup> February 2015**

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## **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. The Leader of the Council, and Cllrs Grant and Pajak as political group leaders have also been consulted.

## **7. Background Papers**

- 7.1 None.

## **8. Appendices**

- 8.1 Appendix 1 - Department for Communities and Local Government Consultation Document on Locally led Proposals to Create a Combined Fire and Rescue Authority for Dorset and Wiltshire.

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

- 9.1 This is not a Key Decision and is included in the Cabinet Work Programme and Forward Plan for February 2015.



Department for  
Communities and  
Local Government

## Dorset Fire Authority Wiltshire and Swindon Fire Authority

Consultation on locally –led proposals to create a combined  
fire and rescue authority for Dorset and Wiltshire



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# 1. Summary of proposals

A consultation paper issued by the Department for Communities and Local Government on behalf of the Secretary of State

<b>Topic of this Consultation:</b>	<b>Dorset and Wiltshire and Swindon Fire Authorities have written to the Secretary of State requesting that he makes an order under section 4(4) of the Fire and Rescue Services Act 2004 to revoke the Dorset Fire Authority combination scheme and the Wiltshire and Swindon Fire Authority scheme to allow for the creation of a new combined fire and rescue authority for Dorset and Wiltshire using his powers under section 2(3)(a) of that Act.</b>
<b>Scope of this consultation:<sup>1</sup></b>	This consultation seeks the views of interested parties on the proposed merger of Dorset fire and rescue authority and Wiltshire and Swindon fire and rescue authority
<b>Geographical Scope:</b>	England only.
<b>Impact assessment:</b>	This consultation has no impact on business or the voluntary sector.
<b>Body responsible for the consultation:</b>	This consultation is being run by the National Fire Policy Division within the Department for Communities and Local Government.
<b>Duration:</b>	This consultation will run for six weeks to the <b>28 January 2015.</b>
<b>Basic Information</b>	
<b>TO:</b>	The consultation is aimed at all parties who would be affected by the revocation of Dorset Fire Authority and Wiltshire and Swindon Fire Authority and in particular, those listed in part 3 of this consultation document
<b>Body responsible for the</b>	Secretary of State, Department for Communities

<sup>1</sup> The Secretary of State may vary or revoke an existing combination scheme under section 4(5) of the Fire and Rescue Services Act 2004, but before doing so he must consult:

- (a) any fire and rescue authority which appears to him likely to be affected,
- (b) any other authority which would, apart from the scheme, be a fire and rescue authority under section 1 and which appears to him likely to be affected,
- (c) any local authority all or part of whose area forms part of the combined area or would, under the scheme as varied, form part of the combined area, and
- (d) any other persons he considers appropriate.

<b>consultation</b>	and Local Government. The consultation will be administered by the National Fire Policy division.
<b>Duration</b>	This consultation will last for 6 weeks opening on Wednesday 17 December 2014 and closing on Wednesday 28 January 2015
<b>Enquiries:</b>	Enquiries should be sent to:  mergers@communities.gsi.gov.uk
<b>How to respond:</b>	<p>Responses to this consultation should be submitted to  <a href="mailto:mergers@communities.gsi.gov.uk">mergers@communities.gsi.gov.uk</a>  <b>by 28 January 2015</b></p> <p>Electronic responses are preferred. However, you can also write to:</p> <p>Debbie Gibson-Leigh  National Fire Policy Team  Department for Communities and Local Government  2<sup>nd</sup> floor NW Quarter  Fry Building 2 Marsham Street  London SW1P 4DF</p> <p>Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000, the Data Protection Act 1998 and the Environmental Information Regulations 2004).</p>
<b>After the consultation:</b>	Following the consultation, the Secretary of State will decide whether to allow for the creation of a new combined fire and rescue authority for Dorset and Wiltshire.
<b>Agreement with the Consultation Principles:</b>	This consultation has been drafted in accordance with the Consultation Principles.

## 2. Introduction

Dorset Fire Authority became responsible for the Dorset Fire and Rescue Service on 1 April 1997 following local government re-structuring. The Authority is responsible for the provision of fire and rescue services under the Fire and Rescue Services Act 2004.

Wiltshire and Swindon Fire Authority acts as the overall governing body for the Fire and Rescue Service for the county of Wiltshire. It was established on 1 April 1997 following local government re-structuring.

Dorset Fire Authority and Wiltshire and Swindon Fire Authority have jointly submitted a draft scheme and business case to the Secretary of State requesting that he makes an order under sections 2 and 4 of the Fire and Rescue Services Act 2004 to:

- revoke the Dorset Fire Services (Combination Scheme) Order 1996, and
- revoke the Wiltshire and Swindon Fire Services (Combination Scheme) Order 1996, in order that
- a single fire and rescue authority be created for the combined area of the Dorset Fire Authority and the Wiltshire and Swindon Fire Authority on 1 April 2016.

