



SWINDON BOROUGH COUNCIL
Municipal Year 2014/15

Monday, 23 February 2015

**COUNCIL CHAMBER
CIVIC OFFICES
SWINDON**

13 February 2015

Dear Councillor,

Summons to attend Council Meeting

A MEETING of the **Council**, which you are requested to attend, is to be held at the CIVIC OFFICES, SWINDON, on **Monday, 23 February 2015 at 7.00 p.m.**

The business to be transacted will be as follows:-

AGENDA

- 1. Apologies for Absence**
- 2. Communications**
To receive any communications or letters which the Mayor or Chief Executive may have to bring before the Council.
- 3. Minutes** (Pages 5 - 14)
To receive the minutes of the previous meeting.
- 4. Declarations of Interest**
Members are reminded that at the start of the meeting they should declare any known interests in any matter to be considered, and also during the meeting if it becomes apparent that they have an interest in the matters being discussed.

5. Public Question Time

See explanatory note below.

6. Council Budget 2015/16 (Pages 15 - 140)

To approve, following a recorded vote, the Council's Budget for the Financial Year, 2015/16. The Cabinet met on 4th February 2015. The following reports considered at this meeting relate to the Council's Budget, 2015/16.

(i) Budget 2015/16 and Beyond.

(ii) Capital Programme 2015/16 to 2017/18.

(iii) Treasury Strategy Statement 2015/16.

(iv) Summary of Proposed Budget for 2015/16 by Function Directorate.

Minutes 61, 62, and 63 relating to these reports are attached.

(Pages 135 to 140)

7. Council Tax Setting, 2015/16 (Pages 141 - 158)

To enable Members, following a recorded vote, to formally resolve the Borough Council's Council Tax for 2015/16.

8. Housing Revenue Account - Rents and Charges 2015/16 (Pages 159 - 182)

To approve the Council's Housing Revenue Account Budget for the Financial Year, 2015/16. The Cabinet met on 4th February 2015. The attached report on the Housing Revenue Account – Rents and Charges 2015/16 was considered at that meeting.

Cabinet Minute 64 relating to this report is attached. (Pages 181 to 182)

9. Minutes for Confirmation (Pages 183 - 186)

(1) To consider Minutes for Confirmation from Cabinet:

- Minute 65 (Strategy to Prevent Child Sexual Exploitation)
- Minute 68 (Anti-Social Behaviour Crime and Policing Act 2014)

(2) To receive a Minute for Note from Cabinet:

- Minute 59 (Motion – Use of Police Community Support Officers in Supporting Council Enforcement Officers)

10. Motion - Road Works

Councillor Bob Wright will move:

"This Council:

- Recognises the disruption caused to local motorists because of utility companies commencing road works without any coordination or control.
- Believes that it needs to do more to address the lack of coordination and control on utility companies undertaking scheduled road works in the Borough.
- Notes that in order to address this problem in their area, the Greater Manchester local authorities have introduced the Greater Manchester

Road Activities Permit Scheme which came in operation in April 2013, following the Secretary of State for Transport's approval. This scheme introduced a new permitting regime that requires utility companies to apply for a chargeable permit before undertaking any works on adopted roads.

- The Permit fee income has then been used by the 10 Highway Authorities of Greater Manchester for additional resources to better manage and coordinate these essential works and to minimise the congestion and disruption they cause.
- Requests the Cabinet for Strategic Planning, Sustainability and Transport to submit a report to Cabinet detailing how this scheme could be applied in Swindon and to consider applying to the Secretary of State for Transport seeking approval for the adoption of this scheme in Swindon."

11. Swindon Pay Policy Statement (Pages 187 - 208)

To approve the Council's Pay Policy Statement 2015/16. The attached report on the Council's Pay Policy Statement 2015/16 was considered by the Cabinet at its meeting on 4th February 2015. The figures and salary information contained in the report will be updated as of 1st April 2015 prior to publication on the Council's website.

Cabinet Minute 59 relating to this report is attached. (Page 207)

12. Polling Districts and Places Review (Pages 209 - 212)

To consider a joint report of the Electoral Registration Officer and Returning Officer and Leader of the Council updating Members on proposed polling arrangements for the Wroughton and Wichelstowe Ward.

13. Councillors Question Time

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

Yours faithfully

Director of Law and Democratic Services

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

Swindon Borough Council 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?sched=doc&cat=13338&path=0>) or from the Committee Officer named above.

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.

COUNCIL

THURSDAY, 22 JANUARY 2015

PRESENT:- The Worshipful The Mayor in the Chair; Councillors Junab Ali, Steve Allsopp, Abdul Amin, Paul Baker, John Ballman, Ray Ballman, Andrew Bennett, Alan Bishop, Roderick Bluh, Michael Bray, Wayne Crabbe, Mark Dempsey, Oliver Donachie, Mark Edwards, Toby Elliott, Fionuala Foley, Brian Ford, Mary Friend, Jim Grant, John Haines, Neil Heavens, Dale Heenan, Russell Holland, Fay Howard, Richard Hurley, Colin Lovell, Mary Martin, Nick Martin, Cindy Matthews, Brian Mattock, Gemma McCracken, Des Moffatt, Derique Montaut, Stan Pajak, Kevin Parry, Maureen Penny, Garry Perkins, David Renard, Ann Richards, James Robbins, Eric Shaw, Carol Shelley, Kevin Small, Timothy Swinyard, Vera Tomlinson, Joe Tray, Steve Wakefield, Nadine Watts, Peter Watts, Steve Weisinger, Robert Wright and Julie Wright.

61. Apologies for Absence

Apologies for absence were received from Councillors Emma Faramarzi, Nicky Sewell, Keith Williams and Dave Wood.

62. Communications

The Chief Executive reported that no communications had been received.

63. Minutes

Resolved – That the minutes of the meeting held on 6th November 2014, be confirmed and signed.

64. Declarations of Interest

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

(In accordance with the Code of Conduct Councillors Steve Allsopp, John Ballman, Ray Ballman, Andrew Bennett, Mark Dempsey, Neil Heavens, Cindy Matthews, Kevin Parry, Maureen Penny, Carol Shelly, Nick Martin, Gemma McCracken, Joe Tray and Nadine Watts made non prejudicial declarations of interest in respect of item 7 (b) (Motion – School Fines) as they were School Governors.)

(In accordance with the Code of Conduct Councillors Andrew Bennett, Nick Martin, Gary Perkins and Joe Tray made non prejudicial declarations of interest in respect of item 7 (d) (Motion – Firefighters Pensions) as they were Council appointed representatives on the Wiltshire and Swindon Fire Authority.)

(In accordance with the Code of Conduct Councillor Joe Tray made a non prejudicial declaration of interest in respect of item 7 (d) (Motion Firefighters Pensions) as he was in receipt of a Fire Authority Pension.)

65.

Public Question Time

Mr David Parkinson submitted written questions regarding (a) documentation relating to Queen Elizabeth Drive, Swindon, and (b) funding to make Queen Elizabeth Drive, Swindon, suitable for bus usage. Written responses were tabled at the meeting.

Mr David Parkinson asked supplemental questions seeking clarification on (a) lost documentation relation to Queen Elizabeth Drive and (b) spending to make Queen Elizabeth Drive safer. The Cabinet Member for Strategic Planning, Sustainability and Transport responded at the meeting.

Mr Brian McLean submitted written questions regarding (a) incidents on Queen Elizabeth Drive involving road traffic collisions and/or buses, (b) guidelines used in the construction of Queen Elizabeth Drive, and (c) the use of independent consultants inspecting problems associated with Queen Elizabeth Drive. Written responses were tabled at the meeting.

Mr Brian McLean asked supplemental questions seeking clarification on (a) that Queens Drive was considered safe and suitable for buses, (b) interpretation of guidelines used for the construction of Queen Elizabeth Drive, and (c) whether a Freedom of Information request was required to gain information requested. The Cabinet Member for Strategic Planning, Sustainability and Transport responded at the meeting.

Mr Richard Symmonds asked a Public Question regarding an accident involving a mechanical road sweeper in Swindon Town Centre prior to Christmas. The Cabinet Member for Streetsmart indicated that a written response would be provided.

Mr Richard Symmonds asked a Public Question regarding a public meeting at Western Community Centre regarding Thamesdown Drive. The Cabinet Member for Strategic Planning, Sustainability and Transport responded at the meeting.

Mr Richard Symmonds asked a supplemental question regarding an extension to Thamesdown Drive. The Cabinet Member for Strategic Planning, Sustainability and Transport responded at the meeting.

66.

Minute for Confirmation

(1) Councillor David Renard moved and Councillor Jim Grant seconded:

“That Minute 54 of the Cabinet (Polling Districts and Polling Places Review) be confirmed and adopted.”

The Motion was put to the vote and declared carried.

(2) Councillor David Renard moved and Councillor Jim Grant seconded:

“That Minute 45 of the Cabinet (Local Government Ombudsman Annual Review of Swindon) be noted.”

The Motion was put to the vote and declared carried.

(3) Councillor Brian Ford moved and Councillor David Renard seconded:

“That Minute 52(2) of the Cabinet (Recycling – Green Waste Services) be noted.”

The Motion was put to the vote and declared carried.

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

“That Minute 53(7) of the Cabinet (Motion at Council – Cars Parking on Grass Verges) be noted.”

Councillor Mark Dempsey moved and Councillor Kevin Small seconded that the Motion be amended to read:

“This Council recognizes the frustrations of many local residents who suffer from messy grass verges in their neighbourhoods as a result of a lack of parking capacity on some of Swindon’s roads. This Council requests the Head of Highways to bring a report to Cabinet detailing how the Council could establish a fund to increase parking capacity in residential areas suffering from severe parking congestion.”

The Amendment was put to the vote and declared lost.

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

67. Motion - Licensing Applications

Councillor Stan Pajak moved and Councillor Anne Richards seconded:

“This Council believes in the need for local Councillors to be informed of new and changes to applications for alcohol sales and entertainment licenses or an application to review a current Premises Licence within their ward, and therefore calls for Ward Councillors to be informed by the Council’s Licensing Manager of the receipt of such applications and for this to become the adopted policy as is the case with planning applications in the Borough.”

Councillor Vera Tomlinson moved and Councillor Emma Faramarzi seconded that the Motion be amended to read:

“This Council believes in the need for local Councillors to be informed of new and changes to applications for alcohol sales and entertainment licenses or an application to review a current Premises Licence within their ward, and therefore calls for Ward Councillors to be informed directly and in the Members’ Bulletin by the Council’s Licensing Manager of the receipt of such applications and for this to become the adopted policy as is the case with planning applications in the Borough.”

The Amendment to the Motion was accepted by the Mover and Seconder and by Council becoming the Substantive Motion.

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

68.

Motion - School Fines

Councillor Stan Pajak moved and Councillor Anne Richards seconded:

“This Council requests Swindon’s Members of Parliament to make representations to the Government in order to enable the money raised from fines for taking children out of school during term time to be allocated to the school concerned and not the Council. This Council further calls on the Government to press for reduced Holiday Company pricing during school holidays and consideration of a one fine policy for a pupil and not a fine for each parent.”

The Motion was put to the vote and declared lost.

(In accordance with the Code of Conduct Councillors Steve Allsopp, John Ballman, Ray Ballman, Andrew Bennett, Mark Dempsey, Neil Heavens, Cindy Matthews, Kevin Parry, Maureen Penny, Carol Shelly, Nick Martin, Gemma McCracken, Joe Tray and Nadine Watts made non prejudicial declarations of interest in respect of this item as School Governors.)

69.

Motion - Transport Infrastructure Working Group

Councillor Toby Elliott moved and Councillor Mary Martin seconded:

“This Council notes:

- Swindon has grown by more than 50,000 residents in the last 20 years.
- Swindon will, according to forecasts, grow by an additional 50,000 residents in the next 20 years.
- This additional housing places a strain on our transport networks; which is not always satisfied by Section 106 or Community Infrastructure Levy monies.
- A one size fits all approach to transport infrastructure very rarely works and all options must be looked at.
- Swindon has a deep rooted heritage in the formation of the railways.

This Council resolves to invite the Scrutiny Committee to:

- (i) Establish a Future Transport Infrastructure Working Group comprised of members from the Resources Overview and Scrutiny Committee and the Economy and Regeneration Overview and Scrutiny Committee, which would report to the Scrutiny Committee.
- (ii) Ask that the new Working Group look into new transport. infrastructure opportunities and how they could be financed.
- (iii) Ask that this work includes, but is not exclusive to, a new mainline or commuter railway station at Mouldon Bridge.
- (iv) Ask that the new Working Group invite partners including, but not limited to, Wiltshire Council, Network Rail, the Swindon and Wiltshire Local Enterprise Partnership, First Great Western, Swindon and Cricklade Railway to give evidence to the Working Group.”

Councillor Jim Grant moved and Councillor Bob Wright seconded that the Motion be amended to read:

“This Council notes:

- Swindon has grown by more than 50,000 residents in the last 20 years.
- Swindon will, according to forecasts, grow by an additional 50,000 residents in the next 20 years.
- This additional housing places a strain on our transport networks; which is not always satisfied by Section 106 or Community Infrastructure Levy monies.
- A one size fits all approach to transport infrastructure very rarely works and all options must be looked at.
- Swindon has a deep rooted heritage in the formation of the railways.

