

AGENDA MANAGEMENT SHEET

Name of Committee Council
Date of Committee 7 February 2006
Report Title 2006/2007 Budget

Summary The report provides members with an indication of the revenue resources available for 2006/07 and the associated spending proposals identified by directorates. It also includes a framework for the 2006/07 budget resolutions for this meeting.

For further information please contact: David Clarke Strategic Director of Resources
 Tel: 01926 412003
 davidclarkeTR@warwickshire.gov.uk
 Virginia Rennie Group Accountant
 Tel: 01926 412239
 vrennie@warwickshire.gov.uk

Would the recommended decision be contrary to the Budget and Policy Framework? No. This will form the Budgetary Framework for 2006/07.

- Background papers**
- 2006/07 RSG Settlement issued by the ODPM in January 2006
 - Letters from the district councils confirming the taxbase to be used for setting the precept and the surplus/deficit on collection from previous years
 - O&S Committee budget reports contained in the booklet "Budget Pressures 2006/2007"
 - Cabinet report, 2 February 2006 "Capital Programme Review"
 - Cabinet Report, 2 February 2006 "Capital Programme 2006/07 to 2008/09"
 - Cabinet report, 2 February 2006 "Public Consultation on the Budget and Council Tax 2006/07 - Results"
 - Cabinet report, 2 February 2006 "2006/07 Treasury Management Strategy"

CONSULTATION ALREADY UNDERTAKEN when report prepared for Cabinet on 2 February 2006: -

Other Committees

Local Member(s)

Other Elected Members Cllr Tandy, Cllr Roodhouse, Cllr McCarney and Cllr Booth – for information

- | | | |
|--------------------------|-------------------------------------|---|
| Cabinet Member | <input checked="" type="checkbox"/> | Cllr Farnell, Cllr Cockburn – cleared for circulation |
| Chief Executive | <input checked="" type="checkbox"/> | Jim Graham - for information |
| Legal | <input checked="" type="checkbox"/> | David Carter – for information |
| Finance | <input checked="" type="checkbox"/> | Dave Clarke - reporting officer |
| Other Chief Officers | <input type="checkbox"/> | |
| District Councils | <input type="checkbox"/> | |
| Health Authority | <input type="checkbox"/> | |
| Police | <input type="checkbox"/> | |
| Other Bodies/Individuals | <input type="checkbox"/> | |

FINAL DECISION : YES

SUGGESTED NEXT STEPS:

- | | |
|---|--------------------------|
| Further consideration by this Committee | <input type="checkbox"/> |
| To Council | <input type="checkbox"/> |
| To Cabinet | <input type="checkbox"/> |
| To an O & S Committee | <input type="checkbox"/> |
| To an Area Committee | <input type="checkbox"/> |
| Further Consultation | <input type="checkbox"/> |

Council - 7 February 2006

2006/2007 Budget

Report of the Strategic Director of Resources

Recommendation

That the County Council takes account of the 2006/2007 Framework Budget resolutions when setting the 2006/2007 budget (see appendix C).

1 Introduction

- 1.1 At its meeting on 21 July 2005 Cabinet received an initial report on the likely level of available resources to support the 2006/07 Revenue Budget. The 2006/07 provisional Revenue Support Grant (RSG) Settlement announced at the beginning of December clarified some of the background information. This was reported to members in the finance newsletter on 5 December 2005.
- 1.2 This report sets out the current forecast level of resources available to support the 2006/07 Revenue Budget. The final information on the 2006/07 RSG Settlement and the final information from the district councils in Warwickshire on the taxbase and any collection fund surplus/deficit have yet to be received. This information is not due until the end of January 2006. Therefore an updated report will be tabled at the Cabinet meeting on 2 February and a further report circulated to Members as soon as possible before this Council meeting.

The Cabinet on 2 February 2006 will be asked to:

- Note the 2006/07 government support of £74.505 million.
- Note the projected resource implications of setting a 2006/07 council tax at various levels, as outlined in paragraph 4.3 below.
- Note the need to fund/utilise the deficit/surplus on the collection of council tax in previous years, reported to us by the district/borough councils, of £X.XXX million as part of the budget resolution to Council.
- Note the Strategic Director of Resources' comments on the minimum acceptable level of general reserves (see **Appendix A**).
- Note the 2006/07 revenue spending pressures outlined in section 10 and detailed in **Appendix B**.

- Note the likely level of resources available for 2007/08 and recommend that the Party Groups consider the implications of any decisions on the allocation of resources in 2006/07 on 2007/08 and future years.
- Recommend to County Council that account is taken of the 2006/07 Framework Budget Resolutions when setting the 2006/07 Budget (see **Appendix C**).

1.3 This report focuses on three main areas:

- The level of government support.
- Income from the council tax.
- The availability of general reserves and other one-off resources.

1.4 Based on the various background reports and information 2006/07 Framework Capital and Revenue Budget Resolutions have also been prepared.

2 Dedicated Schools Grant

2.1 The Dedicated Schools Grant (DSG) is the new grant regime for funding schools and pupil related services. The DfES issued indicative figures for the 2006/07 DSG on 7 December 2005. The indicative DSG of £255.843 million is an increase of 6.3% on the 2005/06 base. The view of Chief Officers Management Team is that there are sufficient resources within the DSG to fund the required increase in spending on schools and pupil related services. These resources cannot be used for other County Council spending.

