

2016/17 Revenue Budget

The County Council will plan its budget framework for 2016/17 on the following basis:

1. Financial Direction of Travel

- 1.1. This budget builds on a considerable work invested over the last two years in delivering the Council's One Organisational Plan. It reflects our approach towards delivering the vision we set out in 2014 and on which we have maintained a consistent focus. The Authority continues to make its contribution towards the need for austerity to put the nation's finances on a sure footing. Over the past five years, Warwickshire County Council has played its part in reducing the national deficit. We have delivered savings of £98 million since 2010.
- 1.2. Our approach continues to be that we will promote economic growth so that we can continue to invest in services for our most vulnerable residents. This has been our strategy since 2014 and we remain committed to it. We also continue to ensure that we have sound financial management throughout the organisation so that we have adequate resources that we can target at our priorities right through to 2020. In doing this we have translated our service priorities into practical budget allocations. We are targeting additional resources into Children's Social Care and Safeguarding and into Adult Social Care. To promote partnership working and greater innovation we are also pump priming the set up costs of a Warwickshire Multi-Agency Safeguarding Hub and investing in family support workers.
- 1.3. Our approach since 2014 has also been flexible enough to respond to new challenges. We have previously invested heavily in new ways of working and pilots around new areas such as the Care Act and this continues. It has also allowed us to respond to the provisional local government finance settlement. We remain open and transparent in responding to the scale of the financial challenge facing the County Council. We have made our case to government and made publicly available that response. We are also clear that the scale of challenge means we need to revisit our financial plans for 2017-2020. Again, to be transparent, we will be open with the citizens of Warwickshire about any new medium term financial planning framework and we will consult widely on the impact of this.
- 1.4. We remain resolutely committed to developing and sustaining a society in Warwickshire that looks after its most vulnerable people, whilst seeking opportunities for economic growth and innovation. We continue to create wealth in the county and we welcome the government's policy of allowing authorities to retain the business rates that they generate. We will use this to continue to invest in vital public services.

- 1.5. We will accelerate the programme to support the transformation of services in order to invest in service improvement and redesign for the benefits of citizens. To do this, we will work with partners in Health, other local authorities, Police and other public agencies to deliver services in a different way. We will require services to focus on the preventative agenda to manage demand downwards, so we can secure even more value for money.
- 1.6. We will use our scarce capital resources to deliver savings and pump prime our local economy. We remain committed to investing in our local transport infrastructure. This promotes economic growth by getting people to work and makes it easier for business to deliver their goods and services. We will use our capital resources to grow the local economy, helping to ensure Warwickshire benefits as local authorities become more self-sufficient via the localisation of business rates. We will take the difficult decisions on investments that place the county in a sustainable position to meet future challenges and be successful.
- 1.7. We are all consumers of the services the County Council provides. We also represent the tax payers of Warwickshire; therefore we are committed to identifying where further savings can be made. We accept the challenge of having to find another £60 million of savings over the next three years. This keeps costs down, but we do acknowledge the need for an increase in local tax. We will use the opportunity provided by the government to levy a 2% council tax to provide additional ring-fenced resources to fund Adult Social Care services. In addition, we require a modest increase of 1.99% on the council tax for all other services too. In total, this 3.99% council tax increase is equivalent of an average increase of £0.92 per week for a Band D dwelling.

2. Revenue Allocations

2.1. Children's Social Care and Safeguarding

We will allocate £3.300 million to the Children's Social Care and Safeguarding Business Unit. £3.000 million is an allocation to resolve the structural overspend in the Business Unit. We expect the Business Unit to use part of this allocation to develop the role of advanced practitioner social workers as a key element of an overall approach to demand management. Outside of this specific proposal the service has the flexibility to apply the resource in the most appropriate way to bring the finances of the Business Unit back on an even keel. Although this funding is ongoing, annual reviews of the budget allocation will be undertaken to incentivise further action.