This Council resolves to form a Future Transport Infrastructure Working Group comprising of the Leaders and Shadow Leads for Highways on the Council's respective political groups. This Working Group should:

- Look at new transport infrastructure opportunities and how they could be financed.
- Ask that the new Working Group invite key transport stakeholders for Swindon to give evidence to the Working Group.”

The Amendment was put to the vote and declared lost.

Councillor Des Moffatt moved and Councillor Peter Watts moved that the Motion be amended to read:

“This Council notes:

- Swindon has grown by more than 50,000 residents in the last 20 years.
- Swindon will, according to forecasts, grow by an additional 50,000 residents in the next 20 years.
- This additional housing places a strain on our transport networks; which is not always satisfied by Section 106 or Community Infrastructure Levy monies.
- A one size fits all approach to transport infrastructure very rarely works and all options must be looked at.
- Swindon has a deep rooted heritage in the formation of the railways.

This Council resolves to invite the Scrutiny Committee to:

- (i) Establish a Future Transport Infrastructure Working Group comprised of members from the Resources Overview and Scrutiny Committee and the Economy and Regeneration Overview and Scrutiny Committee, which would report to the Scrutiny Committee.
- (ii) Ask that the new Working Group look into new transport. infrastructure opportunities and how they could be financed.

- (iii) Ask that this work includes, but is not exclusive to, a new mainline or commuter railway station at Mouldon Bridge.
- (iv) Ask that the new Working Group invite partners including, but not limited to, Wiltshire Council, Network Rail, the Swindon and Wiltshire Local Enterprise Partnership, First Great Western, and Swindon and Cricklade Railway to give evidence to the Working Group.
- (v) Invite the group of Parish, Community and Business leaders from North and West Swindon known as TDeX group to participate and give evidence at the first opportunity to the Working Group.”

With the agreement of the Mover and Seconder and Council the Amendment was accepted becoming the Substantive Motion.

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

70. Motion - Firefighters Pensions

Councillor Jim Grant moved and Councillor Steve Wakefield seconded:

“This Council notes:

- The Government's plans to increase firefighter pension contributions and raise the retirement age of all firefighters to 60.
- The breakdown in talks between the Government and the unions on this issue.
- Strike action on this issue has been avoided in Scotland, Wales and Northern Ireland.

Council believes:

- The firefighters across Swindon and Wiltshire do a brave and heroic job putting at risk their own lives to protect our residents.
- The fire fighters should be rewarded for this service to the public with a fair pension settlement upon retirement.
- The current Government's plan to force all firefighters to remain in active service to the age of 60 will put the personal safety and mental wellbeing of firefighters at risk and jeopardises the safety of the public.
- That, if the Governments in Wales, Scotland and Northern Ireland have negotiated a fairer deal the Government can do the same for England.

Council therefore resolves:

- To write to the Fire Minister urging her to enter in to negotiations with the Fire Brigades Union in England with a new offer over pension contributions.
- To write to the Members of Parliament for Swindon and urge them to support calls on the annulment of the Government's firefighter pension scheme.”

Councillor Nick Martin moved and Councillor Tim Swinyard seconded that the Motion be amended to read:

This Council notes the breakdown in talks between the Government and the unions on this issue and that Scotland, Wales, and Northern Ireland have avoided strike action.

Council accepts that firefighters will still get one of the most generous pension schemes in the public sector after the current reforms. However, firefighter pensions must be fair to both firefighters and the taxpayers.

Council further notes that:

- The normal retirement age has been sixty since 2006.
- The Government's changes ensure that firefighters have the same pension age as the police and armed forces under their reforms.
- The Government has made substantial changes to the Firefighters' Pension Scheme 2015 since discussions began in 2011.
- The average firefighter retiring at age 50 today is expected to live and draw a pension for 37 years in retirement after a career of 30 years.
- A firefighter on £29,000 who retires at 60 after a full career will get a £19,000 a year pension, rising to £26,000 with the state pension.
- For every pound a firefighter invests taxpayers are paying in an extra £5 into the pension pot. Last year that cost taxpayers over half a billion pounds (£557m).
- A firefighter would need to double their level of contributions to get the same pension from a private provider.

Council believes:

- The firefighters across Swindon and Wiltshire do a brave and heroic job putting at risk their own lives to protect our residents.
- The fire fighters should be rewarded for this service to the public with a fair pension settlement upon retirement.

Council therefore resolves to request that the Cabinet Member for Housing and Public Safety writes to:

(1) The Fire Minister urging her to enter in to negotiations with the Fire Brigades Union in England with a fair offer over pension contributions, and

(2) The Members of Parliament for Swindon and urge them to support introducing a fair firefighter pension scheme.

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

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

(In accordance with the Code of Conduct Councillors Andrew Bennett, Nick Martin, Gary Perkins and Joe Tray made non prejudicial declarations of interest in respect of

this item as Council appointed representatives on the Wiltshire and Swindon Fire Authority.)

(In accordance with the Code of Conduct Councillor Joe Tray made a personal declaration of interest in respect of this item as he was in receipt of a Fire Authority Pension.)

71. Motion - Major Road Works

Councillor Bob Wright moved and Councillor Steve Allsopp seconded:

“This Council notes the frustrations of many motorists across the town over the recent extra traffic pressures as a result of major road works across the town. These frustrations from motorists include not being aware of diversion routes around major road works and the Council not taking enough measures to mitigate the traffic effects of major road works.

Council believes there is more it could do in order to help mitigate the effects of the major road works across the town. Council requests the Head of Highways to bring a report to Cabinet detailing how the Council can improve how it mitigates the effects of major road works in the Borough, including how the Council can more effectively communicate diversion routes around major road works for motorists and establishing panels of road stakeholders to recommend effective highways measures the Council can take to mitigate the traffic effects of major road works.”

The Motion was put to the vote and declared lost.

72. Motion - Solar Panels

Councillor Mark Dempsey moved and Councillor Junab Ali seconded:

“This Council believes there is a significant opportunity to install solar panels on Council houses by establishing a Swindon Solar Cooperative, as it could:

- Help cut fuel poverty.
- Reduce residents energy bills by an estimated £300 per year from lower energy bills.
- Provide a return on investment for the Council through the Feed in Tariff estimated at around 6-7% which could boost the revenue budget.
- Help boost our economy and create local jobs, restoring Swindon as an economic powerhouse.

Therefore this Council requests the Chief Executive to bring a report to Cabinet on how this proposal could be delivered, and how it could maximise the benefits of this proposal to Council tenants, the community, and the Council including:

- How the Council could install solar PV systems for residents in Council owned homes.
- How the Council could extend this opportunity to residents in privately owned properties.
- How the Council could establish a Swindon Solar Cooperative and provide a return on investment for taxpayers and attract community investment.

- How the Council could benefit from each proposal.”

Councillor Toby Elliott moved and Councillor Oliver Donachie seconded that the Motion be amended to read:

“This Council believes there is a significant opportunity to install solar panels on Council houses by establishing a Swindon Solar Cooperative, as it could:

- Help cut fuel poverty.
- Reduce residents energy bills by an estimated £300 per year from lower energy bills.
- Provide a return on investment for the Council through the Feed in Tariff estimated at around 6-7% which could boost the revenue budget.
- Help boost our economy and create local jobs, restoring Swindon as an economic powerhouse.

This Council notes that Cabinet agreed in September 2014 to the formation of a Community Renewable Investment Scheme with partners that have the necessary skills and expertise to deliver the scheme, to allow residents to benefit from potential return on investments of 6+%

Therefore this Council requests the Cabinet Member for Housing and Public Safety, reports to Cabinet when practicable after consultation with Members and the Housing Advisory Forum about:

- (1) Whether a proposal has the support of Council tenants;
- (2) How the Council could install solar PV systems for residents in Council owned homes;
- (3) How to extend this opportunity to residents in privately owned properties;
- (4) How the Council could establish a Swindon Solar Cooperative and provide a return on investment for taxpayers after increasing Council debt to attract community investment; and
- (5) How the Council could benefit from each proposal.

With the agreement of the mover and seconder and Council the Amendment was accepted becoming the Substantive Motion.

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

73. Minutes of Cabinet and Decisions Delegated to Cabinet Members

The Council considered (a) the minutes of the meetings of the Cabinet held on 22nd October and 10th December 2014, and (b) questions to the Cabinet Members regarding their portfolio responsibilities and answers received.

74.

Minutes of other Council Bodies

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

75.

Councillors Question Time

The Director of Law and Democratic Services reported that a Standing Order 15 question had been received from Councillor Derique Montaut.

Councillor Derique Montaut asked a supplementary question regarding the use of the budget allocation for Village Centre Regeneration. The Cabinet Member for Strategic Planning, Sustainability and Transport responded at the meeting.

Budget 2015-16 and Beyond

Cabinet

Date: 4th February 2015

Author: Cabinet Member for Finance and
Board Director Resources

Wards: All

Locality Affected: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 This report proposes a Budget for 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: 4th February 2015

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: 4th 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>	£'000	£'000	£'000
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)
Funding Gap	20,000	18,000	18,000

- 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.

Budget 2015-16 and Beyond

Cabinet

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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)
Total General Fund	142,668	141,726	(942)	(1,636)	(914)
Contingency Fund	0	(500)	(500)	(500)	(500)
	142,668	141,226	(1,442)	(2,136)	(1,414)
Contribution towards one-off 2014-15 costs	0	1,442	1,442	(1,442)	1,442
Net Position	142,668	142,668	0	(694)	28

- 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 18th 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 6th 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 28th 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 10th 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
2015-16 Draft Budget (10th December 2014)	138,603
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)
Changes since December 2014	
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)
Final Proposed Budget 2015-16	136,554

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

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

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 6th 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 23rd 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 22nd 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 10th 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 22nd 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 23rd 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
General Fund	Chief Executive	Stronger Together Internal Audit Law & Democratic Services	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.
		Localities One Swindon Transformation Hub Economy & Skills	538 0 (3,012)	536 0 (3,246)	(2) 0 (234)	0 0 (234)	(2) 0 0	Minor variances on community facilities
	Resources	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	Non recurring receipts (covenant release etc.) and DMJ Facilities Management savings 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 Management Children & Adults	6,535 319 7,933 740 63,113	6,535 319 7,883 722 60,922	0 0 (50) (18) (2,191)	0 0 (605) (18) (833)	0 0 555 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.
	Commissioning	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
		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.
	Service Delivery	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
		Commercial Services Streetsmart Leisure, Libraries, Culture & Traded Services	96,271 1,217 12,909 (322)	94,826 1,205 13,162 689	(1,445) (12) 253 1,011	(262) (38) 377 854	(1,183) 26 (124) 157	Variance relates to NNDR savings previously reported but subsequently moved to Corporate as part of the tactical savings virement Savings from staffing and reduction in other spend and a small increase in income. 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.
General Fund Total		37,482	38,375	893	1,147	(254)	
		142,668	141,726	(942)	(28)	(914)	
Health	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.
Health Total		0	89	89	39	50	
Dedicated Schools Grant	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
Dedicated Schools Grant Total		0	(442)	(442)	(187)	(255)	
Housing Revenue Account	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.
Housing Revenue Account Total		25,749	25,529	(220)	(229)	9	£9k variance relating to revised DHP forecast
		0	(938)	(938)	(697)	(241)	
Grand Total		142,668	140,435	(2,233)	(873)	(1,360)	

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
Corporate & Support:					
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)
Total General Fund	142,668	141,726	(942)	(28)	(914)
Total DSG	0	(442)	(442)	(187)	(256)
Total Health	0	89	89	39	49
Total HRA	0	(938)	(938)	(698)	(240)
Grand Total	142,668	140,435	(2,233)	(873)	(1,360)

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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
2014-15 Budget	982	7,933	96,271	37,482	142,668
Reversal of One Off funding	0	565	(441)	(124)	0
2014-15 Base Budget	982	8,498	95,830	37,358	142,668
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)
Net Changes set out in Appendix 4	(189)	(8,868)	1,920	1,023	(6,114)
2015-16 Budget	793	(935)	98,191	38,505	136,554

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	
PP001 - Chief Executive													
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)
Total for Chief Executive	982	0	982	0	106	31	(35)	443	(734)	0	0	0	793
PP002 - Resources													
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
Total for Resources	7,933	565	8,498	(7,429)	206	129	(12)	3,159	(4,600)	0	0	(321)	(370)
PP005 - Commissioning													
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
Total for Commissioning	96,271	(441)	95,830	266	430	1,484	(163)	4,775	(479)	(3,423)	(100)	(870)	97,750
PP006 - Service Delivery													
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
Total for Service Delivery	37,482	(124)	37,358	50	556	905	(227)	490	(326)	0	(200)	(225)	38,381
Total for General Fund	142,668	0	142,668	(7,113)	1,298	2,549	(437)	8,867	(6,139)	(3,423)	(300)	(1,416)	136,554