3 Central Government Support

3.1 The 2006/07 central government support (i.e. Revenue Support Grant and business rates) for Warwickshire is £74.505 million. This represents a 2.0% increase on the adjusted base for 2005/06. The government also announced a grant allocation of £76.283 million for 2007/08.

3.2 As part of the Settlement, the government has continued with the mechanism of ensuring each authority receives a minimum increase in grant between years. The 2006/07 grant review has not been favourable for the County Council. The authority is now at the “floor”, meaning only the minimum grant increase will be received for the next two years. The floor has been set at 2% for 2006/07 and 2.7% for 2007/08. Without this safety net Warwickshire’s grant level would have been lower. For example, within the £74.505 million grant allocation is funding of £1.821 million to bring its grant increase in funding up to the minimum level of increase in grant.

4 Income from Council Tax

4.1 The taxbase we must use when setting the council tax, as notified to us by the district councils in Warwickshire, is 194,447 Band D equivalent properties [to be updated], some 1,936 properties higher than the equivalent figure for 2005/06. This

figure includes the additional 748 Band D equivalent properties resulting from the decision to remove the discounts on council tax for second homes in Stratford.

- 4.2 The new taxbase yields an additional £1.839 million council tax income from a standstill position in 2006/07.
- 4.3 Table 1 below shows the additional resources available to the County Council in 2006/07 at a number of different tax levels, using the latest information available. These resources are in addition to the £74.505 million expected as central government support.

Percentage Increase in Council Tax	Increase in Council Tax Income compared to 2005/06 £m	Total Council Tax Income £m
0.0%	1.839	184.628
1.0%	3.685	186.474
2.0%	5.531	188.320
3.0%	7.378	190.167
4.0%	9.224	192.013
5.0%	11.070	193.859
7.5%	15.686	198.475
10.0%	20.302	203.091

- 4.4 As part of announcing the 2006/07 grant settlement the Minister's statement made it clear that the government is expecting average council tax increases of no more than 5% in each of the next two years. This is interpreted as a clear statement on the likely capping level.
- 4.5 The district/borough council's have informed the County Council that there is a net deficit/surplus on the collection of council tax from previous years in 2006/07 of £X.XXX million [to be updated]. The breakdown across the five districts of this deficit/surplus is shown in Table 2 below. Members are asked to note that provision must be made in the 2006/07 budget resolutions to make good any deficit or to utilise any surplus.

District/Borough Council	£
North Warwickshire	
Nuneaton and Bedworth	
Rugby	
Stratford-on-Avon	
Warwick	
Total	

- 4.6 For 2007/08 the level of council tax income is more difficult to estimate, as it is partially dependent on the level of council tax increase agreed for 2006/07. If it is assumed the taxbase remains constant there would be no increase in income for a 0% tax increase. However, recent years have seen growth in the taxbase of between 0.5% and 1% generating additional income of £0.9 million to £1.8 million. It

is also assumed that the net surplus/deficit on collection will be nil in 2007/08. Therefore the only additional income from council tax in 2007/08 is assumed, at this stage, to be only income from whatever percentage increase members agree as part of the 2007/08 budget resolution.

5 Availability of General Reserves

- 5.1 Recent legislation requires that the Strategic Director of Resources make an annual statement on the adequacy of general reserves and provisions. The Strategic Director of Resources has now completed the risk assessment for 2006/07. This confirms that the minimum level of general reserves it is prudent to retain is £5.5 million. A copy of the risk assessment is attached at **Appendix A**.
- 5.2 At the end of 2004/05 general reserves were £6.946 million. However, there are a number of known changes since 31 March 2005. During the year, there have been a number of actual/expected calls on general reserves as well as the underspend on Other Services reported as part of the quarterly budget monitoring. The effect of these is a net contribution to reserves of £3.646 million. As a result the forecast level of general reserves at 1 April 2006 is £10.592 million [to be updated].
- 5.3 Given that the latest forecast of unencumbered general reserves of £10.592 million is above the minimum £5.5 million specified by the Strategic Director of Resources no additional contribution to general reserves is required. If it is assumed the up-front one-off costs of modernisation/restructuring, estimated to be approximately £3 million, are met from general reserves then the level of reserves available to support the budget in future years will be £2.092 million. Funding the up-front costs of the restructuring in this way does mean any on-going savings can be reflected in the budget immediately. The advice of the Strategic Director of Resources is that members can use £2.092 million of general reserves in their 2006/07 Budget resolutions.
- 5.4 In doing so members should note that general reserves are only available to support spending on a one-off basis and therefore consideration should be given to the long-term funding of any permanent allocations made from these resources.
- 5.5 For 2007/08 it is not forecast, at this time, that there will be any reserves available to support the budget unless all the available reserves are not used in 2006/07.

6 Local Authority Business Growth Incentive Scheme (LABGI)

- 6.1 This is a new government initiative whereby local authorities can retain a proportion of any increase in business rates generated locally above a floor level. This is money that would previously have been included as part of business rates nationally and redistributed to local authorities, including Warwickshire, on a per head basis. This is therefore not additional money into the local government finance system. Any money received is a one-off increase in resources as each year any potential gain will be reassessed.

