

WARWICKSHIRE COUNTY COUNCIL

Minutes of a Meeting of Warwickshire County Council held on 7 February 2006

Present:

Councillor Gordon Collett (Chair)

Councillors John Appleton, George Atkinson, Peter Barnes, Sarah Boad, David Booth, Ken Browne, John Burton, Les Caborn, Tom Cavanagh, Richard Chattaway, Alan Cockburn, Jose Compton, Chris Davis, Jill Dill-Russell, Richard Dodd, Michael Doody, Alan Farnell, Anne Forwood, Peter Fowler, Eithne Goode, Richard Grant, Colin Hayfield, John Haynes, Marion Haywood, Martin Heatley, Pat Henry, Bob Hicks, Richard Hobbs, Richard Hyde, Mick Jones, Katherine King, Bernard Kirton, Nina Knapman, Joan Lea, Bryan Levy, Barry Longden, Anita Macaulay, Frank McCarney, Helen McCarthy, Phillip Morris-Jones, Brian Moss, Tim Naylor, Mike Perry, Raj Randev, Jerry Roodhouse, John Ross, Chris Saint, Izzi Seccombe, Dave Shilton, Kam Singh, Mota Singh, Ian Smith, Mick Stanley, Bob Stevens, Ray Sweet B.E.M., June Tandy, Heather Timms, Sid Tooth, John Vereker, C.B.E., John Wells and John Whitehouse.

1. General

(1) Apologies

None

(2) Members' Disclosures of Personal and Prejudicial Interests

Councillors Alan Farnell and Jerry Roodhouse declared personal interests in relation to item 3 (2006/2007 Budget) as their spouses were employees of the County Council.

Councillor Jill Dill-Russell declared a personal interest as a trustee of The Depot.

The following councillors disclosed a personal interest in item 3 as members of the district or borough council indicated.

North Warwickshire Borough Council

Councillors: Peter Fowler, Colin Hayfield, Joan Lea, Mick Stanley, Ray Sweet and Sid Tooth.

Nuneaton and Bedworth Borough Council

Councillors: Pat Henry, Bob Hicks and John Ross.

Rugby Borough Council

Councillors: Tom Cavanagh, Gordon Collett, Richard Dodd, Jerry Roodhouse and Heather Timms.

Stratford on Avon District Council

Councillors: John Appleton, Peter Barnes, Richard Hobbs, Anita Macaulay, Mike Perry, Chris Saint, Izzi Seccombe and Bob Stevens.

Warwick District Council

Councillors: Les Caborn, Alan Cockburn, Jose Compton, Chris Davis, Michael Doody, Eithne Goode, Bernard Kirton and Dave Shilton.

(3) Minutes of Previous Meetings

Resolved:

- (1) That the public minutes of the meeting of the Council held on 13 December 2005 be confirmed as a correct record and signed by the Chair, subject to the addition of words in minute 2 (5) on page 6 as indicated:

“Phillip Blundell assured the Council that work was continuing to encourage West Mercia to join with *other West Midlands forces in Warwickshire.*”

- (2) That the public minutes of the extraordinary meeting of the Council held on 5 January 2006 be confirmed as a correct record and signed by the Chair.

(4) Graeme Betts, Strategic Director of Adult, Health and Community Services

The Chair, on behalf of the Council, welcomed Graeme Betts, the recently appointed Strategic Director of Adult, Health and Community Services.

(5) Museum Service Display

Councillor Colin Hayfield, Cabinet portfolio holder for Adult and Community services, invited Members to visit the display and activities that the Museum Service had provided in the ante-chamber.

2. Treasury Management Strategy 2006/07

Councillor Alan Cockburn presented the proposed Treasury Management Strategy for 2006/07 which had been considered by the Cabinet on 2 February and was submitted to this Council for approval.

Resolved

- (1) That the Treasury Management Strategy for 2006/07 be approved as set out in the report.
- (2) That the Prudential Indicators be approved as set out at Annex B to Appendix D of minute 3 of these minutes)

3. Budget 2006/07

The County Council considered a report from the County Treasurer that had been presented to Cabinet on 2 February 2005.

The Cabinet on 2 February had noted the resources available for 2006/07 and the associated spending proposals identified by the directorates and had recommended that the Council take account of the 2006/07 framework budget resolutions set out in the report.

The leaders of the groups paid tribute and gave their thanks to the County Treasurer and his team of officers, and to the assistants to the groups, for their work on the budget proposals.

The following budget recommendations (Revenue and Capital) were proposed:

- A. Councillor Alan Farnell moved the Conservative Group's proposed budget as set out at Appendix A (blue paper). This was seconded by Councillor Bob Stevens.
- B. Councillor June Tandy moved the Labour Group's proposed budget as set out at Appendix B (pink paper). This was seconded by Councillor Tim Naylor.
- C. Councillor Jerry Roodhouse moved the Liberal Democrat Group's proposed budget as set out at Appendix C (yellow paper). This was seconded by Councillor Sarah Boad.

A debate followed and the meeting was adjourned at 12.55 p.m.

The meeting reconvened at 2.00 p.m and following further debate a vote was taken as set out below.

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The Chair, on behalf of the Council, welcomed Graeme Betts, the recently appointed Strategic Director of Adult, Health and Community Services.

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Conservative Revenue Budget Proposals

The County Council is recommended to adopt the following as its budget framework for 2006/07:

1 Service Objectives

- 1.1 This budget proposal will support the corporate objectives of Warwickshire County Council, with particular emphasis on:
 - Improving the standards of education for all;
 - Investing in front line services for our children and the elderly in Warwickshire;
 - Improving the support for rural communities;
 - Improving the environment and safety of our communities;
 - Improving the highway structure.
- 1.2 The key theme of this year's budget is modernisation. As part of our budget proposals we will introduce a £1.5million Modernisation Fund to support the modernisation agenda. In establishing a Modernisation Fund, we are preparing the foundations for a more efficient, effective and sustainable organisation. It is a forward-looking budget designed to bring long-term benefits to all areas of service provision. Our initial priorities for the Modernisation Fund are the funding of the customer service centre and preparing for single status.
- 1.3 The Modernisation Fund will be distributed under the guidance of an all-party sub-group (3 Conservative, 2 Labour, 1 Liberal Democrat), with decisions then put to Cabinet for formal approval.
- 1.4 The County Council welcomes the announcement of grant settlements for both 2006/07 and 2007/08 which enables forward planning with more certainty. However, the County Council expresses its considerable dissatisfaction at both the level of the settlement, with the County Council being at the grant "floor", i.e. the minimum level of increase, and the lateness of its announcement.
- 1.5 Strategic directors and portfolio holders are requested to ensure that all service plans and the documents that make up the councils policy framework should reflect the priorities set out.
- 1.6 Service Plans should address not only the contribution which new resources can make to the advancement of the Council's priorities, but also the ways in which existing resources can be used more effectively and, where necessary, re-directed to help deliver the Council's priorities.
- 1.7 Strategic directors will continue to produce quarterly reports on service performance, financial performance and progress on achieved savings.

2 Consultations and Thanks to Respondents

- 2.1 Comments made by our taxpayers and service users as part of our budget consultation processes are noted. All contributors are thanked and assured of our determination to work with them to continue to improve services in Warwickshire.
- 2.2 The County Council notes and welcomes the offer of support given by those business and trade union representatives to lobby the government for additional resources to be made available to Warwickshire in order to meet the needs and realise the aspirations of the people of Warwickshire.

3 Revenue Allocations

- 3.1 Approval is given to the following budget allocations to be applied as directed:

Directorate	Description	Allocation £
Adult, Health and Community Services	An allocation of £6,635,000 to the Adult, Health and Community Services Directorate to fund the following:	
	◆ Pay & price inflation	3,077,000
	◆ An allocation to meet the increased cost from rising client numbers and forecast demographic changes	3,449,000
	◆ An allocation to fund initiatives across the directorate including a campaign against the sale of aerosols to minors, the introduction of a new museums collection management system and the enhancement of ICT provision on mobile libraries (£15,000 one-off)	109,000
Children, Young People and Families Services	An allocation of £6,195,000 to the Children, Young People and Families Services Directorate to fund the following:	
	◆ Pay & price inflation	1,858,000
	◆ An allocation to meet the cost of the increasing number of children looked after and providing an allocation to help in the modernisation and organisational change of the service, including the local Safeguarding Children Board (£295,000 one-off)	2,103,000
	◆ Funding for community programmes at premises developed as part of the regeneration of Camp Hill	172,000
	◆ Additional transport costs of both special educational needs and mainstream pupils (£10,000 one-off)	398,000
	◆ Replacement funding for resources allocated to meet the borrowing costs of the capital investment	512,000
	◆ Corporate subsidy for the grounds maintenance contract (two-year allocation)	275,000
	◆ Youth Service	287,000
	◆ Health and disability (allocation reducing to £214,000 in 2007/08 and nil in 2008/09)	510,000
	◆ Youth Offending Team – funding of three posts	80,000

Directorate	Description	Allocation £
Community Protection	An allocation of £967,000 to the Community Protection Directorate to fund the following: <ul style="list-style-type: none"> ◆ Pay & price inflation ◆ The additional costs of the Fire and Rescue Authority equipment and appliances including the running costs of additional specialist fire appliances, the financing costs of new fire engines/fire appliances and replacing fire command and control servers (all one-off) ◆ Community Safety 	707,000 188,000 72,000
Environment and Economy	An allocation of £3,960,000 to the Environment and Economy Directorate to fund the following: <ul style="list-style-type: none"> ◆ Pay & price inflation ◆ Waste disposal increased costs arising from the landfill tax, waste tonnages and legislative changes (£30,000 one-off) ◆ Waste strategy consultants ◆ Replacement funding for resources allocated to meet the borrowing costs of the capital investment ◆ Shakespeare Complete Works Festival (all one-off) ◆ Business Improvement Districts – town centres and industrial estates ◆ Building sustainable communities and regeneration feasibility studies ◆ Tourism and the Olympics ◆ Improved co-ordination of road works 	1,576,000 936,000 150,000 556,000 150,000 150,000 225,000 120,000 97,000
Performance and Development	An allocation of £511,000 to the Performance and Development Directorate to fund the following: <ul style="list-style-type: none"> ◆ Pay & price inflation ◆ Grant to Warwickshire Association of Local Councils ◆ Coroners Service (£8,000 one-off) ◆ Increase in corporate human resources capacity 	246,000 20,000 125,000 120,000
Resources	An allocation of £550,000 to the Resources Directorate to fund the following: <ul style="list-style-type: none"> ◆ Pay & price inflation ◆ Saltisford offices running costs 	412,000 138,000
Other Services	An allocation of £1,989,000 to Other Services to fund the following: <ul style="list-style-type: none"> ◆ Pay & price inflation ◆ Borrowing costs of the additional capital spending approved and proposed in our capital programme resolution ◆ Modernisation Fund (£1,034,000 one-off) 	83,000 412,000 1,500,000
	Total Allocations	20,813,000

4 Funding Sources

4.1 All directorates will be required to achieve 2.5% efficiency savings. These savings will be returned to the centre to be re-cycled to meet spending priorities.

4.2 The allocations to be returned to the centre by each service are as follows:

	£
Adult, Health and Community Services	2,239,000
Children, Young People and Families Services	1,517,000
Community Protection	493,000
Environment and Economy	860,000
Performance and Development	225,000
Resources	402,000
Total	5,736,000

4.3 The Chief Executive, along with COMT will bring a report to Cabinet in April 2006, identifying plans for 2.5% savings for the medium term (2006/07 to 2008/09) as part of approving the Annual Efficiency Statement. Cabinet and Overview and Scrutiny Committees should also receive a report on progress to date to the autumn cycle of meetings.

4.4 £2,092,000 will be allocated from general reserves to support the overall budget. This leaves £5.5 million in general reserves in line with the Strategic Director of Resources' assessment of the adequate level of such reserves.

4.5 The £600,000 forecast to be received by the Council in February 2006 as part of the Government's new Local Authority Business Growth Incentive Scheme will be used to support the 2006/07 budget.

4.6 All savings arising from the restructuring of Directorates will be added to the Modernisation Fund, in the first instance, as they are realised over the coming months.

4.7 The council tax will be increased by 4.98%, which, together with other funding resources identified, will fund the budget proposals contained within this resolution.

5 Strategic Director of Resources Statement

5.1 That the following statement from the Strategic Director of Resources be noted.

"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 extensive scrutiny by:

- ◆ *Strategic Directors and their staff;*

- ◆ *Myself and staff within the Resources Directorate;*
- ◆ *Chief Officers Management Team;*
- ◆ *Overview and Scrutiny Committees;*

In addition to this I have worked closely with the Party Group in preparing this budget resolution. In overall terms I am of the view that this revenue budget has been prepared on realistic assumptions and that it represents a robust budget.

The budget does however include £319,000 of on-going budget allocations that in 2006/07 have been funded from one-off resources. The Party Group needs to be mindful of this and note that permanent funding for the £319,000 will need to be identified as part of the 2007/08 budget resolution.

I have also undertaken a risk analysis of the adequacy of financial reserves. This highlighted the need for the level of general reserves to remain at a minimum of £5.5 million. A requirement of this level is in line with the latest projection reported to members as part of the corporate budget monitoring process. I am therefore of the view that this budget does provide for an adequate level of reserves."

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 to 2008/09 capital programme.