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
<i>Proposals previously approved</i>				(3,672)		
<u>Cost Pressures (positive numbers)</u>						
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		
<u>Additional Income (negative numbers)</u>						
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)		
Total of proposals to be approved by Cabinet 04-02-14		0	(1,568)	(1,568)	0.0	0.0
Total 2015-16 Budget Proposals		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

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
<i>Proposals previously approved</i>				(125)		
<i>Cost Pressures (positive numbers)</i>						
Reduction in recycling income due to a fall in market prices for the sale recyclates			150			
<i>Other Tactical Savings (negative numbers)</i>						
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
Total of proposals to be approved by Cabinet 04-02-14		0	60	60	0.0	1.0
					0.0	1.0
Total 2015-16 Budget Proposals		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
<i>Proposals previously approved</i>				(2,268)		
<u>Cost Pressures (positive numbers)</u>						
Increasing demand for services to Older People - based on latest information from population figures and trend analysis of recent activity			100	100		
Emergency Planning officer - has been funded from one off funding for 2 years and is an essential post			32	32		
New Learning Disability Manager position to continue to drive savings assumed in the 2015-16 Budget			80	80		
Additional responsibilities of the Care Act to be funded by additional grant from the Department of Health			1,236	1,236		
Children's - additional front line staff and agency provision to meet increasing demands for services.			480	480		
<u>Other Tactical Savings (negative numbers)</u>						
Additional deferred payments income as funding is beginning to be recovered as properties are sold	N		(100)	(100)		
Adults - Reduction in pension contribution to Seqol through staff turnover. New staff join the Seqol scheme.	N		(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)		
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)		
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)		

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

Service Area - Vulnerable People

BUDGET PROPOSALS						
		Change Proposed in December 2014 £'000	Change Proposed in February 2015 £'000	Total Changes Proposed for 2015-16 £'000	Post Deletions 2015-16 (FTEs)	
Proposal		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	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
<i>Proposals previously approved</i>				1,655		
<u>Cost Pressures (positive numbers)</u>						
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)		
<u>Other Tactical Savings (negative numbers)</u>						
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)		
Total of proposals to be approved by Cabinet 04-02-14		145	(1,943)	(1,798)	0.0	1.0
					2.0	1.0
Total 2015-16 Budget Proposals		145	(1,943)	(143)	2.0	2.0

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
<i>Proposals previously approved</i>				220		
Cost Pressures (positive numbers)						
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		
Other Tactical Savings (negative numbers)						
Multi-Agency Town Centre Hub - Police contribution	N	(30)		(30)		
Total of proposals to be approved by Cabinet 04-02-14		(20)	0	(20)	0.0	0.0
Total 2015-16 Budget Proposals		(20)	0	200	0.0	0.0

	Chief Executive £'000	Resources & Corporate £'000	Commissioning £'000	Delivery £'000	Contingency Fund £'000	Total General Fund £'000
Cabinet 10/12/14	831	9,257	96,082	35,991	507	142,668
<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
Cabinet 04/02/15	983	7,425	96,270	37,483	507	142,668

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Budget Consultation - National Non-Domestic Ratepayers

Background

Under Section 65 of the Local Government Finance Act 1992 Swindon Council has a duty to consult with representatives of Non-Domestic Ratepayers about its proposals for expenditure. ("Non-Domestic Ratepayers" include not only industrial and commercial undertakings, but also certain educational and/or health care institutions and non-profit making organisations.)

The Public Notice was placed in the Swindon Evening Advertiser on 8th January 2015 seeking comments from the public. A notice and information was also available on the Council website from 6th January 2015. A meeting was arranged for Wednesday, 28th January at 9.00 a.m. at the Civic Offices to which 166 representative from 122 businesses were invited. A link to publically available agenda papers that included the Budget Management 2014/15 and Budget 2015/16 report submitted to Cabinet on 10th December 2014 was included in the invitation.

The minutes of the meeting held on 28th January 2015 are attached as an annex to this Appendix. Apologies were received from Councillor Peter Watts, Jean Wilson (Innovate UK), Matt Moore (Science Museum), Caroline McBeth (Hochtief), Paul Jenkins (Thamesdown Transport), Les Durrant (Development Planning Design Services Consulting), Richard Lay (Lay Holdings Group), Craig Shuttleworth (Debenhams), Elizabeth Rhodes (English Heritage). Unfortunately, due to unforeseen circumstances, Mr Martin Draper (Zurich Insurance) who sought to attend was unable to do so. No further comments were received.

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BUDGET CONSULTATION - NATIONAL NON-DOMESTIC RATEPAYERS

WEDNESDAY, 28 JANUARY 2015

PRESENT:- Councillor David Renard (Chair and Leader of the Council) and Councillor Russell Holland (Cabinet member for Finance).

Swindon Borough Council: Stuart McKellar (Board Director Resources).

Apologies for absence were received from Councillor Peter Watts, Martin Draper (Zurich Insurance), Jean Wilson (Innovate UK), Matt Moore (Science Museum), Caroline McBeth (Hochtief), Paul Jenkins (Thamesdown Transport), Les Durrant (Development Planning Design Services Consulting), Richard Lay (Lay Holdings Group), Craig Shuttleworth (Debenhams), Elizabeth Rhodes (English Heritage).

1. Budget Management 2014-15 and Budget 2015-16

Councillor David Renard, Leader of the Council, opened the Consultation meeting.

It was noted that Under Section 65 of the Local Government Finance Act 1992 the Council had a duty to consult with representatives of Non-Domestic Ratepayers about its proposals for expenditure. The Council had set out to achieve this by way of (a) a Public Notice placed in the Swindon Evening Advertiser on 8th January 2015, (b) a similar notice and information being placed on the Council's website from 6th January 2015, and (c) arrangements being made for this meeting to which 166 representative from 122 businesses had been invited.

The Chair noted that a link to the publically available agenda papers that included the Budget Management 2014/15 and Budget 2015/16 reports submitted to the Cabinet on 10th December 2014 and that included the Cabinet's Budget proposals had been included in the invitation.

It was noted that no responses or submissions had been received to date. It was agreed that any comments or submissions that were received from the business community prior to the Cabinet meeting on 4th February 2015 would be reported at that meeting.

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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 6th 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.

Type of Allowance	Allowance
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 if not Leader of the Opposition	£5,038
Chair of Planning	£6,521
Leader of the Opposition if not 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

	2016-17	2017-18	2018-19	2019-20
	£'000	£'000	£'000	£'000
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
Predicted Funding Gap	20,000	18,000	18,000	17,000
Council Tax Income	79,985	82,489	85,061	87,701
Formula Grant ##	48,748	41,648	35,948	31,648
Predicted Net Budget	128,733	124,137	121,009	119,349

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

	£m		On-Going Saving
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
	15.2		

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
ALLOTMENTS £49,440	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> . 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.	Power to provide allotments. Duty to provide allotment gardens if demand unsatisfied.	Bishopstone Highworth Haydon Wick South Marston Stratton St Margaret Wanborough Wroughton
BUS SHELTERS £17,510	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. 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	Power to provide and maintain bus shelters.	Bishopstone Chiseldon Haydon Wick Highworth South Marston Stanton Fitzwarren Stratton St Margaret Wanborough Wroughton
COMMUNITY CENTRES £178,279	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. The exceptions to this are the Community Centres provided at Nythe and Coleview - more details about these Centres are given in Appendix 2. 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.	Power to provide and equip buildings for use as community centres.	South Marston Stratton St Margaret Wroughton
DOG BINS £56,000	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. 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.		Chiseldon Haydon Wick Highworth Liddington Stratton St Margaret Wanborough Wroughton

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

Special Expenses 2015-16 - Open Spaces

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

Special Expenses 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
BURIAL GROUNDS, CEMETERIES AND CREMATORIA	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
BYELAWS	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
CLOCKS	The clocks provided in the non-parished areas are for general use.	Power to provide public clocks.	Stratton St Margaret
CONFERENCE FACILITIES	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
COMMUNITY CENTRES	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.		
DOCUMENTS	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
DRAINAGE	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
ENTERTAINMENT AND THE ARTS	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
FINANCE, EXPENDITURE (Section 137 of the 1992 Finance Act)	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
GIFTS	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
HIGHWAYS	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
HIGHWAYS (cont)		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
INFORMATION		Power to prosecute in respect of footpaths and bridleways.	Bishopstone
		Power to provide parking spaces	Bishopstone, Hannington, Highworth, South Marston, Stratton St Margaret
		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
		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.	
		Litter control, including provision of bins, is intended to benefit the whole Borough and the cost should be borne generally.	Bishopstone, Blunsdon, Castle Eaton, Covington, Hannington, Haydon Wick, Highworth, Liddington, South Marston,
LITTER		Provision of litter bins.	

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
MARKETS AND FAIRS	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
NOTICES	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
OPEN SPACES	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, Stratton St Margaret, Wroughton Bishopstone, Blunsdon, Chiseldon, Covingham, Haydon Wick, Highworth, Liddington, South Marston, Stanton Fitzwarren, Stratton St Margaret, Wanborough, Wroughton
PARISH PROPERTY		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
		Swimming pools, bathing places -	
		Power to provide swimming pools.	Highworth
		Power to provide life-saving appliances at bathing places.	Highworth
		Other recreational facilities -	
		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
STREET LIGHTING	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.	Wanborough, Wroughton Bishoptone; Highworth
TOURISM	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.	Bishopstone, Highworth, Stanton Fitzwarren, Stratton St Margaret,
TRAINING	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.	Stratton St Margaret
TRUSTS	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.	Bishopstone, Blunsdon, Hannington, South Marston, Stratton St Margaret, Wroughton Blunsdon, Hannington
WAR MEMORIALS	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.	Bishopstone, Blunsdon, Chiseldon, South Marston, Stratton St Margaret, Stanton Fitzwarren, Wroughton
		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.	Bishopstone, Stratton St Margaret, Wroughton

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

Function	Power / Duty	Location	Reason
Recreation	Purchase/lease plant & lands for public walks or pleasure grounds	Angel Ridge Playground	3
		Brudde! 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
Recreation ctd.		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
Open Spaces	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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Supplementary Report - Budget 2015-16 and Beyond

Cabinet

Date: 4th February 2015

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

1. Purpose and Reasons

- 1.1 To update Members on the results of the Local Government Finance Settlement for 2015-16 received on 3rd February 2015 and update the recommendations of the report accordingly. Changes to the original recommendations are shown in bold.

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 **The minutes of the consultation meeting held with business representatives from Swindon, on behalf of non-domestic rate payers, held on 28th January 2015;**
- 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.

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;

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

Supplementary Report - Budget 2015-16 and Beyond

Cabinet

Date: 4th February 2015

- 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 **Agree that a consultation commences on reshaping the Emergency Assistance Scheme within an on-going base budget envelope of £186k (currently £321k) using the existing £300k earmarked reserve to cashflow the transition and supplement the base Budget funding in 2015-16;**
- 2.13 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
- 2.14 **Recommend to Council:-**
- 2.14.1 **The 2015-16 Budget be set at £136.740m and the Budget Requirement for tax setting purposes be set at £134.740m, recognising the £2m of funding from reserves;**
- 2.14.2 There be no increase in Council Tax for 2015-16, and
- 2.14.3 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 The assumptions and recommendations set out in the report to Cabinet published in the main agenda pack were based on the Provisional Local Government Finance Settlement received on 18th December 2014. That report recommended a Net Budget for 2015-16 of £136.554m and included a proposal to commence consultation on the removal of base budget funding for the Emergency Assistance Fund (Welfare Scheme) following the Government proposing to withdraw the specific grant funding for this purpose.
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Supplementary Report - Budget 2015-16 and Beyond

Cabinet

Date: 4th February 2015

- 3.2 Along with a number of other councils, Swindon responded to the consultation on the provisional settlement and strongly communicated the likely impact on vulnerable people of the Government's proposal to remove Government funding for the Welfare Scheme. In response, through the Final Local Government Finance Settlement for 2015-16, the Government has announced that it is providing a further £74 million nationally to upper-tier authorities to recognise that "councils have asked for additional support, including to help them respond to local welfare needs and to improve social care provision".
- 3.3 The resulting impact for Swindon is that the Formula Grant funding in the final settlement is £186k higher than the provisional settlement. The Government has not reinstated the specific grant for the Welfare Fund but it has increased formula grant funding and articulated a link to recognising the impact of funding reductions on vulnerable people accessing the fund. This £186k increase should be considered within the context of the current (2014-15) funding of the Emergency Assistance Scheme of £321k.
- 3.4 As this additional funding is not ring-fenced, Members can decide how they wish to use the extra £186k. However, recognising the previous feedback received from key stakeholder groups and Members' concerns reported to Government in response to the Provisional Settlement, it is recommended that this funding is reinstated into the Base Budget to fund a reshaped Emergency Assistance Scheme. The 2014-15 Fund is £321k which mainly funds household heating, food and furniture plus smaller amounts on bedding, clothing, household goods and repairs and travel expenses plus the administration of the scheme.
- 3.5 A £135k reduction in the scheme will require the current parameters to be reviewed and reshaped with key stakeholders. Based on feedback received to date, it is proposed that this magnitude of saving could be achieved through a range of changes to the existing scheme including the following:-
- Reducing the types of support offered, recognising they type of support that can be accessed through other channels and charitable groups in the Borough
 - Simplifying the application process, enabling the administration costs to be reduced
 - Limiting the number of claims each person can make against the fund each year.
- 3.6 It is proposed that consultation commences on reshaping the Emergency Assistance Scheme within an on-going base budget envelope of £186k (currently £321k), which reflects the level of funding the Council will receive in future. In addition, it is proposed to use the existing £300k earmarked reserve to cashflow the transition and supplement the base Budget funding in 2015-16.
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Supplementary Report - Budget 2015-16 and Beyond

Cabinet

Date: 4th February 2015

- 3.7 The receipt of an additional £186k of formula grant results in an increase in overall net expenditure to £136.740m in 2015-16. Cabinet is asked to recommend this Net Budget sum to Council, funded as set out in the table below.

