

Capital Programme 2016/17

Cabinet

Date: 10th February 2016

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 2016/17 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 Note the position and future budget requirement for the additional Children's Services schemes referred to at paragraphs 3.7 below.
- 2.2 Approve a budget of £2.090m for the schemes referred to at paragraph 3.8 below and detailed in Appendix 1.
- 2.3 Approve a total budget of £3.944m for the 2016/17 local priority Highways and Transport schemes, referred to at paragraph 3.9 below and detailed at Appendix 2.
- 2.4 Approve a total budget of £2.391m for 2016/17 for Repairs and Maintenance on Corporate Property as referred to in paragraphs 3.11 and detailed at Appendix 3.
- 2.5 Approve a total budget requirement of £1.188m for Older Peoples and other capital schemes referred to in paragraph 3.15 and detailed at Appendix 4.
- 2.6 Approve a budget of £38,507 for refurbishment work to the Highdown play area, funded from Abbey Stadium S106 monies, as detailed at paragraph 3.18 below.
- 2.7 Approve an increase in the budget for Waterside improvement works from £3.8m to £4.0m as detailed at paragraphs 3.19 to 3.21 below.

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3. Detail

Capital Programme 2015/16

- 3.1 The Council approved, on Cabinet's recommendation, a 2015/16 programme in February 2015 with indicative costs in years beyond reflecting the Government's decision to approve grants on a yearly basis
- 3.2 This report details the Capital Programme approval requirements for 2016/17, and indicative requirements beyond 2016/17.

Children's Services Schemes

- 3.3 The Government allocates two main capital grants to support expenditure on school assets, maintenance grant and basic need grant. 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. Neither grant is ring-fenced to schools, but given the pressures in this area it is recommended that these funds are used as proposed in this paper.
- 3.4 **Basic Need grant of £165,609** has been awarded for 2016-17, with £67,419 indicative funding for 2017-18. Any schools required as a result of development are expected to be funded from S106 contributions, and no Basic Need grant would be expected. Any schools provided as a Free School would be funded directly through the Education Funding Agency ("EFA") with a contribution from any S106 receipts.
- 3.5 The demand for secondary places that was identified in last year's Cabinet report has been met by the EFA agreement to open two free schools over the next 2 years. There is a demand for Primary School places over the next three years which will require the construction of four new 2 form entry schools, in addition to the two 1 form entry schools already in the capital programme (South Marston extension & Bradbury Park (formerly Commonhead)). There is no expectation that these would attract any Basic Need grant as they relate to places required as a result of new housing development. In addition, these could be provided via Free Schools.
- 3.6 **Capital Maintenance grant** for 2016/17 has not been notified at the date of writing this report but is estimated at **c£1.2m** (2015/16 £1.392m). The level of grant is reduced every time a school converts to an academy as academies are funded directly from the EFA. Notification of the exact sum is not expected until late January / early February 2016.
- 3.7 As noted in 3.5 above there is a demand for four new primary schools to be opened over a 3 year period starting in September 2017. The indicative cost of

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delivering these 4 schools is c£25.5m, but this is subject to the outcome of feasibility work and Free School applications. An update will be provided to Cabinet on each of these schemes as they reach a stage where detailed feasibility work has been undertaken and a robust cost plan has been developed. This information highlights the likely need and provides an indication of the potential budgetary requirements for these schools if the LA is required to provide them.

3.8 This report seeks approval for the following Children's Services schemes:-

- 3.8.1 £500,000 required for condition works, funded from Maintenance grant, 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.
- 3.8.2 Funding is required to refurbish and position a mobile classroom at Westrop Primary School, Highworth. This is to accommodate the additional children that are attending the school as a result of the closure of Northview Primary School.
- 3.8.3 Funding is also required to provide new primary special school places at Crowdys Hill School. There is a need for additional places for primary age pupils in Swindon. Officers have reviewed the existing provision and concluded that Crowdys Hill School is the most appropriate to expand to meet this demand. It is therefore proposed to expand the age range of the school to enable primary pupils to be accommodated. The total funding requirement for Westrop and Crowdys combined is **£1.590m**.
- 3.8.4 The above three schemes total **£2.090m** and are funded from £1.378m maintenance grant, £165k Basic Need grant, £191k S106 contributions and the balance of £354k from borrowing which will have a revenue impact of c£28k per annum.

