

Swindon Borough Council

Cabinet

Wednesday, 14 June 2017

Committee Room 6, Civic Offices

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

Conservative Councillors

David Renard (Chair)

Russell Holland

Oliver Donachie

Toby Elliott

Fionuala Foley

Brian Ford

Mary Martin

Cathy Martyn

Garry Perkins

Keith Williams

Committee Officer: Steve Jones (Telephone 01793 463602)

email: stevejones@swindon.gov.uk

Swindon Borough Council can be contacted at the Civic Offices, Euclid Street, Swindon, SN1 2JH (Telephone 01793 445500)

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

AGENDA

NOTE:

A Cabinet Open Forum is held at 6:00 p.m. prior to the start of each scheduled Cabinet Meeting. The Open Forum is similar to the 'public question time' that happens at most Council meetings but without the need for questions. It provides the chance to meet with Cabinet Members as well as Corporate Directors and Directors to discuss matters relevant to the Cabinet and its responsibilities. It provides an opportunity to raise issues and give views. The Forum will normally close at 6.30 pm and the Cabinet will then reconvene for the start of the formal Cabinet meeting. If the Open Forum completes its business earlier than anticipated then the Cabinet Meeting will commence at 6:15pm or at the Forum's conclusion.

1. Apologies for Absence.

2. Declarations of Interest.

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

3. Minutes. (Pages 5 - 14)

To receive the minutes of the meeting held on 26th April 2017.

4. Public Question Time.

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

5. Exempt Items - Exclusion of Press and Public.

Certain items are expected to include the consideration of exempt information and the Cabinet is, therefore, recommended to resolve "That, in accordance with Section 100A(4) of the Local Government Act 1972, the public be excluded during the discussion of the matters referred to in the items listed below, on the grounds that they involve the likely disclosure of exempt information, as defined in the respective paragraph of Part 1 of Schedule 12A of the Act".

Item No.	Paragraph No.
14	3

6. Budget Management 2016-17 CDRT (CM:RH) (Pages 15 - 26)

7. Housing Revenue Account Medium Term Financial Plan CDCP (CM:CM)
(Pages 27 - 46)

8. Capital Monitoring Outturn 2016-17 CDRT (CM:RH) (Pages 47 - 60)

9. Treasury Management Performance 2016/17 CDRT (CM:RH) (Pages 61 - 68)

10. Swindon Dial A Ride Service Options HHT (CM:MM) (Pages 69 - 74)

11. School Place Planning - Tadpole Garden Village HE (CM:FF) (Pages 75 - 82)

12. Swindon Housing Company Governance Arrangements DLDS (CM:RH)
(Pages 83 - 92)

13. Councillors' Allowances 2018/19 - Recommendations of the Independent Remuneration Panel DLDS (CM:DR) (Pages 93 - 98)

14. Wichelstowe Parcels 2 & 3 CDERS (CM:TE) **WW** (Pages 99 - 112)

Date of Despatch: 05 June 2017

Key:**Officers:**

CDCP	-	Corporate Director Communities and Place
CDRT	-	Corporate Director Resources and Transformation
CDERS	-	Corporate Director Economy, Regeneration and Skills
DLDS	-	Director of Law and Democratic Services (Monitoring Officer)
HE	-	Head of Education
HHT	-	Head of Highways and Transport

Wards

WW	-	Wroughton and Wichelstowe
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Cabinet Members Responsible for the Service Area concerned:

DR	-	David Renard	Leader of the Council and Chair of Cabinet
RH	-	Russell Holland	Deputy Leader of the Council, Vice-Chair of Cabinet, Cabinet Member for Finance and Commercialisation
OD		Oliver Donachie	Cabinet Member for the Economy and Skills
TE	-	Toby Elliott	Cabinet Member for Strategic Planning and Sustainability
FF	-	Fionuala Foley	Cabinet Member for Children's Services and School Attainment
BF	-	Brian Ford	Cabinet Member for Adults' Health and Social Care
MM	-	Mary Martin	Cabinet Member for Communities and Place
CM		Cathy Martyn	Cabinet Member for Housing and Public Safety
GP	-	Garry Perkins	Cabinet Member for Regeneration
KW		Keith Williams	Cabinet Member for Corporate Services and Digitalisation

Diversity Impact Assessments

Diversity Impact Assessments (DIA's) are important to ensure the services we deliver are helping us to meet our vision to make Swindon an equal society ; we are also required by the Equality Act 2010 to demonstrate the equality analysis we have undertaken to support decision making, DIAs are our method of doing this.

Diversity Impact Assessments produced in respect of items to be considered at this meeting can be inspected via the following link:

http://www.swindon.gov.uk/info/20029/people_and_communities/309/diversity_impact_assessments

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

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

(<http://www5.swindon.gov.uk/moderngov/ecCatDisplay.aspx?sched=doc&cat=13338&path=0>) or from the Committee Officer named above.

CABINET

WEDNESDAY, 26 APRIL 2017

PRESENT:- Councillors David Renard (Chair), Russell Holland, Oliver Donachie, Toby Elliott, Fionuala Foley, Brian Ford, Mary Martin, Garry Perkins and Keith Williams.

Councillor Steve Allsopp attended the meeting in respect of Minute No. 122.
Councillor Jim Robbins attended the meeting in respect of Minute Nos. 125 and 126.
Councillor Bob Wright attended the meeting in respect of Minute No. 118.

113. Declarations of Interest.

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

Councillor Toby Elliott made a non-prejudicial personal declaration of interest in respect of the Agenda Item No. 11 ("Draft Airports National Policy Statements") on the grounds of his employment by Network Rail.

114. Minutes.

Resolved – That the minutes of the meeting held on 15th March, 2017, be confirmed and signed as a correct record.

115. Public Question Time.

Ms Sarah Church, a Shrivenham resident, had submitted a written question on the Council's proposed changes to library opening hours from 6th April and whether these proposals and other proposed changes in respect of the library service were compliant with the Public Libraries and Museums Act 1964. The Chair thanked Ms Church for her question and advised the meeting that a written answer had been provided to Ms Church and had also been circulated at the meeting.

Ms Church asked a supplementary question about the inclusion of non-core libraries in any future Public Sector Mutual. Councillor Mary Martin, the Cabinet Member for Communities, responded to the question at the meeting.

116. Exempt Items - Exclusion of Press and Public.

Resolved – That, in accordance with Section 100A(4) of the Local Government Act 1972, the public be excluded during the discussion of the matters referred to in the item listed below, on the grounds that it involves the likely disclosure of exempt information, as defined in the respective paragraphs of Part 1 of Schedule 12A of the Act, and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Item No.	Paragraph No.	Minute No.
16	3	128

117.

Budget Management Update

Councillor Russell Holland, the Deputy Leader of the Council and the Cabinet Member for Finance and Corporate Services, and the Corporate Director, Resources and Transformation, submitted a joint report presenting the 2016/17 Revenue Budget forecast out-turn and a capital programme update.

Councillor Holland introduced the joint report and, in particular, drew members' attention to the importance of the work at Waterside for which specific funding was requested.

Resolved – (1) That the projected Revenue Budget out-turn position for 2016/17, set out in Table 1 of the report and Appendix 1 to the report, be noted.

(2) That the additional capital expenditure at Waterside, detailed in paragraph 3.6 of the report, be approved.

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

118.

Housing Revenue Account Acquisitions Programme 2017/18

Councillor Oliver Donachie, the Cabinet Member for Housing and Homelessness, and the Corporate Director, Communities and Place, submitted a joint report seeking Cabinet's approval to take immediate steps to provide additional homes for up to 100 families that are presently homeless. It was noted that the intention of the proposal was to also target, where possible, empty properties, thereby making full use of existing housing and reducing the blight caused in neighbourhoods by empty homes.

Councillor Bob Wright (Central Ward) asked a number of questions relating to the definition, costs and accessibility of affordable housing, and the availability of Council Houses for those at the benefits cap (£20,000), which Councillor Donachie responded to at the meeting.

Resolved – (1) That a budget of £17m be allocated from within the Housing Revenue Account to purchase existing family sized properties from the local housing market to alleviate current homelessness pressures. The purchases to be funded by a combination of Housing Revenue Account reserves, the use of retained Right to Buy receipts and borrowing where required, as set out in paragraph 3.15 of the report.

(2) That, if required, additional Housing Revenue Account borrowing be approved, to fund house purchases and improvement works to the Council housing stock, as set out in paragraph 3.15 of the report.

(3) That the Director of Law and Democratic Services, in consultation with the Head of Housing Management and Community Safety, be authorised to complete all associated legal documentation necessary to purchase the properties identified and on such other terms as he considers necessary to protect the Council's position.

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

Councillor Fionuala Foley, the Cabinet Member for Children's Services, and Councillor Keith Williams, the Cabinet Member for StreetSmart, Highways and Transport, and the Head of Education and the Head of Highways and Transport, submitted a joint report setting out the Council's legal duties in relation to Education Transport and seeking Cabinet's approval to (i) implement the proposed Education Transport Policy for pupils attending education establishments from the start of the academic year 2018/19, (ii) consult on a proposed Education Transport Policy for the academic year 2018/19, including changes relating to Post 16 transport and Special Educational Need and Disability (SEND) 16 years to 25 years travel, and (iii) implement a Personal Travel Budget (PTB) offer as the primary method of transport assistance allocated to pupils with SEND, requiring transport and at all transition phases from September 2017 onwards.

The report also highlighted the intention to promote appropriate independence skills amongst young people, advising that all young people would be supported and encouraged to travel independently to school, including through the use of public transport when assessed as reasonable to do so.

Councillor Foley thanked the officers from the two service departments for their work in preparing the report and emphasised that no young person currently in post 16 or further education would be affected by any of the proposals.

Councillor Keith Williams elaborated on how addressing transport issues was essential to ensure that potential barriers to young people having access to education could be removed.

Given that the consultation would occur during the pre-election period, Councillor Foley moved an amendment to show that due consideration had been taken of relevant guidance.

Resolved – (1) That the Head of Education and the Head of Highways and Transport be authorised to conduct a consultation during May and June 2017 on the proposed Education Transport Policy 2018/19 including:

- a) Changes to remove automatic discretionary subsidised support for pupils accessing mainstream Post 16 education. There will be no changes for pupils already attending Post 16 schools or colleges who received travel assistance prior to September 2018.
- b) Changes relating to Special Educational Need and Disability (SEND) 16 years to 25 years travel to introduce a Personal Travel Budget (PTB), a bus pass or a parental contribution to the transport required. There will be no changes for pupils already attending Post 16 schools or colleges who received travel assistance prior to September 2018.

(2) That the Head of Education and Head of Highways and Transport be authorised to implement the offer of a Personal Travel Budget (PTB) or bus pass as the primary methods of transport assistance allocated to pupils with SEND, requiring transport at all transition stages (year R, 3, 7 and 12) from September 2017 onwards and/or when changing school location.

(3) That it be noted that the proposed consultation will be in accordance with the Code of Recommended Practice on Local Authority Publicity (March 2011) as it will

be a Council consultation led by the relevant officer.

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

120. Swindon Challenge

Councillor Fionuala Foley, the Cabinet Member for Children's Services, and the Head of Education, submitted a joint report setting out a strategy to address and raise performance in primary, secondary schools and 16-19 education in Swindon through the introduction of "Swindon Challenge". It was noted that this was a three-year programme to improve outcomes for young people and improve school performance and that the report was necessary to inform members of the strategy and the actions taken so far to implement the programme.

Councillor Foley drew members' attention to the aims and objectives of the Challenge Board, reiterating the position that the Council was just one part of a wider collaboration with schools, employers, councillors and the community working to raise school attainment levels.

Resolved – (1) That the Strategy for School Improvement, outlined in the report, be adopted.

(2) That the Head of Education, in consultation with the Cabinet Member for Children's Services, be authorised to develop and implement the Swindon Challenge action plan.

(3) That the Head of Education, in consultation with the Cabinet Member for Children's Services, bring a further report to Cabinet as soon as practicable on how to make Swindon "A Learning Town".

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

121. Karen Reeve, Director of Children's Services

Councillor David Renard, the Leader of the Council, advised the meeting that Karen Reeve, the Council's Director of Children's Services, would soon be leaving the employ of the Council and that this would be the last occasion that she would attend a Cabinet meeting in that capacity. On behalf of members, Councillor Renard thanked Karen for her years of service and for her achievements in support of Children's Services.

122. Swindon Local Transport Plan Implementation Plan 2017/18 (Minute For Confirmation)

Councillor Keith Williams, the Cabinet Member for StreetSmart, Highways, and Transport, and the Head of Highways & Transport, submitted a joint report seeking approval for the adoption of the Local Transport Plan Implementation Plan for 2017/18 and for the Local Transport Plan Capital Programme budget apportionment for 2017/18.

It was noted that the Local Transport Plan (LTP) is the principal means of delivering the Council's transport programme and is the statutory document that contains the

transport policies and programmes of the local transport authority. It is listed in Article 4 of the Council Constitution as a key document informing the policy framework for the Council and it is subject to an annual report to the Cabinet in order to ensure transparency in the apportionment of the funding and aid the delivery of the programme.

Councillor Steve Allsopp (Walcot and Park North Ward) welcomed the proposed maintenance works on Upham Road and asked that the works be publicised well in advance of commencement, to try and minimise disruption while the work was being undertaken. Councillor Williams confirmed that this would be the case, advising that every measure was taken in advance of any planned road works to both advise local communities of pending road works and to try and limit disruption.

Councillor Brian Ford (Cabinet Member for Adults' Health and Social Care) advised the meeting of the continuing concerns of Wroughton and Wichelstowe residents about the proposed tunnel at Junction 16.

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

- a) The Local Transport Plan (LTP) Implementation Plan for 2017/18.
- b) The Local Transport Plan Capital Programme budget categories and total spend for 2017/18, as detailed in Tables 1 to 8 of the Implementation Plan attached as Appendix 3 to the report.
- c) The allocation of the 2017/18 Highways Maintenance Incentive Fund as set out in paragraph 3.8.

(2) That, subject to approval of the Local Transport Plan Implementation Plan by Council, the Head of Highways and Transport, in consultation with the Cabinet Member for StreetSmart, Highways, and Transport, be authorised to:

- a) Prioritise schemes in accordance with Vision for Swindon priorities.
- b) Approve scheme progression in accordance with the updated Protocol (attached as Appendix 2 and originally approved by the Cabinet in July 2010 Cabinet Minute 23, 2010/11 refers).
- c) Amend the Protocol to reflect changing job titles, organisational restructuring, and improved input from and visibility to Councillors.
- d) Vary allocations between different budget categories
- e) Approve variations in scheme costs.
- f) Add/substitute schemes, provided expenditure is contained within the approved total budget.
- g) Develop and submit a bid to the National Productivity Investment Fund and to any other relevant funding opportunity that might be launched by Government, or other funding agencies, for transport schemes that will benefit Swindon and which are in accordance with Vision for Swindon priorities.

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

123. Draft Airports National Policy Statement

Councillor Garry Perkins, the Cabinet Member for the Economy, Regeneration and Skills, and the Corporate Director, Economy, Regeneration and Skills, submitted a joint report responding to Council's decision at its meeting on 10th November 2016, that the Cabinet Member report to Cabinet, when practicable, on how Swindon can

take advantage of Heathrow's expansion (Council Minute 62 2016/17 refers). The report set out the Council's proposed response to the Government's consultation on the draft Airports National Policy Statement.

It was noted that the Government's proposed policy in relation to the provision of airport capacity was important to Swindon, which had benefitted from good access to Heathrow Airport, as this was a factor in persuading international businesses to establish and maintain a presence within the Borough. It was the Cabinet Member's and Corporate Director's view that it was important to the Borough's economy that Heathrow Airport continues to operate as the United Kingdom's premier international gateway and that, accordingly, it was important for the Borough Council to make its views known by responding to the consultation.

Councillor Perkins and Councillor Martin emphasised the importance of a direct rail link to Heathrow from the west, which would aid Swindon's economy and businesses by reducing the journey time to less than an hour.

Resolved – (1) That the Corporate Director, Economy, Regeneration and Skills, be authorised to respond to the Government consultation on the draft Airports National Policy Statement by:

- a) Welcoming the Government's decision to expand runway capacity in the south-east through the construction of a third runway at Heathrow Airport, given the importance of Heathrow as the main international gateway for Swindon's business community and residents.
- b) Endorsing the Government's assessment that such expansion at Heathrow Airport will provide the greatest economic benefit for the UK, including to Swindon, through enhancing the potential for increased inward investment in the town by multi-national businesses taking advantage of Swindon's easier access to international markets.
- c) Recognising that expansion at Heathrow Airport will complement the Council's Economic Strategy objectives to maintain Swindon's competitiveness as a location in which new and existing businesses will be able to thrive, notably through the reduced journey times taken to access the Airport from Swindon with the Western Rail Link to Heathrow in place.
- d) Supporting the objectives within the draft NPS to promote improved public transport access to Heathrow Airport, and to specifically urge Government to ensure that the Western Rail Link to Heathrow, with the attendant benefits that it will bring to communities along the Great Western Corridor, be prioritised for delivery in 2024 in accordance with the current construction programme for the scheme.

(2) That the Cabinet Member for the Economy, Regeneration, and Skills, report this decision to Council.

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

124. Draft Economic Strategy for Swindon to 2026

Councillor Garry Perkins, the Cabinet Member for the Economy, Regeneration and Skills, and the Corporate Director, Economy, Regeneration and Skills, submitted a joint report seeking approval of the revised draft Economic Strategy, setting out the Council's Vision, Objectives and Actions to accelerate growth in Swindon's

economy over the next ten years. The report also sought approval to going out to public consultation on the draft Economic Strategy with a view to a further report to Cabinet and Council, for final signing off of the Strategy, in the Autumn of 2017. Councillor Perkins identified how the strategy, once adopted, would be used to promote inward investment and secure access to government funding.

It was noted that, in producing the draft Economic Strategy (Appendix A to the report), officers had engaged with central Government departments, Swindon and Wiltshire Local Enterprise Partnership (SWLEP), businesses, business service providers, Thames Valley Chamber of Commerce and business networking groups.

In light of the recent announcement of a general election, Councillor Perkins moved an amendment delaying the start of the consultation.

Resolved – (1) That the revised draft Economic Strategy, which sets out the Vision, Objectives and Actions for Swindon's economy over the next ten years, be approved for the purposes of public consultation.

(2) That the Cabinet Member for the Economy, Regeneration and Skills, and the Corporate Director, Economy, Regeneration and Skills, submit a further report on the adoption of the Strategy to Cabinet and Council for approval by the Autumn of 2017, having taken into account comments made during the consultation process.

(3) That it be noted that the consultation process would be commenced on 9th June 2017.

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

125. Libraries Strategy - Alternative Delivery Models

Councillor Mary Martin, the Cabinet Member for Communities, and the Head of Localities, Community Involvement and Volunteering, submitted joint report seeking approval to consult on the establishment a Public Services Mutual (PSM) organisation, established as a charity, to deliver Swindon's Library Strategy for promoting and increasing literacy and learning. This proposal responded to the Cabinet decision at its meeting on 8th February 2017 to conduct an options appraisal to consider alternative delivery models for the Council's Library Service (Cabinet Minute 94 2016/17 refers).

It was noted that approval of the recommendations in the report would initiate consultation on the preferred option to establish a Public Services Mutual, the development of a viable business plan and the development of appropriate contractual, governance and staffing arrangements that would be required to establish a PSM as the basis on which the core Library Services will be delivered.

Councillor Jim Robbins (Mannington and Western Ward) asked questions seeking clarification on elements of the legal advice referred to in paragraph 5.4 of the report. Councillor Martin and the Director of Law and Democratic Services responded at the meeting.

In light of the recent announcement of a general election, Councillor Martin moved an amendment proposing a delay in starting the consultation.

Resolved – (1) That the Head of Library Services, in consultation with the Cabinet Member for Communities, the Head of Localities, Community Involvement and Volunteering, the Corporate Director Resources and Transformation, the Director of Finance (s151 Officer) and the Director of Law and Democratic Services:

- a) Develop a viable business plan for the Public Service Mutual (hereafter referred to as PSM), that meets the financial framework for the service, and sets out appropriate arrangements for the treatment of assets, back office costs, charges for services to non-core community-led Library services and staff transfer and pension arrangements.
- b) Consult with Library staff, Councillors, Friends of groups and supporters, and Library users about the intention to establish a PSM for the delivery of Library services, and the ownership and governance arrangements for the new organisation.