- 6.2 The minimum amount we could receive is nothing while the maximum is £1.1 million. The amount we would receive if growth in business rates across the county increases in line with historic trends is £0.6 million.
- 6.3 The amount we are due to receive is not likely to be announced until the end of February, although the government is still expecting to announce initial indications for each authority by the end of January. For the purposes of preparing the budget it has been assumed £0.6 million of Local Authority Business Growth Incentive money (LABGI) is available to finance the budget in each of the next two years. As the level of resources authorities can receive from LABGI is reassessed each year it is recommended that the resources are treated in the same way as reserves i.e. as one-off resources.

7 Efficiency Savings

- 7.1 The approved budget for the last few years has included cash savings targets for each directorate of 2.3% (2005/06), 2.0% (2004/05) and 1.5% (2003/04). Table 3 below shows the impact of a range of savings targets on directorates [note for the tabled report these figures will be in the new structure].

Department	1.0% Target £m	1.5% Target £m	2.0% Target £m	2.5% Target £m
CAMS	0.077	0.115	0.154	0.192
Chief Executives	0.095	0.142	0.189	0.237
Education (non-schools)	0.321	0.482	0.643	0.803
Fire Service	0.208	0.311	0.415	0.519
LH&TS	0.115	0.173	0.231	0.289
PT&ES	0.352	0.528	0.704	0.881
Property Services	0.033	0.050	0.066	0.083
Social Services	1.060	1.590	2.120	2.650
Treasurers	0.033	0.049	0.066	0.082
Total	2.294	3.440	4.588	5.736

- 7.2 For 2006/07 Chief Officers Management Team have recommended an aggressive cash-backed savings target of a 2.5%, top-sliced from each directorate.
- 7.3 There are however a number of options available for future years to generate savings levels in aggregate above the level suggested for 2006/07:
- Further departmental top-slices.
 - Projects arising from the modernisation agenda that generate savings in future years.
 - Projects to address high spend areas and consider the potential to make cost savings.
- 7.4 It should be noted that the more aggressive the authority is at this stage in pursuing projects that will deliver the modernisation agenda, efficiencies, service

improvements and cost savings, the less reliance that will need to be placed on departmental top-slicing for savings targets in the future.

8 Restructuring

- 8.1 For the purposes of preparing this report it has been assumed that any specific savings arising from the restructuring of departments are excluded, as these have yet to be fully identified. If savings materialise at the level of the Council report (£0.750 million) Chief Officers Management Team propose that these are added to any funding to deliver the modernisation agenda.

9 Gross Available Resources 2006/07 and 2007/08

- 9.1 The budgeted net spending for 2005/2006 approved by Council in February was £493.425 million. However, this included some elements of on-going and one-off expenditure that were funded from on-going resources (e.g. the one-off replenishment of general reserves from council tax). The 2006/07 base also sees the transfer of £239.074 million of schools spending now being separately funded by Dedicated Schools Grant. When all of these are taken into account the **base budget for 2006/2007 before any additional spending allocations is £255.000 million.**
- 9.2 When all the various elements of the resource forecast outlined in paragraphs 3 to 7 above are combined, the result is gross headroom of £12.461 million, as shown in Table 4 below. This assumes a council tax increase of 0%.

Table 4: 2006/07 and 2007/08 Gross Available Resources		
	Estimated 2006/07 Resources £m	Estimated 2007/08 Resources £m
Central Government Support	74.505	76.283
Council Tax (assuming a 0% increase)	184.628	184.628
Council Tax Surplus/Deficit (one-off)	??	-
Reserves (one-off)	2.092	-
LABGI (one-off)	0.600	0.600
Efficiency Savings (2.5% per annum)	5.736	5.736
Available Resources	267.561	267.247
Base Budget	(255.100)	(255.100)
Impact in 2007/08 of using 2006/07 on-going gross available resources		(4.033)
Gross Available Resources	12.461	8.114

- 9.3 Each 1% increase in council tax (above the 0% increase shown in Table 2 above) would increase the gross headroom available for allocation by £1.840 million.

10 Spending Pressures and Proposed Service Developments

10.1 Directorates have identified spending pressures and proposed service developments over three years. These are summarised in the tables below. These figures should be put into context alongside the resource projections included in Table 4 above.

Type of Bid	2006/07 £m	2007/08 £m	2008/09 £m
Inflation	7.959	15.548	23.447
Spending Proposals Inside Existing Policy	10.002	18.225	23.597
Spending Proposals Outside Existing Policy	10.203	15.203	18.076
Revenue Impact of Capital Developments (max.)	0.408	1.494	2.416
Total	28.572	50.470	67.536

	2006/07 £m	2007/08 £m	2008/09 £m
Inflation	7.959	15.548	23.447
Adult, Health and Community Services	8.015	16.828	21.853
Children's, Youth and Families Services	6.129	6.258	5.969
Community Protection	0.307	0.350	0.387
Environment and Economy	3.907	6.000	7.421
Performance and Development	0.484	0.591	0.608
Resources	1.165	1.203	1.237
Other Services	0.606	3.692	6.614
Total	28.572	50.470	67.536

10.2 A summary list of all the spending proposals is attached at **Appendix B**. Following the COMT meeting on 23 November 2005 a group comprising of representatives from each directorate convened to “score” each of the bids proposed by directorates against a set of agreed criteria. The criteria focussed on the degree of avoidability of the proposals and the extent to which the spending proposal would contribute to the modernisation agenda. This list of bids at **Appendix B** is in the priority order determined by this group.

