

Capital Programme 2015/16 to 2017/18

Cabinet

Date: 4th February 2015

Author: Cabinet Member for Finance

Board Director, Resources

Wards: All

Locality Affected: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 To report new Capital Programme requirements for the period 2015/16 to 2017/18 and beyond.
- 1.2 The effective management of financial resources through robust financial management processes underpins the Council's ability to achieve its plans and priorities.

2. Recommendations

Cabinet is requested to recommend the Council to:

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

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

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

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

3. Detail

Capital Programme 2015/16

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

Growth Deal

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

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

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

Children's Services Schemes

- 3.5 The Government allocates two main capital grants to support expenditure on school assets: maintenance funding and Basic Need. Maintenance funding is provided for maintenance and repair to existing school buildings, and Basic Need funding supports the requirement for providing new pupil places in new or expanded maintained schools but does not include funding for any Special Educational Needs places.
- 3.6 In 2014, the Council was allocated Basic Need grant of £1,908,045 for 2014-15, £157,724 for 2015-16, and £165,610 for 2016-17. The funding allocation at this time only supports those Primary schemes deemed to have an operational requirement up to 2016-17 and not funded from Developers Contributions. Significant Secondary Place pressures exist beyond this date and there is currently no clarity around the level at which further Basic Need funding may support these requirements. In addition, if new requirements for schools are met through Free Schools, then the Council would not receive additional Basic Need Grant.
- 3.7 Capital Maintenance grant for 2015/16 has not been notified at the date of writing this report but is estimated at c£1m (2014/15 £1.54m). Notification of the exact sum is not expected until late January/early February 2015.
- 3.8 Appendix 1 contains a summary of the position on all schemes as at the date of the writing of this report. However, it is not possible at present to provide robust cost information around any of the schemes required from September 2015 on due to a combination of circumstances, namely the timing of the report reviewing Special Educational Needs requirements (expected in March '15), outcomes of

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

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

Local Priority Highways and Transport Schemes

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

Property and Assets

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

Older People and Other Proposals

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

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County Ground Athletics Track

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

Waterside Investment

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

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

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

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

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

Kingsfarm Woodland

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

Superfast Broadband

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

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Growth Feasibility Reserve

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

Library IT Equipment

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

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

4. Alternative Options

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

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

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

Legal and Human Rights Implications

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

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

- 5.3 There are no such direct implications.

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Diversity Impact Assessment (DIA)

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

6. Consultees

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

7. Background Papers

- 7.1 None.

8. Appendices

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

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

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