Financed By:	£'000
~ Formula Grant	57,534
~ Council Tax Income	77,544
~ Collection Fund Surplus – Council Tax	1,662
~ Collection Fund Deficit – Business Rates	(2,000)
Budget Requirement for Tax Setting Purposes	134,740
~ Reserves Funding (Business Rates Appeals)	2,000
Final Proposed Budget 2015-16	136,740

4. Alternative Options

- 4.1 Members could decide to spend the extra £186k on different services to the Emergency Assistance Fund.

5. Implications, Diversity Impact Assessment and Risk Management

- 5.1 As in the original 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.

7. Background Papers

- 7.1 None

8. Appendices

- 8.1 None

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

- 9.1 The Council's Budget will be determined by the full Council on 23rd 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

Capital Programme 2015/16 to 2017/18

Cabinet

Date: 4th February 2015

Author: Cabinet Member for Finance

Board Director, Resources

Wards: All

Locality Affected: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 To report new Capital Programme requirements for the period 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

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

Capital Programme 2015/16 to 2017/18

Cabinet

Date: 4th February 2015

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

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

Capital Programme 2015/16 to 2017/18

Cabinet

Date: 4th February 2015

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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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 1st 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 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 11th 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.

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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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- 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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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	
Condition Works	N/A	15/16	500,000	REQUIRING APPROVAL
Condition Works	N/A	16/17	500,000	
Totals			59,690,000	
Funding				
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
Totals			7,332,309	
Current identified shortfall			52,357,691	Subject to future grant awards and other outcomes

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.
Sub-total	3,384,000	3,151,000	3,074,000	9,609,000	
Integrated Schemes					
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.
Sub-total	543,000	543,000	543,000	1,629,000	
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.
Sub-total	250,000	250,000	250,000	750,000	
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
	Sub-total	3,750,000	-	-	3,750,000	
	TOTAL BUDGET REQUIREMENT	7,927,000	3,944,000	3,867,000	15,738,000	
(a)	Funding	Confirmed	Estimate	Estimate		
(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	
	TOTAL FUNDING	7,927,000	3,944,000	3,867,000	15,738,000	

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
				-
Total	2,000,000	2,440,000	2,440,000	6,880,000
Funding	15/16	16/17	17/18	Total
Total	-	-	-	-
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.
Total	1,006,700	926,000	926,000	2,858,700	
Funding	15/16 Confirmed	16/17 Estimated	17/18	Total	
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	
Total	1,006,700	926,000	926,000	2,858,700	

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Swindon Growth Deal Allocations

Scheme name	Confirmed 2015/16 £m	Provisional 16/17 – 20/21 £m	LGF total £m
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
Total	3.75	91.12	94.87

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DCLG Capacity Funding

New Eastern Villages	Cost in 2014/15 £	Cost in 2015/16 £	Total Funding Request £
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
Total	312,500	475,000	787,500

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Treasury Strategy Statement 2015/16

Cabinet

Date: 4th February 2015

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

1. Purpose and Reasons

- 1.1. To report the Treasury Management Strategy for 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 23rd 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 31st 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 1/3rd 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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TREASURY MANAGEMENT STRATEGY 2015/16

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

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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.

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

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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
Total	119,461	58,593	43,513

- 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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Table 2 Capital Financing Requirement				
General Fund	14/15	15/16	16/17	17/18
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
HRA	14/15	15/16	16/17	17/18
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
Total CFR	476,696	475,510	484,259	502,722

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.

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

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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
Total	342,713	384,866	441,835

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
TOTAL	480,510	489,259	507,722

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

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

Maximum principal sums invested > 364 days			
£m	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 1st 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

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

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

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

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

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

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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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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	
PP001 - Chief Executive													
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)
Total for Chief Executive	982	0	982	0	106	31	(35)	443	(734)	0	0	0	793
PP002 - Resources													
PF200 - Finance & Change	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	(135)	2,336
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
Total for Resources	7,933	565	8,498	(7,429)	206	129	(12)	3,159	(4,600)	0	0	(135)	(184)
PP005 - Commissioning													
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
Total for Commissioning	96,271	(441)	95,830	266	430	1,484	(163)	4,775	(479)	(3,423)	(100)	(870)	97,750
PP006 - Service Delivery													
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
Total for Service Delivery	37,482	(124)	37,358	50	556	905	(227)	490	(326)	0	(200)	(225)	38,381
Total for General Fund	142,668	0	142,668	(7,113)	1,298	2,549	(437)	8,867	(6,139)	(3,423)	(300)	(1,230)	136,740

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COUNCIL

MONDAY, 23RD FEBRUARY 2015

MINUTES FOR CONFIRMATION

CABINET

WEDNESDAY, 4 FEBRUARY 2015

**61. Budget 2015/16 and Beyond
(Minute for Confirmation)**

The Cabinet Member for Finance and the Board Director, Resources submitted a joint report concerning (a) the context for the Council's Budget for 2015/16 and for the Medium Term Financial Plan, including revised funding assumptions for 2015/16, (b) the current forecast out-turn position of the Council's Revenue Budget 2014/15, (c) the provisional Local Government Finance Settlement 2015/16, (d) Council Tax 2015/16, (e) Business Rates Changes 2015/16, (f) New Homes Bonus 2015/16, (g) Public Power Solution Ltd. (formerly, Swindon Commercial Services Ltd.), (h) the proposed Council Budget for 2015/16, (i) the relationship between Revenue and Capital Budgets, (j) Members' Allowances, (k) Special Expenses, (l) Contingencies and Risk, (m) One-off Resources commitments, (n) Fees and Charges, (o) General Reserves, and (p) Budget consultations.

The Chair explained that two supplementary reports had been circulated at the Cabinet meeting. The first set out Appendix 6 to the joint report that detailed the outcome of the consultation process held with Non-Domestic ratepayers. The second referred to the Government's announcement on 3rd February 2015 of the Final Local Government Finance Settlement for 2015/16 and its implications for Swindon.

Councillor Russell Holland, Cabinet Member for Finance, introduced the report and detailed the Budget proposals for 2015/16. He commented on the national economic situation and the Council's commitment to providing quality services and protecting the most vulnerable. He explained the service pressures that the Council faced particularly in relation to demand in Adult Social Care and in services for Children and Families and that these were likely to continue for the foreseeable future. He referred to the hard work undertaken by Council officers and Cabinet colleagues to control budgets and make savings whilst maintaining the Council's commitment to offer quality services to the most vulnerable in Swindon. He commented on how the final Local Government Finance Settlement for 2015/16 affected Swindon and would enable it to continue to fund, in part, the Council's Emergency Assistance Fund. He explained that it would be necessary to consult on changes to the criteria associated with the use of this Fund given the reduced funding available to it. However, he was grateful that the Government had listened to

the representations made by this Council and other local authorities in respect of the proposed withdrawal of Welfare Funding.

Council Holland confirmed that the proposed Budget would enable there to be no increase in the level of Council Tax for 2015/16.

Councillor Jim Grant, Leader of the Opposition, welcomed the proposal to maintain an Emergency Assistance Fund but noted that there would be a significant shortfall in the funding available for 2015/16 in comparison with 2014/15. He sought clarification on whether the underspend in the Fund for the current year would be used to help support this shortfall. He asked whether more could be done to encourage take-up.

Councillor Holland explained why it was believed the funding allocation in the current year had not been fully taken up. He explained that consultation would take place on the criteria surrounding the future use of this emergency fund and consideration would be given to the way that the fund was promoted to those most in need.

Councillor Grant referred to the cost pressures surrounding the increased use of Agency Staff in Children's Services.

Councillor Fionuala Foley, Cabinet Member for Children's Services, and the Board, Director Commissioning, explained that this was a national trend but that there had been some recent success in the recruitment of social workers. The position was being very carefully monitored.

Councillor Holland reiterated his thanks to the Council's officers, financial teams, and Cabinet colleagues for their support for the Budget process that had enabled a robust Budget with a zero rise Council Tax to be recommended to the Council.

Resolved – (1) That the Cabinet notes:-

(a) 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;

(b) The Council does not expect the need to replenish General Reserves as part of the 2015/16 Budget Setting process;

(c) That no further consultation feedback had been received in relation to the Budget proposals presented to the Cabinet in October and December 2014;

(d) The consultation undertaken with business representatives from Swindon, on behalf of non-domestic rate as set out in Appendix 6 circulated at the meeting;

(e) That in line with the requirements of the Local Government Act 2003, the Board Director, Resources, in his Section 151 capacity, has confirmed the robustness of the estimates underlying the recommended Budget and having reviewed the financial risks being faced by the Council, has concluded 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.

(2) That the virements as set out in Appendix 5 to the joint report be approved.

(3) That the Council's Medium Term Financial Strategy as set out in Appendix 9 to the joint report be endorsed.

(4) That there be no changes to the proposed fees and charges as set out in Appendix 1 to the report submitted to the Cabinet on 10th December 2014 (Minute 50(4) refers).

(5) That the Specific Reserves held in support of the 2015/16 Revenue Budget, as set out in Appendix 7, be agreed.

(6) 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.

(7) That the key principles of the Public Power Solutions Ltd., (formerly Swindon Commercial Services Ltd (SCS)) Business Plan for 2015/16, be agreed on behalf of the Council in its shareholder capacity and that the Board Director Resources, in consultation with the Leader of the Council, be authorised to agree any future changes to the Business Plan on behalf of the Council in its shareholder capacity.

(8) That a consultation commences on reshaping the Council's Emergency Assistance Scheme within an on-going base Budget envelope of £186,000 (currently £321,000) using the existing £300,000 earmarked reserve to cashflow the transition and supplement the base Budget funding in 2015/16.

(9) That the Council be recommended that 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 be as set out in Appendix 10 to the joint report.

(10) That the Council be recommended that:-

(a) The 2015/16 Budget be set at £136,740m and the Budget Requirement for tax setting purposes be set at £134,740m, recognising the £2m of funding from reserves;

(b) There be no increase in Council Tax for 2015/16, and

(c) 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.

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

62. Capital Programme 2015/16 to 2017/18 (Minute for Confirmation)

The Cabinet Member for Finance and the Board Director, Resources submitted a joint report concerning new Capital Programme requirements for the period 2015/16 to 2017/18 and including schemes for (a) Highways and Transport, including strategic Highways projects funded through the Growth Deal secured by the Swindon and Wiltshire Local Enterprise Partnership, (b) Children's Services, (c)

Property and Assets, (d) Older People, (e) the County Ground Athletics Track, (f) the Council's Waterside Campus, (g) Kingsfarm Woodland, and (h) Superfast Broadband.

Councillor Russell Holland, Cabinet Member for Finance, referred to the contents and purpose of the report and, in particular, to the proposed changes to the Capital Programme. He referred to the proposals regarding Superfast Broadband and to the actions taken by Councillor Elliott within his ward to promote this as an issue.

Councillor Jim Grant, Leader of the Opposition, referred to the increasing pressure for school places and to how these would be funded.

Councillor Holland explained that the provision of school places was a statutory requirement and required costs would be met from Borrowing.

Councillor Des Moffatt commented on the list of proposed property and assets related capital schemes and sought clarification on how these were identified. The Board Director, Resources explained the process adopted and that he was happy to provide information on the associated condition surveys to Councillor Moffatt.