10.3 In addition to the spending pressures and proposed developments outlined above there are a number of other spending pressures that exist. These additional spending pressures are:

- ◆ Customer Service Centre – minimum additional budget pressure of £0.785 million.
- ◆ First Stop/One-Stop Shop Programme – cost dependent on the programme developed.
- ◆ Funding to pump-prime the emerging modernisation programme – dependent on the programme of projects developed.
- ◆ Single status/job evaluation – not yet quantified, although there is a requirement to have a scheme in place by April 2007.
- ◆ Addressing capacity issues – dependent on the speed of progress of modernisation.
- ◆ The development of an intranet – cost not yet quantified

- ◆ Adoption of County Council assets to support service delivery in a modernised organisation

11 Setting a Balanced Budget

- 11.1 In addition to the Strategic Director of Resources making an annual statement on the adequacy of reserves and provisions he is also required to report on the robustness of the revenue budget. This requires that the Strategic Director of Resources is satisfied that the revenue budget is based on realistic assumptions and presents a balanced position in that sufficient resources have been identified to meet spending plans.
- 11.2 The Strategic Director of Resources' opinion in this respect will be included in the proposals from each political group which are considered by the County Council.

12 2006/07 Budget and Policy Framework

- 12.1 The first part of this report has outlined the available revenue resources to fund the 2006/07 Revenue Budget. Cabinet on 2 February 2006 will also consider the latest capital programme review (item 5 on the Cabinet agenda) and the Treasury Management Strategy for 2006/07 (item 2 on this agenda).
- 12.2 Based upon the various background reports and information Framework 2006/07 Revenue and Capital Budget Resolutions have been prepared as per **Appendix C**.

DAVID CLARKE
Strategic Director of Resources

Shire Hall
Warwick
January 2006

Appendix A

Risks Influencing the Level of General Reserves

Risk Area	Level of Risk	Provision
The potential for "Bellwin" type emergencies. Assuming such costs would attract grants under the Bellwin scheme, this provision would support circa £10 million of spend - sufficient for a major emergency.	Low	£2.0 million
The possibility of overspending on the "Other Services" budget due to the unpredictable and potentially volatile nature of interest rates	Low to medium	£0.5 million
The likelihood of members not requiring a department to carry forward an overspending from a previous year, or meet it from their departmental reserves. This would require a change in both council policy and custom and practice.	Very low	Nil
The likelihood of members making additional, in-year budget allocations to departments where members have arranged for departments to phase the repayment of any overspends over a period of more than one year.	Medium	£1.0 million
The possibility of any further costs arising from legal judgements which would fall on the County Council within one year.	Low	£0.5 million
Avian Flu/Flu Pandemic. Potentially significant numbers of staff will be unavailable. Costs would be incurred as the authority seeks to maintain critical services.	Medium to high	£1.0 million
General contingency. This could be supplemented in any one year by a sizeable proportion of earmarked reserves, providing these were replenished as part of the budget process. These could absorb up to £3 million of costs.	Low, as most significant risks provided for separately	£0.5 million
Total		£5.5 million

2006/07 to 2008/09 Revenue Spending - List of Spending Proposals

Bid Reference	Description	2006/07 £000	2007/08 £000	2008/09 £000	Policy Scope	Directorate
	Financing costs of additional capital spending approved by Council 13/12/05	198	198	198	Inside	Other Services
R-A-ED (NSB)-07	Corporate Multi-Department Bid for Camphill Community	172	209	214	Inside	CYP&F
R-A-ED (NSB)-09	Corporate Multi-Department Bid for Children's Act Budget	185	0	0	Inside	CYP&F
R-A-ED (NSB)-05	Local Safe Guarding Children Board (LSCB)	40	41	43	Inside	CYP&F
R-A-PT-03	Waste disposal - increase in landfill tax	660	1,291	1,922	Inside	Environment & Economy
R-A-PT-04	Waste disposal - increase in waste tonnages	146	297	452	Inside	Environment & Economy
R-A-PT-05	Waste disposal - changes in legislation	130	100	130	Inside	Environment & Economy
R-A-SSDC-03	Children's social services modernisation and organisational change	267	195	195	Inside	CYP&F
R-A-ED (NSB)-06	SEN Transport	50	40	30	Inside	CYP&F
R-A-PS-02	Saltisford Offices - running costs	138	142	146	Inside	Resources
R-A-CXAC-01	Warwickshire Association of Local Councils (WALC)	20	20	21	Inside	Perform & Development
R-A-SSDA-02	Demography Pressure based on population changes	2,903	5,735	7,234	Inside	AH&CS
R-A-SSDA-03	Transition from Children's Services into Adult Services	287	1,209	1,326	Inside	AH&CS
R-A-SSDA-04	Transition from Adult Services into Older People	259	369	751	Inside	AH&CS
R-A-PT-02	Revenue impact of existing capital programme - LTP	556	1,570	2,216	Inside	Environment & Economy
	Loss of Safeguarding Children grant	571	571	571	Inside	CYP&F
	Pressure on existing services	1,000	1,000	773	Inside	CYP&F
R-A-CXCS-02	Coroners Service	125	117	120	Inside	Perform & Development
R-A-OS-01	On-going impact of the approved capital programme - Other Services	0	2,000	4,000	Inside	Other Services
R-A-ED (NSB)-02	Revenue Cost of Existing Capital Programme - Education	512	1,217	1,631	Inside	CYP&F
R-A-ED (NSB)-03	Mainstream Transport	348	358	369	Inside	CYP&F
	Grounds maintenance contract - corporate subsidy	275	290	0	Inside	CYP&F
R-A-FR-06	Running Costs of the High Volume Pump and Mass Decontamination Disrobe Pob	30	31	31	Inside	Community Protection
R-A-FR-02	New Engines and Fire Appliances: Leasing / Prudential Borrowing Repayment Costs	148	237	272	Inside	Community Protection
R-B-PT-04	Shakespeare Complete Works Festival	150	0	0	Outside	Environment & Economy
	Increase in Human Resource capacity	180	184	189	Inside	Perform & Development
R-A-PT-06	Improved coordination of Roadworks	97	123	77	Inside	Environment & Economy
R-A-LHTS-01	Information legislation and policy compliance	26	27	28	Inside	AH&CS
R-A-ED (NSB)-04	School Attendance Targets	75	77	79	Inside	CYP&F
R-A-LHTS-03	Licensing of alcohol	10	10	10	Inside	AH&CS
R-A-FR-05	Replace Public Switched Telephone Modem	13	0	0	Inside	Community Protection
R-A-FR-03	Replace Command and Control Servers	10	0	0	Inside	Community Protection
R-A-FR-07	Replace Pagers	6	0	0	Inside	Community Protection
R-A-FR-04	Air Conditioning Equipment Store Room	5	0	0	Inside	Community Protection
R-A-SSDA-05	Inflation on grants	360	324	318	Inside	AH&CS
R-A-ED (NSB)-08	Intercultural Curriculum Support Service (ICSS)	175	0	0	Inside	CYP&F
R-A-LHTS-02	Sale of aerosols to minors	5	8	8	Inside	AH&CS
	Loss of Police income	0	108	111	Inside	Perform & Development
R-A-TR-01	Loss of Police income	0	107	111	Inside	Resources