The other £0.300 million is part of a two year contribution towards the cost of setting up a Warwickshire Multi-Agency Safeguarding Hub (MASH). A further £0.300 million will be made available in 2017/18. We expect the MASH to provide an opportunity for services to work together more effectively, as one point of entry for all children and adults safeguarding. After this time the MASH is expected to deliver sufficient savings from more effective ways of working to offset any additional running costs as well as

supporting the delivery of the savings plan for Children's Social Care and Safeguarding.

2.2. Adult Social Care

We will use the opportunity, provided by the Government to levy an additional 2% council tax to fund adult social care services. This will generate £4.624 million additional income. We will supplement this by a further £1.100 million in recognition that the additional income from the levy is insufficient to meet the full additional costs of demography and rising care costs in the sector.

We expect the additional funding of £5.724 million, allocated to the Social Care and Support Business Unit to be used as follows:

- £3.892 million to address essential funding needed in Warwickshire's local social care workforce (approx. 7,000 staff), both private and public sector, to recognise the pressures of the National Living Wage on contractors and mitigate the risks of providers becoming insolvent. Current pay rates have made it difficult to secure timely, quality home care, particularly in rural or more affluent areas. The need to establish a 'social care career' structure is essential, as the provider workforce is becoming destabilised by staff moving to 'non-social care' better paid industries. Additionally, this represents an economic investment, in supporting lower income families who tend to work in this sector.
- £1.334 million to address the impact of demography. We have more older people in our area and their need for support is increasing. The care needs of younger adults with disabilities are also increasing. There are over a million social care calls to people's homes across Warwickshire each year. This funding will help meet the increased social care needs of people, resulting from the demographic changes.
- £0.498 million to address the unavoidable financial impact of a recent ruling on applying the minimum wage for support provided by staff sleeping on-site. Work is underway to agree a fixed fee for night support as part of contractual changes and more cost effective solutions, including assistive technology, are being developed. But taking these into account, this still represents the current additional cost.

This allocation, together with the provision we are making for pay and price inflation, will ensure we are able to meet the eligibility criteria for levying the additional 2% levy after taking into account the delivery of the planned savings in adult social care.

- 2.3. We will provide £75,000 (increasing to £200,000 in 2017/18) for family support workers, linked to outcomes from 0-5 time-limited investments, so that the organisation can fundamentally redesign the service offer and method of provision for services to young people and families bringing a focus on peripatetic and outreach work.

- 2.4. We will allocate £25,000 a year for two years to the 'Connect Well' social prescribing project, with a report back to Members on the outcomes of the project prior to a decision about long-term funding.
- 2.5. In addition we will not take forward the planned savings from housing related support for young people, care leavers and young homeless support needs.
- 2.6. We will provide £9.480 million for the estimated cost of pay and price inflation in 2016/17, allocated between Business Units as shown in Table 1 below. In making this allocation it is acknowledged that the allocation to Business Units for inflation is an approximate cost, recognising that some costs will increase above the standard rate and some below and that once the overall allocation has been agreed a Business Unit should have the opportunity to allocate the funding provided to reflect where inflation will impact at a local level.

Table 1: 2016/17 Inflation Allocations	
Service	Allocation £000
Economic Growth	454
Education and Learning	700
Localities and Community Safety	284
Public Health	415
Transport and Highways	712
Children's Social Care and Safeguarding	1,083
Early Help and Targeted Support	218
Professional Practice and Governance	122
Social Care and Support	2,500
Strategic Commissioning	366
Customer Services and Communications	255
Finance	170
Human Resources and Organisational Development	146
Information Assets	293
Law and Governance	50
Physical Assets	389
Service Improvement and Change Management	74
Fire and Rescue	588
Other Services	661
Total	9,480

- 2.7. We expect business units to manage all other issues from within existing financial resource levels and support their planned use of £10.752 million of service reserves to provide capacity to invest in service change and to allow space to effectively implement service redesign/reprioritisation. As part of meeting this challenge, from April 2016 the Transport and Highways Business Unit will retain any over/underspends on concessionary travel to be managed alongside the existing resources for highway maintenance. We remain ambitious for an integrated transport

system for Warwickshire that will boost the local economy. This includes better connectivity via Midlands Connect and HS2.