Resolved – That the Council be recommended to:-

(a) Include the Strategic Highways Projects set out in Appendix 5, funded through the Growth Deal secured by the Swindon and Wiltshire Local Enterprise Partnership, within the Council's Capital Programme, noting the related capacity funding the Council has secured from Government as detailed in Appendix 6 to the joint report;

(b) Note the current position and future budget requirement for the additional Children's Services schemes as referred to in paragraphs 3.5 to 3.8 and detailed in Appendix 1 to the joint report;

(c) Approve a budget of £500,000 for Condition Works, funded from Capital Maintenance Grant, as referred to in paragraph 3.9 and detailed in Appendix 1 to the joint report;

(d) Approve a total budget of £7.927m for the 2015/16 local priority Highways and Transport schemes referred to in paragraphs 3.10 and 3.11 and detailed in Appendix 2 to the joint report;

(e) 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 to the joint report;

(f) Approve a total budget requirement of £1,006,700 for Older People's and other Capital schemes, as referred to in paragraph 3.14 and detailed in Appendix 4 to the joint report;

(g) Approve a budget of £253,000, for refurbishment work to the County Ground Athletics Track, funded from Section 106 Planning Agreement income and referred to in paragraphs 3.15 to 3.17 of the joint report, subject to discussions with Swindon Town Football Club if required;

(h) Note the position around future investment requirements at the Council's Waterside site as detailed in paragraphs in 3.18 to 3.19 of the joint report;

(i) Approve the retention of £30,000 raised by Wroughton Parish Council in relation to the purchase of Kingsfarm Wood to be administered through a working party as detailed in paragraph 3.20 of the joint report;

(j) 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 of the joint report;

(k) 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 of the joint report;

(l) Note the award of £787,500 of Department for Communities and Local Government capacity funding, as detailed at paragraph 3.4 of the joint report; and.

(m) Approve a Capital budget of £197,000 for Library IT equipment, as detailed in paragraphs 3.25 to 3.29 of the joint report.

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

63. Treasury Strategy Statement 2015/16 (Minute for Confirmation)

The Cabinet Member for Finance and the Board Director, Resources submitted a joint report concerning the Council's proposed Treasury Management Strategy for 2015/16 including the (i) Annual Investment Strategy, (ii) Minimum Revenue Provision Policy Statement, and (iii) Prudential Indicators for the Financial Years up to 2016/17.

Councillor Russell Holland, Cabinet Member for Finance, referred to the contents of the Treasury Management Strategy for 2015/16. He explained that the Statement was a statutory requirement. He commented on the background to the proposal to increase investment periods to a maximum of two years and the reasons for this action.

The Board Director, Resources referred to the progress made by the Council in moving its banking from the Co-op to the Lloyds Banking Group following the Co-op's withdrawal from the Local Government sector.

Councillor Jim Grant, Leader of the Opposition, noted the increasing amount of Council debt over the period to 2017/18 and the implications of this level of debt for the Council's Revenue Budget.

Councillor Russell Holland, Cabinet Member for Finance, referred to the need for the Council to borrow to ensure the essential delivery of the infrastructure that Swindon needed, such as schools. The Board Director, Resources, explained that this rise in the level of debt was a consequence of previous decisions associated with the Capital Programme rather than arising from new schemes.

Resolved – That the Council be recommended to:

(a) Approve the Treasury Management Strategy 2015/16, Minimum Revenue Provision Policy and Prudential Indicators, as set out in Appendix 1 to the joint report;

(b) Note the position with regard to the Council's Bankers, as detailed in paragraphs 3.11 and 3.12 of the joint report; and

(c) Note the position on investment returns as detailed in paragraphs 3.13 to 3.16 of the joint report, and the increased investment periods to a maximum of 2 years as detailed in the Treasury Management Strategy 2015/16.

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

COUNCIL TAX RESOLUTION

Council

Date: 23rd February 2015

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

1. Purpose and Reasons

- 1.1 To enable Members to formally resolve the Borough's Council Tax for 2015-16 recognising that Billing Authorities have a statutory requirement to set the annual Council Tax bills by 11th March.

2. Recommendations

Council is recommended to:

- 2.1 Approve that there will be no increase in the Council Tax levels for the Borough Council element of the 2015-16 bills in accordance with the budget proposed by Cabinet on 4th February 2015;
- 2.2 Determine that the Basic Amount of Council Tax for the Financial Year 2015-16 is not excessive within the statutory definitions set out within part I of the Local Government Finance Act 1992 (as amended by the Localism Act 2011) and that therefore no referendum is required;
- 2.3 Pass the Resolution set out as Annex 2 to this report covering all aspects of the bills.

3. Detail

Council Tax Calculations

- 3.1 The calculations include precept figures from the Police and Crime Commissioner for Wiltshire and Swindon, the Wiltshire and Swindon Fire Authority and the Town and Parish Councils within the Borough as well as the Council's own budget requirement.
- 3.2 The provisional 2015-16 Council Tax calculations and the formal Council Tax Resolution are set out as Appendix 1 and Annex 2 respectively. These proposals are based on the budget proposals agreed by Cabinet on 4th February 2015 resulting in a net budget for 2015-16 of **£136,740,217** and a zero increase for the Swindon Borough Council (SBC) element of the Council Tax. Should the Council's Budget for 2015-16 be amended at the Council meeting or any proposed changes be made to the level of Council Tax for 2015-16, a revised Resolution and set of Council Tax calculations will be made available at the meeting.

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

COUNCIL TAX RESOLUTION

Council

Date: 23rd February 2015

- 3.3 The legal position is set out by the Director of Law and Democratic Services in Annex 1.
- 3.4 Table One sets out the provisional precept and budget figures for each element of the Council Tax bill with a comparison with the previous year. The total bill including precepts shows a modest 0.4% increase.
- 3.5 In accordance with Schedule 5 of the Localism Act 2011, the Council has a duty to determine whether its Council Tax increase is considered to be excessive in which case it would be required to hold a referendum. For 2015-16, the Government has set the threshold at 2% for Swindon and, as the Council is proposing no change to the level of Council Tax in 2015-16, no referendum is necessary.

Table One – Changes in Budgets and Precepts 2015-16

Element of Council Tax Bill	2015-16 £'000	2014-15 £'000	% Change
Amount of SBC Budget met from Council Tax	77,544	75,923	2.1%
Police and Crime Commissioner Precept	11,095	10,660	4.1%
Wiltshire and Swindon Fire Authority Precept	4,390	4,215	4.2%
Total Town and Parish Precepts	1,980	1,896	4.4%
Total	95,009	92,694	2.5%
Tax Base	67,660.0	66,245.5	2.1%
Band D Average Council Tax	£1,404.22	£1,399.26	0.4%

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

Table Two – Headline Band D Council Tax Changes 2015-16

	Band D Council Tax 2015-16	% Increase
#Swindon Borough Council	£1,146.09	0.0%
Wilts & Swindon Fire Authority	£64.88	1.98%
Police and Crime Commissioner	£163.98	1.9%
*Average headline charge for Parish / Town Councils	£65.53	4.0%
Total Bill	1,404.22	0.4%

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

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

COUNCIL TAX RESOLUTION

Council

Date: 23rd February 2015

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

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

	Band D Council Tax 2015-16	% Increase
Swindon Borough Council (Basic Charge)	£1,130.70	0.0%
~ Non-Parished Area (Special Expenses Charge)	£27.81	0.0%

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

4. Alternative Options

4.1 Not applicable.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

5.1 The starting position for the Council Tax calculations is the Council's budget for 2015-16. The Council Tax figures have been calculated based on the precepts agreed by the precepting bodies and the budget proposed by Cabinet on 4th February 2015. Should any change be made to the final budget agreed by Council on the night, the figures will be recalculated and an amended version of Appendices 1 and 2 and the formal Council Tax Resolution in Annex 2 will be circulated at the meeting.

Legal and Human Rights Implications

5.2 The implications of the Council's 2015-16 Budget are covered by the Revenue Budget report elsewhere on the agenda.

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

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

Links to One Swindon, Strategic Objectives, Plans and Policies

5.4 A corporate priority is to have affordable Council Tax.

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

COUNCIL TAX RESOLUTION

Council

Date: 23rd February 2015

Diversity Impact Assessment

- 5.5 No diversity impact assessment has been undertaken for this report as a Council Tax has to be set by each Billing Authority and no increase is proposed for 2015-16.

Risk Management

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

6. Consultees

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

7. Background Papers

- Revenue Budget Report to Cabinet – 4th February 2015

8. Appendices

- Annex 1 - Legal Position
- Annex 2 - Council Tax Resolution
- Appendix 1 - Council Tax Levels 2015-16
- Appendix 2 - Parish Precepts 2014-15 and 2015-16

COUNCIL TAX RESOLUTION

Council

Date: 23rd February 2015

Annex 1

COUNCIL TAX 2015-16 - LEGAL POSITION

1. Introduction

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

2 Statutory Position

- 2.1 The Borough Council is required to maintain a Collection Fund for both Council Tax and National Non-Domestic (Business) Rates. Any sums paid into an authority's Collection Fund shall be used in the making of payments which are to be met from that fund or transfers from it.
- 2.2 The Borough as "billing authority" for the Borough is required, to set an amount of Council Tax for each financial year and for each category of buildings. In accordance with the Council's Standing Order 14(3) and the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, at a meeting of the Council at which it is to determine its Budget and Council Tax:-

(a) Immediately after any vote is taken at a Budget decision making meeting of the Council there must be recorded in the minutes of the proceedings of that meeting the names of the Members who cast a vote for or against the decision or who abstained from voting.

(b) Reference to a "budget decision making meeting" for the purposes of Standing Order 14(3) means a meeting where the Council (i) makes a calculation (whether originally or by way of substitute) in accordance with any of sections 31A, 31B, 34 to 36A, 42A, 42B, 45 to 49, 52ZF, 52ZJ of the Local Government Finance Act 1992 (as amended); or (ii) issues a precept under Chapter 4 of Part 1 of that Act,

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

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(c) Reference to a "vote" for the purposes of Standing Order 14.(3) are references are references to a vote on any decision related to the making of the calculation or the issuing of the precept referred to in (b) above as the case may be.

- 2.3 The amounts of Council Tax must be set by billing authorities before 11 March in any financial year, but such amounts are not invalid merely because they are set on or after that date. No amount may be set before the earlier of the following:-
- (a) 1 March
 - (b) The date of issue to the Council of a precept for the relevant financial year from a "major precepting authority" (e.g. the Police and Crime Commissioner).
- 2.4 No amount may be set unless the Council has made the calculations required by the 1992 Act (as amended by Section 74 of the Localism Act 2011). Members will recall that one of the required steps was to determine the respective Council Tax Base for the Borough and for each parished and non-parished area. The Local Government Act 2003 (section 84) replaces section 67 Local Government Finance Act 1992 which required full Council to formally approve the Council Tax base for the whole of its area. Under the new regulations, it is now for each Local Authority to make its own arrangements for adopting the Council Tax base. The tax base for 2015-16 has been calculated in accordance with The Local Authorities (Calculation of Council Tax Base) Regulations 1992 as amended (the 1992 Regulations). The figures within Appendix 3 show the Tax Base for both 2013-14 and 2015-16 as a consequence of following these rules.
- 2.5 The 1992 Act provides that billing and precepting authorities may make substitute calculations of their budget requirements and amounts of Council Tax. Except in certain special cases (e.g. where the previous calculations have been quashed), the substitute budget requirement cannot be greater than the previous requirement. In the case of billing and major precepting authorities, any substitute amount of tax calculation as applicable to any dwelling cannot exceed the previously calculated amount.
- 2.6 If the amount of Council Tax set as a result of substitute calculations is less than the original amount set, persons who have overpaid may require repayment or may allow the billing authority to choose whether to repay or credit the overpayment.
- 2.7 Differential charging is provided for within a billing authority's area. These provisions require the Council to set differential amounts of Council Tax for different parts of the Borough in response to precepts issued for parts from Parishes and for its own special expenses. The Borough's Special Expenses for 2015-16, under the 1992 Act, were agreed by Cabinet on 5th February 2014.
- 2.8 A "major precepting authority" under the 1992 Act includes the Police and Crime Commissioner, and a Fire Authority whilst a "local precepting authority" includes a parish
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council and the chair of a parish meeting. In the case of a local precepting authority (e.g. a parish council) the billing authority has no power to set substitute amounts of Council Tax if the precept is issued late, but in this event regulations allow billing authorities to anticipate such precepts.

- 2.9 A billing authority, which has set amounts of Council Tax, is required to publish notice of the amounts within 21 days of setting them in at least one newspaper circulating in the area. Failure to do this does not make the amounts invalid.
- 2.10 In accordance with Schedule 5 of the Localism Act 2011, as a billing authority the Borough has a duty to determine whether its relevant basic amount of council tax for a financial year is excessive. If, according to the principles approved in Section 52ZB of the Local Government Act 1992 the Borough's council tax for the year is deemed to be excessive the Borough will be required to hold a referendum. The Secretary of State has proposed the Council Tax principles he is minded to set for 2015-16. These are that authorities will be required to seek the approval of their local electorate if, compared with 2013-14, they set an increase in the basic amount of Council Tax that exceeds 2% for a billing authority like Swindon.

3 General Advice

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

Director, Law and Democratic Services

12th February 2015

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

COUNCIL TAX RESOLUTION

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Annex 2

COUNCIL TAX RESOLUTION 2015-16

1 Legal Advice

That it be recorded that the Director of Law and Democratic Services' advice has been taken into account in the setting of the level of Council Tax for 2015-16.

2 Revenue Budget

That it be noted that the Council's revenue budget is £136,740,217 as recommended by the Cabinet to this Council on 4th February 2015.

3 Council Tax Base

That it be noted that in accordance with Section 31B of the Local Government Finance Act 1992 (as amended) the Council's Tax Base for 2015-16 is 67,660.0 in total with the breakdown by Parish set out in Appendix 3.