Dorset Fire Authority and Wiltshire and Swindon Fire Authority presented the Secretary of State with a draft scheme and business case for combination together with a summary of the responses to a consultation with key stakeholders run by the authorities between 24 July and 20 October 2014; these can be found at:

<http://www.dorsetfire.gov.uk/working-with-us/about-us/dorset-fire-authority/dfa-meetings/>

<http://www.wiltsfire.gov.uk/strengtheningourfrs>

The authorities are seeking a voluntary merger on the grounds that:

- It will deliver savings and improve resilience. The authorities estimate they can save £4.5million a year by merging
- It will strengthen local accountability
- It will create a safe, strong and sustainable fire and rescue service for the counties of Dorset and Wiltshire
- The new combined authority will work better with police, ambulance and partners at a local level, with greater resources to offer.



## Our Policy

There are many ways that local authorities can work together to save money and improve services, but there is equally no one-size-fits-all model either. This Government does not believe in top-down restructuring. Nor does it agree with the current proposals floated by some to force more mergers. The failed FireControl programme is a prime example of how such restructuring is expensive and distracting. Rather, we will support locally-led partnerships, where there is genuine support from all members of the local community, and the consultation will test this local support.

Dorset Fire Authority and Wiltshire and Swindon Fire Authority presented the Secretary of State with a draft scheme and business case for combination and the Secretary of State is now required by the Fire and Rescue Services act 2004 to consult on the locally led proposed revocation of Dorset and Wiltshire and Swindon Fire and Rescue Authority. Following the consultation, the Secretary of State will first consider the responses that have been submitted. He will then consider whether it is appropriate to make the combination scheme having regard to the statutory test that the voluntary merger of the two existing authorities must be in the interests of economy, efficiency and effectiveness or public safety.

He will also consider, at that stage, whether the issues need to be further examined at an inquiry before he makes a final decision. If the Secretary of State decides that the voluntary merger of the two authorities is in the interests of economy, efficiency and effectiveness or public safety, the Dorset combination scheme and the Wiltshire and Swindon combination scheme will be revoked in order to allow for the voluntary merger of Dorset and Wiltshire fire and rescue authorities.

There is no statutory requirement to consult on the creation of a new combined authority where a scheme is submitted to the Secretary of State by the authorities in question on a voluntary basis, as in this case. However, because the existing schemes would be revoked in order to allow the creation of a new combined authority, DCLG has included questions on the new merger scheme in this consultation so that respondents may comment on it if they wish.

## Council Tax equalisation

Fire and rescue authorities have a power to set a precept on the council tax. In 2014-15, Dorset and Wiltshire and Swindon have different levels of council tax (Dorset £66.60 Wiltshire and Swindon £63.62), with Dorset's Band D amount £2.98 (4.7%) higher. The Government annually determines referendum principles, so that any council tax increase above a specified threshold is subject to a binding referendum of local people. An authority is entitled to raise its council tax by any amount if it achieves the consent of the local electorate in a referendum – otherwise, it must set an increase within the threshold level.

If the merger proceeds, Dorset and Wiltshire and Swindon will at some point need to equalise council tax over the area covered by the new authority. There are options that could be considered to achieve this including:

- a. The newly merged authority could hold a referendum, and could increase council tax in Wiltshire and Swindon to the level of Dorset's council tax if local electors in Wiltshire and Swindon agreed;
- b. The authorities could equalise council tax over a period of up to five years without holding a referendum – to achieve this, the amount of council tax paid by taxpayers in Dorset could stay at the same level, or increase at a lower rate than in Wiltshire and Swindon within the referendum thresholds until the two levels became equal;

It would be open to Dorset and Wiltshire and Swindon to make submissions to Ministers in relation to council tax levels in 2016-17 following the General Election in May 2015. Decisions on referendum principles would be subject to the approval of the House of Commons.

### 3. Who are we consulting?

In accordance with section 4(5) of the Fire and Rescue Services Act 2004, the Secretary of State will consult the following:

- Dorset Fire Authority
- Wiltshire and Swindon Fire Authority
- Dorset County Council
- Wiltshire County Council
- Bournemouth Borough Council
- Borough of Poole
- Swindon Borough Council
- Salisbury City Council
- District Councils in the area
- Dorset Police and Crime Commissioner
- Wiltshire Police and Crime Commissioner
- South Western Ambulance Service
- The Chief Fire Officers Association
- The Fire Brigades Union
- The Retained Fire Fighters Union
- Local MPs

This consultation will be available on the GOV.UK website.