2006/07 to 2008/09 Revenue Spending - List of Spending Proposals

Bid Reference	Description	2006/07 £000	2007/08 £000	2008/09 £000	Policy Scope	Directorate
	Recycling redundant PCs	20	20	21	Inside	Resources
R-B-PT-01	Consultants to advise on the delivery of the Waste Strategy	150	250	250	Outside	Environment & Economy
R-B-SSDA-02	Intensive Homecare	765	1,787	2,808	Outside	AH&CS
R-B-SSDA-01	Fair Access to Care (FACS)	2,553	6,637	8,682	Outside	AH&CS
R-B-ED(NSB)-01	14-19 - Loss of vocational training grant	204	416	425	Outside	CYP&F
R-B-SSDC-01	Health and Disability	510	214	-31	Outside	CYP&F
R-B-PT-14	Bus Services - loss of income - Concessionary fares	248	248	248	Outside	Environment & Economy
R-B-PT-02	Additional collection of green waste in Rugby	92	92	92	Outside	Environment & Economy
R-B-CXCO-01	Community Safety	80	82	84	Outside	Community Protection
R-B-CAMS-02	Members Computing	38	39	40	Outside	Resources
R-B-PT-17	Business Improvement District Programme - Town Centres	120	120	120	Outside	Environment & Economy
R-B-PT-18	Business Improvement District Programme - Industrial Estates	100	100	100	Outside	Environment & Economy
R-B-ED(NSB)-06	Education Business Partnership	100	97	107	Outside	Environment & Economy
R-B-ED(NSB)-07	Youth Service - Post OfSTED action plan	342	352	361	Outside	CYP&F
R-B-CXAC-02	Equalities and Diversity	60	61	63	Outside	Perform & Development
R-B-SSDA-03	Integrated Systems Children's Services	205	102	102	Outside	CYP&F
R-B-SSDA-03	Integrated Systems Adult Services	154	102	102	Outside	AH&CS
R-B-ED(NSB)-05	Extended Out of School Hours Learning	100	103	106	Outside	CYP&F
R-B-LHTS-02	ICT on mobile libraries	55	56	57	Outside	AH&CS
R-B-PT-15	Countryside access and Rights of Way officer	37	38	39	Outside	Environment & Economy
R-B-ED(NSB)-12	Responding to demands for involving young people in consultation and decision making	102	105	108	Outside	CYP&F
R-B-ED(NSB)-04	Area Community Learning	75	77	78	Outside	AH&CS
R-B-YOT-01	Youth Offending Team - Continued funding of 3 existing posts	84	86	88	Outside	CYP&F
R-B-YOT-02	Criminal Justice Centre Nuneaton	40	40	40	Outside	CYP&F
R-B-PT-09	Building Sustainable Neighbourhoods	100	600	600	Outside	Environment & Economy
R-A-LHTS-02	Museum improvements for visitors with sensory impairments	38	0	0	Outside	AH&CS
R-B-PT-20	Tourism and the Olympics	170	170	170	Outside	Environment & Economy
R-B-ED(NSB)-11	Youth Service - Sign posting Choice	129	133	137	Outside	CYP&F
R-B-LHTS-02	Heritage Education: access and inclusion	20	20	21	Outside	AH&CS
R-B-CXCS-03	County Partnerships	50	51	53	Outside	Perform & Development
R-B-PS-09	Travellers Liaison Officer (corporate bid)	40	41	42	Outside	Environment & Economy
R-B-PS-10	Travellers Enforcement Officer (corporate bid)	40	41	42	Outside	Environment & Economy
R-B-PS-01	Tree survey and risk assessment	27	28	29	Outside	Environment & Economy
R-B-FR-01	Hubs to Switches	15	0	0	Outside	Community Protection
R-B-PS-06	Match funding arrangement with schools to address revenue maintenance backlog	500	514	528	Outside	Resources
R-B-SSDC-02	Children's Services - Funding Issues	168	169	169	Outside	CYP&F
R-B-LHTS-01	Specialist book material in support of older and visually impaired citizens.	60	61	62	Outside	AH&CS
R-B-YOT-04	Bail Supervision Scheme	30	31	32	Outside	CYP&F
R-B-ED(NSB)-09	Post 16 Transport	182	187	193	Outside	CYP&F