(2) That the Head of Localities, Community Involvement and Volunteering, in consultation with the Cabinet Member for Communities, the Corporate Director Resources and Transformation, and the Director of Law and Democratic Services:

- c) Develop an appropriate governance, client and contractual model that would apply between the Council and a PSM for the delivery of the Library Strategy.
- d) Report to a future meeting of Cabinet appropriate recommendations regarding the establishment of a PSM, subject to the outcomes of the consultation, the development of a viable business plan, and further legal and procurement advice.
- e) Seek financial support from the Department of Culture, Media and Sport (DCMS) to meet the costs of professional advisers to support the development of the business plan for the PSM.
- f) Draw down a sum of up to £30k from Libraries transitional funding to enable a joint funding arrangement to be established with DCMS to meet the costs of developing a viable business for the PSM.

(3) That it be noted that the consultation process would be commenced on 9th June 2017.

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

126. Swindon Libraries - Children's Library Membership

Councillor Mary Martin, the Cabinet Member for Communities, and the Head of Localities, Community Involvement and Volunteering, submitted joint report seeking Cabinet's approval of a scheme by which the Register Office staff would make parents more aware of the library service when they come to register their child.

The report addressed the financial and other implications of a motion to Council at its meeting on 26th January 2017, seeking the establishment a library card scheme where children would automatically become library members when their parents register their birth. It was noted that, in accordance with Standing Order 9(1), the motion had been referred, without discussion, to Cabinet.

Councillor Jim Robbins the seconder of the original motion at Council, spoke on behalf of Councillor Fay Howard, who had moved the motion at Council but was not in attendance, to thank the Cabinet Member for the report.

Resolved – (1) That the adoption of a scheme to encourage children's membership

of the Library Service, as detailed in the report, be approved.

(2) That Councillor Mary Martin, the Cabinet Member for Communities, report this decision to Council.

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

127. References from Other Council Bodies - Health and Wellbeing Board

Councillor Brian Ford, the Cabinet Member for Adults' Health and Social Care, and the Director of Law and Democratic Services, submitted joint report inviting Cabinet to consider references from the meeting of the Health and Wellbeing Board held on 15th March 2017 that (i) the Health and Wellbeing Strategy Refresh 2017, and (ii) the Swindon Tobacco Control Strategy 2017-2022, be adopted.

Resolved – That the “Health and Wellbeing Strategy Refresh 2017” and the “Swindon Tobacco Control Strategy 2017-2022” be adopted.

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

128. Wichelstowe Parcels 2 & 3

Councillor Toby Elliott, the Cabinet Member for Strategic Planning and Sustainability, and the Corporate Director, Economy, Regeneration and Skills, submitted a joint report seeking approval to progress the delivery of residential development at Wichelstowe on land known as parcels 2 and 3.

Resolved – (1) That the Corporate Director, Economy, Regeneration and Skills, in consultation with the Cabinet member for Strategic Planning and Sustainability, be authorised to proceed with planning the development of parcels 2 and 3 at Wichelstowe (“the land”).

(2) That the Corporate Director, Economy, Regeneration and Skills, in consultation with the Cabinet Member for Strategic Planning and Sustainability, prepare the business case for Wichelstowe Parcels 2 and 3 and, following its consideration by the Commercial Investment Board and CMAG, submit the business case to the June Cabinet meeting for approval.

(3) That the Director of Law and Democratic Services consider terms for the transfer of the land and report these to the June Cabinet meeting for approval.

(4) That the Director of Law and Democratic Services, in consultation with the Cabinet Member for Strategic Planning and Sustainability, also consider the appropriate company structure and necessary legal processes and report these to the June Cabinet for approval.

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

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Budget Management 2016-17

Cabinet

Date: 14th June 2016

Authors:	Cabinet Member for Finance and Commercialisation, and Corporate Director for Resources and Transformation
Wards:	All
Locality Affected:	All
Parishes Affected:	All

1. Purpose and Reasons

- 1.1 This report presents the 2016-17 Revenue Budget out-turn based on actual expenditure incurred during the Financial Year-ending 31st March 2017.
- 1.2 The effective management of financial resources through robust financial management processes underpins the Council's ability to achieve its plans and priorities.
- 1.3 Responsible budget management helps ensure that the Council consistently makes the best use of all available resources as well as providing focus for the Council's transformation programmes.

2. Recommendations

Cabinet is recommended to:

- 2.1 Note the 2016-17 Revenue Budget out-turn for each service area set out in Table One and Appendix One;
- 2.2 Agree the proposal to increase the planning fees and charges by 20% from 1st July 2017 in line with government guidelines;
- 2.3 Authorise the extension of the remit of the work that can be delivered by Public Powers Solutions Ltd under the Teckal exemption in Regulation 12 Public Contracts Regulations 2015 , as set out in paragraphs 3.19 to 3.22;
- 2.4 Authorise the Corporate Director Economy, Regeneration and Skills in consultation with the Corporate Director Resources and Transformation, to appoint PPS to deliver those works under the Teckal arrangement pursuant to Regulation 12 of the Public Contracts Regulations 2015 as it is currently Teckal compliant, and that Standing Orders relating to Contracts be waived if necessary, provided best value can be demonstrated.
- 2.5 Authorise the extension of the working capital loan facility to Public Power Solutions Ltd until 31st December 2018.

Further information on the subject of this report can be obtained from Mick Bowden on Direct Dial No. 07392 109917 or Email mbowden@swindon.gov.uk

Budget Management 2016-17

Cabinet

Date: 14th June 2016

3. Detail

2016-17 General Fund Out-turn

- 3.1 The Council achieved a balanced position in the final out-turn for the financial year ending 31st March 2017. This reflects the impact of the revised approach for the repayment of debt, approved by Council in February 2017 (Council Minute 87, 2016/17 refers).
- 3.2 The other significant changes since the last report to Cabinet are:
- 3.2.1 A worsening of the position on Adults of £293k as a result of an adverse court ruling in relation to Continuing Health Care funding for a social care client with an estimated cost of £367k. This has been partly mitigated by a number of favourable movements within the service since the last report;
- 3.2.2 An improvement in the position of Chief Executive of £196k. This is primarily as a result of improvements in the position for Revenues and Benefits of £170k;
- 3.2.3 An improvement in the position on Communities and Place of £313k. This is primarily due to lower than expected costs within the fleet workshop at Waterside of £115k and Highways and Transport budgets of £141k;
- 3.2.4 An improvement in the position on Corporate of £198k as a result of a number of movements.
- 3.3 The budget and out-turn by Department is set out in Table 1 below.

Table 1 – Out-turn By Department

Department	Budget 2016/17 £'000	Actual Out-turn £'000	Actual Variance £'000	Movement since last report £'000
Adult Services	72,595	77,563	4,968	293
Children Services	26,391	28,132	1,741	(30)
Communities and Place	28,137	31,719	3,582	(313)
Economy	(871)	(658)	213	78
Chief Executive	4,226	3,946	(280)	(196)
Resources	20,037	18,750	(1,287)	(75)
Corporate	(15,289)	(24,226)	(8,937)	(198)

Further information on the subject of this report can be obtained from Mick Bowden on Direct Dial No. 07392 109917 or Email mbowden@swindon.gov.uk

Budget Management 2016-17

Cabinet

Date: 14th June 2016

Total General Fund	135,226	135,226	0	(441)
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Housing Revenue Account (HRA)

- 3.1 The HRA revenue budget overspent by £255k over the year. This was a combination of underspends including £472k in the area of Estate Management, £81k in Specialist Services (mainly service charge costs), £393k on Repairs and Maintenance, offset by an overspend of £1.201m on Capital Financing costs.
- 3.2 The primary reasons for the overspend on Capital Financing include an increase in the bad debt provision of £391k against budget, an increase in the depreciation charge of £1.082m (including the Revenue Contribution to Capital Outlay budget). This was offset by a reduction in the level of funding required for Discretionary Housing Payments (DHP) of £197k and an increase of £78k in interest received on reserve balances.
- 3.3 The net overspend of £255k will be transferred from HRA revenue reserves which decreased from £12.7m at the end of March 2016 to £12.4m at March 2017 as a result.
- 3.4 Capital Reserves have increased from £21.1m to £23.0m. This sum comprises £4.0m of Right to Buy receipts held for new build which have increased by £1.8m in year. They also comprise £18.8m to fund existing capital programme approvals.
- 3.5 At year-end, HRA debt stood at £125.532m, which compared to the debt cap of £172.4m leaves "headroom" of £46.868m.

Dedicated Schools Grant (DSG)

- 3.6 The Schools Budget is entirely funded by Government through the Dedicated Schools Grant (DSG). The final total of DSG receivable for 2016-17 is estimated at £162.59m, subject to the Department for Education (DfE) confirming the Local Authority's recalculation of the Early Years' element. In accordance with the DfE's school funding reform programme, the majority of DSG funding was delegated to Schools and Academies although the Local Authority retained a proportion of funding for Special Educational Needs (SEN) pupils. This was subsequently paid over to specialist settings both within Swindon and outside the Borough based on actual occupancy, and the needs of individual pupils.
- 3.7 The Local Authority received funding to meet the costs of free nursery education for disadvantaged two-year olds and all three and four-year old pupils. This was paid over to early years settings based on actual occupancy during the year. There was a decrease in the DSG funding expected to be received mainly due to lower than anticipated participation. During the year the Council was identified

Further information on the subject of this report can be obtained from Mick Bowden on Direct Dial No. 07392 109917 or Email mbowden@swindon.gov.uk

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as one of the early implementers of the 30 hours provision for disadvantaged children, the full roll out of this programme will commence this September.

- 3.8 The total of the 2016-17 centrally retained budget approved by the Schools Forum was £31.498m, of which £30.483m is paid to out to meet education needs, with £1.015m being retained to meet central costs.
- 3.9 The 2016-17 out-turn against the retained budget is an underspend of £359k, which is £30k less than the projection at the end of February.
- 3.10 The most significant items changes from budget during the year were an overspend on specialist and mainstream high-need top up payments due to higher levels of demand and increased complexity of pupils needs of £235k This was offset by an underspend on the Post 16 HN budget of £372k.
- 3.11 The DSG brought forward reserves of £209k from 2015-16 and after allowing for the 2016-17 in-year underspend of £359k, will carry forward a balance of £568k to 2017-18.
- 3.12 The DSG is a ring-fenced grant and local authorities are allowed to overspend their DSG allocation, with that amount being the first call on the DSG received in the following financial year.

Changes to Planning Fees & Charges

- 3.13 The Government, which sets planning fee levels, has introduced a new charging regime for planning applications, which allows Local Planning Authorities to increase fees by 20% from 1st July 2017 should they wish to on the condition that the increase will be spent entirely on planning services. It is considered that this provides a more accurate reflection of the cost of determining applications.
- 3.14 The Council is currently experiencing an increase in the number of applications for planning permission, which is a positive indicator of economic growth and prosperity. Currently the Planning Department is dealing with strategic applications for town expansion to the north, south and east of the town as well as complex town centre schemes, in addition to an increasing number of householder proposals.
- 3.15 Many of the larger applications can take several years to be determined due to the complexity of issues associated with them, placing significant pressure on the department, which needs to be appropriately resourced to ensure that schemes are dealt with in a timely and appropriate manner.
- 3.16 The Government acknowledged this as an issue for all Local Authority Planning Departments and has reset the planning fee structure as a result. The increase in fees is welcomed and is essential if the Council is to meet its priorities particularly

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around improving infrastructure and housing to support a growing, low carbon economy.

- 3.17 Based on a similar number and type of applications to that processed in 2016/17, this would result in an increase in planning fees from £1.36m in 2016/17 to £1.56m in 2017/18 based on applying the increase from July 1st and therefore a part year. Fee income based on a full year and therefore comparable to the £1.36m 2016/17 figure is £1.63m which would therefore provide an additional £0.27m per annum of planning income from 2018/19 and beyond, again assuming a similar number of applications to 2016/17.
- 3.18 Given the Administration's commitment to managed housing growth, as set out in Priority One and Pledges 6, 7, 9 and 14 of the Council's Vision, Cabinet is requested to approve the proposal to increase planning fees and charges by 20% as set out in Appendix 2.

Public Power Solutions Ltd (PPS)

Teckal

- 3.19 In a report to Cabinet on 23rd October 2013 ("Swindon Commercial Services Ltd Update") authorisation was given to the Board Director, Commissioning to engage Swindon Commercial Services Ltd, to advise on the development of business cases for PV arrays on Council-owned land, with such costs being absorbed by SCS, and Standing Orders relating to Contracts being waived if necessary (Cabinet Minute 57(8), 2013/17 refers).
- 3.20 In response to the reduction in Government Subsidies, PPS has reviewed its target market to cover a wider Renewable Energy remit and PPS will develop and submit draft business cases to the Council including, but not limited to, renewable energy strategy delivery, solar development, storage, heat and transport.
- 3.21 The business cases will be evaluated through the Commercial Investment Strategy Board and the cost of the development of the business cases will be met by PPS.
- 3.22 Should the Council decide to commission the project, Cabinet is requested to authorise the Corporate Director Economy, Regeneration and Skills in consultation with the Corporate Director Resources and Transformation, to appoint PPS to deliver the works under the Teckal arrangement pursuant to Regulation 12 of the Public Contracts Regulations 2015 as it is currently Teckal compliant, and that Standing Orders relating to Contracts be waived if necessary, provided best value can be demonstrated.

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Working Capital Loan Facility

- 3.23 PPS are reporting a profit of £0.2m for the year to 31/03/17, subject to the conclusion of the external audit and testing of subsequent events. PPS's existing working capital loan facility is for £1.25m, this was last renewed up to December 2017.
- 3.24 PPS will shortly be repaying a further £0.25m of this loan facility, this in addition to the £2m of repayments made in 2016. This loan repayment will be triggered on receipt of funds from Phase 2 of Common Farm.
- 3.25 PPS have recently revisited their business plan and have an encouraging sales pipeline including further SBC assets; PPS are also implementing waste innovations that are leading to further cost savings and landfill reductions.
- 3.26 PPS have requested that the working capital loan facility of £1.25m is kept in place until at least December 2018, which is line with completion of the agreed PPS Business Plan objectives.

4. Alternative Options

- 4.1 Cabinet could decide not to approve the proposed changes to the planning fees and charges, however, this is not recommended as it would mean that the Council will forgo income of £200k in 2017-18 that would otherwise have been available for the investment in resource to manage and support the planning application process.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 The planning fees are set by the Government with options being offered for 2017-18 of a 20% increase linked to investment in the service or to continue with current charges. If approved by Cabinet, this would generate approx. £200k in 2017-18 in additional revenue to invest in resource to manage and support the planning application process.
- 5.2 The out-turn position above has utilised £288k of the £2.6m one-off resources approved by Cabinet in July 2016 to support the 2016/17 budget (Cabinet Minute 26, 2016/17 refers).

Legal and Human Rights Implications

- 5.3 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)

- 5.4 There are no such direct implications.

Diversity Impact Assessment

- 5.5 A Diversity Impact Assessment (DIA) has not been done as this report is reporting performance in the last financial year and does not make any recommendations to reprioritise the future funding of services.

Risk Management

- 5.6 None other than those highlighted in the body of the report. Individual schemes will have individual Risk Assessments and DIAs.

6. Consultees

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

7. Background Papers

- 7.1 None

8. Appendices

- 8.1 Appendix 1 – Forecast Out-turn by Directorate 2016-17

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 June 2017.

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Fund	Tier 1 Pillar	Tier 2 Function	Budget 2017/18 £'000	Actual Out- turn 2017-18 £'000	Actual Variance 2017-18 £'000	Movement since last report 2017- 18 £'000	Commentary on Reasons for Variance for the Year
General Fund	Chief Executive	Internal Audit	376	341	(35)	(2)	Vacancy savings
		Law & Democratic Services	3,850	3,605	(245)	(194)	Vacancy savings £105k, other FM expenses £30k, additional income £15k and Government settlement of 'dual election' provision £25k mitigating the additional cost of cremator maintenance contract £70k and locum legal costs £35k. Within Revenues and Benefits an adverse variance on the benefits payments/subsidy of £37k and a shortfall on court costs income of £41k is mitigated by £75k of one-off income from DWP, £131k in-year savings on Capita contract and £47k savings arising from vacancies and general expenses.
	Resources		4,226	3,946	(280)	(196)	
		Finance	4,180	3,659	(521)	1	Saving of £500k on insurance following a review of the insurance reserve. Savings on vacancies partially offset by increased temporary staff costs and reduced fee income.
		Corporate	(15,289)	(24,226)	(8,937)	(198)	Main changes are on Treasury and relate to the revised approach for the repayment of debt agreed by Council in February 2017 resulting in a saving of £5,364k along with a reduction of £556k on interest paid, increase in investment income received of £471k. In addition, transformation programme costs of £768k along with £509k of costs associated with the sale of Thamesdown Transport will be funded from £1.3m usable capital receipts. Redundancy and early retirements costs of £768k. An in year review of provisions and reserves identified £1.029k to be written back into revenue plus above budgeted income from renewables of £376k, NNDR s31 grants of £97k and New Homes Bonus of £60k. Write off SEQOL debt £506k. Release of corporately held budgets not required in year relating to pay, utilities and superannuation inflation £1.541m plus the release of the corporate contingency of £507k. £288k of the one off funding of £2.6m approved by Cabinet in July 2016 was funded from the cashflowing reserve.
		IT	5,315	5,209	(106)	(38)	A review of licence costs identified £68k of savings, Other variances across all budgets contributed a further underspend of £38k
		Transformation	1,070	988	(82)	0	Vacancy savings
		Performance, People & Engagement	2,996	2,818	(178)	(15)	Vacancy savings of £194k plus other operational savings of £9K mitigating loss of income due to the closure of the print room mid-year £25k.
		Business Services & Support	6,476	6,076	(400)	(23)	Delays in the SWIFT project resulted in a £120k saving against additional costs built into the budget. Vacancy savings of £112k, £29k additional traded income of £29k and £139k saving across operational budgets due to the expenditure freeze.

Fund	Tier 1 Pillar	Tier 2 Function	Budget 2017/18 £'000	Actual Out- turn 2017-18 £'000	Actual Variance 2017-18 £'000	Movement since last report 2017- 18 £'000	Commentary on Reasons for Variance for the Year
	Economy	Routes to Employment	4,748 284	(5,476) 224	(10,224) (60)	(273) 2	Vacancy savings of £9k, additional internal and external funding contributions of £40k and a reduction in planned commissions £12k.
		Property & Assets	(2,944)	(3,095)	(151)	(23)	The £500k income target linked to one off receipts was exceeded in total by over £150k. The income for 16-17 was largely gained from covenant release of £225k, re-letting of a major 'void' of £105k and non-recurring / backdated income of £320k.
		Growth & Regeneration Planning & Regulatory	742 1,047	694 1,519	(48) 472	(1) 100	Property rental income greater than budgeted. Pressures from across the service include unachieved savings target due to a delay in the timeline for the Lydiard tender process of £100k, shortfalls on income from car parking and catering of £275k and staff cost pressures of £250k. These have been partly mitigated by vacancy savings, savings on contracts and additional income across the service.
	Children Services	Management	(871) 58	(658) 36	213 (22)	78 (2)	Staff savings following management restructure.
		Skills & Attainment	1,948	1,955	7	(2)	Minor variances
		Children, Families and Community Health Services	24,385	26,141	1,756	(26)	There have been a number of pressures within Children's the main ones being an increase in demand for placements £1.248m, the use of Agency staff to cover vacant posts, sickness and maternity cover of £800k and a pressure of £263k on the budget funding legal counsel fees, applications and staff costs as a result of an increase in demand. These have been partially offset by staff savings and various other net savings across the service of £566k.
	Adult Services	Adults	26,391 60,421	28,132 65,451	1,741 5,030	(30) 305	The challenging 16-17 savings targets and demand pressures around Older People and Learning Disability transition cases were the main reason for the additional spend. The 16-17 savings target was set at £6.1m and actual savings were logged at £3.9m. In additional, the hospital has seen a large rise in demand for support for Older People and additional services such as Pilot Beds and Bridging contracts have been required to support timely discharges from hospital.
		Public Health	12,174	12,112	(62)	(12)	Vacancy savings
	Communities and Place	Libraries & Localities	72,595 3,137	77,563 3,309	4,968 172	293 (48)	A part year saving of £300k attributable to the Library Strategy was not achieved until April 2017. An overspend in localities budget of £50k related to the timing of a staffing restructure. This was partly mitigated by an in year underspend of £178k across all expenditure heads across the Library and community centre budgets .