- 2.8. We will use the £100,000 allocation already in the budget for the next two years for community energy schemes to support the areas of work recommended by the Communities Overview and Scrutiny Committee Energy Plan Task and Finish Group.

3. Dedicated Schools Grant

- 3.1. We recognise the need to a long term solution to bring the Dedicated Schools Grant (DSG) back into balance. The first £3.300 million of services changes will be delivered as outlined in **Appendix A** and we will make provision in the Medium Term Contingency to meet those service changes that will not deliver the full level of savings in 2016/17. Recognising the changing schools environment in which we now operate a further report should be brought to Cabinet in June 2016 outlining how a sustainable financial future for support for schools and pupil related services can be delivered. We are aware of the government's proposal to move towards a national funding formula for schools and we welcome this as an opportunity to address the long-standing issue of under-funding in Warwickshire schools.

4. Funding Sources

- 4.1. Our savings plan will generate £16.062 million in 2016/17 and approval is given to the plans for the delivery of these savings in **Appendix B**. If during 2016/17 any of the savings do not materialise to the degree shown, the Head of Service in conjunction with the relevant Strategic Director and Portfolio Holder should identify alternative proposals to ensure the savings targets are delivered and report this as part of quarterly monitoring.
- 4.2. The savings plan is £2.400 million lower than previously approved to reflect the lower level of savings that will be delivered by the proposals for changes to the home to school transport offer that were debated and agreed during 2015.
- 4.3. The savings detailed in Appendix B are the third year of the four-year savings plan to be delivered by 2017/18. There are clear risks with the deliverability of the projects that will be undertaken to deliver savings at this level on an annual basis. We are also therefore restating the identified costed savings proposals over the medium term that enabled a greater understanding of the impact of savings plans and the difficult choices we had to make. These are also detailed in Appendix B.
- 4.4. The total savings to be delivered over the 2014-18 Plan are £66.241 million.
- 4.5. Over half of the authority's spending each year is on staffing. Therefore, any proposals to deliver savings of this level will require, in some areas, a reduction in the number of posts. Policies and processes are in place to enable us to effectively redeploy people. However, it has to be recognised, some redundancies will be

necessary, resulting in a need to fund redundancy costs. Within these budget proposals we will retain the balance of the £14.5 million set aside at the outset of the 2014-18 Plan, in a Fund for realigning services, or more specifically to fund the up-front costs of redundancy. All allocations from the Fund must be made in accordance with the protocol issued by the Strategic Director of Resources.

- 4.6. We propose that the estimated non-ringfenced grants listed in Table 2 are used to support the delivery of our budget proposals. The figures exclude the Dedicated Schools Grant. Any variations to the grant figures for specific services in Table 2 will be matched by an equivalent adjustment in the budget for the respective service. Any variation in Revenue Support Grant and other corporate resources will be managed through reserves for 2016/17 and picked up as part of the preparation for the 2017/18 budget. Any changes are to be reported to Cabinet as part of the service estimates report in March.

Table 2: Grant Title	2016/17 Grant £'000
Revenue Support Grant	37,503
Business Rates Top-Up Allocation	35,434
Business Rates 2% Compensation Grant	848
Public Health Grant	19,477
Independent Living Fund	0
Fire and Rescue Local Services Grant	48
Community Voices	301
New Homes Bonus	2,877
Education Support Grant	4,808
Better Care Fund	10,242
Total	111,538

- 4.7. We will use the £24.812 million from our 10% share of the business rates expected to be collected in Warwickshire to support the overall budget of the County Council.
- 4.8. We will use the £0.602 million surplus from the collection of council tax and business rates to support the budget on a one-off basis.
- 4.9. We will provide sufficient resources to ensure the level of General Reserves is at least consistent with that stated by the Head of Finance as the minimum level of general reserves given the financial risks facing the authority. We will use £5.294 million of the Medium Term Contingency and £5.500 million of service reserves to support our spending plans.
- 4.10. **The council tax will increase by 3.99%.** With the other funding resources identified, this will fund the proposals contained within this resolution.