2006/07 to 2008/09 Revenue Spending - List of Spending Proposals

Bid Reference	Description	2006/07 £000	2007/08 £000	2008/09 £000	Policy Scope	Directorate
R-B-PT-08	Social & Economic Regeneration - Employment Link Initiatives	109	204	230	Outside	Environment & Economy
R-B-PS-07	Asbestos remedial works	100	103	106	Outside	Resources
R-B-PT-11	Driving Ambitions - Speed Related Education (Schools)	55	60	66	Outside	Environment & Economy
R-B-LHTS-03	arts-IMPACT-health	34	32	33	Outside	AH&CS
R-B-ED(NSB)-10	Creates Re-Cycling	25	26	27	Outside	CYP&F
R-B-YOT-03	Reparation	7	30	30	Outside	CYP&F
R-B-LHTS-01	Mobile Library stock requirement	50	51	52	Outside	AH&CS
R-B-LHTS-01	Stock improvement in minority languages	40	41	42	Outside	AH&CS
R-B-ED(NSB)-02	Assessment, statementing and Review Service (ASRS)	100	103	106	Outside	CYP&F
R-B-LHTS-01	Museums Collections Management System	60	45	0	Outside	AH&CS
R-B-PT-16	Improvement of Highway Records	50	50	50	Outside	Environment & Economy
R-B-PS-03	Partnering contracts strengthening of contracts	40	41	42	Outside	Resources
R-B-PT-21	Regeneration Feasibility studies	150	125	100	Outside	Environment & Economy
R-B-PT-07	The Hub , Bayton Road	120	120	120	Outside	Environment & Economy
R-B-PS-02	County Facility Management Arrangement	100	103	106	Outside	Resources
R-B-ED(NSB)-03	Better Financial Management in Schools	100	103	109	Outside	CYP&F
R-B-LHTS-03	Relocation of Hartshill Trailer Library into temporary premises	12	12	12	Outside	AH&CS
R-B-LHTS-02	Internet enforcement	30	31	31	Outside	AH&CS
R-B-PS-05	Strategic approach to developing a property strategy for public agencies in North Warwickshire	20	0	0	Outside	Resources
R-B-CAMS-03	Members Computing - Reimburse e-Govt	79	0	0	Outside	Resources
R-B-LHTS-05	Five faces of Warwickshire - Heritage Multimedia web based resource	29	24	25	Outside	AH&CS
R-B-LHTS-04	Heritage Services: Marketing and Audience Development	25	26	26	Outside	AH&CS
R-B-LHTS-01	Feeding stuffs sampling program	10	10	10	Outside	AH&CS
R-B-PS-08	Implementing the energy element of the WCC sustainability agenda	70	72	74	Outside	Resources
R-B-LHTS-01	Organised crime	50	51	52	Outside	AH&CS
R-B-CXCS-05	Warwickshire View	30	31	31	Outside	Perform & Development
R-B-ED(NSB)-08	Centrally employed Primary Headteacher	58	60	62	Outside	CYP&F
R-B-PT-05	Reduction in Search Fee income	50	50	50	Outside	Environment & Economy
R-B-PT-13	Waste Education and Information campaign	35	0	0	Outside	Environment & Economy
R-B-LHTS-01	To meet public library service standards in respect of stock	72	50	51	Outside	AH&CS
R-A-LHTS-02	Essential repairs to vandalised buildings	10	10	10	Outside	AH&CS
R-B-LHTS-0?	Repairs to Rugby Library	5	5	5	Outside	AH&CS
R-B-PS-04	Farms - building maintenance increase budget	60	62	63	Outside	Environment & Economy
R-B-CXCS-04	Member Printing	19	19	20	Outside	Perform & Development
R-B-LHTS-03	Environment - Packaging waste and animal by-products	15	15	16	Outside	AH&CS
R-B-PS-11	Increase in inadequate IT budget	60	62	63	Outside	Resources
R-B-PT-06	Business Centres Cashflow & Income changes	140	50	30	Outside	Environment & Economy
R-B-PT-22	World Class Warwick - feasibility study	100	0	0	Outside	Environment & Economy
R-B-ED(DSG)-01	Ash Green School Improvement	73	0	0	Outside	CYP&F