Fund	Tier 1 Pillar	Tier 2 Function	Budget 2017/18 £'000	Actual Out- turn 2017-18 £'000	Actual Variance 2017-18 £'000	Movement since last report 2017- 18 £'000	Commentary on Reasons for Variance for the Year
		Streetsmart	11,290	14,045	2,755	(216)	The main variance relates to the agreed changes to the waste disposal gate fees and contract to operate the Household Waste Recycling Centre at Waterside accounted for £2.5m of the increase. An increase in waste volumes over the levels anticipated cost £100k and there was a £62k shortfall in recycling income relating to a prior year. Additional one - off salary costs of £300k in the waste & recycling service due to the following: (a) additional staffing costs in relation to an unreliable fleet. New vehicles have now been delivered. (b) the impact of long term sickness absence. Sickness absence is being closely monitored and managed through HR process. (c) the part year savings target from the rerouting of the service which were effective from 31st October, 2016 have not been fully delivered but will be in place for 1st April 2017. 3. Car parking budgets as a whole recorded a £50k overspend. The budget for repairs due to anti social behaviour was £45k overspent. 4. Fleet and stores budgets at waterside recorded an underspend of £400k, representing £200k of one-off financing costs for the waste and recycling fleet purchased in year, £100k on fuel costs and £100k on materials
		Housing Services	318	812	494	92	Increased demand for accommodation for homeless families in a market where rental costs are rising and preventative work to support these families has added a pressure of £330k. This is combined with a net pressure on Community Safety costs of £72k primarily due to a shortfall on income from Public Space Protection Orders
		Infrastructure Assets excluding HRA	13,392	13,553	161	(141)	The costs of transporting an increased number of Special Education Needs students was £270k over budget. Mainstream home to school transport was £90k under budget; highway maintenance was £130k over budget due to a shortfall in works recharged to the capital programme and external contract spend to deliver work. other in-year vacancy and non staffing savings across highways and transport reduced the overspend.
			28,137	31,719	3,582	(313)	
General Fund Total			135,226	135,226	0	(441)	
Health	Health Commissioning	Adult Services	13,707	14,552	845	(415)	Rise in Funded Nursing Care grant of over 40% approved by Department of Health mid year and rise in demand for equipment services.
		Children Services	1,793	1,896	103	(64)	A rise in demand for health support of children in Child Placements.
		Funding from Swindon CCG	(15,500)	(16,448)	(948)	34	Rise in funding provided to meet rising cost of Funded Nursing Care and demand for placements.
	Health Service Delivery	Children's Health Delivery Services - CCG Funded	0	0	0	168	CCG funding revised to reflect change in costs and demand for services.
Health Total			0	0	0	(277)	

Fund	Tier 1 Pillar	Tier 2 Function	Budget 2017/18 £'000	Actual Out- turn 2017-18 £'000	Actual Variance 2017-18 £'000	Movement since last report 2017- 18 £'000	Commentary on Reasons for Variance for the Year
Dedicated Schools Grant	DSG Commissioning	DSG Skills and Attainment	85,227	80,521	0 (4,707)	(18)	Reduction in spend for schools that converted to academies £3m, reduction in Early years spend £1.685m. There was an overspend in the High Needs top-up budget of £235k for the year, this was offset by an underspend on the Post 16 HN budget of £372k. Only £42k of the High Needs contingency budget was spent in year meaning that this budget underspent by £210k during the year.
Dedicated Schools Grant	DSG Commissioning	DSG Skills and Attainment Funding	(85,227)	(80,521)	4,707	406	There is a reduction in the income received due to lower than budgeted numbers of children accessing Early Years provision. In addition 2 schools converted to academies in year which reduced the DSG receivable by £3m.
Dedicated Schools Grant Total			0	(0)	(0)	389	
Housing Revenue Account	Housing Revenue Account	Supervision & Management	(36,534)	(37,006)	(472)	(324)	Rent income received was higher due to conversions to Affordable Rents £256k combined with reductions combined with savings across administrative services of £216k
		Special Services	209	128	(81)	370	The combination of reduced running costs across all schemes totalling £104k.
		Repairs	10,837	10,444	(393)	(341)	Income from rechargeable works combined with a significant amount of work that was capitalised has saved c £393k
		HRA Capital Financing	25,488	26,434	946	946	The impact of increased capital spend and revaluation of assets resulted in a depreciation overspend of £1.1m. In addition, the bad debt provision required to meet rising debts due to Universal Credit was also £360k in excess of budget. This has partly been offset by savings in the DHP contribution required and other savings.
Housing Revenue Account Total			0	0	0	651	
					0		
Grand Total			135,226	135,226	(0)	322	

Housing Revenue Account Medium Term Financial Plan

Cabinet

Date: 14th June 2017

Author:	Cabinet Member for Housing and Public Safety and Corporate Director, Communities and Place
Wards:	All
Parishes Affected:	All

1. Purpose and Reasons

- 1.1 This report sets out the Housing Revenue Account Medium Term Financial Plan “MTFP” over the next 30 years.
- 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 Endorse the Medium Term Financial Plan set out at Appendix 1.
- 2.2 Note that the plan will be updated annually to take into account changing policies and updated survey information.

3. Detail

Medium Term Financial Plan

- 3.1 This business plan is produced in order to set out the Council’s overall aims and objectives for the housing service, as a landlord for over 10,200 homes. Since April 2012 when “self-financing” was introduced, the Council’s HRA (Housing Revenue Account) took on a significant amount of debt, which needs to be financed from within the rent income generated itself.
- 3.2 There is a significant projected under investment in the council housing stock. The key focus for the Council is the medium term horizon and the next five years in particular. Recent Government policy changes have enforced an annual reduction in rents of 1% per annum for the 4 years to 2019/20 (other than for supported housing where this was delayed until 2017/18). This will directly affect the amount of funding available for capital investment and assumed in the previous financial plan.
- 3.3 The Council’s projections show a balanced revenue budget over 5 years, with revenue support to the capital programme of £134.9m (including Responsive and Cyclical Maintenance) compared with an investment requirement of £163.9m inflated over the same period. This is based on assumptions around rent

Further information on the subject of this report can be obtained from Ian Burbidge on (01793) 464384, or Email iburbidge@swindon.gov.uk.

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increases being implemented in year 4 onwards, as well as around inflation costs, all of which are detailed in the MTFP itself.

- 3.4 The investment requirements used to formulate the plan are based on the output of a finalised Stock Condition Survey report commissioned in April 2016.
- 3.5 In 2010 the Government announced that the historic HRA subsidy system would be abolished in return for a one off payment, for Swindon this was set at £138.6m. Swindon reviewed its' HRA business plan, and this identified that the funding available under the new policy was not sufficient in the short term (1-10 years) to maintain the homes to the desired quality. The Council therefore concluded that the tenants would see more improvement in the quality of their homes if they transferred to a housing association. In 2011 this option was put to tenants in a ballot giving them the option of transfer which would have enabled a new organisation to invest in improving their homes. Tenants opted to stay with the Council as their landlord, and it is now widely accepted and understood that the Council would have insufficient funding to meet all of the short term investment requirements for their homes.
- 3.6 The key messages from the current Medium Term Financial Plan is that as recognised in 2012, there continues to be a significant shortfall in funding available in the next 5 years. As a result of this shortfall the investment will continue to be prioritised and will be directed largely towards:
- 3.6.1 maintaining homes to the Decent Homes Standard
 - 3.6.2 undertaking structural repairs to the non- traditionally built stock where viable to do so, and
 - 3.6.3 re-categorisation of the sheltered housing stock where finances allow
- 3.7 Although the Government has introduced a requirement for 1% rent cuts for the 4 year period to 2019 (other than delaying this change until 2017/18 for sheltered/supported housing), there is no visibility around rent levels beyond this. The MTFP has been prepared on the basis of a 3% annual increase from 2020, but this assumption materially affects the outcome of the plan in estimating future resources. One possible option is that the future national rent policy will be linked to the organisations appetite to develop additional affordable housing. The MTFP will be kept under review, and will be updated once Government policy for social housing and rents become clear.

4. Alternative Options

- 4.1 The Medium Term Financial Plan reflects the future financial position of the HRA based on current policies. It is therefore good business practice that an MTFP is produced to aid future decision making through identifying the financial impact of those decisions.

Further information on the subject of this report can be obtained from Ian Burbidge on (01793) 464384, or Email iburbidge@swindon.gov.uk.

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5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 The underlying message from the current business plan is that there is insufficient revenue resources to meet the capital needs of the HRA.
- 5.2 The current plan identifies a need for an additional £29m of capital over the next 5 years, and this is consistent with previous business plans and the options appraisal in 2012. The HRA does have the capacity to borrow an additional £47.1m before it reaches the borrowing limit imposed by Government, any additional borrowing needs to be considered against the desire to build new property whilst maintaining the existing stock. The current cost of borrowing over 50 years from the Public Works Loan Board is 2.32%, therefore for each £1m borrowed the HRA debt cost would increase by £43.2k per annum (interest 23.2k plus capital repayment £20k).
- 5.3 This plan supports the current approach of prioritising investment in new build properties in order to meet growing housing needs. This approach will also enable some of the more expensive to maintain stock to be demolished and replaced with new homes, similar to the recently completed Sussex Place regeneration.
- 5.4 Currently the HRA capital repairs team are entering in to contracts to ensure effective use of the £15.7m of funding available in 2017/18, (in 2016/17 £13.4m of the available £15.7m was spent). This underspend was due to a delay with letting a contract for windows and doors and 2nd phase for structural repairs to the non-traditional housing stock. Capital works are delivered through long-term contracts over a number of years and spend is being aligned to the available budget.

Legal and Human Rights Implications

- 5.5 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)

- 5.6 There are no such direct implications.

Diversity Impact Assessment (DIA)

- 5.7 There are no specific DIA impacts as a result of the plan itself. Any specific budgetary proposals generated as a result of the financial plan will be subject to individual DIAs.

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Housing Revenue Account Medium Term Financial Plan

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6. Consultees

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

7. Background Papers

- 7.1 None.

8. Appendices

- 8.1 Appendix 1 - HRA Medium Term Financial Plan
8.2 Addendum 1 - 30 Year financial operating account
8.3 Addendum 2 – Stock Investment Requirement

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

- 9.1 This is not a Key Decision.

Housing Revenue Account

Medium Term Financial Plan - Appendix 1

Introduction

- 1.1 This business plan is produced in order to set out the Council's overall aims and objectives for the housing service, as a landlord for over 10,200 homes. Since April 2012 when "self-financing" was introduced, the Council's HRA (Housing Revenue Account) took on a significant amount of debt which needs to be financed from within the rent income it generates.
- 1.2 Externally, the Council faces substantial changes in national housing policy, as well as financial issues more widely as a result of the National budget deficit, and therefore it is important that the Council has an up to date business plan that sets out its plans over the short, medium and longer term.
- 1.3 This plan has been updated to reflect the approved 2017/18 budget and rent reductions over the next 3 years. It has also been updated with the most recent stock condition survey information which informs future investment requirements.

Background

- 1.4 The HRA provides the income and expenditure associated with maintenance of the Council's housing stock. The Council is required to set an annual HRA budget and set the level of tenants' rents and other charges.
- 1.5 Under the Government's new system of housing finance from April 2012, the Council is required to plan over the longer term and develop a 30 year HRA Business Plan to manage and maintain its housing assets. The 30 year HRA Business Plan and five-year MTFP are considered in this report.
- 1.6 The HRA is a 'ring fenced' landlord account. The main features of the HRA are:
 - It is primarily a landlord account, recording expenditure and income arising from the provision of housing accommodation by local housing authorities;
 - The main items of income are from tenants in the form of rents from Council dwellings, commercial property and where applicable service charges
 - The main items of expenditure included in the account are management and maintenance costs, loan charges and depreciation costs.
- 1.7 The ensuing paragraphs provide details of the latest projections of the HRA and include:
 - A 30 Year HRA Business Plan
 - A 5 Year MTFP; (essentially a "snapshot" of the 30 year plan)
 - Capital Investment requirements

Further information on the subject of this report can be obtained from Ian Burbidge, Direct Dial Telephone Number 01793 464384, iburbidge@swindon.gov.uk.

Housing Revenue Account

Medium Term Financial Plan - Appendix 1

- details of the Governments policy guidance on rent levels from 2017/18
- details of future policy changes expected from 2017/18
- the HRA position on loans and investments;
- HRA levels of reserves.
- Links to the Housing Strategy

Detail

30 Year HRA Business Plan

- 1.8 Since “self-financing” was introduced in 2012, the HRA has had more financial freedom than that under the previous subsidy system, where any surplus from rents and other income over and above the costs of services were, in the case of Swindon, repaid to the Government as “subsidy”.
- 1.9 However under self-financing, a payment was made by the Council of £138.6m to the Government in order to “buy out” of the subsidy system. This resulted in total HRA debt rising to £150.5m, the HRA had pre-existing debt of £11.8m.
- 1.10 The self-financing payment figure was calculated by the Government based on a financial business plan over 30 years using a number of important assumptions, most notably around the level of future rent increases, the rate of Right to Buy sales and the level of “Right to Buy” receipts.
- 1.11 Government rent policy guidance, introduced nationally for local authorities in April 2002, had 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). The allocation of debt to Swindon was therefore calculated as being affordable based on rent increases in line with the policy in place at the time which has now changed and is detailed later on in this paper.
- 1.12 In 2015/16, the Government rent policy changed from that outlined above, to linking rent increases to a maximum of CPI + 1% for a period of 10 years. CPI is historically lower than RPI, so this change was expected to reduce the overall income generated from rents and therefore available for capital investment.
- 1.13 From 2016/17, the Welfare Reform and Work Act 2016 imposed an obligation on social landlords to reduce rents by 1% per year from April 2016 for a four year

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period (this change was delayed until 2017/18 for sheltered and supported accommodation). This reduction materially impacts the level of resources available for investment within the HRA. There is no clarity around rent policy beyond the 4 years and therefore the plan is highly dependent on future Government rent policy after 2019/20.

- 1.14 For sheltered and supported housing from April 2019, the proposal is to limit welfare claims to the Local Housing Allowance rate. If a top up is required to cover economic cost then grant funding will be made available to local authorities to administer.
- 1.15 Officers produce and regularly update a 30 year HRA business plan which is used to identify the impact of income and expenditure decisions, as well as to ensure that the capital programme is affordable, not just in the short term, but over the medium and long term. This business plan has been used to inform the 5 year HRA MTFP.
- 1.16 The following paragraphs detail the key assumptions that have been used in the HRA 30 year business plan calculations. These are:
 - 1.16.1 Rent changes to follow national guidance from 2016/17, reducing by 1% per annum for a period of 4 years. The rent assumption used for the business plan from 2020/21 and beyond is 3% per annum.
 - 1.16.2 Debt of c£125.5m as at 31/3/2017 continues to be repaid at a rate of £5m per annum.
 - 1.16.3 Inflation increases for Housing Management and Repairs and Maintenance expenditure based on RPI of 2.0% for year 1, and 3.0% thereafter.
 - 1.16.4 Void property at 1% pa throughout the business plan period, with all voids moving directly to target rent levels as is the current policy. This allows for the time a property is empty between lettings and is based on historic experience.
 - 1.16.5 Bad debt provision at 0.7% of rent income in line with existing 2016/17 budget forecasts. This will need to be reviewed as the impact of Universal Credit begins to impact rents collected.
 - 1.16.6 Annual Right to Buy sales assumed at 72 for year 1, decreasing to 60 per annum for all following years. This affects the overall level of rent income as property numbers reduce.
 - 1.16.7 A minimum working level of HRA revenue reserves of £4m

Further information on the subject of this report can be obtained from Ian Burbidge, Direct Dial Telephone Number 01793 464384, iburbidge@swindon.gov.uk.

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- 1.16.8 Capital Investment requirements based on the recent stock condition surveys in 2016/17, with construction inflation assumed at 2.0% p.a. in year 1 and 3% for the remaining term of the business case.
- 1.16.9 Impacts of the Asset Transfer agreed at Cabinet in February 2017 are incorporated in the Business Plan including the repayment of debt, the impact of transferring garages to the General Fund and the transfer of various houses from the General Fund into the HRA from the 1st April 2017.
- 1.16.10 It has been assumed that the Acquisitions Programme agreed in April 2017, will result in the purchase of 100 three bed properties over an 18 month period. These will all be let at an affordable rent.
- 1.17 The outputs of the modelling process over the full 30 year period are shown in Addendum 1 which shows the revenue account projected over the next 30 years. In summary, the results show:
- A revenue budget generating a surplus annually over the full 30 year period;
 - Housing debt paid off in full by the end of 2041/42
 - HRA reserves being maintained to at least £4m to cover contingencies
 - Capital programme shortfalls against investment requirements in the first 5 years of the Plan is circa £29m
- 1.18 The business plan model **does not include** at this stage:
- 1.18.1 The potential costs and income that will be generated by the Queens Drive Development which will be dependent on site capacity and planning requirements. A report will be brought to a future Cabinet with details of the proposals for Queens Drive, this report will provide an update on all of the new build programmes.
- 1.18.2 Investment requirements over and above that identified by the stock condition survey such as:
- A whole house retrofit approach when carrying out the exceptional extensive repairs to the non-traditional housing stock
 - Remodelling of sheltered schemes to bring them up to modern day standards (other than £750k allowance for any works to re-categorise stock)

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- Installation of new technology to make use of renewable energy such as solar Photo Voltaic (PV) or thermal energy and heat pumps etc.
- Regeneration of areas where it is not the most suitable option to repair non-traditional housing stock or improve the high-rise blocks of flats

1.18.3 Any use of borrowing headroom, (the difference between actual debt and the allowed limit)

5 Year Medium Term Financial Plan (“MTFP”)

Capital Investment Need

- 1.19 The HRA Capital Programme contributes significantly to the Housing Strategy Priorities by improving the condition of the housing stock and providing better homes with modern facilities which are warmer and more energy efficient.
- 1.20 The Council’s housing stock is maintained through its annual repairs and maintenance budget and improved and refurbished through its capital programme. The size of the capital programme depends on the balance between the need of the Council to improve its stock and the availability of funds to finance the improvements, mostly generated from tenant’s rents.
- 1.21 Stock investment requirements form a central part of the HRA Business Plan and these have been derived from recent survey information.
- 1.22 Funding for capital investment can be provided by the following sources:
- Contributions from revenue budget surpluses (The “surplus for investment” in the table below)
 - New Borrowing (up to the Government imposed “cap” of £172.6m)
 - Capital Receipts (mainly from Right to Buy sales)
 - Capital Grants, where available
- 1.23 The Stock Condition Survey (SCS) identified the investment requirements for the following 5, 10 and 30 year periods and indicated a potential shortfall of £76m within the first 10 years, which is fairly consistent with previous findings.
- 1.24 However, investment programmes have been developed to ensure that homes continue to meet the Decent Homes Standard and resources are aligned with the SCS results from finalised report produced in April 2016. The investment programme shows a budget allocation of £15.7 million per year (un-inflated) which equates to £78.5 million over the next 5 years.

Further information on the subject of this report can be obtained from Ian Burbidge, Direct Dial Telephone Number 01793 464384, iburbidge@swindon.gov.uk.

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- 1.25 The SCS survey results also identified an extensive investment requirement of £73.9 million for structural repairs and thermal improvement works to our non-traditional housing stock. A rolling programme of extensive repairs and full refurbishment works has commenced with investment of around £35k to £40k per property.
- 1.26 An assessment of the investment requirement to bring two of the high-rise blocks of flats up to a modern day standard, which has identified an investment need of approx. £3.4 million per block. An options appraisal has been undertaken to assess alternative investment approaches or decommission them as appropriate.