6.2 Individual Service revenue estimates of:

	Base Budget	Additions	Funding Sources/ Re-cycling	Total
	£	£	£	£
Adult, Health and Community Services	100,596,320	6,635,000	(2,239,000)	104,992,320
Children, Young People and Families Services	124,689,427	6,195,000	(1,517,000)	129,367,427
Community Protection	23,160,887	967,000	(493,000)	23,634,887
Environment and Economy	52,392,921	3,960,000	(860,000)	55,492,921
Performance and Development	4,987,491	511,000	(225,000)	5,273,491
Resources	4,254,393	550,000	(402,000)	4,402,393
Other Services	28,467,352	1,995,000	0	30,462,352
Less: Notional Capital Charges	(82,338,689)	0	0	(82,338,689)
	256,210,102	20,813,000	(5,736,000)	271,287,102
Contributions to/(from) reserves:				
• General Reserves	(76,275)	0	(2,092,000)	(2,168,275)
• Service/earmarked savings	(1,277,000)	0	(600,000)	(1,877,000)
• Virtual Bank	650,950	0	0	650,950
• Capital Fund	(484,000)	0	0	(484,000)

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	255,023,777	20,813,000	(8,428,000)	267,408,777

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	267,408,777.00
Less Redistributed National Non-Domestic Rates	(62,441,521.00)
Less Revenue Support Grant	(11,987,204.00)
Add Council Tax Deficit on Collection	843,839.00
	193,823,891.00
Divided by aggregate Council Tax Base for the County Area	194,447.63
Basic amount of Council Tax (Band D)	996.79

8 Council Tax

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

	£
Band A	664.5282
Band B	775.2829
Band C	886.0376
Band D	996.7923
Band E	1,218.3016
Band F	1,439.8110
Band G	1,661.3204
Band H	1,993.5845

9 Precepts

9.1 The Chief Executive issue 2006/07 precepts on the Warwickshire billing authorities, as follows:

	£
North Warwickshire Borough Council	20,930,603.84
Nuneaton & Bedworth Borough Council	37,829,262.76
Rugby Borough Council	33,300,227.51
Stratford-on-Avon District Council	50,636,787.23
Warwick District Council	51,127,009.66

10 Medium Term Financial Planning Framework

- 10.1 Subject to a satisfactory settlement in future years, the County Council will plan on the basis that for 2007/08 and 2008/09:
- All directorates will be allocated sufficient resources to meet pay and price inflation.
 - The corporate costs of financing the approved capital programme will be funded.
 - Overall the authority will deliver 2.5% efficiency savings of which at least half will be cashable.
- 10.2 A more detailed medium term financial planning framework is to be developed urgently and adopted by July 2006. The framework should recognise the priorities outlined in section 1. It should build on the introduction of more than one year grant settlements by the government and encompass strategies and policies for delivering the efficiency savings agenda, looking at high cost services as identified by the Audit Commission's Value for Money profiles and incorporating any recommendations from the CPA Value for Money and Use of Resources assessments.

11 Budget Management

- 11.1 The Chief Executive be directly responsible for the implementation of the budget.
- 11.2 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 directorates' work to secure best value.
- 11.3 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.
- 11.4 All member bodies and Strategic Directors are 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.
- 11.5 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.
- 11.6 All departments are authorised to draw down on departmental reserves accumulated from previous year's savings, subject to notifying the Strategic Director of Resources.
- 11.7 That authority is given for all necessary tenders to be obtained and contracts to be completed to give effect to this budget.

Conservative Capital Proposals

It is recommended that:

1 Capital Programme

1.1 Approval be given to a capital programme of £110,711,200 for new schemes starting in 2006/07 as shown in Annex A and that authority be given for all necessary tenders to be obtained and contracts to be completed.

1.2 Of the 2006/07 programme, schemes costing £98,602,200 were already approved for planning purposes. These are reaffirmed as part of this resolution.

1.3 In doing so the funding for the following schemes is agreed:

- The £1,740,000 shortfall in funding for Avon Valley School to be funded from additional borrowing
- The £705,000 shortfall in funding for the Leamington Urban Mixed Priority Scheme to be funded from additional borrowing
- The £720,000 shortfall in funding for Barford Bypass to be funded from additional borrowing
- The £179,000 supported borrowing announced by the Government in December 2005 for the provision of Mental Health services is approved for inclusion in the capital programme

1.4 Additional allocations for new schemes in 2006/07 are also approved as follows:

Directorate	Investment Project	Payments in 2006/07 £	Total Scheme Allocation £
Adult, Health & Community Services	◆ Libraries – Minor Works	100,000	100,000
	◆ St John's House – new visitor facilities	70,000	105,000
	◆ Upgrade of the Library Management System	200,000	273,000
Community Protection	◆ Fire Station Appliance Bay Doors	20,000	20,000
	◆ New and Replacement Equipment for Fire Appliances	137,000	137,000
	◆ Replacement of Fire Safety Management Information System	65,000	65,000

Directorate	Investment Project	Payments in 2006/07 £	Total Scheme Allocation £
Environment & Economy	◆ Countryside Recreation – Seven Meadows Road Car Park (self-financing)	150,000	150,000
	◆ Decriminalisation of Parking Enforcement (self-financing)	1,630,000	1,630,000
	◆ Maintenance of C & D Class Roads	850,000	850,000
	◆ Street Lighting Column Replacement	400,000	400,000
	◆ Town Centre Regeneration (including Kenilworth)	175,000	175,000
	◆ Waste Management	1,930,600	6,800,000
Performance & Development	◆ Registration Service - refurbishment of the Stratford Office	154,000	154,000
Resources	◆ Structural Maintenance, Building and Mechanical Repairs	1,000,000	1,000,000
	◆ Structural Maintenance Backlog in School Buildings	250,000	250,000
2006/07 Total Allocations		7,131,600	12,109,000

1.5 The capital programmes of £42,036,700 and £14,384,000 new schemes starting in 2007/08 and 2008/09 as shown in Annex A, be approved for planning purposes. Of the draft programme for 2007/08 schemes costing £41,286,700 were already approved for planning purposes. An additional allocation is also approved as follows:

Directorate	Investment Project	Payments in 2007/08 £	Total Scheme Allocation £
Adult, Health & Community Services	Refurbishment of The Lawns Home for Elderly People	660,000	750,000
2007/08 Draft Allocations		660,000	750,000

1.6 Directorates continue to meet the revenue impact of debt charges and running costs for capital projects.

1.7 A deduction is made from Directorate's 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 £ per Band D Council Tax	Cumulative £ per Band D Council Tax
2006/07	10.56	10.56
2007/08	15.24	25.80
2008/09	8.10	33.90

- 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 department;*
- ◆ *Chief Officers Management Team;*
- ◆ *Overview and Scrutiny Committees and Cabinet.*

In addition to this I have worked closely with the Party Group in preparing this capital programme resolution. In overall terms I am of the view that this capital programme has been prepared on realistic assumptions and that it represents a robust programme.

The Party Group need to be mindful that the additional revenue costs of the capital programme included in this resolution are £0.493 million in 2007/08 and a further £0.247 million in 2008/09. The financing of these revenue impacts will need to form part of the Groups consideration of the budget in future years."

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:

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

4.2 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 each directorate's work to secure Best Value.

5.3 All member bodies and Chief Officers 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.

ANALYSIS OF CAPITAL PAYMENTS BY STARTS YEAR

Start Year (1)	Payments at November 2005 prices						Total Scheme Cost (7) £000
	Before 31.03.06 (2) £000	2006/2007 (3) £000	2007/2008 (4) £000	2008/2009 (5) £000	2009/2010 and later years (6) £000		
	1. Starts in 2005/2006 and earlier years	287,424.2	56,229.4	4,069.2	562.9	-	
2. 2006/2007 Starts	4,370.6	81,112.4	23,960.5	1,267.7		110,711.2	
3. 2007/2008 Starts	686.9	270.0	33,737.1	7,342.7		42,036.7	
4. 2008/2009 Starts				14,384.0		14,384.0	
5. TOTAL PROGRAMME	292,481.7	137,611.8	61,766.8	23,557.3		515,417.6	

The table below shows the proposed capital programmes split between directorates :-

	Details (1)	Notes (2)	Before 31.03.06 (3) £000	2006/2007 (4) £000	2007/2008 (5) £000	2008/2009 (6) £000	2009/2010 and later years (7) £000	Total Scheme Cost (8) £000
A.	COMMITMENTS ON SCHEMES STARTED IN 2005/2006 AND EARLIER YEARS at November 2005 prices		287,424.2	56,229.4	4,069.2	562.9		348,285.7
B.	2006/2007 Draft Capital Programme							
1.	ADULT, HEALTH AND COMMUNITY SERVICES		(25.6)	2,233.6	480.0	50.0		2,738.0
2.	CHILDREN, YOUNG PEOPLE AND FAMILIES SERVICES		538.8	23,104.0	9,113.6	37.7		32,794.1
3.	COMMUNITY PROTECTION		365.2	1,399.4				1,764.6
4.	ENVIRONMENT AND ECONOMY		3,492.2	41,740.4	14,366.9	1,180.0		60,779.5
5.	PERFORMANCE & DEVELOPMENT			154.0				154.0
6.	RESOURCES			12,481.0				12,481.0
7.	TOTAL		4,370.6	81,112.4	23,960.5	1,267.7		110,711.2
C.	2007/2008 Draft Capital Programme							
1.	ADULT, HEALTH AND COMMUNITY SERVICES			20.0	1,034.0	70.0		1,124.0
2.	CHILDREN, YOUNG PEOPLE AND FAMILIES SERVICES				19,630.8	5,797.7		25,428.5
3.	COMMUNITY PROTECTION							
4.	ENVIRONMENT AND ECONOMY		5.9		10,277.2			10,283.1
5.	RESOURCES		681.0	250.0	2,795.1	1,475.0		5,201.1
6.	TOTAL		686.9	270.0	33,737.1	7,342.7		42,036.7
D.	2008/2009 Draft Capital Programme							
1.	ADULT, HEALTH AND COMMUNITY SERVICES							
2.	CHILDREN, YOUNG PEOPLE AND FAMILIES SERVICES							
3.	COMMUNITY PROTECTION							
4.	ENVIRONMENT AND ECONOMY					14,384.0		14,384.0
5.	RESOURCES							
6.	TOTAL					14,384.0		14,384.0
E.	Council Resolutions		292,481.7	137,611.8	61,766.8	23,557.3		515,417.6

Notes :-

The table below summarises how the proposed Capital Programme 2006/2007 to 2008/2009 has been built up from the joint report to the Cabinet on 2nd February 2006

	Details (1)	Notes (2)	Before 31.03.06 (2) £000	2006/2007 (3) £000	2007/2008 (4) £000	2008/2009 (5) £000	2009/2010 and later years (6) £000	Total Scheme Cost (7) £000
A.	Grand total for all years following 2nd February 2006 report to Cabinet (Agenda Item No. 5) including projects arising from Government announcement in December 2005		292,512.3	130,460.2	56,998.8	22,587.3		502,558.6
B.	New Items - gross cost of schemes							
1.	Adult, Health and Community Services							
	Refurbishment of The Lawns Home for Elderly People			20.0	660.0	70.0	-	750.0
	Libraries - Minor Works			100.0			-	100.0
	St John's House - new visitor facilities			70.0	35.0			105.0
	Upgrade of Library Management System			200.0	73.0		-	273.0
	Sub Total - AHCS			390.0	768.0	70.0		1,228.0
2.	Community Protection							
	Fire Station Appliance Bay Doors			20.0	-	-	-	20.0
	New and Replacement Equipment for Fire Appliances			137.0			-	137.0
	Replacement of Fire Safety Management Information System			65.0	-	-	-	65.0
	Sub Total - Community Protection			222.0				222.0
3.	Environment and Economy							
	Countryside Recreation - Seven Meadows Road Car Park			150.0			-	150.0
	Decriminalisation of Parking Enforcement			1,630.0	-	-	-	1,630.0
	Maintenance of C & D Class Roads			850.0			-	850.0
	Street Lighting Column Replacement			400.0			-	400.0
	Town Centre Regeneration (including Kenilworth)			175.0			-	175.0
	Waste management	1	(30.6)	1,930.6	4,000.0	900.0	-	6,800.0
	Sub Total - Environment and Economy		(30.6)	5,135.6	4,000.0	900.0		10,005.0
4.	Performance and Development							
	Registration Service - refurbishment of the Stratford Office			154.0				154.0
5.	Resources							
	Structural Maintenance, Building and Mechanical repairs			1,000.0				1,000.0
	Structural Maintenance Backlog in School Buildings			250.0				250.0
	Sub Total - Resources			1,250.0				1,250.0
6.	Total Additional Projects		(30.6)	7,151.6	4,768.0	970.0		12,859.0
C.	Council Resolutions		292,481.7	137,611.8	61,766.8	23,557.3		515,417.6

Notes :-

- 1 Net of £0.521 million existing capital programme provision for waste disposal.

PRUDENTIAL BORROWING
CONSERVATIVE

Annex A

Details (1)	Notes (2)	Before	2006/07	2007/08	2008/09	2009/10 and later years	Total Scheme Cost
		31.03.06	(4)	(5)	(6)	(7)	(8)
		£000	£000	£000	£000	£000	£000
A. Total for all years following 2nd February 2006 report to Cabinet (Agenda Item No.5)			48,810.2	28,504.8	17,639.3		94,954.3
B. New Items							
1. Adult, Health and Community Services							
Refurbishment of The Lawns Home for Elderly People			20.0	660.0	70.0	-	750.0
Libraries - Minor Works			100.0			-	100.0
St Johns House - new visitor facilities			70.0	35.0	-	-	105.0
Upgrade of Library Management System			200.0	73.0	-	-	273.0
Sub Total - AHCS			390.0	768.0	70.0		1,228.0
2. Community Protection							
Fire Station Appliance Bay Doors			20.0	-	-	-	20.0
New and Replacement Equipment for Fire Appliances			137.0			-	137.0
Replacement of Fire Safety Management Information System			65.0	-	-	-	65.0
Sub Total - Community Protection			222.0				222.0
3. Environment and Economy							
Countryside Recreation - Seven Meadows Road Car Park			150.0				150.0
Decriminalisation of Parking Enforcement			1,630.0	-	-	-	1,630.0
Maintenance of C & D Class Roads			850.0			-	850.0
Street Lighting Column Replacement			400.0			-	400.0
Town Centre Regeneration (including Kenilworth)			175.0				175.0
Waste management	1	(30.6)	1,930.6	4,000.0	900.0	-	6,800.0
Sub Total - Environment and Economy		(30.6)	5,135.6	4,000.0	900.0		10,005.0
4. Performance and Development							
Registration Service - refurbishment of the Stratford Office			154.0				154.0
5. Resources							
DDA Works for Countywide Public Access - Level 2						-	
Structural Maintenance, Building and Mechanical repairs			1,000.0			-	1,000.0
Structural Maintenance Backlog in School Buildings			250.0				250.0
Sub Total - Resources			1,250.0				1,250.0
6. Total borrowing for new items		(30.6)	7,151.6	4,768.0	970.0		12,859.0
C. TOTAL		(30.6)	55,961.8	33,272.8	18,609.3		107,813.3

Notes:

1 Net of £0.521 million existing capital programme provision for waste disposal.

Warwickshire County Council Prudential Indicators 2005/2006

PRUDENTIAL INDICATOR (1). AFFORDABILITY PRUDENTIAL INDICATORS	2004/05	2005/06	2006/07	2007/08	2008/09
	actual	estimate	estimate	estimate	estimate
Capital Expenditure	£'000 75,887	£'000 78,370	£'000 137,612	£'000 61,767	£'000 23,557
Ratio of financing costs to net revenue stream	% 3.44	% 3.59	% 7.41	% 8.11	% 8.26
Net borrowing requirement	£'000	£'000	£'000	£'000	£'000
brought forward 1 April	178,210	207,881	239,428	264,674	289,904
carried forward 31 March	207,881	239,428	264,674	289,904	298,749
in year borrowing requirement	29,671	31,547	25,246	25,230	8,845
In year Capital Financing Requirement	£'000 23,838	£'000 21,516	£'000 47,552	£'000 22,961	£'000 7,379
Capital Financing Requirement as at 31 March	£'000 193,514	£'000 215,031	£'000 262,583	£'000 285,544	£'000 292,923
Affordable Borrowing Limit					
Position as agreed at February 2004 Council	£	£	£	£	£
Increase per council tax payer	11.07	14.56	10.91		
Position as agreed at February 2005 Council	10.15	11.81	12.26	8.03	
Increase per council tax payer					
Updated position of Current Capital Programme					
Increase per council tax payer	10.08	12.20	10.56	15.24	8.10
PRUDENTIAL INDICATOR (2). TREASURY MANAGEMENT PRUDENTIAL INDICATORS	2004/05 probable outturn	2005/06 estimate	2006/07 estimate	2007/08 estimate	2008/09 estimate
Authorised limit for external debt -	£'000	£'000	£'000	£'000	£'000
Borrowing	253,551	263,958	321,152	352,434	361,551
other long term liabilities	18,000	600	600	600	600
TOTAL	271,551	264,558	321,752	353,034	362,151
Operational boundary for external debt -	£'000	£'000	£'000	£'000	£'000
Borrowing	211,293	219,965	267,626	293,695	301,292
other long term liabilities	15,000	500	500	500	500
TOTAL	226,293	220,465	268,126	294,195	301,792
Upper limit for fixed interest rate exposure					
Net principal re fixed rate borrowing / investments OR:-	100%	100%	100%	100%	100%
Actual					
Upper limit for variable rate exposure					
Net principal re variable rate borrowing / investments OR:-	25%	25%	25%	25%	25%
Actual					
Upper limit for total principal sums invested for over 364 days (per maturity date)	£ 0	£ £0	£ £0	£ £0	£ £0
Maturity structure of new fixed rate borrowing during 2005/06	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%			

Labour Revenue Budget proposals

The County Council is recommended to adopt the following as its budget framework for 2006/07:

1 Service Objectives

- 1.1 The key message of this budget is a simple one – it is a budget for the people of Warwickshire who need and use our services. It will support the delivery of the Council's vision of making Warwickshire the best place to live and work. To this end there are five main themes to the budget:
- ◆ **Protecting Services**
All services will receive allocations to meet their unavoidable cost pressures to enable them to maintain current levels of service provision.
 - ◆ **Investment in the Youth of Warwickshire**
 - ◆ **Improving services for Older People**
 - ◆ **Focussing on Clients**
We will introduce a £1 million fund to improve access to our services enabling them to respond quickly and flexibly to client needs. Our initial priorities for the Modernisation Fund are the funding of the customer service centre and preparing for single status.
 - ◆ **More effective use of resources**
We will maintain our long-standing and very effective efforts to drive down costs via:
 - A challenging efficiency savings target
 - The imaginative use of IT and the customer contact centre to streamline service delivery.
- 1.2 Strategic directors and portfolio holders are requested to ensure that all service plans and the documents which comprise the Council's policy framework within the constitution, should reflect these priorities.
- 1.3 Service plans should address not only the contribution which new resources can make to the advancement of priorities, but also the ways in which existing resources can be used more effectively and, where necessary, re-directed to help deliver the Council's priorities.
- 1.4 Our budget creates a Modernisation Fund to support projects that will modernise the organisation and deliver efficiency savings and service benefits in the future. A Modernisation Board consisting of six members (3 Conservative, 2 Labour and 1 Liberal Democrat) be appointed to make recommendations to the Cabinet for the allocation of funding to modernisation projects.

2 Consultations and Thanks to Respondents

- 2.1 Comments made by our taxpayers, service users, the local business community and trade unions as part of our budget consultation processes are noted. All contributors are thanked and assured of our determination to work with them to continue to improve services in Warwickshire.

3 Revenue Allocations

- 3.1 Approval is given to the following budget allocations to be applied as directed:

Directorate	Description	Allocation £
Adult, Health and Community Services	Pay and price inflation	3,077,000
	Impact of changes in client numbers and other demographic changes on the cost of adult social services	3,449,000
	“Well-being” threshold introduced for access to adult social care to promote independence	500,000
	Specialist book material in support of older and visually impaired citizens	60,000
	Library stock improvement in minority languages	40,000
	Children, Young People and Families Services	Pay and price inflation
	Funding for community programmes at premises developed as part of the regeneration of Camp Hill	172,000
	Allocation to assist in managing the costs of increased contract prices and client numbers for special educational needs, mainstream and post 16 transport (£10,000 one-off)	475,000
	Replacement funding for resources allocated to meet the borrowing costs of the capital investment	512,000
	Corporate subsidy for the grounds maintenance contract (two-year allocation)	275,000
	Inter Curriculum Support Service	175,000
	Youth Service – post OfSTED Action Plan	342,000
	Provision of funding to meet the underlying demographic pressures on children’s social services and to promote modernisation and organisational change including integrated systems, the Safeguarding Children Board and Children Act Project Team (£257,000 one-off)	1,825,000
	Youth Offending Team – funding for existing posts, the Northern Justice Centre, the reparation project and the bail supervision scheme	161,000
	Health and disability – to support short break services, carers and the direct payments scheme (two year allocation)	350,000
	Provision for the loss of vocational training grant to ensure the continuity of existing vocational schemes where these cannot be accommodated within the Dedicated Schools Grant	50,000

Directorate	Description	Allocation £	
Community Protection	Pay and price inflation	707,000	
	Running costs of additional specialist fire appliances	30,000	
	Financing costs of new fire engines/fire appliances	148,000	
	Replacement of fire service equipment (one-off)	34,000	
	Community safety	80,000	
Environment and Economy	Pay and price inflation	1,576,000	
	Waste disposal – increase in costs through landfill tax, tonnage and legislative changes	936,000	
	Waste education and information campaign (one-off)	35,000	
	Replacement funding for resources allocated to meet the borrowing costs of the capital investment	556,000	
	Shakespeare Complete Works Festival (all one-off)	150,000	
	Maintenance of existing bus services and the expansion of the concessionary fares scheme	100,000	
	Building Sustainable Neighbourhoods and regeneration feasibility studies	200,000	
	Speed related education	55,000	
	Education Business Partnerships	40,000	
	Business Improvement Districts programme – town centres and industrial estates	100,000	
	Travellers liaison and enforcement officers	50,000	
	Performance and Development	Pay and price inflation	246,000
		Grant to Warwickshire Association of Local Councils	20,000
Coroners Service (£8,000 one-off)		125,000	
Customer service centre – to encourage accelerated development. This allocation is to be funded from the virtual bank and repaid by savings from the services transferred in		500,000	
Resources	Pay and price inflation	412,000	
	Saltisford offices running costs	138,000	
Other Services	Pay and price inflation	83,000	
	Borrowing costs of approved and proposed additions to the capital programme	402,000	
	Modernisation Fund (see paragraph 1.4) (one-off)	1,000,000	
Total Allocations		21,044,000	

4 Funding Sources

- 4.1 All directorates will be required to achieve 2.5% savings. These savings will be returned to the centre to be re-cycled to meet spending priorities.
- 4.2 The allocations to be returned to the centre by each service are as follows:

	£
Adult, Health and Community Services	2,239,000
Children, Young People and Families Services	1,517,000
Community Protection	493,000
Environment and Economy	860,000
Performance and Development	225,000
Resources	402,000
Total	5,736,000

- 4.3 The Chief Executive, along with COMT will bring a report to Cabinet in April 2006, identifying plans for 2.5% savings for the medium term (2006/07 to 2008/09) as part of approving the Annual Efficiency Statement. Cabinet and Overview and Scrutiny Committees should also receive a report on progress to date to the autumn cycle of meetings.
- 4.4 £2,092,000 will be allocated from general reserves to support the overall budget. This leaves £5.5 million in general reserves in line with the Strategic Director of Resources' assessment of the adequate level of such reserves.
- 4.5 The £600,000 forecast to be received as part of the Government's new Local Authority Business Growth Incentive Scheme will be used to support the 2006/07 budget.
- 4.6 £500,000 to be allocated from the virtual bank to fund the accelerated development of the customer service centre on the agreement of a business case outlining the costs and benefits, including the repayment of the loan and the funding of the costs on an on-going basis from savings on the services transferred in.
- 4.7 All savings from the restructuring of Directorates will be added to the Modernisation Fund, in the first instance, as they are realised over the coming months.
- 4.8 The council tax will be increased by 4.84%, which, together with other funding resources identified, will fund the budget proposals contained within this resolution.

5 Strategic Director of Resources Statement

- 5.1 That the following statement from the Strategic Director of Resources be noted.

"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 extensive scrutiny by:

- ◆ Strategic Directors and their staff;
- ◆ Myself and staff within the Resources Directorate;
- ◆ Chief Officers Management Team;
- ◆ Overview and Scrutiny Committees;

In addition to this I have worked closely with the Party Group in preparing this budget resolution. In overall terms I am of the view that this revenue budget has been prepared on realistic assumptions and that it represents a robust budget.

The budget does however include £1,109,000 of on-going budget allocations that in 2006/07 have been funded from one-off resources. The Party Group needs to be mindful of this and note that permanent funding of £1,109,000 must be identified as part of the 2007/08 budget resolution.

I have also undertaken a risk analysis of the adequacy of financial reserves. This highlighted the need for the level of general reserves to remain at a minimum of £5.5 million. A requirement of this level is in line with the latest projection reported to members as part of the corporate budget monitoring process. I am therefore of the view that this budget does provide for an adequate level of reserves."

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 to 2008/09 capital programme.

6.2 Individual Service revenue estimates of:

	Base Budget	Additions	Funding Sources/ Re-cycling	Total
	£	£	£	£
Adults, Health and Community Services	100,596,320	7,126,000	(2,239,000)	105,483,320
Children, Young People and Families Services	124,689,427	6,195,000	(1,517,000)	129,367,427
Community Protection	23,160,887	999,000	(493,000)	23,666,887
Environment and Economy	52,392,921	3,798,000	(860,000)	55,330,921
Performance and Development	4,987,491	891,000	(225,000)	5,653,491
Resources	4,254,393	550,000	(402,000)	4,402,393
Other Services	28,467,352	1,485,000	0	29,952,352
Less: Notional Capital Charges	(82,338,689)	0	0	(82,338,689)
	256,210,102	21,044,000	(5,736,000)	271,518,102
Contributions to/(from) reserves:				
• General Reserves	(76,275)	0	(2,092,000)	(2,168,275)
• Service/earmarked savings	(1,277,000)	0	(600,000)	(1,877,000)
• Virtual Bank	650,950	0	(500,000)	150,950
• Capital Fund	(484,000)	0	0	(484,000)

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	255,023,777	21,044,000	(8,928,000)	267,139,777

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	267,139,777.00
Less Redistributed National Non-Domestic Rates	(62,441,521.00)
Less Revenue Support Grant	(11,987,204.00)
Add Council Tax Deficit on Collection	843,839.00
	193,554,891.00
Divided by aggregate Council Tax Base for the County Area	194,447.63
Basic amount of Council Tax (Band D)	995.41

8 Council Tax

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

	£
Band A	663.6059
Band B	774.2069
Band C	884.8079
Band D	995.4088
Band E	1,216.6108
Band F	1,437.8128
Band G	1,659.0147
Band H	1,990.8177

9 Precepts

9.1 The Chief Executive issue 2006/07 precepts on the Warwickshire billing authorities, as follows:

	£
North Warwickshire Borough Council	20,901,555.13
Nuneaton & Bedworth Borough Council	37,776,761.12
Rugby Borough Council	33,254,011.53
Stratford-on-Avon District Council	50,566,510.57
Warwick District Council	51,056,052.65

10 Medium Term Financial Planning Framework

- 10.1 Subject to a satisfactory settlement in future years, the County Council will plan on the basis that for 2007/08 and 2008/09:
- ◆ All Directorates will be allocated sufficient resources to meet pay and price inflation.
 - ◆ The corporate costs of financing the approved capital programme will be funded.
 - ◆ Overall, the authority will deliver 2.5% efficiency savings each year of which at least half will be cashable.
- 10.2 A more detailed medium term financial planning framework is to be developed urgently and adopted by July 2006. The framework should recognise the priorities outlined in section 1. It should build on the introduction of more than one year grant settlements by the government and encompass strategies and policies for delivering on the efficiency savings agenda, looking at high cost services as identified in the Audit Commission Value for Money profiles and incorporating any recommendations from the CPA Value for Money and Use of Resources assessments.

11 Budget Management

- 11.1 The Chief Executive be directly responsible for the implementation of the budget.
- 11.2 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 directorates' work to secure best value.
- 11.3 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.
- 11.4 All member bodies and Strategic Directors are 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.
- 11.5 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.
- 11.6 All departments are authorised to draw down on departmental reserves accumulated from previous year's savings, subject to notifying the Strategic Director of Resources.
- 11.7 That authority is given for all necessary tenders to be obtained and contracts to be completed to give effect to this budget.

County Council – 7 February 2006 – Appendix B

Labour Capital Budget Proposals

It is recommended that:

1 Capital Programme

1.1 Approval be given to a capital programme of £110,282,200 for new schemes starting in 2006/07 as shown in Annex A and that authority be given for all necessary tenders to be obtained and contracts to be completed.

1.2 Of the 2006/07 programme, schemes costing £98,602,200 were already approved for planning purposes. These are reaffirmed as part of this resolution.