2006/07 to 2008/09 Revenue Spending - List of Spending Proposals

Bid Reference	Description	2006/07 £000	2007/08 £000	2008/09 £000	Policy Scope	Directorate
R-B-PT-19	Stratford Minitram	40	40	40	Outside	Environment & Economy
R-B-PT-12	Congestion Monitoring	35	33	36	Outside	Environment & Economy
R-B-LHTS-03	Warwickshire and Rugby Business Improvement District (BID) Pilot	3	3	3	Outside	AH&CS

2006/2007 Framework Revenue Budget Resolution

Recommendations to County Council

It is recommended that:

1 Service Objectives

1.1 {Party Groups to specify}

2 Consultations and Thanks to Respondents

3 Revenue Allocations

3.1 Approval is given to the following budget allocations:

{Party Groups to specify}

4 Funding Sources

4.1 {Party Groups to specify policy treatment of efficiency savings and any other funding sources}

4.2 Council Tax Increase. The council tax will be increased by X%, which, together with other funding resources identified, will fund the budget proposals contained within this resolution.

5 Strategic Director of Resources' Statement

"The Local Government Act 2003 requires me as "Chief Finance Officer" to report on:

- ◆ *The robustness of the revenue estimates made for the purposes of the budget calculations; and*
- ◆ *The adequacy of the proposed financial reserves.*

The budget information used in preparing this revenue budget resolution has undergone scrutiny by:

- ◆ *Strategic Directors and their staff;*
- ◆ *Myself and staff within the Treasurer's department;*
- ◆ *Chief Officers Management Team;*

- ◆ *Overview and Scrutiny Committees;*
- ◆ *The public through budget consultation meetings.*

*In addition to this I have worked closely with the Party Groups in preparing this budget resolution. **{Treasurer to complete when final budget proposals from Party Groups are available}.***

*I have also undertaken a risk analysis of the adequacy of financial reserves. This highlighted the need to increase the level of general reserves to £X.X million. A requirement of this level is in line with the latest projection reported to members as part of the corporate budgeting monitoring process. **{Treasurer to complete when final budget proposals from Party Groups are available}.**"*

6 Summary of Service Estimates

6.1 Approval be given to the estimates set out below which include provision for capital expenditure to be charged to the revenue account, financed from the Capital Fund, consistent with the 2006/07 capital programme.

6.2 Individual Service revenue estimates of:

	Base Budget	Additions	Funding Sources/ Re-cycling	Total
	£	£	£	£
Adult, Health and Community Services				
Children, Young People and Families Services				
Community Protection				
Environment and Economy				
Performance and Development Resources				
Other Services				

Less: Notional Capital Charges

Spending for capital purposes to be:

- Charged to the revenue account
- Met by a transfer from reserves

Contributions to/from reserves:

- Use of general reserves
- Use of service savings
- Repayments to the Virtual Bank

7 Budget Requirements

7.1

	Base Budget	Additions	Funding Sources/ Re-cycling	Total
	£	£	£	£
Approval to be given to a budget requirement for the general expenses of the County Council for the year ending 31 March 2007 of				

7.2

The basic amount of the Council Tax for a Band D property, for the year ending 31 March 2007 be calculated as follows:				£
• Budget Requirement				
• Less Redistributed National Non-Domestic Rates				
• Less Revenue Support Grant				
• Add Council Tax Deficit on Collection				
				<hr/>

Divided by aggregate Council Tax Base for the County Area

Basic amount of Council Tax (Band D)

8 Council Tax

8.1 Approval be given to Council Tax amounts for each category of property as follows:

	£
Band A	
Band B	
Band C	
Band D	
Band E	
Band F	
Band G	
Band H	

9 Precepts

9.1 The Chief Executive issue 2006/2007 precepts on the Warwickshire billing authorities, as follows:

	£
North Warwickshire Borough Council	
Nuneaton & Bedworth Borough Council	
Rugby Borough Council	
Stratford-on-Avon District Council	
Warwick District Council	

10 Medium Term Financial Planning Framework

{Party Groups to specify}

11 Delegations

- 11.1 The Strategic Director of Resources be provided with delegated authority to vire revenue budgets between directorates where such virements are as a direct consequence of the restructuring of the County Council.

12 Budget Management

- 12.1 The Chief Executive will be directly responsible for the implementation of the Budget.
- 12.2 The Chief Executive is instructed to remind all Strategic Directors that budgets must not be overspent and that effective budget management arrangements should be the cornerstone of directorate' work to secure Best Value.
- 12.3 Directorates, and also schools, be encouraged to take a medium term view of spending commitments including exercising caution in entering into initiatives which create commitments in future years and developing clear strategies for the utilisation of service reserves.
- 12.4 All member bodies and Strategic Directors be instructed to comply with the prescriptive legal duties placed upon the Council and the Chief Executive and Strategic Directors be instructed to ensure that the implementation of policies complies with legal requirements.
- 12.5 All directorates are authorised to draw down on directorate reserves accumulated from previous year's savings, subject to notifying the Strategic Director of Resources.
- 12.6 That authority is given for all necessary tenders to be obtained and contracts to be completed to give effect to this budget.