Next 5 Years

- 1.27 The key focus for the Council is the short to medium term horizon and the next five years in particular. The next 5 years have assumed that the 1% rent reduction continues until 2019/20 and thereafter the rent will revert to CPI +1% (currently estimated at 3%). During this period, an estimated rental stream of some £240.9m will be available to the Council to meet its management, repairs, investment and debt costs.
- 1.28 The headline figures from the Operating Account are shown in the table below, (there is an extra week's rental income in 2020/21 which reflects the "week 53" adjustment that occurs every 5-6 years).

5 Year Summary

	17/18	18/19	19/20	20/21	21/22	Total
Total Income	48,945	48,487	48,910	49,399	50,703	246,443
Total Expenditure	-12,924	-13,182	-13,578	-13,985	-14,405	-68,074
sub-total	36,021	35,305	35,332	35,414	36,298	178,369
Debt Repayment	-5,000	-5,000	-5,000	-5,000	-5,000	-25,000
Loan Interest	-4,028	-3,862	-3,696	-3,530	-3,364	-18,482
Surplus for Investment	26,992	26,442	26,635	26,883	27,934	134,887
Investment Required	33,622	29,878	32,343	39,698	28,351	163,893
Funding Shortfall	-6,630	-3,436	-5,708	-12,815	-418	-29,006

- 1.29 The Council's projections show a balanced revenue budget with revenue support to the capital programme of £134.9m (including Responsive and Cyclical Maintenance). This compares with an investment requirement of £163.9m over the same period, a total shortfall of £29m.
- 1.30 The SCS report breaks down all investment requirements into 5 year bands, other than for Future Major Works which is also provided on an annual basis for

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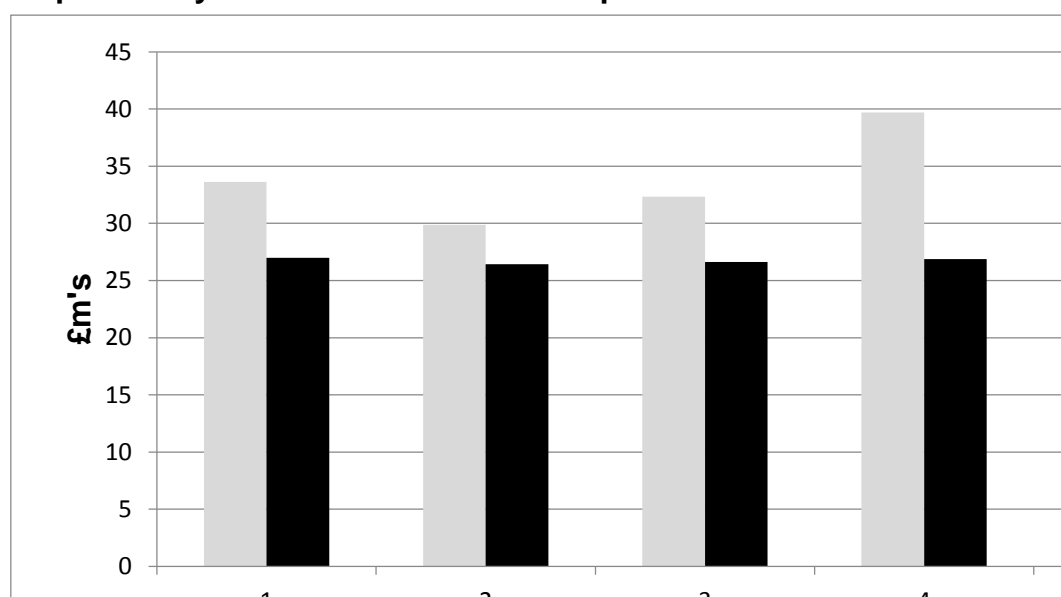
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the first 5 years. The investment requirements, other than Future Major Works, are therefore assumed to be equally spread over each year in the 5 year band for modelling requirements in the absence of a detailed annual profile at this moment in time.

- 1.31 The headline outputs over the business plan period can be represented graphically and shows the investment required compared with the resources available (after running costs and repayment of debt & interest), based on the assumptions previously outlined.

Graph 1: 5 year annual investment requirement

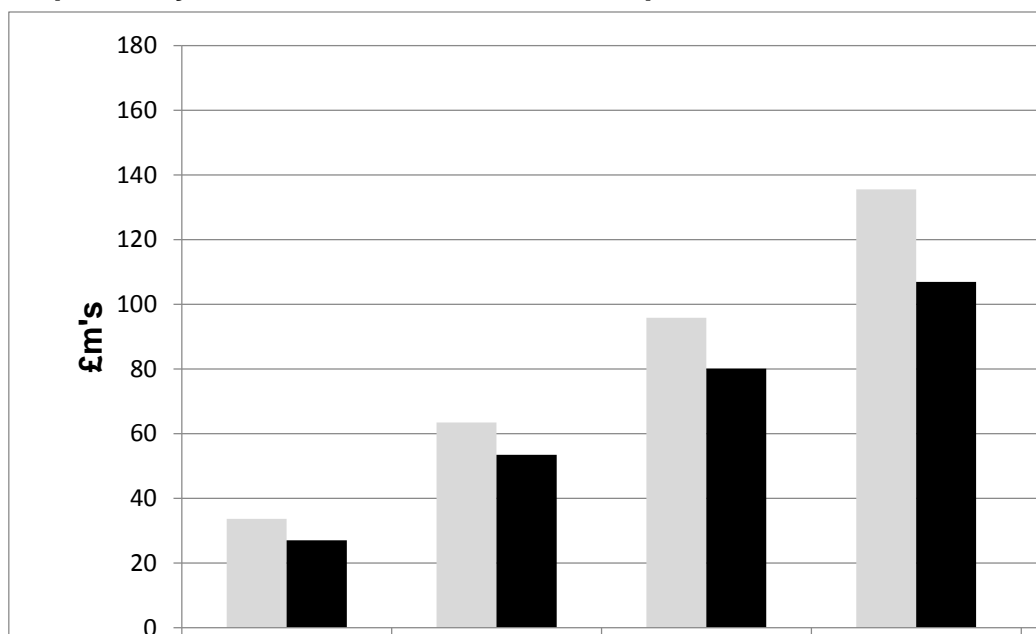


- 1.32 The above graphic shows a shortfall in required resources in each of the 5 years. The following graphic shows the same information on a cumulative basis.

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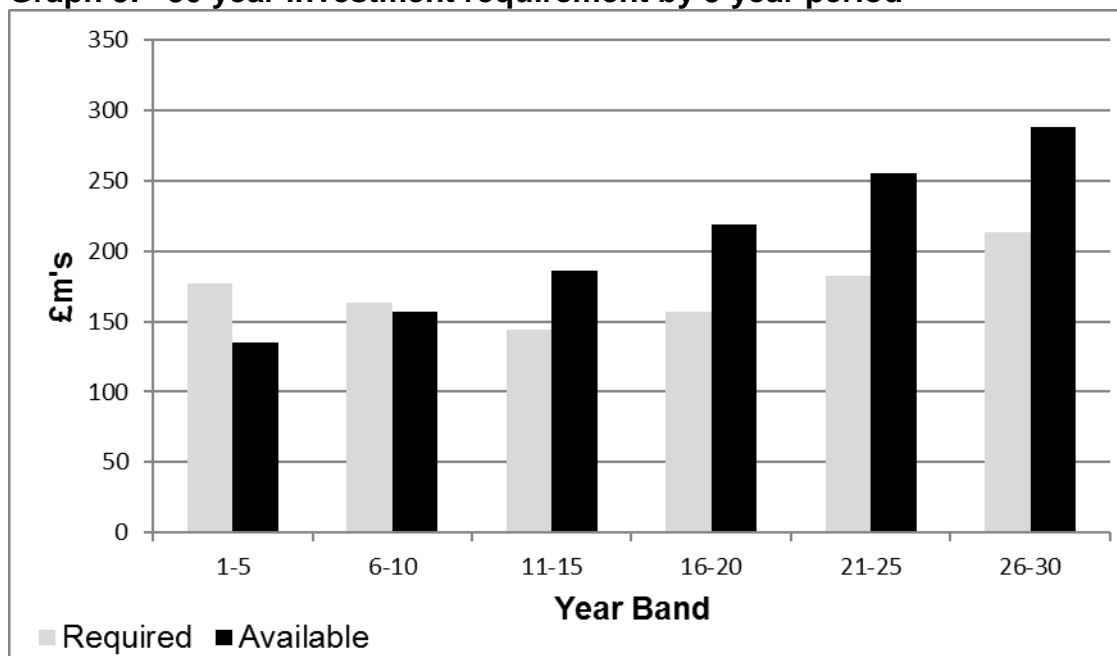
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Graph 2: 5 year cumulative investment requirement



- 1.33 The following graphs show the full 30 year position, per each 5 year band and cumulatively.

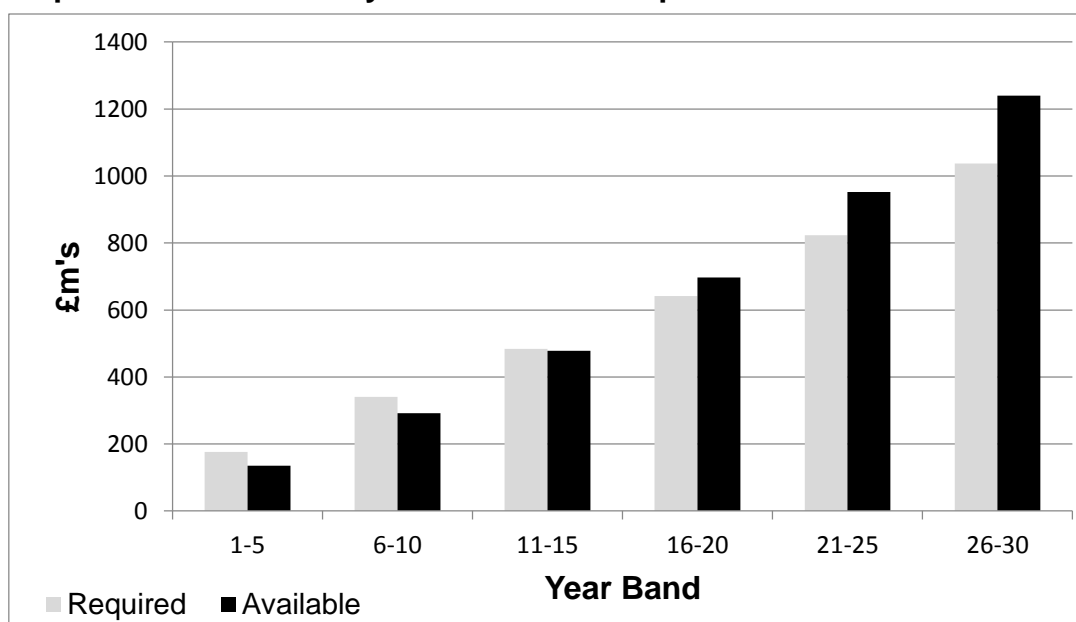
Graph 3: 30 year investment requirement by 5 year period



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Graph 4: Cumulative 30 year investment requirement



- 1.34 Graph 3 above shows that there is a projected shortfall in available funding up until year 10 but as debt is repaid and rent income increases then available funding increases to a point where it exceeds the investment requirements from years 11-15.
- 1.35 Graph 4 shows that over the whole 30 years of the business plan, there is a projected overall surplus between funding required and that available. The plan indicates that the additional funding in years 11-30 is sufficient to offset the shortfall in years 1-10, however the Council should be mindful that this results in a delayed investment in the Council housing stock.
- 1.36 Should rents not increase at 3% per annum from 2020 onwards as is the assumption per this business plan, then deficits will increase. Social and Affordable Rental income in 2020/21 is estimated at £43.574m, if rents do not increase in 2020/21 and stay at the 2019/20 level this will equate to £43.269m being received, a drop of £305k.

Social Housing Rents

- 1.37 The main source of income for the HRA is rental income from dwellings paid to the Council by tenants. Local authority rents are determined by a formula set by Government based on capital values and regional earnings and the policy of moving actual rents towards formula rents is known as "rent convergence"
- 1.38 In the past, the Government has set a guideline increase or decrease to actual rents based on the change in the Retail Price Index ("RPI") + 0.5% + £2 with the

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intention that this would move or “converge” the actual rents paid towards the “**formula**” rent target. The Government’s self-financing determination assumed that local authorities followed this guideline.

- 1.39 The Government issued **new policy guidance in May 2014**, of which one of the stated aims is “to balance the need to ensure rents remain affordable with the need that landlords have the income they need to remain in good financial health and to invest, particularly in new affordable homes”.
- 1.40 The guidance previously stated that for formula rents, from 2015-16 to 2024-25, would be uplifted each year by the Consumer Price Index (“CPI”) at September of the previous year + 1%.
- 1.41 The Welfare Reform and Work Act 2016 imposed an obligation on social landlords to reduce rents by 1% per year from April 2016 for a four year period which significantly reduces the overall resources available to invest in housing stock.
- 1.42 Announcements on future rent policy beyond 2020 are awaited. One option is that rent policies will be negotiated locally depending on the local appetite to develop additional affordable housing.

Affordable Rents

- 1.43 Affordable rent allows local authorities to set rents at levels that are typically higher than social rents, the intention (as stated by Government) being that this flexibility allows the generation of additional capacity for investment in new affordable housing. Homes let on affordable rent terms should be made available at a rent level of up to 80% of gross market rents, inclusive of service charges where applicable. Local authorities should increase rents for properties let on affordable rent terms on the same basis as social rents, i.e. a reduction of 1% per annum to 2019/20. Swindon affordable rents are set at 80% of the applicable Local Housing Allowance with any service charges then added on top.
- 1.44 On each occasion that an affordable rent tenancy is issued for a property – whether it is let to a new tenant, or an existing tenant is re-issued, local authorities should re-set the rent based on a new valuation, to ensure it remains no more than 80% of the relevant market rent. The only exception to this is where the accommodation is re-let to the same tenant as a consequence of a probationary tenancy coming to an end. In this case an authority is not expected to re-set the rent.
- 1.45 As a condition of the award of grant under the Governments Affordable Housing Programme, the Council must let a proportion of its new lets at affordable rent levels which will generate additional income to help finance the new build properties in addition to the grant award.

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Since October 2015, properties have been converted when they are vacant, and people are given the choice to bid on them in the normal way, and on the same tenancy terms as other housing. This would be done over the three years of the Affordable Housing Programme. Approximately 110 properties at social rent have been converted to affordable rent to date.

Other Rental Income

- 1.46 Following a recommendation in the February 2017 Cabinet report, the ownership of garages passed from the HRA to the General Fund on the 1st April 2017. Under this arrangement, the income and any ongoing costs in terms of operation and maintenance will also pass to the General Fund.
- 1.47 Although some shops and commercial properties also transferred to the General Fund as part of the previously mentioned Cabinet Report, the HRA still retains a number of such properties which are subject to periodic rent reviews. The HRA did receive a number of houses and development land as part of the transfer arrangements. The HRA commercial property budget for 2017/18 is £144k.

Service Charges

- 1.48 In addition to their rent, tenants may also be required to pay service charges. Service charges usually relate to additional services provided to specific tenants. Different tenants may receive different types of service reflecting their housing circumstances. Local authorities have discretion to decide what services to charge for separately, and what services should be included within the rent. These charges are reviewed annually with the intention of recovering costs and are subject to consultation and Council approval.

Future Government Initiatives impacting income

- 1.49 In addition to the requirement to reduce social rents by 1% per annum for each of the next 3 years to 2019/20, the Government was proposing the following changes to policy. This business plan will need to be reviewed once the new Government's policies become clear.
- 1.50 Sale of high value homes – the Government pledged to extend Right to Buy to Housing Association tenants, and propose to fund the cost of replacing the properties sold through a requirement for Local Authorities to sell off their “high value” properties. The Government is planning its own calculation around the number of “high value” homes in each area, and to require Councils to make payments in line with these calculations rather than forcing Councils to actually

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sell. The timing of enacting this is dependent on the roll out of the latest national pilot.

- 1.51 The Housing and Planning Act also contains a number of other measures that will impact on housing revenue account business plans and these will be kept under review and reflected in future business plans where applicable.

HRA Expenditure

- 1.52 Housing Management costs can broadly be broken down into 3 distinct areas:
- Repairs and Maintenance: this relates to the day to day repairs and maintenance of the housing stock including responsive and void repairs;
 - Supervision and Management (General): these are the costs of policy and management of the housing stock, tenancy administration, rent collection and financing charges;
 - Supervision and Management (Special): these are the running costs of services that benefit specific groups of tenants including communal heating, lighting, lifts, caretaking, cleaning and ground maintenance

Treasury Management and HRA Debt Position

- 1.53 Since HRA self- financing in April 2012, the HRA has been responsible for servicing the debt interest costs that arose out of the requirement to pay Government a sum of £138.6m.
- 1.54 A number of loans of varying maturities and interest rates were taken out from the Public Works Loans Board, and these are managed as part of the Councils wider debt portfolio through the Councils treasury management team.
- 1.55 As at 31st March 2017, HRA debt stood at £125.5m as against a Government imposed cap of £172.6m. The HRA therefore has the ability to borrow a further £47.1m to fund capital expenditure but is unable to borrow beyond this even if it can afford the loan repayments and interest.
- 1.56 The current policy is to repay debt at a rate of £5m per annum which would repay all HRA debt over the next 25 years. The current average interest rate on HRA debt is 3.32% and therefore annual debt repayment at this level saves £160,000 in interest payments each year per £5m repaid. To the end of 2016/17, the impact of repaying £25m of principal has been an overall reduction in interest payments over the 5 years of around £1.7m.
- 1.57 The Government has allowed Councils to increase their borrowing cap through a bid process and therefore Swindon's cap has the potential to increase in future

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years, although of course the HRA would need to finance the additional debt payments from existing resources.

HRA Reserves

- 1.58 The overall level of HRA balances at the 31st March 2017 is slightly up on the March 2016 balance at £35.5m. The makeup of this balance is provided in the following table: and shows that of this total, £7.2m of revenue balances are un-allocated, (excluding the minimum working level of HRA revenue reserves of £4m).
- 1.59 The “Right to Buy” receipts can only be used to fund capital expenditure and must be in line with Government rules around match funding, and must be repaid, with interest, if not spent within 3 years of receipt.

Balances 31/3/17	Allocated
	£m
Capital	22.9
Revenue	12.6
Total	35.5
Allocated to:	£m
Prior year Capital Programme approvals	6.9
Retained Right to Buy Receipts	4.0
Reallocation to new Acquisitions Programme	12.0
Capital Reserves sub-total	22.9
Earmarked to sheltered schemes	1.4
Minimum Reserve Balance	4.0
Un-allocated	7.2
Revenue Reserves sub-total	12.6

Links to the Housing Strategy

- 1.60 The housing strategy details a number of Action Points and sets out the role that the strategy can play in helping the Council meet its strategic objectives. Specifically the Strategy covers 4 key themes:
- Affordability – improving the offer,
 - Private rented housing – regulation and support,

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- Promoting and maintaining independence, and
- Housing Growth – increasing the quality and diversity of housing.

The annual budget will therefore be developed with these themes and objectives in mind, alongside the investment needs of existing and future tenants. In practice, these objectives mean that over the next 5 years the HRA will:

- Deliver a Development Programme for new housing
- Invest in existing property
- Review sheltered housing with an emphasis on condition and suitability

These are covered in more detail below in the following paragraphs:

Deliver a Development Programme for new housing

- 1.61 Based on its successful bid to the Affordable Housing Programme 2015-18 Swindon Borough Council has a Council housing development programme and the Council has pledged to deliver 266 new homes by March 2020. The Council has a contract to develop 104 properties by March 2018 in exchange for a contribution of grant from the Homes & Communities Agency. The largest single development is at Sussex Place, which is a £10 million regeneration scheme which is almost at completion stage at the time of this report. The programme also includes a development at the Hawthorns to increase independent living options for people with social care needs.
- 1.62 To deliver the remaining 162 homes alternative sources of funding are being assessed. A new grant funding scheme, the Shared Ownership and Affordable Homes Programme 2016 to 2021 was published on 13th April 2016, and this will be looked at for further development opportunities.