5. Medium Term Financial Planning Framework

- 5.1. In 2011 we made a real step change to budgeting over the medium term. This has allowed a more focussed and planned approach to prioritisation with our 2011-14 and 2014-18 Plans meaning services can focus on delivery knowing the financial environment within which they will be required to operate. We intend to continue with this approach.
- 5.2. Our 2016/17 budget is balanced but we are using reserves to achieve this and it is unlikely sufficient additional reserves can be identified that will enable the 2014-18 One Organisation Plan savings plan to continue largely unchanged until the end of 2017/18. We also know that the period of austerity for public services will continue until 2020. This means we have to start planning now for further savings in 2017/18 onwards and that we are looking at reductions of up to £60 million in what we would otherwise be looking to spend over the period.
- 5.3. We know this means significant challenges for the organisation, beyond those that we have already faced. Delivering such a fundamental shift in the capacity of local government, and public services more generally, will take time, investment and a broad engagement with all those affected, both inside and outside the organisation. We accept that this means we will have to be a very different organisation post 2016.
- 5.4. We therefore ask Corporate Board to begin the preparatory work needed now to see how we can balance the budget over the medium term and secure growth. This work will include the need to define what the local authority, and indeed the wider public sector in Warwickshire is likely to look like by 2020, map out the changes and explain how we will navigate from here to there on a planned basis. As part of this work, and particularly reflecting on the impact of the adult social care levy, there should be a fundamental review of the assumptions that underpin our current financial planning processes and the interaction between funding levels, spending pressures and savings going forward.
- 5.5. As part of their considerations there are a number of areas which we would expect the work to cover. These include:
 - The adult social care levy, the Better Care Fund and the drives towards greater integration with health
 - Working with other local and national bodies to deliver growth and economic prosperity for Warwickshire.
 - Driving growth in the numbers of households and businesses to provide us with the resources needed to support the most vulnerable members of our community.
 - Ensuring our services are responsive to the changing requirements and needs of our schools and children.
 - A review of the current financial management model within the Authority, including the management of risk and whether the amalgamation of reserves means that risk can be managed more effectively and, therefore, there may be an opportunity to reduce the current level of reserves.

- A review of opportunities to both invest to save and invest to grow the local economy (where this results in an increased business rate take), and also to link this to the Authority's ability to borrow.
- Any proposed changes needed to be consistent with any changes to the delivery of services at a national level, (for example, in relation to any government proposals for blue light services).
- Building on the success of WES Services to Schools, our Payroll offer to Hereford and Worcester, the shared internal audit service with Worcestershire and proposals to trade legal services through an alternative business structure, a fundamental review of all existing and potential traded services so that our commercial activities remain relevant in the market place.

6. Head of Finance Statement

6.1. That the following statement from the Head of Finance be noted.

"The 2003 Local Government Act places specific responsibilities on me, as "Chief Financial Officer", to report on the robustness of the budget and the adequacy of proposed financial reserves when the authority is considering its budget requirement. The Council is required to have regard to this report when it sets the budget. There are a range of other safeguards that I must also consider to prevent the Local Authority from over committing itself financially, including:

- *the balanced budget requirement (England, Scotland and Wales) (sections 32, 43 and 93 of the Local Government Finance Act 1992);*
- *the legislative requirement for each local authority to make arrangements for the proper administration of their financial affairs (section 151 of the Local Government Act 1972).*

Given the uncertainties of the economic environment and the scale of the expenditure reductions required, there are significant risks facing the Authority in delivering a balanced budget. In fulfilling the various responsibilities placed on me as Chief Financial Officer, I have set out below, what I see as the key risks associated with the proposed budget and how they can be managed, so that Members are clear on the risks associated with these budget proposals when making their budget decision.