## 4. Consultation Questions

We would welcome any thoughts you have on the possible implications of the revocation of Dorset fire authority and Wiltshire and Swindon fire authority.

In doing so, you will want to give consideration to whether the proposed revocations of Dorset fire authority and Wiltshire and Swindon fire authority are in the interests of:

- Economy;
- Efficiency and effectiveness
- and Public Safety

Your views are invited on the following questions:

<b>Questions:</b>
<b>1. Do you agree that the proposed revocation of the Dorset Fire Services (Combination Scheme) Order 1996, is in the interests of</b> <ul style="list-style-type: none"><li>• Economy;</li><li>• Efficiency and effectiveness</li><li>• and Public Safety</li></ul> <p>Please provide your reasons for either agreeing or disagreeing with the proposed revocation of the Dorset Fire Services (Combination Scheme) Order 1996</p>
<b>2. Do you agree that the proposed revocation of the Wiltshire and Swindon Fire Services (Combination Scheme) Order 1996, is in the interests of</b> <ul style="list-style-type: none"><li>• Economy;</li><li>• Efficiency and effectiveness</li><li>• and Public Safety</li></ul> <p>Please provide your reasons for either agreeing or disagreeing with the proposed revocation of the Wiltshire and Swindon Fire Services (Combination Scheme) Order 1996</p>
<b>3. Do you agree that the proposed merger of Dorset and Wiltshire and Swindon fire authorities is in the interests of:</b> <ul style="list-style-type: none"><li>• Economy;</li><li>• Efficiency and effectiveness</li><li>• and Public Safety</li></ul> <p>Please provide your reasons for either supporting or opposing the merger proposal</p>

## 5. Timetable

The merger proposals have already been the subject of a thirteen week consultation undertaken by Dorset and Wiltshire, including with all of the bodies listed in section 3 above. The Secretary of State is of the view that a 6 week consultation would be an appropriate timeframe in this instance.

Your response must be received by 28 January 2015

<b>12 December</b>	<b>Combination order application received from Dorset and Wiltshire and Swindon fire authorities</b>
<b>17 December 2014</b>	<b>Publish consultation document</b>
<b>28 January 2015</b>	<b>Consultation closes</b>
<b>28-30 January 2015</b>	<b>Analyse responses</b>
<b>30 January 2015</b>	<b>Consultation results put to Ministers to consider whether an inquiry needs to be held</b>
<b>1. If the Secretary of State deems it necessary to hold a public inquiry, this will impact on the timetable for combination of the Dorset and Wiltshire and Swindon fire authorities.</b> <b>2. If the Secretary of State agrees that a merger of Dorset and Wiltshire and Swindon is in the interests of economy, efficiency and effectiveness and public safety the following timetable will proceed:</b>	
<b>2 February 2015</b>	<b>Combination Order is finalised and agreed by DCLG and Dorset and Wiltshire and Swindon fire authorities</b>
<b>2-5 February 2015</b>	<b>Combination Order is made</b>
<b>6 February 2015</b>	<b>Combination Order is laid</b>
<b>21 days later</b>	<b>Order comes into force (before 40 day praying against period ends)</b>
<b>1 April 2016</b>	<b>Combination Order comes into effect</b>

## 6. How to respond

Your response can be sent by email to  
[mergers@communities.gsi.gov.uk](mailto:mergers@communities.gsi.gov.uk)

or in writing to:

Debbie Gibson-Leigh  
National Fire Policy Team  
Department for Communities and Local Government  
2nd floor NW Quarter  
Fry Building 2 Marsham Street  
London SW1P 4DF

Please title your response 'Response to consultation on proposal to merge Dorset fire authority and Wiltshire fire authority'

## 7. What happens next?

All the evidence and information submitted will be considered and will help inform the Secretary of State in his consideration of the proposal and whether Dorset and Wiltshire and Swindon fire authorities' request is in the best interests of the two services and the communities they serve.

We aim to publish the outcome of the consultation within 3 months of the close of the exercise.

## 8. Confidentiality and data protection

Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000, the Data Protection Act 1998 and the Environmental Information Regulations 2004)..

If you want the information that you provide to be treated as confidential, please be aware that, under the Freedom of Information Act 2000, there is a statutory code of practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, in itself, be regarded as binding on the Department.

The Department will process your personal data in accordance with the Data Protection Act 1998 and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties. Individual responses will not be acknowledged unless specifically requested.

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