1.3 In doing so the funding for the following schemes is agreed:

- The £1,740,000 shortfall in funding for Avon Valley School to be funded from additional borrowing
- The £705,000 shortfall in funding for the Leamington Urban Mixed Priority Scheme to be funded from additional borrowing
- The £720,000 shortfall in funding for Barford Bypass to be funded from additional borrowing
- The £179,000 supported borrowing announced by the Government in December 2005 for the provision of Mental Health services is approved for inclusion in the capital programme
-

1.4 Additional allocations for new schemes in 2006/07 are also approved as follows:

Directorate	Investment Project	Payments in 2006/07 £	Total Scheme Allocation £
Children, Young People & Families Services	◆ Grants/Loans for House Adaptations for Foster Parents (£50,000 borrowing net of income)	100,000	100,000
Community Protection	◆ Female Changing Facilities in fire stations	100,000	100,000
	◆ New and Replacement Equipment for Fire Appliances	100,000	100,000

Directorate	Investment Project	Payments in 2006/07 £	Total Scheme Allocation £
Environment & Economy	◆ Community Environmental Improvements in Priority Neighbourhoods (outside of Camp Hill)	100,000	100,000
	◆ Countryside Recreation – DDA/Countryside Access and Rights of Way Improvement Plan	100,000	100,000
	◆ Countryside Recreation – Seven Meadows Road Car Park (self-financing)	150,000	150,000
	◆ Decriminalisation of Parking Enforcement (self-financing)	1,630,000	1,630,000
	◆ Maintenance of C & D Class Roads	850,000	850,000
	◆ Street Lighting Column Replacement	400,000	400,000
	◆ Town Centre Master plan Delivery - Rugby, Nuneaton & Bedworth	250,000	250,000
	◆ Two Tier Camp Hill	100,000	100,000
	◆ Waste management	1,930,600	6,800,000
Resources	◆ Structural maintenance, building and mechanical repairs including essential DDA works for countywide public access	1,000,000	1,000,000
2006/07 Total Allocations		6,810,600	11,680,000

1.5 The capital programmes of £41,286,700 and £14,384,000 new schemes starting in 2007/08 and 2008/09 as shown in Annex A, be approved for planning purposes. All these schemes were already approved for planning purposes.

1.6 Directorates continue to meet the revenue impact of debt charges and running costs for capital projects.

1.7 A deduction is made from Directorate's 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 £ per Band D Council Tax	Cumulative £ per Band D Council Tax
2006/07	10.52	10.52
2007/08	15.03	25.55
2008/09	7.85	33.40

- 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 department;*
- ◆ *Chief Officers Management Team;*
- ◆ *Overview and Scrutiny Committees and Cabinet.*

In addition to this I have worked closely with the Party Group in preparing this capital programme resolution. In overall terms I am of the view that this capital programme has been prepared on realistic assumptions and that it represents a robust programme.

The Party Group Need to be mindful that the additional revenue costs of the capital programme included in this resolution are £0.419 million in 2007/08 and a further £0.208 million in 2008/09. The financing of these revenue impacts will need to form part of the Group's consideration of the budget in future years."

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:
- The agreement of any increases or reductions in capital starts/payments totals as part of the capital review process is delegated to Cabinet.
 - 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.
- 4.2 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 each directorate's work to secure Best Value.
- 5.3 All member bodies and Chief Officers 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.

ANALYSIS OF CAPITAL PAYMENTS BY STARTS YEAR

Start Year (1)	Payments at November 2005 prices						Total Scheme Cost (7) £000
	Before 31.03.06 (2) £000	2006/2007 (3) £000	2007/2008 (4) £000	2008/2009 (5) £000	2009/2010 and later years (6) £000		
	1. Starts in 2005/2006 and earlier years	287,424.2	56,229.4	4,069.2	562.9	-	
2. 2006/2007 Starts	4,370.6	80,791.4	23,852.5	1,267.7		110,282.2	
3. 2007/2008 Starts	686.9	250.0	33,077.1	7,272.7		41,286.7	
4. 2008/2009 Starts				14,384.0		14,384.0	
5. TOTAL PROGRAMME	292,481.7	137,270.8	60,998.8	23,487.3		514,238.6	

The table below shows the proposed capital programmes split between directorates :-

	Details (1)	Notes (2)	Before 31.03.06 (3) £000	2006/2007 (4) £000	2007/2008 (5) £000	2008/2009 (6) £000	2009/2010 and later years (7) £000	Total Scheme Cost (8) £000
A.	COMMITMENTS ON SCHEMES STARTED IN 2005/2006 AND EARLIER YEARS at November 2005 prices		287,424.2	56,229.4	4,069.2	562.9		348,285.7
B.	2006/2007 Draft Capital Programme							
1.	ADULT, HEALTH AND COMMUNITY SERVICES		5.0	1,863.6	372.0	50.0		2,290.6
2.	CHILDREN, YOUNG PEOPLE AND FAMILIES SERVICES		538.8	23,204.0	9,113.6	37.7		32,894.1
3.	COMMUNITY PROTECTION		365.2	1,377.4				1,742.6
4.	ENVIRONMENT AND ECONOMY		3,461.6	42,115.4	14,366.9	1,180.0		61,123.9
5.	RESOURCES			12,231.0				12,231.0
6.	TOTAL		4,370.6	80,791.4	23,852.5	1,267.7		110,282.2
C.	2007/2008 Draft Capital Programme							
1.	ADULT, HEALTH AND COMMUNITY SERVICES				374.0			374.0
2.	CHILDREN, YOUNG PEOPLE AND FAMILIES SERVICES				19,630.8	5,797.7		25,428.5
3.	COMMUNITY PROTECTION							
4.	ENVIRONMENT AND ECONOMY		5.9		10,277.2			10,283.1
5.	RESOURCES		681.0	250.0	2,795.1	1,475.0		5,201.1
6.	TOTAL		686.9	250.0	33,077.1	7,272.7		41,286.7
D.	2008/2009 Draft Capital Programme							
1.	ADULT, HEALTH AND COMMUNITY SERVICES							
2.	CHILDREN, YOUNG PEOPLE AND FAMILIES SERVICES							
3.	COMMUNITY PROTECTION							
4.	ENVIRONMENT AND ECONOMY					14,384.0		14384
5.	RESOURCES							
6.	TOTAL					14,384.0		14,384.0
E.	Council Resolutions		292,481.7	137,270.8	60,998.8	23,487.3		514,238.6

The table below summarises how the proposed Capital Programme 2005/2006 to 2007/2008 has been built up from the joint report to the Cabinet on 13th January 2005 :-

	Details	Notes	Before 31.03.06	2006/2007	2007/2008	2008/2009	2009/2010 and later years	Total Scheme Cost -8
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			£000	£000	£000	£000	£000	£000
A.	Grand total for all years following 2nd February 2006 report to Cabinet (Agenda Item No. 5) including projects arising from Government announcement in December 2005		292,512.3	130,460.2	56,998.8	22,587.3		502,558.6
B.	New Items - gross cost of schemes							
1.	Children, Young People and Families							
	Grants/Loans for House Adaptations for Foster Parents			100.0				100.0
	Sub Total - CYP&FS			100.0				100.0
2.	Community Protection							
	Female Changing Facilities in fire stations			100.0				100.0
	New and Replacement Equipment for Fire Appliances			100.0				100.0
	Sub Total - Community Protection			200.0				200.0
3.	Environment and Economy							
	Community Environmental Improvements in Priority Neighbourhoods			100.0			-	100.0
	Countryside Recreation - DDA/Countryside Access and Rights of Way Improvement Plan			100.0			-	100.0
	Countryside Recreation - Seven Meadows Road Car Park			150.0			-	150.0
	Decriminalisation of Parking Enforcement			1,630.0			-	1,630.0
	Maintenance of C & D Class Roads			850.0			-	850.0
	Street Lighting Column Replacement			400.0			-	400.0
	Town Centre Master plan Delivery - Rugby, Nuneaton & Bedworth			250.0			-	250.0
	Two tier Camp Hill			100.0			-	100.0
	Waste management	1	(30.6)	1,930.6	4,000.0	900.0	-	6,800.0
	Sub Total - Environment and Economy		(30.6)	5,510.6	4,000.0	900.0		10,380.0
4.	Resources							
	Structural maintenance, building and mechanical repairs including essential DDA works for countywide public access			1,000.0				1,000.0
	Sub Total - Resources			1,000.0				1,000.0
5.	Total additional capital expenditure		(30.6)	6,810.6	4,000.0	900.0		11,680.0
C.	Council Resolutions		292,481.7	137,270.8	60,998.8	23,487.3		514,238.6

Notes :-

- 1 Net of £0.521 million existing capital programme provision for waste disposal.

Details (1)	Notes (2)	Before 31.03.06 (3) £000	2006/07 (4) £000	2007/08 (5) £000	2008/09 (6) £000	2009/10 and later years (7) £000	Total Scheme Cost (8) £000
A. Total for all years following 2nd February 2006 report to Cabinet (Agenda Item No.5)			48,810.2	28,504.8	17,639.3		94,954.3
B. New Items							
1. Children, Young People and Families							
Grants/Loans for House Adaptations for Foster Parents			50.0				50.0
Sub Total - CYP&FS			50.0				50.0
2. Community Protection							
Female Changing Facilities in fire stations			100.0				100.0
New and Replacement Equipment for Fire Appliances			100.0				100.0
Sub Total - Community Protection			200.0				200.0
3. Environment and Economy							
Community Environmental Improvements in Priority Neighbourhoods			100.0				100.0
Countryside Recreation - DDA/Countryside Access and Rights of Way Improvement			100.0				100.0
Countryside Recreation - Seven Meadows Road Car Park			150.0				150.0
Decriminalisation of Parking Enforcement			1,630.0				1,630.0
Maintenance of C & D Class Roads			850.0				850.0
Street Lighting Column Replacement			400.0				400.0
Town Centre Master plan Delivery - Rugby, Nuneaton & Bedworth			250.0				250.0
Two tier Camp Hill			100.0				100.0
Waste management	1	(30.6)	1,930.6	4,000.0	900.0		6,800.0
Sub Total - Environment and Economy		(30.6)	5,510.6	4,000.0	900.0		10,380.0
4. Resources							
Structural maintenance, building and mechanical repairs including essential DDA works for countywide public access			1,000.0				1,000.0
Sub Total - Resources			1,000.0				1,000.0
5. Total additional Projects		(30.6)	6,760.6	4,000.0	900.0		11,630.0
C. TOTAL		(30.6)	55,570.8	32,504.8	18,539.3		106,584.3

Notes :-

1 Net of £0.521 million existing capital programme provision for waste disposal.

Warwickshire County Council Prudential Indicators 2006/2007

PRUDENTIAL INDICATOR (1). AFFORDABILITY PRUDENTIAL INDICATORS	2004/05 actual	2005/06 estimate	2006/07 estimate	2007/08 estimate	2008/09 estimate
Capital Expenditure	£'000 75,887	£'000 78,370	£'000 137,271	£'000 60,999	£'000 23,487
Ratio of financing costs to net revenue stream	% 3.44	% 3.59	% 7.41	% 8.10	8.22
Net borrowing requirement	£'000	£'000	£'000	£'000	£'000
brought forward 1 April	178,210	207,881	239,428	264,322	288,837
carried forward 31 March	207,881	239,428	264,322	288,837	297,589
in year borrowing requirement	29,671	31,547	24,894	24,515	8,751
In year Capital Financing Requirement	£'000 23,838	£'000 21,516	£'000 47,161	£'000 22,208	£'000 7,355
Capital Financing Requirement as at 31 March	£'000 193,514	£'000 215,031	£'000 262,192	£'000 284,400	£'000 291,755
Affordable Borrowing Limit					
Position as agreed at February 2004 Council	£	£	£	£	
Increase per council tax payer	11.07	14.56	10.91		
Position as agreed at February 2005 Council	10.15	11.81	12.26	8.03	
Increase per council tax payer					
Updated position of Current Capital Programme					
Increase per council tax payer	10.08	12.20	10.52	15.03	7.85
PRUDENTIAL INDICATOR (2). TREASURY MANAGEMENT PRUDENTIAL INDICATORS	2004/05 probable outturn	2005/06 estimate	2006/07 estimate	2007/08 estimate	2008/09 estimate
Authorised limit for external debt -	£'000	£'000	£'000	£'000	£'000
Borrowing	253,551	263,958	320,729	351,154	360,158
other long term liabilities	18,000	600	600	600	600
TOTAL	271,551	264,558	321,329	351,754	360,758
Operational boundary for external debt -	£'000	£'000	£'000	£'000	£'000
Borrowing	211,293	219,965	267,274	292,628	300,132
other long term liabilities	15,000	500	500	500	500
TOTAL	226,293	220,465	267,774	293,128	300,632
Upper limit for fixed interest rate exposure					
Net principal re fixed rate borrowing / investments OR:-	100%	100%	100%	100%	100%
Actual					
Upper limit for variable rate exposure					
Net principal re variable rate borrowing / investments OR:-	25%	25%	25%	25%	25%
Actual					
Upper limit for total principal sums invested for over 364 days (per maturity date)	£ 0	£ £0	£ £0	£ £0	£0
Maturity structure of new fixed rate borrowing during 2005/06	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%			

County Council – 7 February 2006 - Appendix C

Liberal Democrat Revenue Budget Proposals

The County Council is recommended to adopt the following as its budget framework for 2006/07:

1 Service Objectives

- 1.1 The Liberal Democrat budget for 2006/07 continues to build on previous Liberal Democrat budget proposals. We recognise the diversity of Warwickshire and that one template for the delivery of services cannot fit all areas of the County. Therefore we will work to ensure the implementation of our budget through the development of Local Area Agreements and through our area committees.
- 1.2 The grant settlement for Warwickshire is noted with disappointment along with the government's assumptions of changes in the district council tax base, both of which have played a significant part in restricting service growth this year. One effect of this is that the second homes council tax money that could have been used to help deliver affordable homes has had to be diverted to fund the spending proposals in this budget. We have had to prepare this budget within this highly unsatisfactory resource position. Warwickshire residents have once again been short changed. The Government should be lobbied to implement a fair local tax that takes into account the ability to pay and also to provide additional funding to enable the council to deliver extra resources to help those who most need it, especially our young people and older and vulnerable population.
- 1.3 Our priorities are to ensure that we deliver quality services in the following key areas:
 - **Empowering Young People**

We shall be seeking to help bring about further improvements in the youth service. We will fully fund the action plan for a better youth service and deliver the signposting choice strategy. Investment will be made in our detached youth work service to help tackle nuisance youth issues around Warwickshire, and in the development of rural youth work. This will help to lift the County's youth service from being judged only as "adequate" by Ofsted.
 - **Independence, Well-Being and Choice**

Our older population is ever increasing in size and our adult services continue to see ever increasing pressures and demands placed upon them. We are putting extra resources towards achieving better access to care services and towards making an independence, well-being and choice agenda that values people.

➤ **Accessibility to the Transport System**

Additional resources will support the extension of the concessionary fares scheme and will ensure that priority bus services in Warwickshire are maintained. The Liberal Democrats are committed to supporting bus routes as a means of enabling those who are isolated and also those who do not have access to their own vehicle, to gain extra freedom regardless of where they live.

➤ **Art for Health**

By developing arts based projects, we aim to improve the health and well-being of Warwickshire residents whilst at the same time promoting community development.