Investment in existing property

- 1.63 We are realigning our investment programme in line with the recommendations of the Stock Condition Survey, within the constraints of existing budgets. A new Asset Management Strategy is being developed and will be presented later this year, which will take account of the identified needs.
- 1.64 We are required to ensure our housing stock meets The Regulatory Framework for Social Housing in England from April 2012, which includes a consumer standard known as the Decent Homes Standard.
- 1.65 Over 99.7% of our housing stock met the Decent Homes Standard at 1st April 2017. Our SCS identified that approximately 5% of homes are potentially non-decent during the next 5 years. Surveys and programmes of work are planned to

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be carried out with the aim to ensure that all homes are compliant and maintained to the Decent Homes Standard by 31st March 2018.

- 1.66 The first phase of comprehensive refurbishment, structural repairs, and insulation of our non-traditional stock has commenced. 53 homes were completed in 2016/17, with a further 167 to be completed in this phase by the end of 2017/18. We continue to make provision for these extensive works and plan to let contracts for further phases of these works later in the year.
- 1.67 We have received the recommended 5-year investment profile which was commissioned as part of the Stock Condition Survey, and this has formed the basis for developing programmes of work to address the areas identified in the Survey report.
- 1.68 Given the shortfall between available funding and investment requirement it is essential that we continue to review the investment plan and set out the priorities and activities within the proposed Asset Management Strategy within the financial constraints.

Review sheltered housing with an emphasis on suitability and sustainability

- 1.69 Swindon Borough Council will continue to ensure that the housing stock in the Borough supports individuals to live independently for as long as possible. Therefore we are developing an innovative, affordable sheltered housing model to support older people, as well as people with disabilities.
- 1.70 The Housing Strategy identifies the need to provide a diverse range of options for people with specific housing needs due to medical circumstances. This will assist the Council in the delivery of its Health and Wellbeing Strategy. To assist with this Swindon Borough Council will look to use the Council Housing development and acquisition programme and existing stock to offer improved housing solutions to those with specialist needs as well as reducing costs. These options will be considered in the assessment of those individuals with learning disabilities currently placed out of Borough. This includes the planned development of larger bungalows, which we do not currently have in our housing stock, and the purchase of existing larger properties suitable for people with care needs.

Addendum 1: HRA MTFP 30 Year Operating Plan

Addendum 2: HRA 30 year stock investment requirements

Further information on the subject of this report can be obtained from Ian Burbidge, Direct Dial Telephone Number 01793 464384, iburbidge@swindon.gov.uk.

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Capital Monitoring Outturn 2016/17

Cabinet

Date: 14th June 2017

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

Wards: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 This report presents final 2016/17 position for the capital programme and some proposed changes to the Council's capital programme.
- 1.2 The effective management of financial resources through robust financial management processes underpins the Council's ability to achieve its plans and priorities.
- 1.3 Responsible budget management underpins the Council's strategic objective of consistently making the best use of all available resources as well as providing focus for its change programmes.

2. Recommendations

Cabinet is recommended to:

- 2.1 Note the latest 2016/17 Capital Programme position as at financial year end as detailed in paragraphs 3.1 to 3.4.
- 2.2 Approve the changes to the programme in section 3.5.

3. Detail

Capital Programme – 2016/17 monitoring

- 3.1 Table 1 below provides a summary of the forecast out-turn position ("forecast spend to completion" column) compared with the approved total scheme budgets, as at the end of March 2017. The projected out-turn position represents the expected total spend for the scheme to completion over all remaining years. Table 2 shows how the capital programme is expected to be funded.

Capital Monitoring Outturn 2016/17

Cabinet

Date: 14th June 2017

Table 1 - Budget Forecasts and Variances

Service	Approved Budget 2016-17 Onwards	Forecast Scheme Spend to Completion	Projected Variance
Group	£'000's	£'000's	£'000's
Community Works	1,968	1,968	0
Corporate Projects	64,326	67,189	2,863
Section 106	11,302	11,302	0
Schools	18,337	15,118	-3,219
Social Care	1,242	1,242	0
Transport	97,483	97,568	85
Total General Fund	194,658	194,387	-271
HRA	35,129	35,129	0
Service Totals	229,787	229,516	-271

Table 2 - Capital Programme funding

	Current Funding Requirement
Expenditure	£'000
Budget	229,787
Balance to be financed:	229,787
Capital Receipts	3,308
Section 106 Deposits	24,248
Grant Funding	117,464
Revenue Contributions	3,217
HRA balances	33,602
Increase in Borrowing Requirement	47,948
Total	229,787

3.2 The total spend incurred in 2016/17 and how it was funded is shown below:

Table 3: Capital Expenditure Funding

	£'000s
Actual Capital Spend 2016/17	58,326
Funded by:	
Capital Receipts	8,335
S106 Deposits	7,733
Grant	12,999
Revenue Contributions	947

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

Capital Monitoring Outturn 2016/17

Cabinet

Date: 14th June 2017

HRA balances	16,658
Increase in Borrowing Requirement	11,654
Total	58,326

- 3.3 The detailed capital monitoring for 2016-17 is attached at **Appendix 1**.

Variances

- 3.4 The following variances have been previously reported to Cabinet and there have been no new variances to report.

3.4.1 The expansion of Haydon Leigh (**Appendix 1**, Line 125) has been completed and an underspend of £88k has been realised, the project will be removed from the capital programme at the end of the financial year.

3.4.2 The expansion of South Marston Primary School (**Appendix 1**, Line 135) has been suspended, this has reduced the schools capital programme by £3.1m. The future education needs in the village will be addressed via the free school bidding process or alternative external sources of funding.

3.4.3 The demolition of Carlton Street and Wyvern MSCP's (**Appendix 1**, Line 154) took place during 2015/16, subsequently further works were required to finalise this project, this resulted in an overspend of £85k.

New Approvals

- 3.5 Cabinet is asked to approve the following change to the existing programme:

3.5.1 In February 2017, Cabinet approved a budget of £897k funded by the Disabled facilities grant (Cabinet Minute 87, 2016/17 refers). Subsequently the Council has been notified that the grant Allocated to Swindon is £982K and Cabinet therefore is requested to approve this increase to the budget.

3.5.2 At the October 2016 Cabinet meeting, and the subsequent December Council meeting the following proposal was made.

3.5.3 *"Section 106 / Community Infrastructure Levy (CIL) Funding – Where the Borough Council is holding Section 106 or CIL funding that has been earmarked to be spent in a specific area on services that will typically be managed by parish councils in future, that funding will be passed to the parish council. The parish council will be required to demonstrate it has spent any funding in accordance with the conditions attached to each deposit."* (Cabinet Minute 58, 2016/17 refers)

3.5.4 Officers have been in consultation with the parish council's regarding their ability to meet the requirements of the funding agreements. Cabinet is now requested to agree to the transfers to parishes noted in table 4 below,

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

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(full details of the individual funding agreements can be found in Appendix 2)

Table 4: Summary of S106 balances to be transferred to parishes

Parish	Potential total S106 Receipt for Transfer (£)
Covingham PC	£5,000.00
Wanborough PC	£16,522.73
Highworth Town Council	£16,144.77
Stratton St Margaret PC	£143,879.08

3.5.5 A budget of £280k is proposed to upgrade the Children's social care IT software. This would be funded by a combination of S106 contributions (£139.5k) and revenue contributions to capital from existing budgets (£140.5 over 5 years). The current software product has reached the end of its support contract and there is a need to upgrade to a supported software package. The new software will result in a reduction of revenue support & maintenance costs of £140.5k over a 5 year period which will offset the revenue contribution required to fund the software.

3.5.6 A budget of £208k, funded by S106 contributions, is proposed to improve the footpath along the B4005 on Brimble Hill. The footpath between Alexandra Park and Wroughton is currently a mixture of curbed & tarmacked path and a gravel footpath. The proposal is to use the S106 funding to improve the gravel footpath by providing curb edging and tarmac, this will prevent the footpath from degrading and becoming unusable.

4. Alternative Options

4.1 Cabinet could choose not to approve the proposed additions to the capital programme.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

5.1 The new approvals sought in this report are all funded from a combination of S106 income, existing budgets and HRA funding. There is therefore no requirement for new borrowing being sought.

5.2 Table 2 identifies a further borrowing requirement of £47.948m based on current projections. The timing of this borrowing will be part of the wider treasury management strategy and is dependent on cashflow requirements and interest

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rates. There is no immediate intention to take out further long-term borrowing and therefore the programme is using “internal borrowing” i.e. temporary use of balances and working capital, to cover this requirement. This, at present, is cheaper than taking out external borrowing but will require careful monitoring as the situation changes.

Legal and Human Rights Implications

- 5.3 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)

- 5.4 There are no such direct implications.

Diversity Impact Assessment

- 5.5 A Diversity Impact Assessment (DIA) has not been done as this report does not make any new recommendations that would have a detrimental impact on services.

Risk Management

- 5.6 No DIA has been undertaken as this report in itself does not propose any changes in the level or scope of services provided. Individual schemes for which capital funding is authorised will have individual Risk Assessments and DIAs.

6. Consultees

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

7. Background Papers

- 7.1 None

8. Appendices

- 8.1 Appendix 1 – Detailed Capital Budget Monitoring 2016-17 Schemes
8.2 Appendix 2 – Detailed S106 transfers to parishes

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 June 2017.

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Updated Grouping	Scheme Name	16/17 Budget Remaining £	16-17 Actual Spend £	Projected Outturn for Report £	Projected Variance for Report £
1	Asset Liability Management	112,456	-	112,456	0
2	Crematorium Replace Cremators	146,814	7,209	146,814	0
3	Cricklade Road Footway Reconstruction	202,541	-	202,541	0
4	Flood Defence Grant	124,047	-	124,047	0
5	Hay lane Caravan Site	205,109	3,807	205,109	0
6	Hodson Road embankment stabilisation	339,082	6,763	339,082	0
7	Kingsdown Cemetery	11,133	-	11,133	0
8	Lydiard Site traffic management	30,935	28,026	30,935	0
9	Mechanics Institute	0	2,445	0	0
10	Playground Refurb	318,977	308,451	318,977	0
11	Private Sector Renewal Grants	223,695	53,049	223,695	0
12	Reinvestment in Allotments	102,808	-	102,808	0
13	Street Smart IT	0	-	0	0
14	Town Centre surplus street furniture removal	30,428	-	30,428	0
15	Village Centres 13/14	119,710	36,761	119,710	0
	Sub -Total Community Works	1,967,736	340,413	1,967,735	0
16	Asbestos Management	407,498	182,895	407,498	0
17	Aspen House	339,000	97,180	339,000	0
18	Aspen House Public Realm	489,013	-	489,013	0
19	Barbury Castle	239,615	16,675	239,615	0
20	Barnfield Solar Scheme	3,200,000	330,000	3,200,000	0
21	Capital Repairs and Maintenance	3,450,089	1,863,859	3,450,089	0
22	Carriage works @ Railway Village	1,000,000	215,223	1,000,000	0
23	Chapel Farm Solar Schemes- A419 Sound Barrier	670,000	67,325	670,000	0
24	Commercial Investment Strategy - Delta 900	3,745,000	3,740,553	3,745,000	0
25	Contact point, Clarence House Refurbishment	0	0	0	0
26	Contribution to Superfast Broadband	239,958	-	239,958	0
27	Disabled Facilities Grant	782,810	1,037,611	782,810	0
28	Dynamics	3,693,905	1,000,000	3,693,905	0
29	Equity Share Properties	250,000	-	250,000	0
30	Faringdon Road 1-3	1,128,000	24,565	1,128,000	0
31	Feasibility Studies	468,566	72,428	468,566	0
32	Growth Feasibility	1,481,151	8,222	1,481,151	0
33	Housing Development - Euclid Street	0	40,013	0	0
34	Housing Development - Feasibility	20,000	-	20,000	0
35	Kimmerfeilds	1,486,662	53,201	1,486,662	0
36	Localities - buildings	64,186	-	64,186	0
37	Localities - IT element	0	-	0	0
38	Museum Artefacts Storage	168,839	22,490	168,839	0
39	NWOW IT	123,703	4,347	123,703	0
40	Office Accom	350,000	217,317	350,000	0
41	Pollution Control - Borough Farms	26,368	-	26,368	0
42	Redevelopment of Dorcan House / Eldene Shopping Centre	367,542	32,662	367,542	0
43	SMAG	5,000,000	100,000	5,000,000	0
44	Stanton Park & Peatmore Reservoir Refurbishment	131,000	165,057	131,000	0
45	Strategic Acquisition (Aspen)	51,491	17,503	51,491	0
46	Stronger Together	357,707	77,581	357,707	0
47	Unit 2 Seymour Road	108,000	104,196	108,000	0
48	Waterside Depot - New Lift (DDA Requirement)	70,000	-	70,000	0
49	Waterside Depot - Proposed New Road Layout	2,388,379	1,629,436	2,388,379	0
50	Waterside Fleet Vehicles	4,474,628	4,356,364	4,474,628	0
51	Wellington Street	154,288	-	154,288	0
52	Wichelstowe District Centre - Infrastructure	1,265,000	7,600	1,265,000	0
53	Wichelstowe District Centre - Phase 2 & 3	13,555,000	13,155	13,555,000	0
54	Wichelstowe Infrastructure Expenditure	2,356,548	755,006	2,356,548	0
55	Wichelstowe - Development Expenses/Maintenance	0	39	0	0
56	Wichelstowe J16 Improvements	9,736,338	4,185,539	12,600,000	0
57	Wichelstowe play area	28,600	-	28,600	0
58	Self Build	457,000	-	457,000	0
	Sub -Total Corporate Projects	64,325,884	20,438,043	67,189,546	2

59	Alexander Park	40,000	27,581	40,000	0
60	Alley Gate Public Art	10,500	-	10,500	0
61	Angel Ridge Play Area	28,008		28,008	0
62	Broome Manor Lane/Marlborough Road Traffic Management	10,300	2,638	10,300	0
63	Bruce Street Bridges and Newcombe Drive	1,800,000	58,456	1,800,000	0
64	Bus Service Improvements at Eldene Drive	16,500	11,500	16,500	0
65	Catalint UK Ltd Blagrove	16,935	-	16,935	0
66	Civil Protection Unit	37,567	17,567	37,567	0
67	County Ground Athletics Track Resurface and Clubhouse	253,000	160,082	253,000	0
68	Croft School Highways Works	494,968	-	494,968	0
69	Cycle Improvements at Dorcan Way / Eldene Drive	67,222	453	67,222	0
70	Drove Rd / Upham Rd Junction	13,844	13,844	13,844	0
71	East Wichel Major Open Space	385,367	19,320	385,367	0
72	Enforcement of bus lanes at Mead	14,421	14,421	14,421	0
73	Europa Business Park - Signage	25,554	-	25,554	0
74	Even Swindon School - Highway Works	13,407	12,285	13,407	0
75	Great Western Community Forest	544,107	68,202	544,107	0
76	Green Spine	4,536	-	4,536	0
77	Havelock Square - Public Realm	652,175	637,125	652,175	0
78	Hesketh Crescent play area improvements	25,449	15,537	25,449	0
79	Highdown Play Area	38,507	-	38,507	0
80	Holy Cross School Safety Zone	14,089	2,652	14,089	0
81	In-cab monitoring for waste vehicles	53,000	-	53,000	0
82	Kingsdown Crossroads	42,259	47,032	42,259	0
83	Landscape improvements ay Greenbridge & Blagrove	255,713	39,007	255,713	0
84	Lawn Park - Improvements to High St Entrance	55,020	-	55,020	0
85	Library IT infrastructure	84,752	159,314	84,752	0
86	Mead Roundabout	1,128,970	-	1,128,970	0
87	Moulden Hill Country Park - Provision of Car Park	0	-	0	0
88	Moulden Hill Country Park	403,870	17,440	403,870	0
89	MUGA @ Haydon Wick	20,000	-	20,000	0
90	NDA - Management of Protected Species Reserve	43,422	-	43,422	0
91	New College 2001/02 Open Space and play area improvement	18,860	-	18,860	0
92	North Star roundabout and Cocklebury Roundabout Great W	1,664,940	-	1,664,940	0
93	Pentylands Country Park	34,541	-	34,541	0
94	Pre-adoption maintenance period for playgrounds	0	-	0	0
95	Reception remodelling at Steam Museum	17,000	-	17,000	0
96	Relocation of CCTV room to Plus One	36,283	59,794	36,283	0
97	Spring Gardens Refurbishment	106,333	-	106,333	0
98	St Francis - SSZ	19,680	3,674	19,680	0
99	St Marks Recreation Ground	122,051	10,787	122,051	0
100	STEAM - Operations & Retail Management System	39,000	26,839	39,000	0
101	Thamesdown Drive Speed Amelioration	113,319	67,079	113,319	0
102	The Street & Thames Ave - Pedestrian crossing	81,325	-	81,325	0
103	Transfer Bridges	3,474,207	284	3,474,207	0
104	Tree and Landscape Improvements	20,300	280	20,300	0
105	Wanborough Footpaths Upgrade	121,075	16,611	121,075	0
106	Whitbourne / Fessy Renovations	210,000	4,344	210,000	0
107	Whitworth Road safety scheme	130,000	82,964	130,000	0
108	S106 Queens Drive Amelioration	0	3,335	0	0
109	S106 Town Centre CCTV	0	4,350	0	0
110	Wichelstowe Conservation Project	20,000	-	20,000	0
111	Wichelstowe Off Site Landscape and Nature Conservation	177,689	57,455	177,689	0
112	Wroughton War Memorial	71,926	13,465	71,926	0
113	WW1 Memorial Restoration Project	30,000	19,276	30,000	0
	Sub -Total S106	13,101,991	1,577,512	13,101,991	0
114	Aiming High Short Breaks	1,565	1,098	1,565	0
115	Complex Needs 11-25 provision	0	10,000	0	0
116	Condition Works Identified within the Asset Management Plan	1,165,107	472,552	1,165,107	0
117	Croft New 2FE School	0	1,612	0	0
118	Crowdys Hill	3,021,658	2,128,641	3,021,658	0
119	Devolved Formula Capital	300,519	300,520	300,519	0
120	Disadvantaged 2-year Old's Nursery	217,888	-	217,888	0
121	Early Years places - Tick Tock Nursery - Mobile Replacement	96,800	6,975	96,800	0
122	Early Years provision - Grow 2gether disadvantaged 2 Years	100,000	-	100,000	0
123	EOTAS	2,605,000	1,105,635	2,605,000	0
124	Expansion of the Chalet Special School	0	10,000	0	0
125	Haydonleigh School expansion	138,185	-	50,000	(88,185)
126	Headlands School	509,464	-	509,464	0
127	North Swindon Primary School 1FE - Orchid Vale PFI Expansion	263,426	1,115	263,426	0
128	North Swindon Primary School 2FE - Tadpole Farm	101,129	3,000	101,129	0
129	Plas Pencelli Lodge Extension	167,000	-	167,000	0
130	Post 16 provision at Crowdys Hill Special School		2,500		
131	Primary and Early Years provision to serve Commonhead d	3,203,500	7,000	3,203,500	0
132	Primary BESD	111,000	11,198	111,000	0
133	Primary Complex Needs SRP (Specialist Resource Provision)	636,500	-	636,500	0
134	Secondary School Places 1 - 6 FE by Sept 18	125,000	-	125,000	0
135	South Marston Primary School Expansion	3,176,550	48,500	46,000	(3,130,550)
136	St Lukes Special School	77,558	4,120	77,558	0
137	Swindon Academy - DFE Loan Repayment	745,189	383,000	745,189	0
138	Tadpole Farm Primary School	153,000	-	153,000	0
139	Town Centre Primary School - Holy Cross 2FE	1,140,608	24,831	1,140,608	0
140	Westrop Expansion	127,500	80,662	127,500	0
141	Wichelstowe Primary School - Middle Wichel	153,000	-	153,000	0
	Sub -Total Schools	18,337,147	4,572,323	15,118,411	(3,218,734)