Local Priority Highways and Transport Schemes

3.9 The Government provided an indication that the Local Transport Plan grant funding for 2016/17 will be **£3.944m** (a reduction in government grant from £4.177m in 2015/16). This is non-ring-fenced funding and the proposed 2016/17 programme has been developed within this envelope of funding to ensure no further Council borrowing is required. The proposed approval includes some initial funding of £20k for bridge strengthening work at Coleshill and Lynt bridges as well as £250k for car park maintenance. Fuller details around the specific allocations of the budget to highways schemes will be contained within the Swindon Local Transport Plan Implementation Plan 2016/17 report which will be brought to a future Cabinet.

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- 3.10 In the absence of any firm funding notification beyond 2016/17, officers are recommending that Cabinet only make new approvals for 2016/17. Appendix 2 also shows indicative requirements for future years.

Property and Assets

- 3.11 Appendix 3 contains a summary of the property and assets related capital schemes requiring approval. There is a requirement for works totalling **£2.391m** in the following areas:
- £131k - Stanton and Peatmoor reservoir refurbishment
 - £260k - Management of asbestos works
 - £2m - General Repairs & Maintenance. This includes Disability Discrimination Access requirements and work on “non-highways structures” such as bridges within parks.
- 3.12 There may also be a requirement for a budget for playground refurbishment works. However, this requirement will be reviewed following the outcome of conversations with Parishes and approval for budgets sought at a future Cabinet if required.
- 3.13 No specific funding is available for the £2.391m of new approvals detailed above and therefore they will all need to be funded from borrowing. Indicative proposals beyond 2016/17 are shown on Appendix 3 but no approval is required at this stage.
- 3.14 The cost to the revenue budget in funding this from increased borrowing is estimated at £80,000 per £1m of spend, therefore around c£200k per annum.

Older People and Other Proposals

- 3.15 Appendix 4 contains details of five new scheme approvals with a total budget requirement of **£1.226m** of which £1.024m is funded from grants and S106 contributions. These schemes are summarised below:-
- £250k – replacement of ASC management system, fully grant funded.
 - £50k – My Care My Support online self-assessment, fully grant funded.
 - £128k – Community equipment, fully grant funded.
 - £60k – Housing options – Shared living accommodation, funded from s106 contributions.
 - £700k – Disabled facilities grants, partially funded by grant £498k, balance from borrowing.

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- 3.16 Disabled Facilities Grants are mandatory grants (subject to claimants fulfilling certain conditions) that Swindon receives grant funding of £498k towards (2016/17 indicative figure).
- 3.17 Officers have indicated that based on past experience that the demand on the Council to provide a grant is greater than the funding provided by Central Government and therefore borrowing of £202k is required to bring the budget up to expected levels of demand. The additional budget of £202k will result in a cost to the revenue budget estimated at £16k per annum over 25 years. This proposal relates to expenditure that assists individuals staying in their own homes for longer and therefore potentially reduce demand on other public services. Officers are recommending that only 2016/17 proposals are approved at this stage due to no firm funding being available beyond this.
- 3.18 A sum of £1.986m has been received as S106 contributions related to the Abbey Stadium development, of which £38,507 is for Local Open Space. This is intended to be used for the provision and upgrade of existing local open space in the vicinity of the development with priority given to use within the Local Open Space at Highdown Way and which may also include other Local Open Space in the Ward of St Andrews or the expansion of cemetery provision for the Parish of Blunsdon St. Andrew. Cabinet are asked to approve this sum be used on refurbishing Highdown play area.

Waterside

- 3.19 Cabinet has previously approved budgets totalling £3.8m for works at Waterside Depot to ensure the site is safe, fit for purpose, compliant and able to meet the increasing demand on the services delivered from the site.
- 3.20 Latest estimates for phase 2 works identify a pressure of £200,000 against this budget due to contaminated land issues, additional drainage works and delays due to space issues. Cabinet is therefore asked to increase this budget from £3.8m to £4.0m, funded from borrowing.
- 3.21 Phase 3 of the work, which includes upgrades to the recycling building, surfacing works and additional drainage, is outside of the scope of this budget, and estimated costs will be brought to a future Cabinet for approval.

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.

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Legal and Human Rights Implications

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

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

- 5.3 There are no such direct implications.

Diversity Impact Assessment (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 16/17 approval and have identified no adverse impact. These are held in the respective service areas.

6. Consulters

- 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

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 2016.