Risk 1 – Delivery of the Savings Plan

The savings plan needs to be fully implemented to ensure the Council's 2016/17 budget remains balanced. To mitigate this risk:

- *key policy changes associated with major savings proposals have been identified;*
- *Heads of Service, Strategic Directors and Portfolio Holders have been charged with ensuring that processes are in place to ensure that savings proposals are delivered to timetable, and*
- *If savings proposals are not delivered, Heads of Service, Strategic Directors and Portfolio Holders are required to identify alternative ways of meeting the savings targets.*

- *Monitoring of the delivery of the savings plan will be extended to include the monitoring of consultation timelines to ensure decisions are taken in a timely manner and implementation timescales are met*

Risk 2 – Business Rates Retention Scheme

The changes to the funding of Local Authorities, making us more dependent on the level of business rates collected locally, is likely to result in volatility to the Council’s funding to a greater extent than in previous years. This places greater importance on the need to maintain reserves to manage any volatility.

Risk 3 – Pensions

Given the range of possible changes to the Local Government Pension Scheme, this remains a key risk for the Council, in terms of possible costs arising from any new scheme and the financial consequences of large numbers of staff leaving the scheme.

Risk 4 - Treasury Management

The level of interest receipts and return on Treasury Management activities and borrowing costs are subject to market rates. Members are advised of this risk each year and this is mitigated by application of the Council’s annual Treasury Management Strategy. However, actual interest returns/costs are determined by a variety of factors largely outside the Council’s control.

Risk 5 – Repayment of Overspends

Arrangements have been put in place through the quarterly One Organisation Plan progress reports to Cabinet and this budget resolution to stabilise the financial position of those services overspending. If overspends occur in future years, services will be faced with seeking to deliver additional savings to repay overspends as well as delivering considerable savings targets in 2016/17. The flexibility to manage this through service reserves is reduced as a result of the use proposed in this resolution.

Risk 6 – Impact on the Medium Term Financial Planning Framework

The Medium Term Financial Planning Framework outlines the significant additional financial challenge to the authority in future years. Given the extent of this challenge Members are advised it is important that decisions taken in agreeing the 2016/17 budget do not increase this financial risk. This resolution does not increase the need to deliver savings in future years beyond that required as a result of the Local Government Finance Settlement and the commitment of Members to meet the financial challenges ahead and take the decisions needed to ensure the finances of the authority remain robust into the future is welcomed.

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

- *Heads of Service and their staff*
- *Staff within the Finance Service*
- *Corporate Board*

In addition to this I have worked closely with members 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, albeit challenging, budget.

I have also undertaken a risk analysis of the adequacy of financial reserves, taking account of the financial risks above. This highlighted the need to retain a minimum of £16.5 million in general reserves in 2016/17. This resolution makes provision for this level of reserves. I am therefore of the view that this budget does provide for an adequate level of reserves.”

