

Capital Programme 2014/15 to 2016/17

Cabinet

Date: 5th February 2014

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

1. Purpose and Reasons

- 1.1 To report new Capital Programme requirements for the period 2014-15 to 2016-17 and beyond.
- 1.2 The effective management of financial resources through robust financial management processes underpins the Council's ability to achieve its plans and priorities.

2. Recommendations

Cabinet is recommended to ask Council to:

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

3. Detail

Capital Programme

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

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

Children's Services Schemes

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

Highways Schemes

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

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

Property & Assets

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

Older People

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

4 Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

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

Legal and Human Rights Implications

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

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

- 4.3 There are no such direct implications.

Diversity Impact Assessment

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

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

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

5 Consultees

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

6 Background Papers and Appendices

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

7 Key Decision/Decision in Forward Plan

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