Overview and Scrutiny Committees will oversee work on developing and reviewing our strategic policies in these areas. Outline project plans for the development of these policies will be considered by the Committees by July 2006.

- 1.4 We recognise that Warwickshire County Council is undergoing a modernisation programme. In 2006/07, each new Strategic Director should undertake a detailed review of their budget working with the relevant Overview and Scrutiny Committee seeking to report in the autumn of 2006, in time for budget setting in 2007/08.
- 1.5 As part of our budget proposals we will introduce a £2 million Modernisation Fund to support this modernisation agenda. The fund will be used to kick start projects to modernise the organisation, improve its efficiency and generate savings that can be used to deliver further service improvements. A Modernisation Board consisting of eight members (3 Conservative, 3 Labour and 2 Liberal Democrat) is to be appointed to make recommendations to Cabinet for the allocation of funding to modernisation projects. Funds will be allocated after consideration of a full business case. Our initial priorities for the Modernisation Fund are the funding of the customer service centre (up to £0.785 million guaranteed) and introducing a network of one-stop shops across the county.

2 Consultations and Thanks to Respondents

- 2.1 Comments made by our taxpayers, service users, the local business community and trade unions as part of our budget consultation processes are noted. All contributors are thanked and assured of our determination to work with them to continue to improve services in Warwickshire. The Council commits itself to continue to look for innovative ways to improve consultation on its budget setting and funding priorities and increase its overall accountability.

3 Revenue Allocations

3.1 Approval is given to the following budget allocations to be applied as directed:

Directorate	Description	Allocation £
Adult, Health and Community Services	To deliver on our Independence, Well-Being and Choice agenda we will make the following budget allocations:	
	<ul style="list-style-type: none"> • Pay & price inflation 	3,077,000
	<ul style="list-style-type: none"> • An allocation to meet the increased cost from rising client numbers and forecast demographic changes. 	3,368,000
	<ul style="list-style-type: none"> • An allocation to pump-prime service performance improvements in adults social services through the introduction of a new “well-being” threshold. People would be eligible for support where this would maintain their independence. In addition this funding will support the “Valuing People” learning disability agenda. 	1,000,000
	To deliver on our Art for Health agenda we will make the following budget allocation:	
	<ul style="list-style-type: none"> • Arts-IMPACT-health project to improve health and well-being through dance 	34,000
Children, Young People and Families Services	To deliver on our Empowering Young People agenda we will make the following budget allocations:	
	<ul style="list-style-type: none"> • Pay & price inflation 	1,858,000
	<ul style="list-style-type: none"> • An allocation to meet the cost of the increasing number of children looked after and to help in the modernisation and organisational change of the service, including the development of the local Safeguarding Children Board (£122,000 one-off) 	1,847,000
	<ul style="list-style-type: none"> • Funding for community programmes at premises developed as part of the regeneration of Camp Hill 	50,000
	<ul style="list-style-type: none"> • An allocation to meet the additional transport costs of both special educational needs and mainstream pupils (£10,000 one-off) 	398,000
	<ul style="list-style-type: none"> • Replacement funding for resources allocated to meet the borrowing costs of the capital investment 	512,000
	<ul style="list-style-type: none"> • Corporate subsidy for the grounds maintenance contract (two-year allocation) 	275,000
	<ul style="list-style-type: none"> • Resources to implement the post OFSTED action plan for the Youth Service 	342,000
	<ul style="list-style-type: none"> • Sign-posting choice – the provision of independent information and advice services for young people 	129,000
	Community Protection	To maintain our community protection services we will make the following allocations:
<ul style="list-style-type: none"> • Pay & price inflation 		707,000
<ul style="list-style-type: none"> • Running costs of additional specialist fire appliances 		30,000
<ul style="list-style-type: none"> • Financing costs of new fire engines/fire appliances 		148,000

Directorate	Description	Allocation £
Environment and Economy	To maintain our services supporting the environment and the economy we will make the following allocations: <ul style="list-style-type: none"> • Pay & price inflation • Increased costs of waste disposal (£30,000 one-off) • Replacement funding for resources allocated to meet the borrowing costs of the capital investment • Shakespeare Complete Works Festival (all one-off) 	1,576,000 936,000 556,000 150,000
	To deliver on our Accessibility to the Transport System agenda we will make the following budget allocation: <ul style="list-style-type: none"> • Maintenance of existing bus services and the expansion of the concessionary fares scheme 	200,000
Performance and Development	To maintain our services supporting the performance and development of the organisation we will make the following allocations: <ul style="list-style-type: none"> • Pay & price inflation • Grant to Warwickshire Association of Local Councils • Coroners Service (£8,000 one-off) 	246,000 20,000 125,000
Resources	To maintain our services that manage the resources of the organisation we will make the following allocations: <ul style="list-style-type: none"> • Pay & price inflation • Saltisford offices running costs 	412,000 138,000
Other Services	To maintain the corporate and treasury management services of the organisation we will make the following allocations: <ul style="list-style-type: none"> • Pay & price inflation • To meet the borrowing costs of the additional capital spending • To create a Modernisation Fund (see paragraph 1.5 above) (£1,528,000 one-off) 	83,000 446,000 2,000,000
	Total Allocations	20,663,000

4 Funding Sources

4.1 All directorates will be required to achieve 2.5% savings. These savings will be returned to the centre to be re-cycled to meet spending priorities.

4.2 The allocations to be returned to the centre by each service are as follows:

	£
Adult, Health and Community Services	2,239,000
Children, Young People and Families Services	1,517,000
Community Protection	493,000
Environment and Economy	860,000
Performance and Development Resources	225,000
	402,000
Total	5,736,000

- 4.3 The Chief Executive, along with COMT will bring a report to Cabinet in April 2006, identifying plans for 2.5% savings for the medium term (2006/07 to 2008/09) as part of approving the Annual Efficiency Statement. COMT should plan for these savings to be based on departmental and corporate targets, with an increased weighting towards the latter. The projects to deliver these savings will begin to be implemented in the 2006/07 financial year. Cabinet and Overview and Scrutiny Committees should also receive a report on progress to date to the autumn cycle of meetings.
- 4.4 £2,092,000 will be allocated from general reserves to support the overall budget. This leaves £5.5 million in general reserves in line with the Strategic Director of Resources' assessment of the adequate level of such reserves.
- 4.5 The £600,000 forecast to be received by the Council in February 2006 as part of the government's new Local Authority Business Growth Incentive Scheme will be used to support the 2006/07 budget.
- 4.6 All savings arising from the restructuring of Directorates will be added to the Modernisation Fund, in the first instance, as they are realised over the coming months. It is expected these savings will generate up to £0.750 million in a full year. The first call on these savings will be the customer service centre and one-stop shops.
- 4.7 The council tax will be increased by 4.90%, which, together with other funding resources identified, will fund the budget proposals contained within this resolution.

5 Strategic Director of Resources Statement

- 5.1 That the following statement from the Strategic Director of Resources be noted.

"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 extensive scrutiny by:

- ◆ *Strategic Directors and their staff;*
- ◆ *Myself and staff within the Resources Directorate;*
- ◆ *Chief Officers Management Team;*
- ◆ *Overview and Scrutiny Committees;*

In addition to this I have worked closely with the Party Group in preparing this budget resolution. In overall terms I am of the view that this revenue budget has been prepared on realistic assumptions and that it represents a robust budget.

The budget does however include £313,000 of on-going budget allocations that in 2006/07 have been funded from one-off resources. The Party Group needs to be mindful of this and note that permanent funding for the £313,000 must be identified as part of the 2007/08 budget resolution.

I have also undertaken a risk analysis of the adequacy of financial reserves. This highlighted the need for the level of general reserves to remain at a minimum of £5.5 million. A requirement of this level is in line with the latest projection reported to members as part of the corporate budget monitoring process. I am therefore of the view that this budget does provide for an adequate level of reserves."

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 to 2008/09 capital programme.

6.2 Individual Service revenue estimates of:

	Base Budget	Additions	Funding Sources/ Re-cycling	Total
	£	£	£	£
Adult, Health and Community Services	100,596,320	7,479,000	(2,239,000)	105,836,320
Children, Young People and Families Services	124,689,427	5,411,000	(1,517,000)	128,583,427
Community Protection	23,160,887	885,000	(493,000)	23,552,887
Environment and Economy	52,392,921	3,418,000	(860,000)	54,950,921
Performance and Development	4,987,491	391,000	(225,000)	5,153,491
Resources	4,254,393	550,000	(402,000)	4,402,393
Other Services	28,467,352	2,529,000	0	30,996,352
Less: Notional Capital Charges	(82,338,689)	0	0	(82,338,689)
	256,210,102	20,663,000	(5,736,000)	271,137,102
Contributions to/(from) reserves:				
• General Reserves	(76,275)	0	(2,092,000)	(2,168,275)
• Service/earmarked savings	(1,277,000)	0	(600,000)	(1,877,000)
• Virtual Bank	650,950	0	0	650,950
• Capital Fund	(484,000)	0	0	(484,000)

7 Budget Requirement

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	255,023,777	20,663,000	(8,428,000)	267,258,777

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	267,258,777.00
Less Redistributed National Non-Domestic Rates	(62,441,521.00)
Less Revenue Support Grant	(11,987,204.00)
Add Council Tax Deficit on Collection	843,839.00
	193,673,891.00
Divided by aggregate Council Tax Base for the County Area	194,447.63
Basic amount of Council Tax (Band D)	996.02

8 Council Tax

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

	£
Band A	664.0139
Band B	774.6829
Band C	885.3519
Band D	996.0208
Band E	1,217.3588
Band F	1,438.6968
Band G	1,660.0347
Band H	1,992.0417

9 Precepts

9.1 The Chief Executive issue 2006/07 precepts on the Warwickshire billing authorities, as follows:

	£
North Warwickshire Borough Council	20,914,405.67
Nuneaton & Bedworth Borough Council	37,799,986.75
Rugby Borough Council	33,274,456.52
Stratford-on-Avon District Council	50,597,599.51
Warwick District Council	51,087,442.55

10 Medium Term Financial Planning Framework

- 10.1 Subject to a satisfactory settlement in future years, the County Council will plan on the basis that for 2007/08 and 2008/09:
- All Directorates will be allocated sufficient resources to meet pay and price inflation.
 - The corporate costs of financing the approved capital programme will be funded.
 - The indicative council tax for 2007/08 will not be more than a 5% increase, in line with Government expectations.
 - Overall the authority will deliver a minimum of 2% cash efficiency savings each year.
- 10.2 A more detailed Medium Term Financial Planning Framework is to be developed urgently and adopted by July 2006. The framework should recognise the priorities outlined in section 1.3 and should also seek to establish the following principles and policies:
- Achieving value for money.
 - Delivering efficiency and procurement savings as the key element of our strategy for maximising resources in the future, thereby creating opportunities for future service investment.
 - Looking at high cost services as identified in the Audit Commission's Value for Money profiles.
 - The systematic use of business cases for all future investment in services that clearly define quantifiable pay back times and benefits from the outset.
 - A corporate charging policy and review of all income streams.
 - The development of a long-term policy in respect of the Local Authority Business Growth Incentive scheme that focuses on economic and community well-being linked to the emerging Local Area Agreements.

11 Budget Management

- 11.1 The Chief Executive be directly responsible for the implementation of the budget.
- 11.2 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 Directorates' work to secure best value.
- 11.3 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.

- 11.4 All member bodies and Strategic Directors are 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.
- 11.5 The Strategic Director of Resources be provided with delegated authority to vire budgets between directorates where such virements are as a direct consequence of the restructuring of the County Council.
- 11.6 All Directorates are authorised to draw down on directorate reserves accumulated from previous year's savings, subject to notifying the Strategic Director of Resources.
- 11.7 That authority is given for all necessary tenders to be obtained and contracts to be completed to give effect to this budget.

County Council – 7 February 2006 – Appendix C

Liberal Democrat Capital Budget Proposals

It is recommended that:

1 Capital Programme

1.1 Approval be given to a capital programme of £112,374,200 for new schemes starting in 2006/07 as shown in Annex A and that authority be given for all necessary tenders to be obtained and contracts to be completed.

1.2 Of the 2006/07 programme, schemes costing £98,602,200 were already approved for planning purposes. These are reaffirmed as part of this resolution.

1.3 In doing so the funding for the following schemes is agreed:

- The £1,740,000 shortfall in funding for Avon Valley School to be funded from additional borrowing
- The £705,000 shortfall in funding for the Leamington Urban Mixed Priority Scheme to be funded from additional borrowing
- The £720,000 shortfall in funding for Barford Bypass to be funded from additional borrowing
- The £179,000 supported borrowing announced by the Government in December 2005 for the provision of Mental Health services is approved for inclusion in the capital programme

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1.4 Additional allocations for new schemes in 2006/07 are also approved as follows:

Directorate	Investment Project	Payments in 2006/07 £	Total Scheme Allocation £
2006/07			
Adult, Health & Community Services	◆ Public Art Programme ◆ Upgrade of the Library Management System	50,000 100,000	50,000 273,000
Children, Young People & Families	◆ Grants/Loans for House Adaptations for Foster Parents (£50,000 borrowing net of income)	100,000	100,000