4 Borough / Parish Council Tax Rates

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

- (a) **Borough / Parish Gross Expenditure** £470,444,716 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the 1992 Act taking into account all precepts issued to it by Parish Councils.
- (b) **Borough Gross Income plus Collection Fund Balance** £390,582,095 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) **Borough/Parish Net Expenditure** £79,862,621 being the amount by which the aggregate at 4(a) above exceeds the aggregate at 4(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its COUNCIL TAX REQUIREMENT for the year.
- (d) **Basic Amount of Tax (including average parish precepts)** £1,175.36 being the amount at 4(c) above divided by the amount at 3 above, calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year. In accordance with Schedule 5 of the Localism Act 2011, this sum is not considered to be excessive.
- (e) **Special Items** £3,021,481 being the aggregate of Special Expenses and Parish Precepts and collectively known as special items and referred to in Section 34(1) of the Act.
- (f) **Basic Amount of Tax (Unparished Area)** £1,130.70 being the amount at 4(d) above less the result given by dividing the amount at 4(e) above by the amount at 3, calculated by the Council in accordance with Section 34(2) of the Act, as the

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COUNCIL TAX RESOLUTION

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

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

- 5 Police and Crime Commissioner for Wiltshire and Swindon** That it be noted that for the year 2015-16 the Police and Crime Commissioner has stated the following amounts in precept issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£109.32	£127.54	£145.76	£163.98	£200.42	£236.86	£273.30	£327.96

- 6 Swindon and Wiltshire Fire Authority** That it be noted that for the year 2015-16 the Swindon and Wiltshire Joint Fire Authority has stated the following amounts in precept issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£43.25	£50.46	£57.67	£64.88	£79.30	£93.72	£108.13	£129.76

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SUMMARY OF COUNCIL TAX BILLS BY VALUATION BAND

AREA OF THE BOROUGH	VALUATION BAND							
	A £ - p	B £ - p	C £ - p	D £ - p	E £ - p	F £ - p	G £ - p	H £ - p
Bishopstone	932.42	1,087.83	1,243.23	1,398.64	1,709.45	2,020.26	2,331.06	2,797.28
Blunsdon	918.86	1,072.00	1,225.15	1,378.29	1,684.58	1,990.87	2,297.15	2,756.58
Castle Eaton	931.20	1,086.41	1,241.61	1,396.81	1,707.21	2,017.62	2,328.01	2,793.62
Chiseldon	927.68	1,082.30	1,236.91	1,391.53	1,700.76	2,009.99	2,319.21	2,783.06
Covingham	925.97	1,080.30	1,234.63	1,388.96	1,697.62	2,006.28	2,314.93	2,777.92
Hannington	930.10	1,085.11	1,240.13	1,395.15	1,705.19	2,015.22	2,325.25	2,790.30
Haydon Wick	927.27	1,081.82	1,236.36	1,390.91	1,700.00	2,009.10	2,318.18	2,781.82
Highworth	985.44	1,149.69	1,313.93	1,478.17	1,806.65	2,135.14	2,463.61	2,956.34
Inglesham	906.37	1,057.43	1,208.50	1,359.56	1,661.69	1,963.81	2,265.93	2,719.12
Liddington	929.13	1,083.99	1,238.84	1,393.70	1,703.41	2,013.13	2,322.83	2,787.40
Nythe	934.37	1,090.10	1,245.83	1,401.56	1,713.02	2,024.48	2,335.93	2,803.12
South Marston	945.67	1,103.28	1,260.90	1,418.51	1,733.74	2,048.96	2,364.18	2,837.02
Stanton Fitzwarren	953.74	1,112.69	1,271.65	1,430.61	1,748.53	2,066.44	2,384.35	2,861.22
Stratton St Margaret	985.16	1,149.36	1,313.55	1,477.75	1,806.14	2,134.53	2,462.91	2,955.50
Wanborough	950.18	1,108.55	1,266.91	1,425.28	1,742.01	2,058.74	2,375.46	2,850.56
Wroughton	979.62	1,142.89	1,306.16	1,469.43	1,795.97	2,122.51	2,449.05	2,938.86
Swindon Non-Parished Area	924.91	1,079.06	1,233.22	1,387.37	1,695.68	2,003.98	2,312.28	2,774.74

BREAKDOWN OF COUNCIL TAX BILLS BY VALUATION BAND**Valuation Band**

Parishes	A £ - p	B £ - p	C £ - p	D £ - p	E £ - p	F £ - p	G £ - p	H £ - p
<u>Bishopstone</u>								
Swindon 'General Expenses'	753.80	879.43	1,005.07	1,130.70	1,381.97	1,633.23	1,884.50	2,261.40
Bishopstone	26.05	30.40	34.73	39.08	47.76	56.45	65.13	78.16
Wilts & Swindon Fire Authority	43.25	50.46	57.67	64.88	79.30	93.72	108.13	129.76
Wiltshire Police Authority	109.32	127.54	145.76	163.98	200.42	236.86	273.30	327.96
BILL AMOUNT	932.42	1,087.83	1,243.23	1,398.64	1,709.45	2,020.26	2,331.06	2,797.28
<u>Blunsdon</u>								
Swindon 'General Expenses'	753.80	879.43	1,005.07	1,130.70	1,381.97	1,633.23	1,884.50	2,261.40
Blunsdon	12.49	14.57	16.65	18.73	22.89	27.06	31.22	37.46
Wilts & Swindon Fire Authority	43.25	50.46	57.67	64.88	79.30	93.72	108.13	129.76
Wiltshire Police Authority	109.32	127.54	145.76	163.98	200.42	236.86	273.30	327.96
BILL AMOUNT	918.86	1,072.00	1,225.15	1,378.29	1,684.58	1,990.87	2,297.15	2,756.58
<u>Castle Eaton</u>								
Swindon 'General Expenses'	753.80	879.43	1,005.07	1,130.70	1,381.97	1,633.23	1,884.50	2,261.40
Castle Eaton	24.83	28.98	33.11	37.25	45.52	53.81	62.08	74.50
Wilts & Swindon Fire Authority	43.25	50.46	57.67	64.88	79.30	93.72	108.13	129.76
Wiltshire Police Authority	109.32	127.54	145.76	163.98	200.42	236.86	273.30	327.96
BILL AMOUNT	931.20	1,086.41	1,241.61	1,396.81	1,707.21	2,017.62	2,328.01	2,793.62
<u>Chiseldon</u>								
Swindon 'General Expenses'	753.80	879.43	1,005.07	1,130.70	1,381.97	1,633.23	1,884.50	2,261.40
Chiseldon	21.31	24.87	28.41	31.97	39.07	46.18	53.28	63.94
Wilts & Swindon Fire Authority	43.25	50.46	57.67	64.88	79.30	93.72	108.13	129.76
Wiltshire Police Authority	109.32	127.54	145.76	163.98	200.42	236.86	273.30	327.96
BILL AMOUNT	927.68	1,082.30	1,236.91	1,391.53	1,700.76	2,009.99	2,319.21	2,783.06
<u>Covingham</u>								
Swindon 'General Expenses'	753.80	879.43	1,005.07	1,130.70	1,381.97	1,633.23	1,884.50	2,261.40
Covingham	19.60	22.87	26.13	29.40	35.93	42.47	49.00	58.80
Wilts & Swindon Fire Authority	43.25	50.46	57.67	64.88	79.30	93.72	108.13	129.76
Wiltshire Police Authority	109.32	127.54	145.76	163.98	200.42	236.86	273.30	327.96

Valuation Band

Parishes	A £ - p	B £ - p	C £ - p	D £ - p	E £ - p	F £ - p	G £ - p	H £ - p
BILL AMOUNT	925.97	1,080.30	1,234.63	1,388.96	1,697.62	2,006.28	2,314.93	2,777.92
<u>Hannington</u>								
Swindon 'General Expenses'	753.80	879.43	1,005.07	1,130.70	1,381.97	1,633.23	1,884.50	2,261.40
Hannington	23.73	27.68	31.63	35.59	43.50	51.41	59.32	71.18
Wilts & Swindon Fire Authority	43.25	50.46	57.67	64.88	79.30	93.72	108.13	129.76
Wiltshire Police Authority	109.32	127.54	145.76	163.98	200.42	236.86	273.30	327.96
BILL AMOUNT	930.10	1,085.11	1,240.13	1,395.15	1,705.19	2,015.22	2,325.25	2,790.30
<u>Haydon Wick</u>								
Swindon 'General Expenses'	753.80	879.43	1,005.07	1,130.70	1,381.97	1,633.23	1,884.50	2,261.40
Haydon Wick	20.90	24.39	27.86	31.35	38.31	45.29	52.25	62.70
Wilts & Swindon Fire Authority	43.25	50.46	57.67	64.88	79.30	93.72	108.13	129.76
Wiltshire Police Authority	109.32	127.54	145.76	163.98	200.42	236.86	273.30	327.96
BILL AMOUNT	927.27	1,081.82	1,236.36	1,390.91	1,700.00	2,009.10	2,318.18	2,781.82
<u>Highworth</u>								
Swindon 'General Expenses'	753.80	879.43	1,005.07	1,130.70	1,381.97	1,633.23	1,884.50	2,261.40
Highworth	79.07	92.26	105.43	118.61	144.96	171.33	197.68	237.22
Wilts & Swindon Fire Authority	43.25	50.46	57.67	64.88	79.30	93.72	108.13	129.76
Wiltshire Police Authority	109.32	127.54	145.76	163.98	200.42	236.86	273.30	327.96
BILL AMOUNT	985.44	1,149.69	1,313.93	1,478.17	1,806.65	2,135.14	2,463.61	2,956.34
<u>Inglesham</u>								
Swindon 'General Expenses'	753.80	879.43	1,005.07	1,130.70	1,381.97	1,633.23	1,884.50	2,261.40
Inglesham	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Wilts & Swindon Fire Authority	43.25	50.46	57.67	64.88	79.30	93.72	108.13	129.76
Wiltshire Police Authority	109.32	127.54	145.76	163.98	200.42	236.86	273.30	327.96
BILL AMOUNT	906.37	1,057.43	1,208.50	1,359.56	1,661.69	1,963.81	2,265.93	2,719.12
<u>Liddington</u>								
Swindon 'General Expenses'	753.80	879.43	1,005.07	1,130.70	1,381.97	1,633.23	1,884.50	2,261.40
Liddington	22.76	26.56	30.34	34.14	41.72	49.32	56.90	68.28
Wilts & Swindon Fire Authority	43.25	50.46	57.67	64.88	79.30	93.72	108.13	129.76
Wiltshire Police Authority	109.32	127.54	145.76	163.98	200.42	236.86	273.30	327.96
BILL AMOUNT	929.13	1,083.99	1,238.84	1,393.70	1,703.41	2,013.13	2,322.83	2,787.40

Valuation Band

<u>Parishes</u>	A £ - p	B £ - p	C £ - p	D £ - p	E £ - p	F £ - p	G £ - p	H £ - p
<u>Nythe</u>								
Swindon 'General Expenses'	753.80	879.43	1,005.07	1,130.70	1,381.97	1,633.23	1,884.50	2,261.40
Nythe	28.00	32.67	37.33	42.00	51.33	60.67	70.00	84.00
Wilts & Swindon Fire Authority	43.25	50.46	57.67	64.88	79.30	93.72	108.13	129.76
Wiltshire Police Authority	109.32	127.54	145.76	163.98	200.42	236.86	273.30	327.96
BILL AMOUNT	934.37	1,090.10	1,245.83	1,401.56	1,713.02	2,024.48	2,335.93	2,803.12
<u>South Marston</u>								
Swindon 'General Expenses'	753.80	879.43	1,005.07	1,130.70	1,381.97	1,633.23	1,884.50	2,261.40
South Marston	39.30	45.85	52.40	58.95	72.05	85.15	98.25	117.90
Wilts & Swindon Fire Authority	43.25	50.46	57.67	64.88	79.30	93.72	108.13	129.76
Wiltshire Police Authority	109.32	127.54	145.76	163.98	200.42	236.86	273.30	327.96
BILL AMOUNT	945.67	1,103.28	1,260.90	1,418.51	1,733.74	2,048.96	2,364.18	2,837.02
<u>Stanton Fitzwarren</u>								
Swindon 'General Expenses'	753.80	879.43	1,005.07	1,130.70	1,381.97	1,633.23	1,884.50	2,261.40
Stanton Fitzwarren	47.37	55.26	63.15	71.05	86.84	102.63	118.42	142.10
Wilts & Swindon Fire Authority	43.25	50.46	57.67	64.88	79.30	93.72	108.13	129.76
Wiltshire Police Authority	109.32	127.54	145.76	163.98	200.42	236.86	273.30	327.96
BILL AMOUNT	953.74	1,112.69	1,271.65	1,430.61	1,748.53	2,066.44	2,384.35	2,861.22
<u>Stratton St Margaret</u>								
Swindon 'General Expenses'	753.80	879.43	1,005.07	1,130.70	1,381.97	1,633.23	1,884.50	2,261.40
Stratton St Margaret	78.79	91.93	105.05	118.19	144.45	170.72	196.98	236.38
Wilts & Swindon Fire Authority	43.25	50.46	57.67	64.88	79.30	93.72	108.13	129.76
Wiltshire Police Authority	109.32	127.54	145.76	163.98	200.42	236.86	273.30	327.96
BILL AMOUNT	985.16	1,149.36	1,313.55	1,477.75	1,806.14	2,134.53	2,462.91	2,955.50
<u>Wanborough</u>								
Swindon 'General Expenses'	753.80	879.43	1,005.07	1,130.70	1,381.97	1,633.23	1,884.50	2,261.40
Wanborough	43.81	51.12	58.41	65.72	80.32	94.93	109.53	131.44
Wilts & Swindon Fire Authority	43.25	50.46	57.67	64.88	79.30	93.72	108.13	129.76
Wiltshire Police Authority	109.32	127.54	145.76	163.98	200.42	236.86	273.30	327.96