142	ASC Equipment	386,441	311,762	386,441	0
143	Assistive Technology	671	-	671	0
144	Estate Rationalisation - CSS systems upgrade	538,481	-	538,481	0
145	Extra care sheltered accommodation	111,945	-	111,945	0
146	H&SC Joint Working Projects	116,997	27,307	116,997	0
147	Housing Options - Shared Living Accommodation	60,000	-	60,000	0
148	On line care assessment tool	25,500	-	25,500	0
149	Wheelchairs & Other Equipment	2,456	-	2,456	0
	Sub -Total Social Care	1,242,491	339,069	1,242,491	0
150	Bus lane enforcement infrastructure	33,089	66,431	33,089	0
151	Car Parks - Major Maintenance of MSCP	309,865	124,230	309,865	0
152	Concrete Light Column replacement	107,898	-	107,898	0
153	Davis Place	255,518	-	255,518	0
154	Demolition of MSCP	0	73,947	85,000	85,000
155	Drainage Schemes	543,431	186,644	543,431	0
156	Footpath 5	250,000	-	250,000	0
157	Footway Maintenance	610,000	284,544	610,000	0
158	Gateway signage (incl. car park directions)	360,143	1,629	360,143	0
159	Great Stall Bridge	7,600,000	21,023	7,600,000	0
160	Highways Asset Management Grant Elements 1 and 2	105,050	62,955	105,050	0
161	Local Sustainable Transport Fund	1,182,301	1,086,033	1,182,301	0
162	Locality Schemes	0	84,089	0	0
163	LTP Bus Priority & Infrastructure	209,337	8,500	209,337	0
164	LTP Integrated - Traffic Management	481,210	70,691	481,210	0
165	LTP Maintenance	1,061,882	790,492	1,061,882	0
166	LTP Safety Schemes	172,863	497,635	172,863	0
167	LTP Sustainable Transport	203,955	918	203,955	0
168	M4 Junction 15	3,700,000	-	3,700,000	0
169	NEV A420 Corridor	459,459	21,344	459,459	0
170	NEV Dft Business Case	118,080	121,661	118,080	0
171	NEV Greenbridge Roundabout	4,708,502	4,708,399	4,708,502	0
172	Non Highways Structures (bridges within parks etc.)	325,648	307,366	325,648	0
173	NON LTP Bridge Maintenance	116,957	25,325	116,957	0
174	NON LTP Maintenance	493,459	810,080	493,459	0
175	NON LTP Traffic Signals	158,236	37,624	158,236	0
176	Public Realm at Wyvern MSCP Site	48,393	9,181	48,393	0
177	Rapid Transit	9,900,000	125,729	9,900,000	0
178	Rights of way Improvement Plan	61,740	42,003	61,740	0
179	Southern Connector Road	11,600,000	194,964	11,600,000	0
180	Strategic Highways Model update (£200k/£200k/Nil)	53,791	-	53,791	0
181	Rodbourne Lagoon		53,536		
182	Street Lighting	855,140	422,880	855,140	0
183	Street Lighting - NON LTP	0	-	0	0
184	Structural Maintenance	408,998	362,850	408,998	0
185	Swindon Bus Exchange	3,000,000	39,066	3,000,000	0
186	Town Gardens Footbridge	118,483	76,096	118,483	0
187	UNION SQUARE CAR PARK	357,047	38,745	357,047	0
188	West of A419 - Package 2	2,000,000	44,282	2,000,000	0
189	White Hart Junction	22,500,000	28,023	22,500,000	0
190	Wichelstowe Western Access	22,900,000	-	22,900,000	0
191	Wroughton Park and Ride bus entrance Traffic Signals Rem	113,250	117,999	113,250	0
	Sub -Total Transport	97,483,725	10,932,744	97,568,725	85,002
192	Aids & Adaptations (was contingency)	1,300,122	750,187	1,300,122	0
193	Bathrooms	1,542,620	817,890	1,542,620	0
194	Brookfield, Highworth	90,000	291,000	90,000	0
195	Central heating	2,280,248	1,255,985	2,280,248	0
196	Contingent Major Repairs	50,863	117,476	50,863	0
197	Cranmore Ave, Park South	308,000	78,547	308,000	0
198	Electrics	1,075,475	1,227,943	1,075,475	0
199	Environmental & Communal Areas	419,544	41,246	419,544	0
200	Exceptional Extensive	9,957,460	2,301,823	9,957,460	0
201	External Walls	99,938	5,069	99,938	0
202	External/Entrance Doors	483,890	265,665	483,890	0
203	Hawthorn, Gorse Hill	382,000	259,450	382,000	0
204	Housing Options - Shared Living Accommodation	1,200,000	28,800	1,200,000	0
205	Improvements	486,187	441,670	486,187	0
206	Kitchens	2,851,324	2,381,376	2,851,324	0
207	Planned Maintenance	2,027,551	1,401,196	2,027,551	0
208	Regeneration and Acquisition Programme	1,486,395	2,714,900	1,486,395	0
209	Related assets	99,510	52,026	99,510	0
210	Roofs	1,926,146	2,306,213	1,926,146	0
211	Royal British Legion, Penhill	360,000	18,471	360,000	0
212	Scooter stores sheltered	314,078	-	314,078	0
213	Sussex Place	5,264,340	2,016,955	5,264,340	0
214	Townsend House	325,000	1,125,209	325,000	0
215	Windows.	797,972	-	797,972	0
216	HRA Vehicle Acquisitions	0	171,133	0	0
217	THE CIRCLE	0	7,063	0	0
218	Penhill United Reform Church	0	13,514	0	0
219	Bembridge Cl / Sycamore Gr	0	128,582	0	0
	Sub -Total HRA	35,128,661	20,125,579	35,128,663	0
		231,587,635	58,325,683	231,317,563	(3,133,729)

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Appendix 2 – Detailed S106 transfers to parishes

Covingham Parish Council:

Planning Ref.	Site Address	Contribution	Date Monies Received	Available Amount for Transfer	Restriction on Spend / Use	Payback Date
S/12/1409	St. Pauls Vicarage, St. Pauls Drive	Culture & Leisure	06/03/13	£5,000.00	Towards culture & leisure services in the Parish of Covingham	No Limit

Wanborough Parish Council:

Planning Ref.	Site Address	Contribution	Date Monies Received	Available Amount for Transfer	Restriction on Spend / Use	Payback Date
S/11/0836	Contact House, Wanborough	Community Centre	17/02/14	£3,053.04	to be spent within the vicinity of Wanborough	No Limit
S/11/0836	Contact House, Wanborough	Leisure	17/02/14	£10,329.09	to be spent within the vicinity of Wanborough	No limit
S/10/0761	Marsh Farm, Wanborough	Public Realm	01/12/10	£3,140.60	Towards the enhancement of the Wanborough Parish area	No Limit
TOTAL				£16,522.73		

Highworth Town Council:

Planning Ref.	Site Address	Contribution	Date Monies Received	Available Amount for Transfer	Restriction on Spend / Use	Payback Date
S/11/0280	Pentylands	Arts & Culture	05/03/14	£7,660.32	to be provided in Highworth	10 Years (4th March 2024)
S/07/3035	Land off Oak Drive	Public Art	22/04/08	£8,484.45	Boroughwide	No Limit
TOTAL				£16,144.77		

Stratton St Margaret Parish Council:

Planning Ref.	Site Address	Contribution	Date Monies Received	Available Amount for Transfer	Restriction on Spend / Use	Payback Date
S/10/0473	Zarlink	Arts & Culture	27/06/14	£13,708.29	towards the enhancement and/or provision of Arts and Culture facilities within the Parish of Stratton St Margaret.	27/6/19
S/10/0473	Zarlink	Off Site Play Area	14/03/14	£31,164.59	towards the upgrading of an existing LEAP within the Parish of Stratton St Margaret.	14/3/19
S/10/0473	Zarlink	Public Open Space	14/03/14	£11,863.20	towards local open space within the Parish of Stratton St Margaret	14/3/19
S/10/0921	Ermin Street (former Cement Works)	Open Space Commuted Sum	24/10/12	£25,175.08	£19,817.43 is to be spent on the provision of new or enhancement of existing local open space and the sum of £5,357.65 is to be spent on the maintenance/upgrade of existing major open space in the Parish	24/10/17

Planning Ref.	Site Address	Contribution	Date Monies Received	Available Amount for Transfer	Restriction on Spend / Use	Payback Date
S/10/0921	Ermin Street (former Cement Works)	Arts & Culture	24/10/12	£1,110.46	to be used on the provision of the purpose of funding the provision of culture and leisure facilities within the Parish as required as a consequence of the Development – ARTS & CULTURE only	24/10/17
S/10/0921	Ermin Street (former Cement Works)	Libraries	24/10/12	£7,558.66	to be used on the provision of the purpose of funding the provision of culture and leisure facilities within the Parish as required as a consequence of the Development – LIBRARIES	24/10/17
S/07/0459	Land adjacent Fitzwarren House	Open Space	02/08/11	£12,413.09	Upgrading general rec facilities within Stratton St. Margaret Parish Council	2/8/18
S/11/1669	Land at the rear of the Rat Trap	Off-Site Open Space	16/02/16	£40,885.71	To be applied to the provision of new and/or enhancement of existing off-site public open space within the Ward of St Margaret which sum may be applied to both either capital works and/or revenue maintenance programme	16/2/23
TOTAL				£143,879.08		

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Treasury Management Performance 2016/17

Cabinet

Date: 14th June 2017

Author: Cabinet Member for Finance and Commercialisation and
Corporate Director, Resources and Transformation

Wards: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 This report sets out the Treasury Management performance for 2016/17.
- 1.2 The effective management of financial resources through robust financial management processes underpins the Council's ability to achieve its plans and priorities.

2. Recommendations

Cabinet is recommended to:

- 2.1 Note the 2016/17 Treasury Management performance as detailed at paragraphs 3.1 to 3.17 and Prudential Indicators shown at Appendix 1.

3. Detail

Treasury Management Performance 2016/17

- 3.1 The Council is involved in two types of treasury activity:
 - 3.1.1 Borrowing, both long term (for more than 1 year) for capital expenditure purposes and borrowing (for less than 1 year) for temporary cash flow purposes and
 - 3.1.2 Lending, for investment of surplus cash relating to reserves and for cash flow purposes.
- 3.2 The activity and performance in respect of each of these two activities is summarised in the sections below.
 - Borrowing
- 3.3 In 2016/17, no new long-term loans (greater than one year) were taken out.
- 3.4 A number of long-term loans totalling £6.501m matured during the year. These were running at an average rate of 2.25%. Total long-term debt has therefore decreased from £285.8m to £279.3m over the year. The average maturity period on all existing long-term debt is 17 years and the average rate on all long-term debt over the year was 3.55%

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

Treasury Management Performance 2016/17

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Date: 14th June 2017

- 3.5 Short-term borrowing as at 31st March 2017 was £19.0m. This figure fluctuates daily as reflects the Council's daily cash flow requirements are is wholly dependent on the timings of receipts and payments.
- 3.6 The average rate the Council paid on all external debt (both long term and short term) over the whole of 2016/17 was 3.35%. This is a decrease of 0.04% on the average for the previous financial year.

Investments

- 3.7 During 2016/17 there was an *average* daily investment balance of £68 million which was a mixture of internally managed cash investments and an externally managed property fund (Local Authority Property Fund or "LAPF"). The balance at 31st March 2017 of £44m was a decrease from £59m at the same date of the previous year. This balance is comprised of working capital (where we hold cash temporarily as a result of timing differences between receipts and payments) as well as general reserve balances which are more stable.
- 3.8 In total, interest of £1.072m was earned in 2016/17 on all investments (cash and LAPF) at an average rate of 1.53%.The average investment rate achieved in 2015/16 was 1.36%.
- 3.9 The average balance in the property fund during 2016/17 was £15m with an average return of 4.36%. The other investments had an average balance of £53m returning an average rate of 0.72%. This rate exceeded the 3-month LIBOR (London Interbank Offer Rate) rate of 0.44% which is our benchmark rate.
- 3.10 Swindon is part of a bench marking group where performance is compared between 22 English Unitary Authorities. The report for the month of March 2017 showed that Swindon's average rate of return was 0.70% compared with the benchmarking group average of 0.67%.
- 3.11 The Council's debt and investment position as at 31 March 2017 is summarised in the table below:

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

Treasury Management Performance 2016/17

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Analysis of Debt and Investments

Debt & Investments	31/03/2016		31/03/2017	
	£'000	Av. Rate (%)	£'000	Av. Rate (%)
Long Term Debt PWLB	240,757	3.54%	239,256	3.54%
Long Term Debt Market	45,000	3.43%	40,000	3.59%
Total Long Term Debt	285,757	3.53%	279,256	3.55%
<i>Of which HRA</i>	<i>130,532</i>		<i>125,532</i>	
<i>Of which GF</i>	<i>155,225</i>		<i>153,724</i>	
Short-term Borrowing	7,680	0.46%	19,000	0.38%
Total Debt	293,437	3.39%	298,256	3.35%
Investments	(59,000)	1.36%	(44,000)	1.53%
Net Borrowing Position	234,437		254,256	

Capital Financing Requirement

- 3.12 The Council undertakes capital expenditure on long-term assets. These activities may either be:
- 3.12.1 Financed immediately through the use of capital or revenue resources (such as capital receipts, capital grants or revenue contributions), which has no resultant impact on the Council's borrowing need, or
 - 3.12.2 If insufficient funding is available, or a decision is taken not to apply other funding, the capital expenditure will give rise to a **borrowing requirement** to ultimately fund the expenditure.
- 3.13 The Council's underlying borrowing requirement is measured through the **Capital Financing Requirement** ("CFR") and is simply the total ultimate borrowing requirement, regardless of whether that borrowing has actually taken place or not
- 3.14 Part of the Council's treasury activities is to address the funding requirements for this borrowing need and the treasury management team organises the Council's cash position to ensure sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external

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bodies (such as the Government, through the PWLB or the money markets), or utilising temporary cash resources within the Council.

- 3.15 The CFR (the ultimate borrowing requirement) is always higher than the actual level of borrowing, the difference being termed “internal borrowing” which represents the temporary funding of capital spend from cash balances and working capital as a short-term measure.
- 3.16 The CFR has decreased from £459.6m to £458.3m over the year. This is a net reduction of £1.3m. The general fund capital expenditure of £11.7m, was funded from MRP (£1.8m), HRA loan repayment (£5m) and an accounting adjustment of £6.1m related to the sale of Thamesdown Transport Ltd.
- 3.17 The table below compares the CFR with the long-term debt position (split between the General fund and the Housing Revenue Account). This **excludes** Public Finance Initiative (PFI) liabilities of £52,810k, which are, technically, part of the CFR calculation.

Capital Financing Requirement “CFR”

	General Fund £'000	Housing Revenue Account £'000	Total £'000
Actual Long Term Debt	153,724	125,532	279,256
CFR (Total borrowing requirement)	279,942	125,532	405,474
Further borrowing requirement	126,218	-	126,218

Prudential Indicators (PIs)

- 3.18 In order to demonstrate that local authorities have fulfilled the objectives of the Prudential Code, the code sets out a basket of indicators that must be prepared and used. It should be noted that the prudential indicators are not for comparison between authorities, but are a means to support and record local decision-making. The PIs do not in themselves indicate either a good or bad financial position, they are merely a statement of fact. Further detail is provided underneath each of the PIs on the appendix itself at Appendix 1.

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

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Compliance with Treasury Limits

- 3.19 During the 2016/17 Financial Year all Treasury activity was carried out within the Council's Treasury limits and Prudential Indicators as set out in the Council's Treasury Policy Statement and annual Treasury Strategy Statement.

4. Alternative Options

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

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 The 2016/17 budget anticipated borrowing of £303m would be required in 2016/17. This compares with an actual year end borrowing position of £298m (inclusive of £19m of short term borrowing). The 2017/18 budget anticipates new borrowing of £15m, which would take total borrowing to £313m.
- 5.2 The average investment for the year was £68m this compares with an average of £51m from 2015/16. The 2017/18 budget has assumed that a similar level of interest will be achieved as that in 2016/17

Legal and Human Rights Implications

- 5.3 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)

- 5.4 There are no such direct implications.

Diversity Impact Assessment (DIA)

- 5.5 There are no implications arising from this report

Risk Management

- 5.6 There are no direct risks arising from this report.

6. Consultees

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

7. Background Papers

- 7.1 None

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

Treasury Management Performance 2016/17

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8. Appendices

8.1 Appendix 1 – Prudential Indicators

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 June 2017.

Appendix 1 - 2016/17 Prudential Indicators

	Mar-16	Mar-17
	Indicator for 16/17	Actual for 16/17
<u>Borrowing Indicators</u>		
Operational Boundary		
Borrowing	323,562	298,256
Other Long term liabilities	51,280	52,810
Total	374,842	351,066
Authorised Limit		
Borrowing	393,138	298,256
Other Long term liabilities	56,280	52,810
Total	449,418	351,066

The operational boundary is an estimate of the most likely level of external debt, whereas the authorised limit is the absolute approved limit. These are measured against actual external debt which includes all long and short term debt and PFI liabilities, but excludes investments. The 2016/17 estimate figure is set £20m above the anticipated requirement, this provides an approved contingency within the budget.

Affordability Indicator

Ratio of financing costs to net revenue stream

	Mar-16	Mar-17
	Indicator for 16/17	Actual for 16/17
HRA	38.16%	41.93%
Non HRA	9.65%	7.78%

This indicator is a measure of Net Debt Charges as a percentage of budget (Primarily debt repayments, principal and interest, less interest earned). The main change for the HRA is the level of capital spend compared with the forecasts, the forecast was based on an estimated Major Repairs Allowance (MRA) charge of £14.9m of spend which is compared with an actual charge £16.8m. The MRA represents the amount of depreciation on the assets held by the HRA (this is equivalent to the MRP charge in the general fund). The change in the General Fund is a direct result of the changes to the MRP policy.

Capital Financing Requirement: (CFR)

	Mar-16	Mar-17
	Indicator for 16/17	Actual for 16/17
HRA	125,532	125,532
Non-HRA	267,606	279,942
PFI liabilities	51,280	52,810
Total	444,418	458,284

The CFR represents the overall borrowing requirement to finance capital expenditure that hasn't been funded from other resources such as capital receipts, grant, or revenue contributions

Capital Expenditure Projections

	Approved Capital Budget	Actual Spend in 2016/17
HRA	31,699	20,126
Non-HRA	77,017	38,200
Total	108,716	58,326

The 16/17 indicator shows the total capital programme approved as at the start of 2016/17 over all years, whereas the actual figure represents expenditure actually incurred. The difference represents scheme expenditure still to be incurred.

Prudential Indicators

Debt and the CFR

	Mar-16	Mar-17
	Indicator for 16/17	Actual for 16/17
Gross Borrowing	374,842	351,066
CFR (incl. PFI liabilities)	444,418	458,284

The CFR represents the underlying borrowing requirement. Gross Borrowing, which represents all debt and financing liabilities, should not exceed, except in the short-term, the CFR.

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Swindon Dial A Ride service options

Cabinet

Date: 14th June 2017

Author: Cabinet Member for Communities and Place
Head of Highways & Transport

Wards: All

Locality Affected: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 Following changes to the contract with Swindon Dial A Ride (SDAR) implemented in September 2016, a motion was passed at Council on 22nd September 2016 to:

‘(a) bring a report to Cabinet detailing the different options the Council has to create new income streams for Dial a Ride to mitigate the effects of the organisation’s funding cut; and

(b) set up a cross-party Cabinet Member advisory group to monitor and review the Swindon Dial a Ride contract and ensure the aims of this motion are achieved.’

- 1.2 The report details the options and discussions with SDAR.

2. Recommendations

Cabinet is recommended to:

- 2.1 To note the content of the report detailing the options and discussions with Swindon Dial A Ride (SDAR).
- 2.2 To authorise the Head of Highways and Transport, in consultation with the Cabinet Member for Communities and Place, to develop any options that are considered viable by SDAR with a view to implementing possible options or allowing SDAR to tender for identified work.

3. Detail

Background

- 3.1 The Council currently contracts with Swindon Dial A Ride (SDAR) for demand responsive community transport services for those unable to use conventional buses. SDAR are a well-established charitable organisation who also provide wider services to communities within Swindon.
- 3.2 The Council’s contract with SDAR commenced in September 2013 for 3 years with an option to extend for a further 2 years. The contract was reviewed in 2016 for a September 2016 commencement and, in line with approved savings

Further information on the subject of this report can be obtained from Jason Humm, Direct Dial Telephone Number 01793 463201, jhumh@swindon.gov.uk.