Directorate	Investment Project	Payments in 2006/07 £	Total Scheme Allocation £
2006/07 (cont)			
Community Protection	<ul style="list-style-type: none"> ◆ Female Changing Facilities in fire stations ◆ Fire Station Appliance Bay Doors ◆ New and Replacement Equipment for Fire Appliances ◆ Provision of Interception Areas for Diesel Tanks for the Fire Service ◆ Replacement of Fire Safety Management Information System 	<p>100,000</p> <p>40,000</p> <p>137,000</p> <p>25,000</p> <p>65,000</p>	<p>100,000</p> <p>40,000</p> <p>137,000</p> <p>25,000</p> <p>65,000</p>
Environment & Economy	<ul style="list-style-type: none"> ◆ Carbon Emissions Reduction to support LPSA2 ◆ Community Environmental Improvements in Priority Neighbourhoods ◆ Countryside Recreation - £25,000 to be allocated to each Area Committee to be spent in accordance with local priorities linked to the Rights of Way Improvement Plan and £75,000 to be retained corporately for maintenance, including footbridges ◆ Decriminalisation of Parking Enforcement (self-financing) ◆ Farm Improvements ◆ Kenilworth Town Centre Project ◆ Maintenance of C & D Class Roads ◆ Street Lighting Column Replacement ◆ Town Centre Master plan Delivery - Rugby, Nuneaton & Bedworth ◆ Waste management 	<p>100,000</p> <p>160,000</p> <p>200,000</p> <p>1,630,000</p> <p>40,000</p> <p>125,000</p> <p>850,000</p> <p>300,000</p> <p>200,000</p> <p>1,930,600</p>	<p>100,000</p> <p>160,000</p> <p>200,000</p> <p>1,630,000</p> <p>40,000</p> <p>125,000</p> <p>850,000</p> <p>300,000</p> <p>200,000</p> <p>6,800,000</p>
Performance & Development	<ul style="list-style-type: none"> ◆ Registration Service - refurbishment of the Stratford Office 	<p>154,000</p>	<p>154,000</p>
Resources	<ul style="list-style-type: none"> ◆ Atherstone Area Offices - Ingoing Costs ◆ Central Heating - Oil Storage - Remedial Works ◆ Essential DDA Works for Countywide Public Access - Level 1 ◆ Structural maintenance of property and minor works ◆ Structural Maintenance Backlog in School Buildings ◆ Sustainable Construction & Life Cycle Costing - funding additional costs 	<p>124,500</p> <p>25,000</p> <p>300,000</p> <p>1,300,000</p> <p>200,000</p> <p>170,000</p>	<p>128,000</p> <p>25,000</p> <p>300,000</p> <p>1,300,000</p> <p>500,000</p> <p>170,000</p>
	2006/07 Total Allocations	8,426,100	13,772,000

1.5 The capital programmes of £50,131,700 and £22,174,000 new schemes starting in 2007/08 and 2008/09 as shown in Annex A, be approved for planning purposes. Of the draft programme, schemes costing £55,670,700 were already approved for planning purposes. Additional allocations are also approved as follows:

Directorate	Investment Project	Payments in 2007/08 £	Total Scheme Allocation £
2007/08			
Adult, Health & Community Services	◆ Modernising Day Services for People with Disabilities (£50,000 borrowing net of income)	500,000	550,000
	◆ Refurbishment of Homes for the Elderly	150,000	200,000
	◆ Refurbishment of The Lawns Home for Elderly People	660,000	750,000
	◆ Public Art Programme	50,000	50,000
Children, Young People & Families	◆ Grants/Loans for House Adaptations for Foster Parents (£50,000 borrowing net of income)	100,000	100,000
Community Protection	◆ New and Replacement Equipment for Fire Appliances	140,000	140,000
Environment & Economy	◆ Carbon Emissions Reduction to support LPSA2	300,000	300,000
	◆ Community Environmental Improvements in Priority Neighbourhoods	165,000	165,000
	◆ Countryside Recreation - Minor Works, Regeneration, Countryside Access and Rights of Way Improvement Plan	100,000	100,000
	◆ Farm Improvements	40,000	40,000
	◆ Maintenance of C & D Class Roads	850,000	850,000
	◆ Social and Economic Regeneration - Rental Generating Commercial Developments (self-financing and including £1,500,000 of grant funding)	2,500,000	2,500,000
	◆ Street Lighting Column Replacement	400,000	400,000
	◆ Town Centre Master Plan Delivery - Rugby, Nuneaton & Bedworth	200,000	200,000
Resources	◆ Essential DDA Works for Countywide Public Access - Level 1	300,000	300,000
	◆ Structural maintenance of property and minor works	1,500,000	1,500,000
	◆ Structural Maintenance Backlog in School Buildings	150,000	500,000
	◆ Sustainable Construction & Life Cycle Costing – funding additional costs	200,000	200,000
	2007/08 Draft Allocations	8,305,000	8,845,000

Directorate	Investment Project	Payments in 2008/09 £	Total Scheme Allocation £
2008/09			
Adult, Health & Community Services	◆ Modernising Day Services for People with Disabilities	530,000	600,000
	◆ Refurbishment of Homes for the Elderly	150,000	200,000
	◆ Public Art Programme	50,000	50,000
Children, Young People & Families	◆ Grants/Loans for House Adaptations for Foster Parents (£50,000 borrowing net of income)	100,000	100,000
Community Protection	◆ New and Replacement Equipment for Fire Appliances	144,000	144,000
Environment & Economy	◆ Carbon Emissions Reduction to support LPSA2	241,000	241,000
	◆ Community Environmental Improvements in Priority Neighbourhoods	165,000	165,000
	◆ Countryside Recreation - Minor Works, Regeneration, Countryside Access and Rights of Way Improvement Plan	50,000	50,000
	◆ Farm Improvements	40,000	40,000
	◆ Maintenance of C & D Class Roads	850,000	850,000
	◆ Social and Economic Regeneration - Rental Generating Commercial Developments (self-financing and including £1,500,000 of grant funding)	2,500,000	2,500,000
	◆ Street Lighting Column Replacement	400,000	400,000
	◆ Town Centre Master Plan Delivery - Rugby, Nuneaton & Bedworth	200,000	200,000
Resources	◆ Structural maintenance of property and minor works	1,400,000	1,400,000
	◆ Essential DDA Works for Countywide Public Access - Level 1	150,000	150,000
	◆ Structural Maintenance Backlog in School Buildings	100,000	500,000
	◆ Sustainable Construction & Life Cycle Costing - funding additional costs	200,000	200,000
	2008/09 Draft Allocations	7,270,000	7,790,000

1.6 Recommending a detailed programme for 2007/08 and 2008/09 is part of our commitment to make inroads into the level of backlog maintenance of our assets. This should enable Directorates to plan in advance to develop programmes that achieve maximum impact and reduce slippage to a minimum.

1.7 Directorates continue to meet the revenue impact of debt charges and running costs for capital projects.

- 1.8 A deduction is made from Directorate's 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 £ per Band D Council Tax	Cumulative £ per Band D Council Tax
2006/07	10.70	10.70
2007/08	16.34	27.04
2008/09	10.88	37.92

- 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 department;*
- ◆ *Chief Officers Management Team;*
- ◆ *Overview and Scrutiny Committees and Cabinet.*

In addition to this I have worked closely with the Party Group in preparing this capital programme resolution. In overall terms I am of the view that this capital programme has been prepared on realistic assumptions and that it represents a robust programme.

The draft programme for 2007/08 and 2008/09 includes a significant commitment for further capital investment into future years. The Party Group needs to be mindful that overall the additional revenue costs of the capital programme included in this resolution is £0.682 million in 2007/08 and a further £0.633 million in 2008/09. The financing of these revenue impacts will need to form part of the Group's consideration of the budget in future years."

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:
- The agreement of any increases or reductions in capital starts/payments totals as part of the capital review process is delegated to Cabinet.
 - 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.
- 4.2 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 each directorate's work to secure Best Value.
- 5.3 All member bodies and Chief Officers 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.

ANALYSIS OF CAPITAL PAYMENTS BY STARTS YEAR

Start Year (1)	Payments at November 2005 prices						Total Scheme Cost (7) £000
	Before 31.03.06 (2) £000	2006/07 (3) £000	2007/08 (4) £000	2008/09 (5) £000	2009/10 and later years (6) £000		
	1. Starts in 2005/06 and earlier years	287,424.2	56,229.4	4,069.2	562.9	-	
2. 2006/07 Starts	4,370.6	82,356.9	24,379.0	1,267.7		112,374.2	
3. 2007/08 Starts	686.9	320.0	41,362.1	7,762.7		50,131.7	
4. 2008/09 Starts			40.0	21,634.0	500.0	22,174.0	
5. TOTAL PROGRAMME	292,481.7	138,906.3	69,850.3	31,227.3	500.0	532,965.6	

The table below shows the proposed capital programmes split between directorates :-

	Details (1)	Notes (2)	Before 31.03.06 (3) £000	2006/07 (4) £000	2007/08 (5) £000	2008/09 (6) £000	2009/10 and later years (7) £000	Total Scheme Cost (8) £000
A.	COMMITMENTS ON SCHEMES STARTED IN 2005/06 AND EARLIER YEARS at November 2005 prices		287,424.2	56,229.4	4,069.2	562.9		348,285.7
B.	2006/07 Draft Capital Programme							
1.	ADULT, HEALTH AND COMMUNITY SERVICES		5.0	2,013.6	545.0	50.0		2,613.6
2.	CHILDREN, YOUNG PEOPLE AND FAMILIES SERVICES		538.8	23,204.0	9,113.6	37.7		32,894.1
3.	COMMUNITY PROTECTION		365.2	1,494.4	50.0			1,909.6
4.	ENVIRONMENT AND ECONOMY		3,461.6	42,140.4	14,366.9	1,180.0		61,148.9
5.	PERFORMANCE & DEVELOPMENT			154.0				154.0
6.	RESOURCES			13,350.5	303.5			13,654.0
7.	TOTAL		4,370.6	82,356.9	24,379.0	1,267.7		112,374.2
C.	2007/08 Draft Capital Programme							
1.	ADULT, HEALTH AND COMMUNITY SERVICES			70.0	1,714.0	140.0		1,924.0
2.	CHILDREN, YOUNG PEOPLE AND FAMILIES				19,730.8	5,797.7		25,528.5
3.	COMMUNITY PROTECTION				140.0			140.0
4.	ENVIRONMENT AND ECONOMY		5.9		14832.2			14,838.1
5.	RESOURCES		681.0	250.0	4,945.1	1,825.0		7,701.1
6.	TOTAL		686.9	320.0	41,362.1	7,762.7		50,131.7
D.	2008/09 Draft Capital Programme							
1.	ADULT, HEALTH AND COMMUNITY SERVICES				40.0	710.0	100.0	850.0
2.	CHILDREN, YOUNG PEOPLE AND FAMILIES					100.0		100.0
3.	COMMUNITY PROTECTION					144.0		144.0
4.	ENVIRONMENT AND ECONOMY					18,830.0		18,830.0
5.	RESOURCES					1,850.0	400.0	2,250.0
6.	TOTAL				40.0	21,634.0	500.0	22,174.0
E.	Council Resolutions		292,481.7	138,906.3	69,850.3	31,227.3	500.0	532,965.6

The table below summarises how the proposed Capital Programme 2006/2007 to 2008/2009 has been built up from the report of the Strategic Director of Resources to the Cabinet on 2nd February 2006 :-

Details (1)	Notes (2)	Before 31.03.06 (3) £000	2006/07 (4) £000	2007/08 (5) £000	2008/09 (6) £000	2009/10 and later years (7) £000	Total Scheme Cost -8 £000
A. Grand total for all years following 2nd February 2006 report to Cabinet (Agenda Item No. 5) including projects arising from Government announcement in December 2005		292,512.3	130,460.2	56,998.8	22,587.3		502,558.6
B. New Items - gross cost of schemes							
1. Adult, Health and Community Services							
Modernising Day Services for People with Disabilities			50.0	520.0	530.0	50.0	1,150.0
Refurbishment of Homes for Elderly People			-	150.0	200.0	50.0	400.0
Refurbishment of The Lawns Home for Elderly People			20.0	660.0	70.0	-	750.0
Public Art Programme			50.0	50.0	50.0	-	150.0
Upgrade of Library Management System			100.0	173.0	-	-	273.0
Sub Total - AHCS			220.0	1,553.0	850.0	100.0	2,723.0
2. Children, Young People and Families							
Grants/Loans for House Adaptations for Foster Parents			100.0	100.0	100.0	-	300.0
Sub Total - CYP&FS			100.0	100.0	100.0		300.0
3. Community Protection							
Female Changing Facilities in fire stations			50.0	50.0	-	-	100.0
Fire Station Appliance Bay Doors			40.0	-	-	-	40.0
New and Replacement Equipment for Fire Appliances			137.0	140.0	144.0	-	421.0
Provision of Interception Areas for Diesel Tanks for the Fire Service			25.0	-	-	-	25.0
Replacement of Fire Safety Management Information System			65.0	-	-	-	65.0
Sub Total - Community Protection			317.0	190.0	144.0		651.0
4. Environment and Economy							
Carbon Emissions Reduction to support LPSA2			100.0	300.0	241.0	-	641.0
Community Environmental Improvements in Priority Neighbourhoods			160.0	165.0	165.0	-	490.0
Countryside Recreation - Minor Works, Regeneration, Countryside Access and Rights of Way Improvement Plan			200.0	100.0	50.0	-	350.0
Decriminalisation of Parking Enforcement			1,630.0	-	-	-	1,630.0
Farm Improvements			40.0	40.0	40.0	-	120.0
Kenilworth Town Centre Project			125.0	-	-	-	125.0
Maintenance of C & D Class Roads			850.0	850.0	850.0	-	2,550.0
Social and Economic Regeneration - Rental Generating Commercial Developments			-	2,500.0	2,500.0	-	5,000.0
Street Lighting Column Replacement			300.0	400.0	400.0	-	1,100.0
Town Centre Master plan Delivery - Rugby, Nuneaton & Bedworth			200.0	200.0	200.0	-	600.0
Waste management	1	(30.6)	1,930.6	4,000.0	900.0	-	6,800.0
Sub Total - Environment and Economy		(30.6)	5,535.6	8,555.0	5,346.0		19,406.0
5. Performance and Development							
Registration Service - refurbishment of the Stratford Office			154.0	-	-	-	154.0
6. Resources							
Atherstone Area Offices - Ingoing Costs			124.5	3.5	-	-	128.0

CAPITAL PROGRAMME 2006/07 - 2008/09
LIBERAL DEMOCRAT
Annex A

	Central Heating - Oil Storage - Remedial Works		25.0	-	-	-	25.0
	Essential DDA Works for Countywide Public Access - Level 1		300.0	300.0	150.0	-	750.0
	Structural Maintenance & Minor Works		1,300.0	1,500.0	1,400.0	-	4,200.0
	Structural Maintenance Backlog in School Buildings		200.0	450.0	450.0	400.0	1,500.0
	Sustainable Construction & Life Cycle Costing - funding additional costs		170.0	200.0	200.0	-	570.0
	Sub Total - Resources		2,119.5	2,453.5	2,200.0	400.0	7,173.0
7.	Total additional capital expenditure		(30.6)	8,446.1	12,851.5	8,640.0	500.0
C.	Council Resolutions		292,481.7	138,906.3	69,850.3	31,227.3	500.0
							532,965.6

Notes :-

- 1 Net of £0.521 million existing capital programme provision for waste disposal.