Valuation Band

<u>Parishes</u>	A	B	C	D	E	F	G	H
	£ - p	£ - p	£ - p	£ - p	£ - p	£ - p	£ - p	£ - p
BILL AMOUNT	950.18	1,108.55	1,266.91	1,425.28	1,742.01	2,058.74	2,375.46	2,850.56
<u>Wroughton</u>								
Swindon 'General Expenses'	753.80	879.43	1,005.07	1,130.70	1,381.97	1,633.23	1,884.50	2,261.40
Wroughton	73.25	85.46	97.66	109.87	134.28	158.70	183.12	219.74
Wilts & Swindon Fire Authority	43.25	50.46	57.67	64.88	79.30	93.72	108.13	129.76
Wiltshire Police Authority	109.32	127.54	145.76	163.98	200.42	236.86	273.30	327.96
BILL AMOUNT	979.62	1,142.89	1,306.16	1,469.43	1,795.97	2,122.51	2,449.05	2,938.86
<u>Special Expense Area</u>								
<u>Swindon Non-Parished Area</u>								
Swindon 'General Expenses'	753.80	879.43	1,005.07	1,130.70	1,381.97	1,633.23	1,884.50	2,261.40
Special Expenses	18.54	21.63	24.72	27.81	33.99	40.17	46.35	55.62
Wilts & Swindon Fire Authority	43.25	50.46	57.67	64.88	79.30	93.72	108.13	129.76
Wiltshire Police Authority	109.32	127.54	145.76	163.98	200.42	236.86	273.30	327.96
BILL AMOUNT	924.91	1,079.06	1,233.22	1,387.37	1,695.68	2,003.98	2,312.28	2,774.74

TOWN / PARISH PRECEPTS

	Band D Charge 2015-16		Tax Base 2015-16	Precept 2015-16	Band D Charge 2014-15		Tax Base 2014-15	Precept 2014-15	Band D Charge Change 2014-15 to 2015-16		Precept Change 2014-15 to 2015-16	
Bishopstone	£39.08	309.0		£12,075	£39.08	303.3		£11,852	£0.00	0.0%	£223	1.9%
Blunsdon	£18.73	5,125.9		£96,000	£18.43	5,317.4		£98,000	£0.30	1.6%	-£2,000	-2.0%
Castle Eaton	£37.25	109.1		£4,064	£33.81	99.4		£3,361	£3.44	10.2%	£703	20.9%
Chiseldon	£31.97	1,000.8		£32,000	£32.54	984.2		£32,022	-£0.56	-1.7%	-£22	-0.1%
Covingham	£29.40	1,234.8		£36,300	£29.65	1,224.2		£36,300	-£0.25	-0.9%	£0	0.0%
Hannington	£35.59	108.8		£3,872	£26.08	105.1		£2,741	£9.51	36.5%	£1,131	41.3%
Haydon Wick	£31.35	7,645.7		£239,693	£31.35	7,508.3		£235,398	£0.00	0.0%	£4,295	1.8%
Highworth	£118.61	2,925.6		£347,000	£114.19	2,802.4		£320,000	£4.42	3.9%	£27,000	8.4%
Inglesham	£0.00	46.2		£0	£0.00	43.0		£0	£0.00	0.0%	£0	0.0%
Liddington	£34.14	171.6		£5,858	£33.83	164.4		£5,561	£0.31	0.9%	£297	5.3%
Nythe	£42.00	884.9		£37,166	£0.00	0.0		N/A	£42.00	100.0%	£37,166	100.0%
South Marston	£58.95	344.6		£20,313	£57.51	336.5		£19,352	£1.44	2.5%	£961	5.0%
Stanton Fitzwarren	£71.05	97.7		£6,942	£68.57	94.8		£6,500	£2.49	3.6%	£442	6.8%
Stratton St Margaret	£118.19	6,628.8		£783,458	£105.52	7,313.6		£771,753	£12.67	12.0%	£11,705	1.5%
Wanborough	£65.72	870.9		£57,236	£65.07	847.4		£55,144	£0.65	1.0%	£2,092	3.8%
Wroughton	£109.87	2,714.8		£298,275	£100.61	2,964.7		£298,275	£9.26	9.2%	£0	0.0%
Total	£65.53	30,219.2	£1,980,252		£62.98	30,108.7	£1,896,259		£2.55	4.0%	£83,993	4.4%

Non-Parished Area	£27.81	37,440.8	£1,041,229	£27.81	36,136.8	£1,004,978	£0.00	0.0%	£36,251	3.6%
TAX BASE		67,660.0								

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

Cabinet

Date: 4th February 2015

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

Wards: All

Locality Affected: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 To present the proposed rents, service charges and support charges for 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

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

Date: 4th February 2015

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

Cabinet

Date: 4th February 2015

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

	2015/16		
Proposed Increase	1.20%	2.20%	3.20%
Rent Income	£50.0m	£50.4m	£50.8m
Cost	(£33.6m)	(£33.6m)	(£33.6m)
Balance for Capital	£16.4m	£16.8m	£17.2m
Required Budget	£16.8m	£16.8m	£16.8m
Surplus/(Shortfall)	(£0.4m)	Nil	£0.4m
 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	OVERALL	£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 1st April 2014. Given that current forecasts indicate that it is unlikely that the full £420k will have been spent by 31st 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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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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- 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

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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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

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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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 23rd 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
	£	£
Expenditure		
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
Gross Expenditure	24,257,400	24,278,400
Income		
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)
Gross Income	(48,716,200)	(50,378,900)
Net Cost of Services	(24,458,800)	(26,100,500)
Net Interest costs (after interest receivable has been deducted	4,561,700	4,300,500
Projected (surplus) / deficit for the year	(19,897,100)	(21,800,000)
Use of operating Surplus with £5m Loan Repayment		
Contribution to capital expenditure and loan repayment	5,000,000	5,000,000
Depreciation Charges = transfer to Major Repairs Reserve to fund capital	14,400,000	14,400,000
Revenue Surplus used in Capital Programme (RCCO)	497,100	2,400,000
Use of Operating Surplus	19,897,100	21,800,000

Appendix 2 – Service charges for 2014/15

	Current Charge 2014/15	Proposed Charge 2015/16
	£	£
<u>Flats (Communal entrance)</u>		
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
<u>Sheltered Housing</u>		
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
<u>Other</u>		
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
<u>Support Charges</u>		
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

	Current Charge 2014/15	Proposed Charge 2015/16
	£	£
<u>Garage / Parking Charges</u>		
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
<u>Supported Housing</u>		
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
<u>Small Housing Schemes</u>		
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

	Current Charge 2014/15	Proposed Charge 2015/16
	£	£
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
		£	£
	<u>EXPENDITURE</u>		
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
	<u>Capital Financing</u>		
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
11	TOTAL EXPENDITURE	40,384,500	41,778,400
	<u>INCOME</u>		
	<u>Rent income</u>		
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)
		(46,746,300)	(47,832,000)
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)
		(3,199,900)	(3,246,900)
24	TOTAL INCOME	(49,946,200)	(51,078,900)
25	NET COST OF SERVICES	(9,561,700)	(9,300,500)
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)		
29	NET OPERATING EXPENDITURE	(5,000,000)	(5,000,000)
30	Loan repayments	5,000,000	5,000,000
31	PROJECTED (SURPLUS) / DEFECIT FOR THE YEAR	0	0

Appendix 5 - Proposed HRA Capital Budget 2014/15

<u>Item</u>		2014/15 Budget	2015/16 Proposed Budget
		£	£
	<u>HRA Capital Schemes</u>		
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	Total Capital Programme	31,655,800	17,800,000
	<u>HRA Capital Funding Applied</u>		
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
	<u>HRA Capital Reserves</u>		
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	Total HRA Capital Funding	31,655,800	17,800,000
14	<u>Revenue</u>		
15	Repairs Budget	12,176,900	12,167,000
16	Total Revenue and Capital Repairs	42,832,700	28,967,000
	<u>RTB retained funding</u>		
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
	TOTAL:	16,803	16,800	16,800	16,800

All budgets are shown in 2014/15 prices.

Appendix 7 - Proposed HGF Rents & Service Charges

2014/15

	Current Charge 2014/15	Proposed Charge 2015/16
	£	£
<u>Hay Lane Caravan Site</u>		
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
<u>Christopher House, Marlowe Avenue</u>		
Service Charge	19.35	19.35
<u>David Murray John Building</u>		
Heating charge - 1 bed property	11.17	11.17
Heating charge - 2 bed property	13.14	13.14
Service charge - 1 bed property	26.13	26.13
Service charge - 2 bed property	30.74	30.74
<u>PSL rents</u>		
1 Bed	148.28	148.28
2 Bed	169.04	169.04
3 Bed	195.00	195.00
4 Bed	200.00	200.00
These charges are subject to any changes to Local Housing Allowances made by Government		

COUNCIL

MONDAY, 23RD FEBRUARY 2015

MINUTES FOR CONFIRMATION

CABINET

WEDNESDAY, 4 FEBRUARY 2015

**64. Housing Revenue Account - Rents and Charges 2015/16
(Minute for Confirmation)**

The Cabinet Member for Housing and Public Safety and the Board Director, Commissioning submitted a joint report concerning the proposed budget for the Housing Revenue Account (HRA) for 2015/16, including proposals for rents, service charges and support charges for 2015/16.

Councillor Emma Faramarzi, Cabinet Member for Housing and Public Safety, presented the report and explained how the report set out the context and background to the proposed Housing Revenue Account Budget for 2015/16 and for rent levels and service charges. She referred to the outcome of the consultation that had taken place with tenants groups, the Housing Advisory Forum, and other stakeholders on the proposals for the HRA and rents and charges. She noted that there had been a better response to the consultation than in previous years and she thanked the officers for their efforts in encouraging more tenant involvement. She commented on the findings of the consultation and the view expressed by the Housing Advisory Forum. She highlighted the Government's changes to its Rent Policy Guidance and to the implications of this for the Council and its tenants. She emphasised the importance for tenants of the Council seeking to invest in its housing stock. She believed that the proposed recommendations offered the best outcomes for both the Council and its tenants.

Councillor Des Moffatt referred to the cost to the Council to repay Government debt on the HRA. He believed these figures were different from the costs originally quoted at the time of the proposed Housing Transfer Ballot. He asked for the position to be clarified.

Councillor Faramarzi advised that she would arrange for Councillor Moffatt to be provided with the required information.

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

(a) 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 of the joint report.*);

(b) The Board Director, Commissioning be authorised 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 £300,000 in 2015/16 as detailed in paragraphs 3.23 of the joint report;

(c) The Housing related support charges for 2015/16 and service charges for 2015/16 as outlined in Appendix 2 to the joint report, be approved;

(d) Leaseholder service charges be set for 2015/16 as shown in Appendix 3 to the joint report;

(e) Based on the proposals set out within the joint report, the Housing Revenue Account (HRA) proposed budget for 2015/16, as shown in Appendix 4, and the HRA Capital Budget and Funding as shown in Appendix 5 to the joint report, be approved;

(f) That a budget of £1m be approved to acquire properties as detailed in paragraph 3.39 of the joint report, and the Board Director, Commissioning in consultation with the Board Director, Resources be authorised to commit this expenditure;

(g) That the draft Three 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 to the joint report;

(h) Rents charged on General Fund properties be 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 to the joint report, be approved;

(i) Rents charged for plots at the Hay Lane Residential Gypsy Site be 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 to the joint report, be approved;

(j) The charges for Private Sector Leased (PSL) accommodation for those accepted as homeless as outlined in Appendix 7 to the joint report, be approved; and

(k) That any underspend on the 2014/15 Housing Revenue Account be added to revenue reserves.

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

COUNCIL

MONDAY, 23RD FEBRUARY 2015

MINUTES FOR CONFIRMATION

CABINET

WEDNESDAY, 4 FEBRUARY 2015

**65. Strategy to Prevent Child Sexual Exploitation
(Minute for Confirmation)**

The Cabinet Member for Children's Services and the Head of Children, Families and Community Health submitted a joint report concerning a proposed Strategy to Prevent Child Sexual Exploitation and setting out an associated delivery plan and "Zero Tolerance Pledge".