Swindon Dial A Ride service options

Cabinet

Date: 14th June 2017

proposals, adjustments were made to the service provision and contract payments to SDAR for the extended 2 year term.

- 3.3 Following concern raised by members and receipt of a 4,000 signature petition regarding the impact that the contract changes might have on SDAR a motion was passed at Council on 22nd September 2016:
- ‘(a) bring a report to Cabinet detailing the different options the Council has to create new income streams for Dial a Ride to mitigate the effects of the organisation’s funding cut; and
 - (b) set up a cross-party Cabinet Member advisory group to monitor and review the Swindon Dial a Ride contract and ensure the aims of this motion are achieved.’
- 3.4 The service currently provided by SDAR is a door-to-door local passenger transport service. It is open to any individual within the SBC area who has difficulties in using conventional passenger transport services due to disability and has registered to use the service. It is designed for driver-only operation.
- 3.5 The service requires the Contractor to provide a booking office and operate accessible vehicles, enabling the provision of a service which is similar to a conventional bus service, but reflects the special requirements of its users in its operation and facilities provided on the vehicle.
- 3.6 Before 2013 SDAR provided for the Council, other services such as a dial a ride car service, use of an access car, minibus driver assessment, private hire to other clubs/groups, daytrips. Funding for these were withdrawn following the award of the 2013 tender for the service to them in September 2013.
- 3.7 In 2016 a report went to September Cabinet to reduce the provision for the Community Transport budget of £312.4k by £100k in a part year.
- 3.8 In September 2016, after a public consultation and negotiation of the existing contract, it was agreed that the contract with Swindon Dial A Ride would be extended for two years and that there would be a reduction in the cost of the service in line with a reduced level of service. Annual expenditure has reduced to £148.2k.
- 3.9 The service is now an off peak service only operating Monday to Friday 0900 to 1630 and meets the majority of user needs. At the same time the rural shopping day service provided by Swindon Dial A Ride continues at its current contract price.
- 3.10 The service is due to be tendered in early 2018 for a new contract beginning September 2018. Soft market testing will be undertaken in summer 2017 to gauge interest in how this service can be provided.
-

Further information on the subject of this report can be obtained from Jason Humm, Direct Dial Telephone Number 01793 463201, jhumh@swindon.gov.uk.

Swindon Dial A Ride service options

Cabinet

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Current operation

- 3.11 SDAR operate a small fleet of 11 adapted minibuses and 2 adapted mobility cars from an office and garaging site on Hawkesworth industrial estate.
- 3.12 They operate the Council's contract for dial a ride and the 'retail runner' – shopping service for elderly and limited mobility residents; the provision of some transport for neighbouring authorities; and provide a range of services to other organisations for the provision of supported transport (e.g. schools, health or day centres etc.).

CMAG

- 3.13 A CMAG has recently met to consider the options for widening the scope of the services that could potentially be operated by SDAR. Discussion covered the scope of services previously discussed with SDAR. It is clear that a number of potential options that have been discussed with SDAR historically and since September 2016 struggle to align with either their current business model, capacity or their charitable status.
- 3.14 Operating close to their full capacity of their own fleet during the day; limited office based staff to look at alternative options; high cost of capital investment to increase fleet numbers; and constraints on profit making through their charitable status does create a number of difficulties in bidding for or resourcing up for additional work.
- 3.15 Previous tendering opportunities that have been discussed with SDAR but have been unable to take forward in this regard have been SEND contract work; mainstream schools contracts; taxi provision; transport to day centres; locality hub work; Ad-hoc and emergency contracts.

Service Options

- 3.16 Historical discussions and recent meetings have indicated that a number of areas could however be explored in more depth.
- 3.17 The Current SDAR accommodation is leased up until September 2018, however a possibility of a peppercorn lease making use of existing unused council premises would benefit SDAR and will be considered through SBC's property team. This would need to be considered against and commercial advantage that this might create if SDAR were to bid for future work.
- 3.18 The size of school transport contracts bundles could be adjusted to better align with the SDAR contract model and capacity. Too large a tender and fleet capacity is an issue, too small and time tendering becomes inefficient. Hence in the future contract sizes and bundles will be discussed and considered as part of the SDAR operational meetings.

Further information on the subject of this report can be obtained from Jason Humm, Direct Dial Telephone Number 01793 463201, jhumh@swindon.gov.uk.

Swindon Dial A Ride service options

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- 3.19 Greater visibility of possible S106 monies through new developments such as Wichelstowe, Tadpole Farm and NEV, for community transport would help to improve the alignment of the SDAR business model. This can be picked up through contract meetings and details from the Council's S106 officer.
- 3.20 At present the 2 accessible vehicles are not permitted to use bus lanes. An exemption for these 2 vehicles could improve operational efficiency and will be explored within the bounds of current legislation.

Longer-term issues

- 3.21 A move from tendering services to grant based could be explored. At present SDAR operate as an arm's length organisation hence this would create a significant change to the SDAR business model and have implications to the Council's operations and service provision. There are also risks around securing value for money for services that were previously tendered.
- 3.22 The Council's stated budget position and that agreed in the bus service strategy (agreed in September 2016) is currently to withdraw funding for all supported bus services by 2020. It is clear that further work will be required to progress this commitment, however consideration will be given to the implications to SDAR beyond their current contract with the Council to September 2018.

4. Alternative Options

- 4.1 A do nothing option would be to continue with the current relationship through the existing contract arrangements and joint contract management meetings. SDAR are a fully independent charitable organisation and as such directly control their own business model.
- 4.2 SDAR have acknowledged that their current business model ensures they are sustainable to at least September 2018 to tie in with the end of the current contract

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 The current contract is established until September 2018. The council need to be mindful not to provide commercial advantage to SDAR in relation to future bidding opportunities.
- 5.2 Committed savings related to the current contract operation have already been made.
- 5.3 A decision to change support for revenue funded services up to and beyond 2020 would have financial implications to the Council in the future.

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Swindon Dial A Ride service options

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Diversity Impact Assessment

- 5.4 A Diversity Impact Assessment (DIA) was completed as part of the bus strategy review work in September 2016 and as such has included the changes to SDAR contract within its scope.

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 No.

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School Place Planning – Tadpole Garden Village

Cabinet

Date: 14th June 2017

Author:	Cabinet Member for Children's Services and School Attainment and Head of Education
Wards:	St Andrews
Parishes Affected:	St Andrews

1. Purpose and Reasons

- 1.1 The report sets out the primary school place requirements in the North of Swindon and proposes the construction and opening of a new two form entry primary school on land north of the Tadpole Garden Village.
- 1.2 The report requests permission to conduct a consultation on the proposed location of the primary school, to proceed with the design and planning and to seek an education provider to operate the school.
- 1.3 The report also requests permission to bridge the funding gap between the developer primary school contributions from Tadpole Garden Village and the cost of construction.
- 1.4 This report supports the Priority Two of the Vision to "Offer education opportunities that lead to the right skills and right jobs in the right places" and in specifically pledge 15 "in addition to two new Free secondary schools, build one secondary and 12 primary schools to meet the needs of our increasing population".

2. Recommendations

Cabinet is recommended to:

- 2.1 Authorise the Head of Design and Architecture to manage the submission of a planning application and proceed with the construction of a two form of entry primary school and nursery through the SCAPE framework.
- 2.2 Authorise the Head of Education in conjunction with the Cabinet Member for Children Services to appoint an education provider for the new free school and fulfil all statutory processes to ensure the Secretary of State for Education makes an appointment.
- 2.3 Authorise the Head of Education, in consultation with the Cabinet Member for Children's Services and School Attainment to conduct a local consultation on the preferred location of the primary school.
- 2.4 Authorise the Director of Finance (Section 151 Officer) to approve the funding for the school from existing Section 106 contributions (contributions secured from housing developers in order to provide the infrastructure required to mitigate their

Further information on the subject of this report can be obtained from Gareth Cheal, 01793 465802, gcheal@swindon.gov.uk.

School Place Planning – Tadpole Garden Village

Cabinet

Date: 14th June 2017

development) and by using up to £2m of Schools Capital Programme basic needs funding.

3. Detail

Background

- 3.1 It is the Local Authority's statutory duty to ensure there are sufficient school places in Swindon. To ensure that the statutory duty is met the Cabinet recently approved the updated Swindon School Place Planning Study (Cabinet Minute 46, 2016/17 refers).
- 3.2 The school place planning study recommended that an additional 4.29FE (FE is equivalent to one class of 30 pupils, therefore a 2FE primary school would have an intake of 60 pupils per year and an overall school population of 420 pupils across the seven age groups) would be required at primary school level in North Swindon.
- 3.3 The Council has created places for the temporary "bulge" years since the Tadpole Farm development has been under construction and families have moved in to the new homes. There are extra classes in some year groups at schools that will, in time, work their way through the schools to Year 6. The schools will then resume their original capacity.
- 3.4 Over the last 5 years the Council has created further planned places in North Swindon as below:
 - 3.4.1 Expansion of Orchid Vale Primary School from a 1FE school to 2FE in Sept 2012
 - 3.4.2 Expansion of Haydonleigh Primary School from a 2FE school to 3FE in Sept 2012
 - 3.4.3 Swindon Academy has opened as a 5 -16 school with a primary capacity of 4FE (840 pupils)
 - 3.4.4 Opening of a new 2FE school at Tadpole Farm in Sept 2014.
- 3.5 The study recommended a second primary school in Tadpole Farm will cover the majority of the extra places that would be needed from the large housing developments and an additional 2FE school would be required at Abbey Farm to meet the demand generated from smaller infill developments in North Swindon, especially around Blunsdon Stadium.

Free Schools

- 3.6 In September 2015, the Department for Education announced a new presumption that requires every new school to be a Free School. As a result

Further information on the subject of this report can be obtained from Gareth Cheal, 01793 465802, gcheal@swindon.gov.uk.

School Place Planning – Tadpole Garden Village

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there are now 2 approved routes to secure a new free school.

- 3.7 The Department for Education runs a process that has two application “waves” for sponsors wishing to set up a new free school. This process is determined by the Department for Education and is outside of Local Authority control.
- 3.8 The alternative route is via a presumption process, which is initially driven by the Local Authority. A competition is held to identify a sponsor for a new school, which is ultimately approved by the Secretary of State.
- 3.9 Swindon has adopted an approach to work with education providers to identify a need for places and support free school applications with access to data and hosted events at the University Technical College, Swindon. This is to advertise to potential academy and free school sponsors the characteristics of Swindon, the education strategy and our place planning pressures.
- 3.10 As a result of the engagement work that has been conducted Swindon has had approved two secondary schools, a secondary special school and four primary schools approved through this route (approximately £78m). This puts the Council a third of the way through pledge 15, but importantly these schools will be delivered by pass-porting section 106 funding (contributions secured from housing developers in order to provide the infrastructure required to mitigate their development) to the government at no additional cost to Swindon.
- 3.11 Cabinet considered a report on Free School applications at its meeting in March 2017 (Cabinet Minute 75 2015/2016 refers), which included applications submitted for the two primary schools in paragraph 3.4 above.
- 3.12 In April 2017, the Council were notified by the Department of Education that the Abbey Farm Primary School was successful and has been approved to open as a free school, however, the application by Great Western Academy to open a new school at Tadpole Garden Village was not approved.
- 3.13 However, supporting the free school wave programme, over the presumption route had an element of risk that a school application could be unsuccessful, which would leave the Council with an identified shortfall and the statutory responsibility to ensure places are provided.
- 3.14 Therefore, this report proposes to establish a school that is required at Tadpole Garden Village from September 2018 by following the presumption process set out in paragraph 3.7 above.

Site

- 3.15 The Council conducted a wide consultation in 2013 on options for school sites in North Swindon; however, there were no suitable locations proposed and the primary school site at Tadpole Garden Village was brought forward to serve the demand for places at that time.

Further information on the subject of this report can be obtained from Gareth Cheal, 01793 465802, gcheal@swindon.gov.uk.

School Place Planning – Tadpole Garden Village

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- 3.16 As identified in the supplementary report to Cabinet in March 2013 “by bringing the approved school site forward for development in response to current need in the Northern Sector for September 2014, there is a significant risk to long term school place planning. This is because an additional site for the Tadpole Farm development would be required at some point to meet the identified needs of the new community.”
- 3.17 A proposed location has been identified to the north of the Great Western Academy Free School opening in September 2017. The land is in Swindon Borough Council ownership, but has an identified future use as a waste site in the Local Plan that would need to be amended. There are no alternative options proposed, but the location will be subject to a local consultation and any alternatives will be considered against the established school site selection criteria.

Funding

- 3.18 The construction of the primary school will be funded predominately through Section 106 funding secured through the approved planning applications at Tadpole Garden Village. It is recognised that the Section 106 contribution is not sufficient to meet the full cost of the school. This shortfall is currently estimated at circa £2m.
- 3.19 The Council has been notified that it will receive £2.958m of Schools Capital Programme basic needs funding in 2018/19, this is designed to meet the cost of providing additional places required in Swindon. It is therefore expected that up to £2m of this funding is used to support the delivery of this school.
- 3.20 On a wider basis the School place planning report to Cabinet in September 2016 identifies the need for an additional 23 - 25 Primary Forms of Entry and a need for 22 - 24 Secondary Forms of Entry by 2026 in Swindon (Cabinet Minute 46 2016/17 refers).
- 3.21 It is expected that changes to the process for delivering and funding new school provision once the new government is formed will be proposed. Whilst there will be Section 106 contribution attributable to meet some of the wider and long term requirements, it is unlikely that Section 106 will cover the full cost of all of these schools. Therefore, it is proposed to bring a full report to Cabinet in Autumn 2017 once there is more clarity on the future arrangements for school delivery and funding.

Consultation and next steps

- 3.22 Public consultation considering the proposed school will commence in June 2017 with the results presented to the Cabinet Member for consideration. This proposed timescale will run in parallel with the appointment of an education

Further information on the subject of this report can be obtained from Gareth Cheal, 01793 465802, gcheal@swindon.gov.uk.

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provider and to provide the new facilities. Any proposal to establish a new school at Tadpole Garden Village will be subject to a successful planning application.

- 3.23 The Education Act 2011 sets out the following new requirements for Local Authorities with regard to the establishment of new school.

3.23.1 The Authority has to seek proposals for the establishment of a Free School, and specify the date by which proposals must be received.

3.23.2 Following the published closing date by which proposals should have been submitted, the Authority must contact the Secretary of State for Education to outline the steps it has taken to secure applications for the establishment of a Free School, together with details of which have been received.

3.23.3 Only if no Free School proposals are received, can the Authority seek the Secretary of State's permission to begin a competition process to establish a maintained school.

- 3.24 It is proposed, if necessary, that subject to Cabinet approval an education provider will be sought during autumn 2017.

4. Alternative Options

- 4.1 Based on the forecast pupil data, there is no option but to provide additional school places in North Swindon. An alternative could be to allow an academy sponsor to pursue a free school through wave 13, but it is expected that the timing of that process would result in the approval of a school in 2018 and opening in September 2019 at the earliest.

- 4.2 The other alternative is that there would be an insufficient number of school places in North Swindon.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 Government capital grant allocations for capital spending on schools have been significantly reduced in recent years and are insufficient to meet the needs of existing schools and the requirement to fund new ones. This has resulted in the Council entering into additional borrowing to support identified needs.
- 5.2 The construction of the primary school will be funded predominately through s106 funding secured through approved planning applications at Tadpole Garden Village. It is anticipated that there will be a shortfall in funding of circa £2m. The Council has been notified that it will receive £2.958m of Schools Capital Programme basic needs funding in 2018/19.

Further information on the subject of this report can be obtained from Gareth Cheal, 01793 465802, gcheal@swindon.gov.uk.

School Place Planning – Tadpole Garden Village

Cabinet

Date: 14th June 2017

- 5.3 As identified in para 3.20 the Council has a number of schools that need to be built over the next few years and it is unlikely that s106 contributions will be sufficient to meet all of the costs of building these schools.
- 5.4 The proposal would affect the Dedicated Schools Grant (DSG), in relation to both “trigger” funding: initially (the increased revenue funding provided to schools that have an in-year increase in pupil numbers over a certain threshold) and “pre-opening” costs (the funding allocated to a school to set up before opening, covering the April to September period before pupils are admitted). As a consequence of the DfE’s school funding reform programme the Council would need to consult formally with the Schools’ Forum to seek agreement to the level of funding proposed to be allocated for in year pupil growth in advance of each financial year.

Legal and Human Rights Implications

- 5.5 The Council has a responsibility to ensure that there are sufficient school places available. Further details as to the required process for the establishment of a new school are set out in paragraph 3.19 of the report. The Education & Inspections Act 2006 requires Local Authorities to promote choice and diversity when carrying out their strategic duties in relation to the provision of new school places.
- 5.6 Human rights considerations have been taken into account fully 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)

- 5.7 The proposals for additional school places comply with Section 17 of the Crime & Disorder Act 1998 to develop school policy to maximise school attendance.

Diversity Impact Assessment

- 5.8 A DIA for the School Place Planning Strategy was attached to the September 2016 Cabinet report. No further implications have been identified.

Risk Management

- 5.9 The proposed decision to move forward to the next stage of the decision making process is considered minimal risk at this stage. However, should the proposal move forward to the implementation stage then there are likely to be significant risks similar to any other large school building project.

Further information on the subject of this report can be obtained from Gareth Cheal, 01793 465802, gcheal@swindon.gov.uk.

School Place Planning – Tadpole Garden Village

Cabinet

Date: 14th June 2017

6. Consultees

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

7. Background Papers

- 7.1 None

8. Appendices

- 8.1 None

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

- 9.1 This is a Key Decision and is included in the Cabinet Work Programme and Forward Plan for June 2017.

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Governance Arrangements of SBC Owned Companies

Cabinet

Date: 14th June 2017

Author:	Deputy Leader and Cabinet Member for Finance and Commercialisation and the Director of Law and Democratic Services
Wards:	All
Locality Affected:	All
Parishes Affected:	All

1. Purpose and Reasons

- 1.1 The purpose of this report is to set out the recommended governance arrangements for the Council's wholly owned companies. This follows previous reports to Cabinet in March and April 2017, where approval was granted to take the first steps to set up the wholly owned trading company limited by shares, through which the Council will design and construct housing on a commercial basis for sale and private market rent.
- 1.2 The creation of Swindon Housing (Holding) Company contributes towards Priority One of the Council's Vision – to “improve infrastructure and housing to support a growing, low carbon economy.”

2. Recommendations

Cabinet is recommended to:

- 2.1 Approve the governance arrangements set out in section 3 of this report.
- 2.2 Authorise the Director of Law and Democratic Services to formally agree any further governance arrangements including the shareholder agreement, in consultation with the Cabinet Member for Finance and Commercialisation
- 2.3 Note that specific funding requests by the wholly owned company will be referred to Cabinet if above £10m and that those requests for funding of less than £10m will be considered by the Corporate Investment Strategy Board and the associated Cabinet Member Advisory Group. (*Cabinet minute 70 (c), 2016/17 refers*).

3. Detail

- 3.1 The establishment of a wholly owned Housing Company is aligned to the challenging financial environment the Council faces as a result of reduced Government funding and increasing demand. The ability to innovate and invest wisely on a commercial basis, taking advantage of opportunities as they present

Further information on the subject of this report can be obtained from Stephen Taylor, 01793 463012 staylor@swindon.gov.uk.

Governance Arrangements of SBC Owned Companies

Cabinet

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themselves, will be key to achieving a balanced budget position and securing a sustainable financial future for the Council.

- 3.2 Accordingly, in December 2016 Cabinet adopted a Commercial Investment Strategy and agreed to establish a Commercial Investment Fund as a vehicle for investment in schemes that will support the Council's wider economic and regeneration objectives and generate income for the Council to help deliver long-term financial resilience. This includes the development of housing for sale on Council owned land and the development of private rented sector housing.
- 3.3 The publication of the Housing White Paper "Fixing our broken housing market", on 7th February 2017, continues to signal central Government support for Councils setting up local housing companies. This includes developing new homes for market sale and private market rent.
- 3.4 The Council's Housing Strategy 2014-2026 sets out 4 key priorities:
1. Supporting economic growth- increasing the quality and diversity of our housing stock
 2. Responding to the changing housing market- improving standards in private rented housing
 3. Affordability- improving the offer
 4. Managing demand – promoting and maintaining independence
- 3.5 The Housing Company would assist priorities 1 and 2 of the Housing Strategy, complementing the work already achieved in the early years of the strategy in priorities 3 and 4 and the work of the Housing Revenue Account which would remain focused on developing affordable housing within its existing powers.