PRUDENTIAL BORROWING

LIBERAL DEMOCRAT

Annex A

Details (1)	Notes (2)	Before 31.03.06 (3) £000	2006/07 (4) £000	2007/08 (5) £000	2008/09 (6) £000	2009/10 and later years (7) £000	Total Scheme Cost (8) £000
A. Total for all years following 2nd February 2006 report to Cabinet (Agenda Item No.X)			48,810.2	28,504.8	17,639.3		94,954.3
B. New Items							
1. Adult, Health and Community Services							
Modernising Day Services for People with Disabilities			50.0	520.0	530.0	(450.0)	650.0
Refurbishment of Homes for Elderly People			-	150.0	200.0	50.0	400.0
Refurbishment of The Lawns Home for Elderly People			20.0	660.0	70.0	-	750.0
Public Art Programme			50.0	50.0	50.0		150.0
Upgrade of Library Management System			100.0	173.0	-	-	273.0
Sub Total - AHCS			220.0	1,553.0	850.0	(400.0)	2,223.0
2. Children, Young People and Families							
Grants/Loans for House Adaptations for Foster Parents			50.0	50.0	50.0	-	150.0
Sub Total - CYP&FS			50.0	50.0	50.0		150.0
3. Community Protection							
Female Changing Facilities in fire stations			50.0	50.0	-	-	100.0
Fire Station Appliance Bay Doors			40.0	-	-	-	40.0
New and Replacement Equipment for Fire Appliances			137.0	140.0	144.0	-	421.0
Provision of Interception Areas for Diesel Tanks for the Fire Service			25.0	-	-	-	25.0
Replacement of Fire Safety Management Information System			65.0	-	-	-	65.0
Sub Total - Community Protection			317.0	190.0	144.0		651.0
4. Environment and Economy							
Carbon Emissions Reduction to support LPSA2			100.0	300.0	241.0	-	641.0
Community Environmental Improvements in Priority Neighbourhoods			160.0	165.0	165.0	-	490.0
Countryside Recreation - Minor Works, Regeneration, Countryside Access and Rights of Way Improvement Plan			200.0	100.0	50.0	-	350.0
Decriminalisation of Parking Enforcement				1,630.0	-	-	1,630.0
Farm Improvements			40.0	40.0	40.0	-	120.0
Kenilworth Town Centre Project			125.0				125.0
Maintenance of C & D Class Roads			850.0	850.0	850.0	-	2,550.0
Social and Economic Regeneration - Rental Generating Commercial Developments			-	1,000.0	1,000.0	-	2,000.0
Street Lighting Column Replacement			300.0	400.0	400.0	-	1,100.0
Town Centre Master plan Delivery - Rugby, Nuneaton & Bedworth			200.0	200.0	200.0	-	600.0
Waste management	1	(30.6)	1,930.6	4,000.0	900.0	-	6,800.0

	Notes	Before 31.03.06	2006/07	2007/08	2008/09	2009/10 and later years	Total Scheme Cost
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		£000	£000	£000	£000	£000	£000
Sub Total - Environment and Economy		(30.6)	5,535.6	7,055.0	3,846.0		16,406.0
5. Performance and Development							
Registration Service - refurbishment of the Stratford Office			154.0				154.0
6. Resources							
Atherstone Area Offices - Ingoing Costs			124.5	3.5	-	-	128.0
Central Heating - Oil Storage - Remedial Works			25.0	-	-	-	25.0
Essential DDA Works for Countywide Public Access - Level 1			300.0	300.0	150.0	-	750.0
Structural Maintenance & Minor Works			1,300.0	1,500.0	1,400.0	-	4,200.0
Structural Maintenance Backlog in School Buildings			200.0	450.0	450.0	400.0	1,500.0
Sustainable Construction & Life Cycle Costing - funding additional costs			170.0	200.0	200.0	-	570.0
Sub Total - Resources			2,119.5	2,453.5	2,200.0	400.0	7,173.0
Total borrowing for new items		(30.6)	8,396.1	11,301.5	7,090.0		26,757.0
C. TOTAL		(30.6)	57,206.3	39,806.3	24,729.3		121,711.3

Notes :-

1 Net of £0.521 million existing capital programme provision for waste disposal.

Warwickshire County Council Prudential Indicators 2006/07

PRUDENTIAL INDICATOR (1). AFFORDABILITY PRUDENTIAL INDICATORS	2004/05	2005/06	2006/07	2007/08	2008/09
	actual	estimate	estimate	estimate	estimate
Capital Expenditure	£'000 75,887	£'000 78,370	£'000 138,906	£'000 69,850	£'000 31,227
Ratio of financing costs to net revenue stream	% 3.44	% 3.59	% 7.42	% 8.20	% 8.52
Net borrowing requirement	£'000	£'000	£'000	£'000	£'000
brought forward 1 April	178,210	207,881	239,428	265,794	296,979
carried forward 31 March	207,881	239,428	265,794	296,979	311,676
in year borrowing requirement	29,671	31,547	26,366	31,185	14,697
In year Capital Financing Requirement	£'000 23,838	£'000 21,516	£'000 48,796	£'000 29,445	£'000 13,190
Capital Financing Requirement as at 31 March	£'000 193,514	£'000 215,031	£'000 263,827	£'000 293,272	£'000 306,462
Affordable Borrowing Limit					
Position as agreed at February 2004 Council	£	£	£	£	£
Increase per council tax payer	11.07	14.56	10.91		
Position as agreed at February 2005 Council	10.15	11.81	12.26	8.03	
Increase per council tax payer					
Updated position of Current Capital Programme					
Increase per council tax payer	10.08	12.20	10.70	16.34	10.88
PRUDENTIAL INDICATOR (2). TREASURY MANAGEMENT PRUDENTIAL INDICATORS	2004/05 probable outturn	2005/06 estimate	2006/07 estimate	2007/08 estimate	2008/09 estimate
Authorised limit for external debt -	£'000	£'000	£'000	£'000	£'000
Borrowing	253,551	263,958	322,496	360,924	377,063
other long term liabilities	18,000	600	600	600	600
TOTAL	271,551	264,558	323,096	361,524	377,663
Operational boundary for external debt -	£'000	£'000	£'000	£'000	£'000
Borrowing	211,293	219,965	268,746	300,770	314,219
other long term liabilities	15,000	500	500	500	500
TOTAL	226,293	220,465	269,246	301,270	314,719
Upper limit for fixed interest rate exposure					
Net principal re fixed rate borrowing / investments OR:-	100%	100%	100%	100%	100%
Actual					
Upper limit for variable rate exposure					
Net principal re variable rate borrowing / investments OR:-	25%	25%	25%	25%	25%
Actual					
Upper limit for total principal sums invested for over 364 days (per maturity date)	£ 0	£ £0	£ £0	£ £0	£ £0
Maturity structure of new fixed rate borrowing during 2005/06	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%			

Revenue Budget 2006/07

The County Council adopts the following as its budget framework for 2006/07:

1 Service Objectives

- 1.1 This budget supports the corporate objectives of Warwickshire County Council, with particular emphasis on:
- Improving the standards of education for all;
 - Investing in front line services for our children and the elderly in Warwickshire;
 - Improving the support for rural communities;
 - Improving the environment and safety of our communities;
 - Improving the highway structure.
- 1.2 The key theme of this year's budget is modernisation. As part of our budget proposals we will introduce a Modernisation Fund to support the modernisation agenda. In establishing a Modernisation Fund, we are preparing the foundations for a more efficient, effective and sustainable organisation. It is a forward-looking budget designed to bring long-term benefits to all areas of service provision. Our initial priorities for the Modernisation Fund are the funding of the customer service centre and preparing for single status.
- 1.3 The Modernisation Fund will be distributed under the guidance of an all-party sub-group (3 Conservative, 2 Labour, 1 Liberal Democrat), with decisions then put to Cabinet for formal approval.
- 1.4 The County Council welcomes the announcement of grant settlements for both 2006/07 and 2007/08 which enables forward planning with more certainty. However, the County Council expresses its considerable dissatisfaction at both the level of the settlement, with the County Council being at the grant "floor", i.e. the minimum level of increase, and the lateness of its announcement.
- 1.5 Strategic directors and portfolio holders are requested to ensure that all service plans and the documents that make up the councils policy framework should reflect the priorities set out.
- 1.6 Service Plans should address not only the contribution which new resources can make to the advancement of the Council's priorities, but also the ways in which existing resources can be used more effectively and, where necessary, re-directed to help deliver the Council's priorities.
- 1.7 Strategic directors will continue to produce quarterly reports on service performance, financial performance and progress on achieved savings.

2 Consultations and Thanks to Respondents

- 2.1 Comments made by our taxpayers and service users as part of our budget consultation processes are noted. All contributors are thanked and assured of our determination to work with them to continue to improve services in Warwickshire.
- 2.2 The County Council notes and welcomes the offer of support given by those business and trade union representatives to lobby the government for additional resources to be made available to Warwickshire in order to meet the needs and realise the aspirations of the people of Warwickshire.

3 Revenue Allocations

- 3.1 Approval is given to the following budget allocations to be applied as directed:

Directorate	Description	Allocation £
Adult, Health and Community Services	An allocation of £7,135,000 to the Adult, Health and Community Services Directorate to fund the following:	
	◆ Pay & price inflation	3,077,000
	◆ An allocation to meet the increased cost from rising client numbers and forecast demographic changes	3,449,000
	◆ "Well-being" threshold introduced for access to adult social care	500,000
	◆ An allocation to fund initiatives across the directorate including a campaign against the sale of aerosols to minors, the introduction of a new museums collection management system and the enhancement of ICT provision on mobile libraries (£15,000 one-off)	109,000
Children, Young People and Families Services	An allocation of £6,212,000 to the Children, Young People and Families Services Directorate to fund the following:	
	◆ Pay & price inflation	1,858,000
	◆ An allocation to meet the cost of the increasing number of children looked after and providing an allocation to help in the modernisation and organisational change of the service, including the local Safeguarding Children Board (£295,000 one-off)	2,000,000
	◆ Funding for community programmes at premises developed as part of the regeneration of Camp Hill	172,000
	◆ Additional transport costs of both special educational needs and mainstream pupils (£10,000 one-off)	398,000
	◆ Replacement funding for resources allocated to meet the borrowing costs of the capital investment	512,000
	◆ Corporate subsidy for the grounds maintenance contract (two-year allocation)	275,000
	◆ Youth Service	342,000
	◆ Health and disability (two-year allocation)	350,000
	◆ Inter Curriculum Support Service	175,000
◆ Replacement funding for the loss of vocational training grant	50,000	

Directorate	Description	Allocation £
Community Protection	◆ Youth Offending Team – funding of three posts	80,000
	An allocation of £967,000 to the Community Protection Directorate to fund the following:	
	◆ Pay & price inflation	707,000
	◆ The additional costs of the Fire and Rescue Authority equipment and appliances including the running costs of additional specialist fire appliances, the financing costs of new fire engines/fire appliances and replacing fire command and control servers (all one-off)	188,000
Environment and Economy	◆ Community Safety	72,000
	An allocation of £3,813,000 to the Environment and Economy Directorate to fund the following:	
	◆ Pay & price inflation	1,576,000
	◆ Waste disposal increased costs arising from the landfill tax, waste tonnages and legislative changes (£30,000 one-off)	936,000
	◆ Waste strategy consultants	100,000
	◆ Maintenance of bus services and concessionary fares	100,000
	◆ Replacement funding for resources allocated to meet the borrowing costs of the capital investment	556,000
	◆ Shakespeare Complete Works Festival (all one-off)	150,000
	◆ Business Improvement Districts – town centres and industrial estates	100,000
	◆ Building sustainable communities and regeneration feasibility studies	125,000
	◆ Tourism and the Olympics	120,000
	◆ Improved co-ordination of road works	50,000
Performance and Development	An allocation of £391,000 to the Performance and Development Directorate to fund the following:	
	◆ Pay & price inflation	246,000
	◆ Grant to Warwickshire Association of Local Councils	20,000
	◆ Coroners Service (£8,000 one-off)	125,000
Resources	An allocation of £550,000 to the Resources Directorate to fund the following:	
	◆ Pay & price inflation	412,000
	◆ Saltisford offices running costs	138,000
Other Services	An allocation of £1,645,000 to Other Services to fund the following:	
	◆ Pay & price inflation	83,000
	◆ Borrowing costs of the additional capital spending approved and proposed in our capital programme resolution	428,000
	◆ Modernisation Fund (all one-off)	1,134,000
	Total Allocations	20,713,000

4 Funding Sources

- 4.1 All directorates will be required to achieve 2.5% efficiency savings. These savings will be returned to the centre to be re-cycled to meet spending priorities.
- 4.2 The allocations to be returned to the centre by each service are as follows:

	£
Adult, Health and Community Services	2,239,000
Children, Young People and Families Services	1,517,000
Community Protection	493,000
Environment and Economy	860,000
Performance and Development	225,000
Resources	402,000
Total	5,736,000

- 4.3 The Chief Executive, along with COMT will bring a report to Cabinet in April 2006, identifying plans for 2.5% savings for the medium term (2006/07 to 2008/09) as part of approving the Annual Efficiency Statement. Cabinet and Overview and Scrutiny Committees should also receive a report on progress to date to the autumn cycle of meetings.
- 4.4 £2,092,000 will be allocated from general reserves to support the overall budget. This leaves £5.5 million in general reserves in line with the Strategic Director of Resources assessment of the adequate level of such reserves.
- 4.5 The £600,000 forecast to be received by the Council in February 2006 as part of the Government's new Local Authority Business Growth Incentive Scheme will be used to support the 2006/07 budget.
- 4.6 All savings arising from the restructuring of Directorates will be added to the Modernisation Fund, in the first instance, as they are realised over the coming months.
- 4.7 The council tax will be increased by 4.93%, which, together with other funding resources identified, will fund the budget proposals contained within this resolution.

5 Strategic Director of Resources Statement

- 5.1 That the following statement from the Strategic Director of Resources be noted.

"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 extensive scrutiny by:

- ◆ *Strategic Directors and their staff;*
- ◆ *Myself and staff within the Resources Directorate;*

- ◆ Chief Officers Management Team;
- ◆ Overview and Scrutiny Committees;

In addition to this I have worked closely with the Party Group in preparing this budget resolution. In overall terms I am of the view that this revenue budget has been prepared on realistic assumptions and that it represents a robust budget.

The budget does however include £803,000 of on going budget allocations that in 2006/07 have been funded from one-off resources. The Party Group needs to be mindful of this and note that permanent funding for the £803,000 will need to be identified as part of the 2007/08 budget resolution.

I have also undertaken a risk analysis of the adequacy of financial reserves. This highlighted the need for the level of general reserves to remain at a minimum of £5.5 million. A requirement of this level is in line with the latest projection reported to members as part of the corporate budget monitoring process. I am therefore of the view that this budget does provide for an adequate level of reserves."

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 to 2008/09 capital programme.