2006/2007 Framework Capital Budget Resolution

Recommendations to County Council

It is recommended that:

1 Capital Programme

- 1.1 Approval be given to a capital programme of £xx,xxx,xxx for new schemes starting in 2006/07 as shown in Annex A {Party Groups to specify} and that authority be given for all necessary tenders to be obtained and contracts to be completed.
- 1.2 Of the £xx,xxx,xxx 2006/07 programme, schemes costing £xx,xxx,xxx were already approved for planning purposes. These are reaffirmed as part of this resolution. Additional allocations are also approved as follows: **{Party Groups to specify}**
- 1.3 The capital programme of £xx,xxx,xxx and £xx,xxx,xxx new schemes starting in 2007/08 and 2008/09 as shown in Annex A be approved for planning purposes. Of these draft programmes schemes costing £xx,xxx,xxx for 2007/08 and £xx,xxx,xxx for 2008/09 are already approved for planning purposes. Additional allocations are also approved as follows: **{Party Groups to specify}**
- 1.4 Directorates continue to meet the revenue impact of debt charges and running costs for capital projects.
- 1.5 A deduction is made from 2006/07 directorates revenue budgets for the debt charges in respect of the self-financing projects funded from borrowing.

2 Prudential Guidelines and Limits

- 2.1 Approval be given to an Affordable Borrowing Limit consistent with the capital programme approved at Annex A for 2006/07 and the subsequent two years as follows:

	In-Year	Cumulative
	£ per Band D Council Tax	£ per Band D Council Tax
2006/07	xx.xx	xx.xx
2007/08	xx.xx	xx.xx
2008/09	xx.xx	xx.xx

- 2.2 Approval is given to the prudential indicators set out in Annex B, consistent with the approved Capital Programme 2006/07 to 2008/09 and the 2006/07 Treasury Management Strategy considered by Cabinet on 2 February 2006 and included for approval elsewhere on this agenda.

3 Strategic Director of Resources' Statement

3.1 The following statement from the Strategic Director of Resources is noted:-

“ The Local Government Act 2003 requires me as “Chief Finance Officer” to report on the robustness of the estimates made for the purposes of the budget calculations.

The capital programme information used in preparing this capital budget resolution has undergone extensive scrutiny by:

- *Strategic Directors and their staff;*
- *Myself and staff within my directorate;*
- *Chief Officers Management Team;*
- *Overview and Scrutiny Committees*

3.2 *In addition to this I have worked closely with the Party Group in preparing this capital programme resolution. **{Strategic Director of Resources to specify his views once Party Group resolutions are finalised}**”*

4 Delegations

4.1 The delegations from Council to Cabinet to allow Cabinet to approve amendments to the capital programme, first agreed by Council on 18 December 2001, be reconfirmed as follows:

4.2 The agreement of any increases or reductions in capital starts/payments totals as part of the capital review process is delegated to Cabinet.

4.3 The approval of the addition to the capital programme of projects costing less than £1.5 million, which are fully funded from external grants, developer contributions or from revenue, be delegated to Cabinet.

4.4 In addition the Strategic Director of Resources be provided with delegated authority to vire capital schemes between directorates where such virements are as a direct consequence of the restructuring of the County Council.

5 Budget Management

5.1 The Chief Executive will be directly responsible for the implementation of the capital programme.

5.2 The Chief Executive is instructed to remind all Strategic Directors that budgets must not be overspent and that effective budget management arrangements should be the cornerstone of directorate' work to secure Best Value.

5.3 Directorates, and also schools, be encouraged to take a medium term view of spending commitments including exercising caution in entering into initiatives which create commitments in future years and developing clear strategies for the utilisation of service reserves.

- 5.4 All member bodies and Strategic Directors be instructed to comply with the prescriptive legal duties placed upon the Council and the Chief Executive and Strategic Directors be instructed to ensure that the implementation of policies complies with legal requirements.
- 5.5 That authority is given for all necessary tenders to be obtained and contracts to be completed to give effect to this budget.

Draft Prudential Indicators 2006-2007

(1). AFFORDABILITY PRUDENTIAL INDICATORS	2004/2005 Actual	2005/2006 Probable Outturn	2006/2007 Estimate	2007/2008 Estimate	2008/2009 Estimate
Ratio of financing costs to net revenue stream	%	%	%	%	%
Capital Expenditure	£'000	£'000	£'000	£'000	£'000
Net borrowing requirement brought forward 1 April carried forward 31 March in year borrowing requirement					
In year Capital Financing Requirement					
Capital Financing Requirement as at 31 March					
Affordable Borrowing Limit					
Position as agreed at February 2004 Council Increase per council tax payer	£	£	£	£	£
Updated position of Current Capital Programme Increase per council tax payer					
Position as agreed at February 2005 Council Increase per council tax payer					

(2). TREASURY MANAGEMENT PRUDENTIAL INDICATORS	2004/05 Actual	2005/06 Probable Outturn	2006/07 Estimate	2007/08 Estimate	2008/09 Estimate
	£'000	£'000	£'000	£'000	£'000
Authorised limit for external debt - Borrowing Other long term liabilities TOTAL					
Operational boundary for external debt - Borrowing Other long term liabilities TOTAL					
Upper limit for fixed interest rate exposure Net principal re fixed rate borrowing / investments OR:- Actual	100% 100%	100%	100%	100%	100%
Upper limit for variable rate exposure Net principal re variable rate borrowing / investments OR:- Actual	25% 0%	25%	25%	25%	25%
Upper limit for total principal sums invested for over 364 days (per maturity date)	£	£	£	£	£

Maturity structure of new fixed rate borrowing during 2005/2006	upper limit	lower limit
under 12 months	20%	0%
12 months and within 24 months	20%	0%
24 months and within 5 years	60%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%