Governance

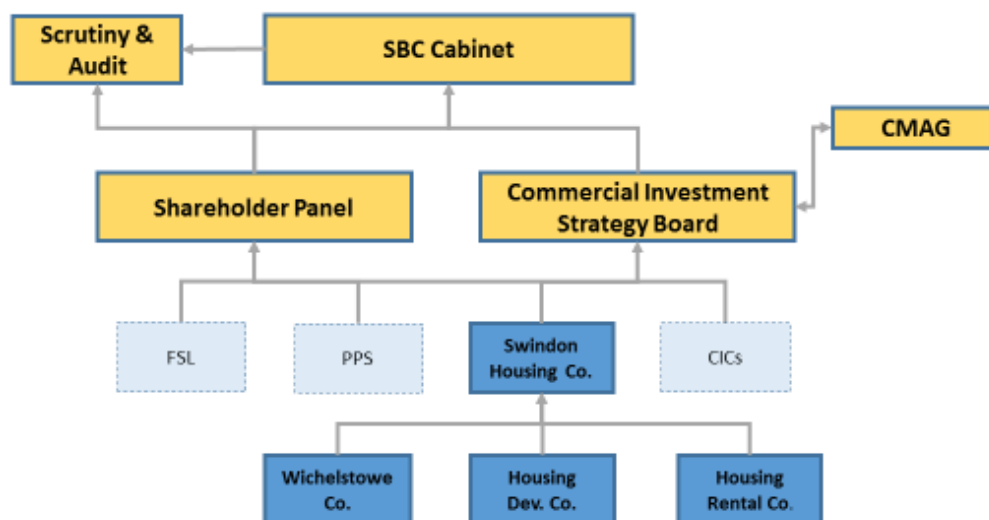
- 3.6 The Company will need a group structure to deliver all of its aims effectively and tax efficiently. The proposed group structure and governance arrangements with the Council are set out below:

Governance Arrangements of SBC Owned Companies

Cabinet

Date: 14th June 2017

Housing Company Governance



- 3.7 Authority has already been granted to establish Swindon Housing Company (*Cabinet minute 112 2 2016/17 refers*) which has been formed as the Swindon Housing Company.
- 3.8 In order to isolate risks across the three development activities, as well as being as tax efficient as possible, a group structure is proposed headed by Swindon Housing Company. The delivery of the Private Market Rented accommodated will be by the subsidiary referred to here as “RentCo”.
- 3.9 The previously agreed Wichelstowe development on Parcels 1 and 2 will be carried out by WichelCo who will also reinvigorate the appetite to develop Wichelstowe and is referred to elsewhere on your agenda. The overall strategic aims of the companies and their long term business plans will be reviewed by the Council’s Shareholder Panel on at least an annual basis. Specific funding requests will be dealt with by the Corporate Investment Strategy Board or Cabinet.
- 3.10 For state aid compliance reasons local authority loans to a company for commercial activities must be provided on market terms. If the Council does opt to provide loans to the company then it is likely to require appropriate security through a fixed charge over the company’s assets and/or a floating charge. The Heads of Terms would be drafted by the Council’s s151 Officer and be included within the proposal to be determined by the Deputy Leader on the advice of the

Further information on the subject of this report can be obtained from Stephen Taylor, 01793 463012 staylor@swindon.gov.uk.

Governance Arrangements of SBC Owned Companies

Cabinet

Date: 14th June 2017

Council's Commercial Investment Board, and in consultation with the Commercialisation CMAG, such funding to be provided from the Commercial Investment Fund.

- 3.11 The Council will own 100% of the shares in the housing company which will be a *Teckal* company. As sole shareholder the Council will appoint the company directors, and the Council's Shareholder Panel will also oversee the company's activities.
- 3.12 The Company Directors will be responsible for providing strategic direction and setting operational parameters, as well as overseeing and scrutinising operational and financial performance to ensure that business plan targets are met, within the parameters agreed with the Council as shareholder. To ensure accountability, a clear decision making framework will be required that sets out matters which will be determined by the Board of Directors and delegated authority which will allow the Managing Director to make decisions in relation to the day to day activities of the company. A performance and financial management framework with clear targets and milestones will also need to be developed.
- 3.13 To ensure that the housing companies can operate efficiently and effectively it will be important to have the appropriate balance of skills and experience and, in particular, the right business and commercial financial acumen. As is the case with other council-owned companies, this has been achieved through the appointment of non-executive directors with appropriate specialist experience in that particular field.
- 3.14 Accordingly, it is proposed that the Housing Company Board of Directors will consist of a minimum of the following:
- 4 elected members, to include three Councillors of the Majority Group and one representative from the Opposition Group.
 - 2 senior officers of the Council, including the Managing Director.
 - 1 independent Non-Executive Director.
- 3.15 It is noted that Council approved the initial following appointments at the annual Meeting on 19th May 2017:
- 3.15.1 Councillors Wayne Crabbe, Oliver Donachie, Toby Elliott and Steve Allsopp.
- 3.15.2 Bernie Brannan and Andy Evans as relevant senior officers of the Council.
- 3.15.3 The independent non-executive director remains to be appointed.

Further information on the subject of this report can be obtained from Stephen Taylor, 01793 463012 staylor@swindon.gov.uk.

Governance Arrangements of SBC Owned Companies

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- 3.16 The Leader of the Council has appointed a Shareholder Panel, whose Membership is:
- 3.16.1 Majority Group: Councillors Emma Faramarzi, Russell Holland, David Renard and Tim Swinyard.
- 3.16.2 Opposition Group: Councillors Emma Bushell and Des Moffatt
- 3.16.3 Minority Group: Councillor Stan Pajak
- 3.17 It will be the duty of directors of the company to act in accordance with the best interests of the company. Should that conflict with the interests of the Council (E.g. in the allocation of funding) then the directors of the company will need to recognise this during the decision-making process and seek advice and act accordingly.
- 3.18 An officer Housing Development Programme Board forms part of the wider governance structure around the housing development programme and this Board will continue to scrutinise proposals to bring Council owned sites forward for development prior to Cabinet approval. A Housing CMAG has also been formed to which the Programme Board reports regularly. The Council's Commercial Investment Board oversees commercial investments and makes recommendations to the Commercialisation CMAG.

Company Resources

- 3.19 It is anticipated that many of the services that will be required for the delivery of housing development projects will be contracted out (construction, sales and marketing) or provided by local authority staff and re-charged to the company at commercial rates (for example planning and design, site investigation surveys and ecology).
- 3.20 The detailed costings include an allowance to cover project management costs which are the costs of the Councils design and architecture team. There will not be any initial requirement to transfer staff to the Company and therefore no TUPE issues apply at this stage.

Business Plan

- 3.21 One of the first tasks for the company's Managing Director will be to develop a detailed business plan covering a rolling 5-year period of investment activity and operational policies. It is anticipated that the Business Plan will be reviewed and agreed annually by the Shareholder Panel and will cover the following: -
- Operational plans

Further information on the subject of this report can be obtained from Stephen Taylor, 01793 463012 staylor@swindon.gov.uk.

Governance Arrangements of SBC Owned Companies

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- Financial model and assumptions
 - Operational budget and working capital requirements
 - Fees, interest and loan repayments, on-costs and tax
 - Funding profile and sensitivity analysis

3.22 It is envisaged that the complete company structure will be operational by the end of the summer 2017.

4. Alternative Options

4.1 The Council does not have the legal powers to build and sell property for a commercial purpose directly and therefore this activity must be carried out through a company. If Cabinet does not agree to set up a housing development company, there will be a direct impact on the Councils budget as this proposal contributes to the Medium Term Financial Plan position.

4.2 The alternatives to setting up a single company to design, construct and manage housing for sale and private rent are as follows:

4.2.1 Set up separate companies to design and build housing for sale and private rent. This option is not recommended on the basis that it would limit flexibility in terms of deciding the appropriate route to market for each scheme, would increase the complexity of the governance arrangements and would incur additional overhead costs, this reducing the amount of dividends that would be returned to the Council.

4.2.2 Set up a separate company to manage housing built for private rent (in effect a Council owned lettings agency and property management company). This would have the advantage of insulating risk associated with the distinct activities of design and construction on the one hand and lettings and property management on the other. The merits of this alternative will be considered in the light of legal and tax advice received when the detailed business plan for housing for private rent is brought back to Cabinet.

4.2.3 Set up the housing company as a subsidiary of Forward Swindon Limited. This option has been discounted for the reasons set out in a separate report on Cabinet's agenda on the Council's forward strategy for delivering economic development and regeneration in Swindon elsewhere on Cabinet's agenda.

4.2.4 A Joint Venture model with a private developer is another option, however, this option would necessitate an EU compliant procurement process and take significant time to establish. Whilst a JV would allow the Council to

Further information on the subject of this report can be obtained from Stephen Taylor, 01793 463012 staylor@swindon.gov.uk.

Governance Arrangements of SBC Owned Companies

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access commercial and housing development expertise and share risk the downside is a loss of control and flexibility as well as a requirement to share revenue income.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 These are detailed in the body of the report

Legal and Human Rights Implications

- 5.2 Local authorities are empowered to trade through various legislation. The relevant powers for this project are the powers contained in the Local Government Act 2003 and the Localism Act 2011.
- 5.3 Section 95 of the Local Government Act 2003 enables local authorities to do for a commercial purpose anything which they are authorised to do for the purpose of carrying on their ordinary functions provided that that power is only exercised through a company.
- 5.4 Section 1 of the Localism Act 2011 provides local authorities with a general power of competence to do anything that an individual generally may do, including doing so for a commercial purpose. The general power of competence is limited by any other statutory prohibitions, restrictions or limitations that might apply to the action that the local authority is proposing to take. As with the section 95 power, the local authority's ability to exercise its general power of competence to trade is again subject to the requirement that that power is exercised through a company.
- 5.5 It is important that an appropriate governance structure is put in place to ensure the sound and robust management of the company and protect the Council's reputation and financial investment.
- 5.6 Legal and Human rights considerations have been taken fully into account in compiling this report. It is considered that the proposals within this report are compatible with convention rights.

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

- 5.7 No specific implications have been identified at this time.

Diversity Impact Assessment

- 5.8 There are no direct impacts from this decision.

Further information on the subject of this report can be obtained from Stephen Taylor, 01793 463012 staylor@swindon.gov.uk.

Governance Arrangements of SBC Owned Companies

Cabinet

Date: 14th June 2017

Risk Management

5.9 The following table sets out the key risks identified and key controls to mitigate these risks.

Risk Area	Inherent Risk	Mitigation	Residual Risk
Business case insufficiently robust/not tested	Medium	i) Employment of specialist financial consultants ii) Sensitivity analysis carried out to test impact of negative movement on key assumptions iii) Scrutiny of external modelling by in house Finance staff	Low
Insufficient expertise to ensure achievement of best value in property construction	Medium/High	i) Include within the business modelling the costs of an Employer's Agent to oversee the development process ii) Provision for recruiting Company directors with background in development	Low/ Medium
Adverse movements in the housing market, such as property sales and/or rental price deflation, higher than anticipated building cost inflation, leaving the Company committed to unviable schemes	High	i) Consideration of viability on a site-by-site basis so that if a scheme is not modelled to be viable, commencement is delayed or cancelled ii) Flexibility to determine the optimal route to market (sale or private rental) for each scheme in the light of prevailing market conditions.	Medium

6. Consultees

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

7. Background Papers

7.1 None

Further information on the subject of this report can be obtained from Stephen Taylor, 01793 463012 staylor@swindon.gov.uk.

Governance Arrangements of SBC Owned Companies

Cabinet

Date: 14th June 2017

8. Appendices

8.1 None

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

9.1 This is not a Key Decision and is included in the Cabinet Work Programme and Forward Plan for March.

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Councillors' Allowances 2018/19 – Recommendations of the Independent Remuneration Panel

Cabinet

Date: 14th June 2017

Author:	Leader of the Council and the Director of Law and Democratic Services
Wards:	All
Parishes Affected:	All

1. Purpose and Reasons

- 1.1 To consider recommendations arising from a meeting of the Independent Remuneration Panel on the level of Councillors' Allowances in Swindon for 2018/2019.
- 1.2 The Council is required by the Local Authorities (Members Allowances) (England) Regulations 2003 to consider the recommendations of its Independent Remuneration Panel when making decisions relating to its Scheme of Councillors' Allowances. It is not required to adopt all or any of the Panel's recommendations. Decisions on the Scheme of Councillors' Allowances require the approval of full Council.

2. Recommendations

Cabinet is recommended to:

- 2.1 Consider the recommendations of the Independent Remuneration Panel on Councillors' Allowances for 2018/2019, as set out in paragraph 3.14, and to refer these recommendations to the Council.
- 2.2 Authorise the Director of Law and Democratic Services to introduce a revised Councillors' Allowances Scheme for 2018/2019 based on the recommendations of the Independent Remuneration Panel, as approved and adopted by the Council.

3. Detail

Background

- 3.1 The Independent Remuneration Panel for Swindon Borough Council was established in late 2001. It is currently made up of six members independent of the Council. One each is nominated by the Education, Business and Voluntary / Community Sectors, while three members are appointed following public advertisement.
- 3.2 The Panel undertook a detailed and comprehensive review of Councillors' Allowances in 2016 which resulted in its recommendations for 2017/2018 and future years. These were adopted in full by Council at its meeting on 14 July 2016 (Minute 31(1) of the Council).

Further information on the subject of this report can be obtained from Vicki Yull, 01793 463603, vyull@swindon.gov.uk.

Councillors' Allowances 2018/19 – Recommendations of the Independent Remuneration Panel

Cabinet

Date: 14th June 2017

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- 3.3 The Panel's recommendations for Councillors' Allowances for 2017/2018 and future years, as adopted by Council, are summarised below. The full Councillors' Scheme of Allowances can be found in the Council's Constitution, available on the Swindon Borough Council website.
- a) That the level of Basic Allowance is raised to £8,220 (the median level of the Council's 'family grouping') and that this increase is phased in over a two year period, with the Basic Allowance being set at £8,090 for 2017/2018 and at £8,220 for 2018/2019.
 - b) To index link the Basic Allowance payable to all councillors to any percentage increase in the Local Government Pay Settlement for a period of four years commencing in 2017/2018.
 - c) That a system of Basic Allowance multiplication is introduced to calculate the levels of Special Responsibility Allowances, using the proposed Basic Allowance of £8,220. Any increases to be phased in over a two year period (in line with the proposals for the Basic Allowance), but any proposed decreases to take immediate effect.

Review of Councillors' Allowances for 2018/2019

- 3.4 At its meeting on 8 May 2017, the Panel noted that there are currently no significant changes proposed to the structure and role of councillors serving on the Cabinet and Council Committees, and that there has been no change in respect of the structure and responsibilities of the Standards or other regulatory Committees.
- 3.5 The Panel also sought the views of the Council's Chief Executive, Section 151 Officer, Monitoring Officer and the respective political groups on the levels of Councillors' Allowances for 2018/2019, and where representations were made these are set out in the report.

Basic Allowance

- 3.6 The Panel considered the appropriateness of the Basic Allowance in Swindon, giving regard to the phased increase for 2018/2019 already agreed, and the Council having adopted an index link for the Basic Allowance attached to the percentage increase in the Local Government Pay Settlement.
- 3.7 As no representations had been made on the level of Basic Allowance, and in view of the above points, the Panel were minded to not undertake a review of the level of Basic Allowance for 2018/2019.

Further information on the subject of this report can be obtained from Vicki Yull, 01793 463603, vyull@swindon.gov.uk.

Councillors' Allowances 2018/19 – Recommendations of the Independent Remuneration Panel

Cabinet

Date: 14th June 2017

Special Responsibility Allowances (SRA)

- 3.8 The Panel considered a representation from the Chair of the Licensing Committee that the Panel consider whether those Licensing Committee members who sit on daytime panels should be entitled to an SRA. The representation accepted the most recent recommendation from the Panel, which was approved by Council, that simply serving on the Licensing Committee itself is not sufficient reason to justify extra payment. However, there was a concern expressed that there may be difficulties in securing sufficient members for the additional daytime panels.
- 3.9 The Panel considered excerpts from the Council's Constitution setting out the responsibilities and functions of the Licensing Committee, and revisited its original deliberations as to why this SRA should be removed. The Panel also noted that there are currently no proposals in place to amend the description or responsibilities of any of the other posts which currently attract SRAs.
- 3.10 The Panel were mindful that SRAs were by definition awarded on the basis of additional responsibility, not the time of day at which the responsibility is exercised. Accordingly, the Panel decided not to recommend any changes to the SRAs for 2018/2019. The Panel did agree to consider whether the removal of the SRA for members of the Licensing Committee has had an impact on attendance, as part of its review of allowances for the 2019/2020 Municipal Year.

Travel, Subsistence and Dependent Care Allowances

- 3.11 The Panel considered a representation from the Leader of the Council that the level of meal allowances in the Scheme are out of touch with typical prices, especially in London, and had requested that the Panel review the amounts.
- 3.12 The Panel considered a summary of subsistence allowances paid by other comparable authorities, and the Travel and Subsistence Policy for Swindon Borough Council officers, which had been circulated prior to the meeting for background information.
- 3.13 The Panel determined that it was not necessary to undertake a full review of Councillors Travel, Subsistence and Dependent Care Allowances at this time. The Panel did, however, agree that the current rate for the Evening Meal Allowance (£10.00) was unrealistic and merited an increase. This could be partly offset by the abolition of the Tea Allowance (£3.20) which the Panel was advised was infrequently claimed.

Recommendations

- 3.14 The Panel resolved that the Cabinet and Council be recommended that:
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Further information on the subject of this report can be obtained from Vicki Yull, 01793 463603, vyull@swindon.gov.uk.

Councillors' Allowances 2018/19 – Recommendations of the Independent Remuneration Panel

Cabinet

Date: 14th June 2017

3.14.1 The levels of Councillors' Basic Allowance and Special Responsibility Allowances for 2018/2019, as agreed by Council at its meeting on 14 July 2016, remain unchanged.

3.14.2 That the Councillors' Allowance Scheme for 2018/2019 be amended to reflect the proposed removal of the Tea Allowance, currently set at £3.20.

3.14.3 That the Councillors' Allowance Scheme for 2018/2019 be amended to reflect the proposed increase to the Evening Meal Allowance from £10.00 to £15.20.

4. Alternative Options

- 4.1 There are no alternative options proposed. The Cabinet can decide to support all the Panel's recommendations to the Council, or it can decide not to support the Panel's recommendations and to make its own recommendations to the Council.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 The total allocation for Councillors' Allowances and support for 2017/2018 is £690,700. From this, £461,130 is set aside for the payment of Councillors' Basic Allowances (£8,090 x 57) and the remainder is made available for Mayoral Allowances, Special Responsibility Allowances, and other Allowances (e.g. Travelling and Subsistence) as specified in the Scheme of Allowances. The impact of the changes proposed by these recommendations are minimal.

Legal and Human Rights Implications

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

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

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

Diversity Impact Assessment

- 5.4 A Diversity Impact Assessment has not been undertaken as the report concerns implementation of national regulations and does not make any recommendations that affect services or employment. The Independent Remuneration Panel considered potential impacts on equality groups as part of their deliberations, and their proposals on the level of allowances reflect their considerations.

Further information on the subject of this report can be obtained from Vicki Yull, 01793 463603, vyull@swindon.gov.uk.

Councillors' Allowances 2018/19 – Recommendations of the Independent Remuneration Panel

Cabinet

Date: 14th June 2017

Risk Management

- 5.5 There are no specific risk implications. Decisions on Councillors' Allowances are often controversial in media terms and thus decisions may have a reputational risk for the Council.

6. Consultees

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

7. Background Papers

- 7.1 None.

8. Appendices

- 8.1 None.

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

- 9.1 This is not a Key Decision.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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