6.2 Individual Service revenue estimates of:

	Base Budget	Additions	Funding Sources/ Re-cycling	Total
	£	£	£	£
Adult, Health and Community Services	100,596,320	7,135,000	(2,239,000)	105,492,320
Children, Young People and Families Services	124,689,427	6,212,000	(1,517,000)	129,384,427
Community Protection	23,160,887	967,000	(493,000)	23,634,887
Environment and Economy	52,392,921	3,813,000	(860,000)	55,345,921
Performance and Development	4,987,491	391,000	(225,000)	5,153,491
Resources	4,254,393	550,000	(402,000)	4,402,393
Other Services	28,467,352	1,645,000	0	30,112,352
Less: Notional Capital Charges	(82,338,689)	0	0	(82,338,689)
	256,210,102	20,713,000	(5,736,000)	271,187,102
Contributions to/(from) reserves:				
• General Reserves	(76,275)	0	(2,092,000)	(2,168,275)
• Service/earmarked savings	(1,277,000)	0	(600,000)	(1,877,000)
• Virtual Bank	650,950	0	0	650,950
• Capital Fund	(484,000)	0	0	(484,000)

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	255,023,777	20,713,000	(8,428,000)	267,308,777

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	267,308,777.00
Less Redistributed National Non-Domestic Rates	(62,441,521.00)
Less Revenue Support Grant	(11,987,204.00)
Add Council Tax Deficit on Collection	843,839.00
	193,723,891.00
Divided by aggregate Council Tax Base for the County Area	194,447.63
Basic amount of Council Tax (Band D)	996.28

Note

All expenditure on schools and pupil services is funded from Dedicated Schools Grant from 2006/07 onwards. This spending is in addition to the spending allocations shown in this budget resolution, in common with all spending funded from specific grants.

8 Council Tax

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

	£
Band A	664.1853
Band B	774.8829
Band C	885.5804
Band D	996.2780
Band E	1,217.6731
Band F	1,439.0682
Band G	1,660.4633
Band H	1,992.5559

9 Precepts

- 9.1 The Chief Executive issue 2006/07 precepts on the Warwickshire billing authorities, as follows:

	£
North Warwickshire Borough Council	20,919,805.06
Nuneaton & Bedworth Borough Council	37,809,745.42
Rugby Borough Council	33,283,046.85
Stratford-on-Avon District Council	50,610,662.08
Warwick District Council	51,100,631.59

10 Medium Term Financial Planning Framework

- 10.1 Subject to a satisfactory settlement in future years, the County Council will plan on the basis that for 2007/08 and 2008/09:
- All directorates will be allocated sufficient resources to meet pay and price inflation.
 - The corporate costs of financing the approved capital programme will be funded.
 - Overall the authority will deliver 2.5% efficiency savings of which at least half will be cashable.
- 10.2 A more detailed medium term financial planning framework is to be developed urgently and adopted by July 2006. The framework should recognise the priorities outlined in section 1. It should build on the introduction of more than one year grant settlements by the government and encompass strategies and policies for delivering the efficiency savings agenda, looking at high cost services as identified by the Audit Commission's Value for Money profiles and incorporating any recommendations from the CPA Value for Money and Use of Resources assessments.

11 Budget Management

- 11.1 The Chief Executive be directly responsible for the implementation of the budget.
- 11.2 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 directorates' work to secure best value.
- 11.3 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.
- 11.4 All member bodies and Strategic Directors are 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.

- 11.5 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.
- 11.6 All departments are authorised to draw down on departmental reserves accumulated from previous year's savings, subject to notifying the Strategic Director of Resources.
- 11.7 That authority is given for all necessary tenders to be obtained and contracts to be completed to give effect to this budget.

County Council – 7 February 2006 Appendix D (2)

Capital Budget 2006/07

The County Council adopts the following as its capital budget for 2006/07:

1 Capital Programme

1.1 A capital programme of £111,284,200 for new schemes starting in 2006/07 and that authority be given for all necessary tenders to be obtained and contracts to be completed.

1.2 Of the 2006/07 programme, schemes costing £98,602,200 were already approved for planning purposes. These are reaffirmed as part of this resolution.

1.3 In doing so the funding for the following schemes is agreed:

- The £1,740,000 shortfall in funding for Avon Valley School to be funded from additional borrowing
- The £705,000 shortfall in funding for the Leamington Urban Mixed Priority Scheme to be funded from additional borrowing
- The £720,000 shortfall in funding for Barford Bypass to be funded from additional borrowing
- The £179,000 supported borrowing announced by the Government in December 2005 for the provision of Mental Health services is approved for inclusion in the capital programme

1.4 In addition to the schemes shown in Annex A allocations for new schemes in 2006/07 are also approved as follows:

Directorate	Investment Project	Payments in 2006/07 £	Total Scheme Allocation £
Adult, Health & Community Services	◆ Libraries – Minor Works	100,000	100,000
	◆ St John's House – new visitor facilities	70,000	105,000
	◆ Upgrade of the Library Management System	200,000	273,000
Children, Young People & Families	◆ Grants/Loans for house adaptations for foster parents (£50,000 borrowing net of income)	100,000	100,000

Directorate	Investment Project	Payments in 2006/07 £	Total Scheme Allocation £
Community Protection	◆ Allocation for the Fire Service	220,000	220,000
Environment & Economy	◆ Countryside Recreation – Seven Meadows Road Car Park (self-financing)	150,000	150,000
	◆ Decriminalisation of Parking Enforcement (self-financing)	1,630,000	1,630,000
	◆ Maintenance of C & D Class Roads	850,000	850,000
	◆ Street Lighting Column Replacement	400,000	400,000
	◆ Town Centre Regeneration (including Kenilworth), Town Centre Master Plan Delivery – Rugby, Nuneaton & Bedworth and Two Tier Camp Hill	450,000	450,000
	◆ Waste Management	1,930,600	6,800,000
	◆ Community Environmental Improvements in Priority Neighbourhoods	100,000	100,000
	◆ Countryside recreation – DDA, access and Rights of Way improvement plan	100,000	100,000
Performance & Development	◆ Registration Service - refurbishment of the Stratford Office	154,000	154,000
Resources	◆ Structural Maintenance, Building and Mechanical Repairs	1,000,000	1,000,000
	◆ Structural Maintenance Backlog in School Buildings	250,000	250,000
2006/07 Total Allocations		7,704,600	12,682,000

1.5 The capital programmes of £42,036,700 and £14,384,000 new schemes starting in 2007/08 and 2008/09 be approved for planning purposes. Of the draft programme for 2007/08 schemes costing £41,286,700 were already approved for planning purposes. An additional allocation is also approved as follows:

Directorate	Investment Project	Payments in 2007/08 £	Total Scheme Allocation £
Adult, Health & Community Services	Refurbishment of The Lawns Home for Elderly People	660,000	750,000
2007/08 Draft Allocations		660,000	750,000

- 1.6 Directorates continue to meet the revenue impact of debt charges and running costs for capital projects.
- 1.7 A deduction is made from Directorate's revenue budgets for the debt charges in respect of the self-financing projects funded from borrowing.

2 Prudential Guidelines and Limits

- 2.1 The prudential guidelines and limits set out in this resolution are based on a provisional capital programme prior to that approved by Council on 7 February.

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 £ per Band D Council Tax	Cumulative £ per Band D Council Tax
2006/07	10.70	10.70
2007/08	16.34	27.04
2008/09	10.88	37.92

- 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.
- 2.3 The Strategic Director of Resources be provided with the delegated authority to revise the prudential indicators and limits to reflect the capital programme approved in this resolution and report them back to full Council for approval at their meeting on 14 March 2006.

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 department;*
- ◆ *Chief Officers Management Team;*
- ◆ *Overview and Scrutiny Committees and Cabinet.*

In addition to this I have worked closely with the Party Group in preparing this capital programme resolution. In overall terms I am of the view that this capital programme has been prepared on realistic assumptions and that it represents a robust programme.

The Party Group need to be mindful that the additional revenue costs of the capital programme included in this resolution are £0.505 million in 2007/08 and a further £0.246 million in 2008/09. The financing of these revenue impacts will need to form part of the Groups consideration of the budget in future years."

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:
- The agreement of any increases or reductions in capital starts/payments totals as part of the capital review process is delegated to Cabinet.
 - 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.
- 4.2 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 each directorate's work to secure Best Value.
- 5.3 All member bodies and Chief Officers 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.

ANALYSIS OF CAPITAL PAYMENTS BY STARTS YEAR

Start Year (1)	Payments at November 2005 prices						Total Scheme Cost (7) £000
	Before 31.03.06 (2) £000	2006/07 (3) £000	2007/08 (4) £000	2008/09 (5) £000	2009/10 and later years (6) £000		
	1. Starts in 2005/06 and earlier years	287,424.2	56,229.4	4,069.2	562.9		
2. 2006/07 Starts	4,401.2	73,980.8	19,852.5	367.7		98,602.2	
3. 2007/08 Starts	686.9	250.0	33,077.1	7,272.7		41,286.7	
4. 2008/09 Starts				14,384.0		14,384.0	
5. TOTAL PROGRAMME	292,512.3	130,460.2	56,998.8	22,587.3		502,558.6	

CAPITAL PROGRAMME 2006/2007 - 2008/2009

Annex A

The table below shows the proposed capital programmes split between directorates :-

	Details	Notes	Before 31.03.06	2006/07	2007/08	2008/09	2009/10 and later years	Total Scheme Cost
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			£000	£000	£000	£000	£000	£000
A.	COMMITMENTS ON SCHEMES STARTED IN 2005/06 AND EARLIER YEARS at November 2005 prices		287,424.2	56,229.4	4,069.2	562.9		348,285.7
B.	2006/07 Draft Capital Programme							
1.	ADULT, HEALTH AND COMMUNITY SERVICES		5.0	1,863.6	372.0	50.0		2,290.6
2.	CHILDREN, YOUNG PEOPLE AND FAMILIES SERVICES		538.8	23,104.0	9,113.6	37.7		32,794.1
3.	COMMUNITY PROTECTION		365.2	1,177.4				1,542.6
4.	ENVIRONMENT AND ECONOMY		3,492.2	36,604.8	10,366.9	280.0		50,743.9
5.	RESOURCES			11,231.0				11,231.0
6.	TOTAL		4,401.2	73,980.8	19,852.5	367.7		98,602.2
C.	2007/08 Draft Capital Programme							
1.	ADULT, HEALTH AND COMMUNITY SERVICES				374.0			374.0
2.	CHILDREN, YOUNG PEOPLE AND FAMILIES SERVICES				19,630.8	5,797.7		25,428.5
3.	COMMUNITY PROTECTION							
4.	ENVIRONMENT AND ECONOMY		5.9		10,277.2			10,283.1
5.	RESOURCES		681.0	250.0	2,795.1	1,475.0		5,201.1
6.	TOTAL		686.9	250.0	33,077.1	7,272.7		41,286.7
D.	2008/09 Draft Capital Programme							
1.	ADULT, HEALTH AND COMMUNITY SERVICES							
2.	CHILDREN, YOUNG PEOPLE AND FAMILIES SERVICES							
3.	COMMUNITY PROTECTION							
4.	ENVIRONMENT AND ECONOMY					14,384.0		14,384.0
5.	RESOURCES							
6.	TOTAL					14,384.0		14,384.0
E.	Council Resolutions		292,512.3	130,460.2	56,998.8	22,587.3		502,558.6

Notes :-

PRUDENTIAL BORROWING

Annex A

	Details (1)	Notes (2)	Before 31.03.06 (3) £000	2006/07 (4) £000	2007/08 (5) £000	2008/09 (6) £000	2008/09 and later years (7) £000	Total Scheme Cost (8) £000
A.	Total for all years following 2nd February 2006 report to Cabinet (Agenda Item No.5)			48,810.2	28,504.8	17,639.3		94,954.3
C.	TOTAL			48,810.2	28,504.8	17,639.3		94,954.3

Notes :-

Warwickshire County Council Prudential Indicators 2006/07

PRUDENTIAL INDICATOR (1). AFFORDABILITY PRUDENTIAL INDICATORS	2004/05	2005/06	2006/07	2007/08	2008/09
	actual	estimate	estimate	estimate	estimate
Capital Expenditure	£'000 75,887	£'000 78,370	£'000 138,906	£'000 69,850	£'000 31,227
Ratio of financing costs to net revenue stream	% 3.44	% 3.59	% 7.42	% 8.20	% 8.52
Net borrowing requirement	£'000	£'000	£'000	£'000	£'000
brought forward 1 April	178,210	207,881	239,428	265,794	296,979
carried forward 31 March	207,881	239,428	265,794	296,979	311,676
in year borrowing requirement	29,671	31,547	26,366	31,185	14,697
In year Capital Financing Requirement	£'000 23,838	£'000 21,516	£'000 48,796	£'000 29,445	£'000 13,190
Capital Financing Requirement as at 31 March	£'000 193,514	£'000 215,031	£'000 263,827	£'000 293,272	£'000 306,462
Affordable Borrowing Limit					
Position as agreed at February 2004 Council	£	£	£	£	£
Increase per council tax payer	11.07	14.56	10.91		
Position as agreed at February 2005 Council	10.15	11.81	12.26	8.03	
Increase per council tax payer					
Updated position of Current Capital Programme	10.08	12.20	10.70	16.34	10.88
Increase per council tax payer					
PRUDENTIAL INDICATOR (2). TREASURY MANAGEMENT PRUDENTIAL INDICATORS	2004/05 probable outturn	2005/06 estimate	2006/07 estimate	2007/08 estimate	2008/09 estimate
Authorised limit for external debt -	£'000	£'000	£'000	£'000	£'000
Borrowing	253,551	263,958	322,496	360,924	377,063
other long term liabilities	18,000	600	600	600	600
TOTAL	271,551	264,558	323,096	361,524	377,663
Operational boundary for external debt -	£'000	£'000	£'000	£'000	£'000
Borrowing	211,293	219,965	268,746	300,770	314,219
other long term liabilities	15,000	500	500	500	500
TOTAL	226,293	220,465	269,246	301,270	314,719
Upper limit for fixed interest rate exposure					
Net principal re fixed rate borrowing / investments OR:-	100%	100%	100%	100%	100%
Actual					
Upper limit for variable rate exposure					
Net principal re variable rate borrowing / investments OR:-	25%	25%	25%	25%	25%
Actual					
Upper limit for total principal sums invested for over 364 days	£	£	£	£	£0
(per maturity date)	0	0	0	0	£0

Maturity structure of new fixed rate borrowing during 2005/06	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%