Councillor Fionuala Foley, Cabinet Member for Children's Services, advised that Child Sexual Exploitation was among the most serious and challenging issues that any Council would face. The proposed strategy set out how the Council would further enhance its work in responding to this issue. She referred to reports of recent high profile cases across the Country and how she and senior Council officers and representatives of partner agencies, including the Police, had recently visited Rochdale to learn of their experiences in responding to Child Sexual Exploitation and developing new ways of preventing its occurrence. She stressed that the issue did not just affect "Looked after Children", as many nationally reported cases involved children not in local authority care. She highlighted the play "Chelsea's Choice" that highlighted the issue and that was being presented across Swindon's schools. She emphasised the importance of everyone remaining vigilant and acting to prevent all the various strands of Child Sexual Exploitation. She hoped that all Councillors would fully support the adoption of the Strategy and agree to sign-up to the "Zero Tolerance Pledge".

The Chair expressed his support for the strategy and the hope that all Councillors would sign the "Pledge". He stressed the need for all Swindon residents to be vigilant and to act to prevent Child Sexual Exploitation.

Resolved – That the Council is recommended to: -

- (a) Approve the Child Sexual Exploitation Prevention Strategy for Swindon Borough Council as set out in Appendix 1 to the joint report;**
- (b) Note the associated Child Sexual Exploitation Prevention Delivery Plan that will be monitored and updated at regular intervals;**
- (c) Agree to support the introduction of a pledge: Zero Tolerance of Child Sexual Exploitation in Swindon;**
- (d) Authorise the Cabinet Member for Children's Services to sign the Zero Tolerance of Child Sexual Exploitation in Swindon pledge on behalf of Swindon Borough Council and invite other Councillors to do so.**

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

**68. Anti-Social Behaviour Crime and Policing Act 2014
(Minute for Confirmation)**

The Cabinet Member for Housing and Public Safety and the Board Director Commissioning submitted a joint report concerning the provisions of the Anti-Social Behaviour, Crime and Policing Act 2014 and the implications and opportunities these provisions provided for the Council to work with partners to deal with day to day incidents of crime, nuisance and disorder that could have a substantial impact on local residents' lives and feeling of wellbeing.

Councillor Emma Faramarzi, Cabinet Member for Housing and Public Safety, introduced the report and explained how the Council, through taking up the new powers and working with partners, could have a real impact to improve the lives of local residents effected by anti-social behaviour. She emphasised that the Council always attempted to exhaust all other options before taking legal action to resolve problems. However, the use of these powers would have a direct effect on the wellbeing of local residents.

Resolved – That the Council be recommended that:-

(a) The Head of Housing Management 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 authorised 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;

(b) The Director of Law and Democratic Services, at the request of the Head of Housing Management and Community Safety, be authorised 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;

(c) The Head of Housing Management 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 authorised 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;

(d) The Head of Housing Management and Community Safety, in consultation with the Director of Law and Democratic Services, be authorised to issue Closure Notices and apply for Closure Orders in accordance with Chapter 3 of the Anti-Social Behaviour, Crime and Policing Act 2014;

(e) 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.

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

MINUTE TO NOTE

CABINET

WEDNESDAY, 4 FEBRUARY 2015

59. Motion at Council - Use of Police Community Support Officers in Supporting Council Parking Enforcement (Minute for Council to Note)

The Cabinet Member for Strategic Planning, Sustainability and Transport, the Cabinet Member for the Economy, Regeneration, and Skills, the Board Director, Service Delivery and the Service Manager, Parking submitted a joint report setting out a response to a Council Motion of 18th September 2014 concerning parking enforcement and the involvement of Police Community Support Officers (PCSOs) in this process (Council Minute 43 refers).

Councillor Garry Perkins, Cabinet Member for the Economy, Regeneration and Skills, referred to the contents of the report and the problem of indiscriminate parking that occurred across the Borough and in particular in areas near schools. He drew attention to the response received from the Wiltshire and Swindon Police and Crime Commissioner and the view of Wiltshire Police. He explained the statutory position regarding parking enforcement powers and their use, and the joint working being developed between Parking Services and the Police.

Councillor Stan Pajak, Leader of the Minority Group on the Council, referred to the problems of indiscriminate parking around schools and similar public buildings in his ward. He believed that the problems would really only be overcome if Police Community Support Officers had the power to act against individual perpetrators. He was supportive of the recommendation within the report to press against the Police and Crime Commissioner to consider the greater involvement of PCSOs in parking enforcement. He believed that with the establishment of the new Town Centre Hub on the Civic Campus, it was the right time for a joint approach to enforcement to be introduced.

Councillor Jim Grant, Leader of the Opposition, welcomed the Cabinet's support in seeking to encourage the Wiltshire and Swindon Police and Crime Commissioner and Wiltshire Police to reconsider their approach to the involvement of PCSOs in parking enforcement. He believed that if PCSOs had additional powers enabling them to issue penalties, this would act as a deterrent to indiscriminate and often dangerous parking.

The Chair referred to the excellent work undertaken by PCSOs in many local communities across the Borough. He referred to the response of the Police and Crime Commissioner and of Wiltshire Police and that he would be happy to ask them to reconsider their position with regard to adopting a joint "One Swindon" approach to enforcement in areas suffering significant problems.

Resolved – (1) That it be noted that the Leader of the Council wrote to the Wiltshire and Swindon Police and Crime Commissioner on 11th September 2014 and that the response received from the Police and Crime Commissioner dated 1st

October 2014, was circulated to all Councillors at the Council meeting on 6th November 2014.

(2) That the work undertaken to move Parking Enforcement officers and the Police to the former Plus One building on the Civic Campus to enable the teams to work more closely together on local priorities which are identified in local neighbourhoods, be noted.

(3) That that the Cabinet Member for the Economy, Regeneration, and Skills, be requested to invite the members of the Wiltshire and Swindon Police and Crime Panel to consider the issues highlighted in the Council's motion on 18th September 2014 and the subsequent response of the Police and Crime Commissioner.

(4) That the Leader of the Council be requested to again contact the Wiltshire and Swindon Police and Crime Commissioner regarding the content of the letter dated 1st October 2014 to ask him to reconsider the issue of the involvement of Police Community Support Officers (PCSOs) in parking enforcement in specific areas where it has been identified as a neighbourhood priority.

(5) That the Council be advised of the contents of this minute and report in response to the Motion at the Council meeting on 18th September 2014. (Council Minute 43 refers.)

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

Pay Policy Statement

Cabinet

Date: 4th February 2015

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

Wards: All

Locality Affected: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 The Localism Act 2011 requires local authorities to agree and publish a Pay Policy Statement by 1st April each year. This report sets out the Council's Pay Policy Statement 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 31st 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

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

Pay Policy Statement

Cabinet

Date: 4th February 2015

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 1st 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 31st 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.

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

Pay Policy Statement

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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.

Further information on the subject of this report can be obtained from Nicola Houwayek, Head of People & Development, 07824 550456, 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 1st 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 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.

Structure Overview

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

With effect from 1st 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 1st 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 1st 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 1st 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 1st 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 1st 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.

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

Definitions

Mean	Total pay for substantive employees divided by the number of substantive employees.
Median	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 1st October 2014, who were not in any pension at all, were automatically enrolled into the LGPS on 1st 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 1st 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.

	LGPS 2008	LGPS 2014
Basis of pension	Final salary	Career Average Revalued Earnings (CARE)
Accrual rate	1/60 th	1/49 th
Pensionable pay	Pay excluding non-contractual overtime and non-pensionable additional hours.	Pay including non-contractual overtime and additional hours for part time staff.
Contribution flexibility	No	Yes, members can pay 50% contributions for 50% of the pension benefit.
Normal pension age	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 1st 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
J	1	1	12,266.00	6.36
	2	2	12,702.00	6.58
	3	3	13,139.00	6.81
	4	4	13,574.00	7.04
	5	5	14,009.00	7.26
K	1	6	14,383.00	7.46
	2	7	15,072.00	7.81
	3	8	15,761.00	8.17
	4	9	16,449.00	8.53
	5	10	17,138.00	8.88
L	1	11	17,546.00	9.09
	2	12	18,370.00	9.52
	3	13	19,193.00	9.95
	4	14	20,017.00	10.38
	5	15	20,840.00	10.80
M	1	16	21,218.00	11.00
	2	17	22,073.00	11.44
	3	18	22,927.00	11.88
	4	19	23,781.00	12.33
	5	20	24,636.00	12.77
N	1	21	25,094.00	13.01
	2	22	25,962.00	13.46
	3	23	26,829.00	13.91
	4	24	27,696.00	14.36
	5	25	28,563.00	14.80

Removed:
01/10/2013

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

**Executive
Pay Scales
2013/14**

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

COUNCIL

MONDAY, 23RD FEBRUARY 2015

MINUTES FOR CONFIRMATION

CABINET

WEDNESDAY, 4 FEBRUARY 2015

**66. Swindon Pay Policy Statement
(Minute for Confirmation)**

The Cabinet Member for Corporate Services, and the Head of People and Change submitted a joint report concerning the proposed Swindon Borough Council Pay Policy Statement for 2015/16.

The Head of People and Change, in the absence of the Cabinet Member for Corporate Services, explained that the Council was required under Section 38 of the Localism Act 2011 to agree and publish a Pay Policy Statement by 1st April each year. This was the Council's fourth Pay Policy Statement and was put forward for consideration prior to its submission to the Council for approval. She explained the further changes and additional information that would be required to be added to prepare the final Statement for publication on 1st April.

Resolved – That the Council's proposed Pay Policy Statement for 2015/16, as set out in Appendix 1 to the joint report, be endorsed and submitted to the Council for approval.

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

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Polling Districts and Places Review

Council

Date: 23rd February 2015

Author: Electoral Registration Officer and Returning Officer, and
Leader of the Council

Wards: Wroughton and Wichelstowe

Locality Affected: Wroughton

Parishes Affected: Wroughton

1. Purpose and Reasons

- 1.1 At its meeting on 10th December 2014 , Cabinet considered a report by the Electoral Registration Officer, Returning Officer and Leader of the Council relating to the Polling Districts and Places Review. At that meeting it was agreed to adopt the recommendations contained in the Polling Districts and Places Review Report and this was subsequently confirmed by Council at its meeting on 22nd January 2015 (Minute 66(1) refers)
- 1.2 The report highlighted the problems faced by electors in the Alexandra Park (WWE Polling District) area of the Wroughton and Wichelstowe ward where it was noted that electors would have to travel over a mile to their nearest polling station. At the meeting, 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 a future meeting of the Council.
- 1.3 This report provides an update on the negotiations that have taken place and the recommendations that are now being put forward in relation to the WWE polling district.

2. Recommendations

The Council is recommended to:

- 2.1 Amend the polling place for the WWE polling district in the Wroughton and Wichelstowe ward from the Ellendune Hall (Christine Spooncer Suite) to the empty shop unit next to the Alexandra Park Convenience Store.

3. Detail

- 3.1 At the meeting of the Cabinet on 10th December Members considered a report in relation to the Polling Districts and Places Review.
- 3.2 The report highlighted the problems faced by electors in the Alexandra Park (WWE Polling District) area of the Wroughton and Wichelstowe ward where it was noted that electors would have to travel over a mile to their nearest polling station. The Director of Law and Democratic Services advised that the Council's

Further information on the subject of this report can be obtained from Sally Sprason, Direct Dial 01793 463999, email ssprason@swindon.gov.uk.

Polling Districts and Places Review

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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

- 3.3 Since that meeting the Elections team have undertaken negotiations with the owner of the Alexandra Park Convenience Store who has agreed that the empty shop unit adjacent to the Convenience Store could be used as a polling station for the WWE polling district. The Elections Team have visited the proposed polling station and agreed some improvements with the owner to ensure the venue is suitable for use as a polling station.

4. Alternative Options

- 4.1 Retain the arrangements agreed by Council on 22nd January 2015.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 The cost of the polling station will be paid from existing budgets.

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.
- 5.3 The Returning Officer has a statutory duty to provide adequate voting facilities for all electors.

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

- 5.4 No other specific implications were identified during the preparation of this report.

Diversity Impact Assessment

- 5.5 A Diversity Impact Assessment has not been completed in relation to this report. Good practice has been implemented through good and appropriate consultation in relation to all proposals. Good inclusion practice has been implemented when considering changes in polling venues to ensure they are accessible for voters. This demonstrates our duty to advance equality of opportunity.

Risk Management

- 5.6 Risks are considered when looking at the possibility of moving to an alternative polling place. It is believed there are no unmitigated risks. The polling station has been visited and agreement made regarding improvements to ensure the venue is suitable for use as a polling station. Electors will be notified of any changes to polling places through clear messaging on poll cards.

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6. Consultees

- 6.1 The Board Director, Resources (Section 151 Officer) and the Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports. In addition, the Ward Councillors have been consulted on the proposal. Councillor Richards and Councillor Ford have responded that they are happy with the proposal and wish to support it.

7. Background Papers

- 7.1 Electoral Commission Guidance – Reviews of polling districts, polling places and polling stations.

8. Appendices

None

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