7. Summary of Service Estimates

7.1. Approval be given to the individual service net revenue estimates of:

	Controllable Budget £	Revenue Allocations £	Funding Sources £	Total £
Economic Growth	22,667,672	454,000	(479,000)	22,642,672
Education and Learning	87,004,803	700,000	(2,454,000)	85,250,803
Localities and Community Safety	9,102,303	309,000	(478,000)	8,933,303
Public Health	19,990,960	490,000	(800,000)	19,680,960
Transport and Highways	26,789,522	712,000	(614,000)	26,887,522
Childrens Social Care and Safeguarding	41,366,777	4,383,000	(1,525,000)	44,224,777
Early Help and Targeted Support	9,448,430	218,000	(354,000)	9,312,430
Professional Practice and Governance	6,863,609	122,000	(190,000)	6,795,609
Social Care and Support	114,409,136	8,224,000	(3,250,000)	119,383,136
Strategic Commissioning	15,481,501	366,000	(1,551,000)	14,296,501
Customer Services	8,284,596	255,000	(402,000)	8,137,596
Finance	4,098,571	170,000	(250,000)	4,018,571
Human Resources and OD	6,228,561	146,000	(347,000)	6,027,561
Information Assets	10,160,789	293,000	(567,000)	9,886,789
Law and Governance	914,894	50,000	(30,000)	934,894
Physical Assets	11,192,425	389,000	(1,111,000)	10,470,425
Service Improvement and CM	2,975,600	74,000	(200,000)	2,849,600
Fire and Rescue	19,427,624	588,000	(860,000)	19,155,624
Other Services (inc. schools and funding)	(19,207,960)	661,000	(134,935,000)	(153,481,960)
	397,199,813	18,604,000	(150,397,000)	265,406,813
<u>Contributions to/(from) reserves:</u>				
- Service Reserves	(10,752,000)	0	(5,500,000)	(16,252,000)
- Medium Term Contingency	0	0	(5,294,030)	(5,294,030)
Budget Requirement	386,447,813	18,604,000	(161,191,030)	243,860,783

Note: The controllable budget for each service excludes support service overheads and the estimated cost of depreciation arising from the service's use of assets. The authority's borrowing costs are part of the "Other Services- Spending" estimates.

8. Council Tax Requirement

- 8.1. Approval is given to a council tax requirement and a Band D Council Tax for the County Council for the year ending 31 March 2017 as follows:

	£
Budget Requirement	243,860,783.00
Less Council Tax Surplus on Collection	(2,617,179.00)
Council Tax Requirement for the Year Ending 31 March 2017	241,243,604.00
Divided by aggregate Council Tax Base for the County Area	193,146.31
Basic amount of Council Tax (Band D)	1,249.0200

9. Council Tax

- 9.1. The council tax for 2016/17 is increasing by 3.99%. Therefore, approval is given to Council Tax amounts for each category of property as follows:

	£
Band A	832.6800
Band B	971.4600
Band C	1,110.2400
Band D	1,249.0200
Band E	1,526.5800
Band F	1,804.1400
Band G	2,081.7000
Band H	2,498.0400

10. Precepts

- 10.1. The Chief Executive or Strategic Director of Resources issue 2016/17 precepts on the Warwickshire billing authorities, as follows:

	£
North Warwickshire Borough Council	24,990,754.37
Nuneaton and Bedworth Borough Council	44,598,132.61
Rugby Borough Council	43,430,561.20
Stratford-on-Avon District Council	63,425,997.47
Warwick District Council	64,798,158.35

11. Budget Management

- 11.1. The Chief Executive is directly responsible for the implementation of the budget.
- 11.2. Cabinet will continue to receive quarterly reports on service performance, financial performance and progress on the delivery of the savings plans.
- 11.3. The Strategic Director for Resources and Head of Finance are authorised to vire revenue budgets between Services where such virements are as a direct consequence of the specific spending allocations, delivery of the savings targets, invest-to-save projects and funding strategies contained in this resolution and the accompanying capital budget resolution.
- 11.4. The Strategic Director for Resources and Head of Finance, in consultation with the Leader, are authorised to reverse allocations made as part of this budget process where the investment does not progress.
- 11.5. The Strategic Director for Resources and Head of Finance are authorised to draw down from reserves accumulated from previous years' savings and vire money between reserves where these adjustments are as a direct consequence of the specific spending allocations, delivery of the savings targets (including where there are revenue savings from using the receipt from the sale of assets to repay debt and savings from the pro-active management of the authority's cash balances and the transfer of functions between business units), invest-to-save projects and funding strategies contained in this resolution and the accompanying capital budget resolution.
- 11.6. The Strategic Director of Resources and Head of Finance are authorised to make the necessary budget adjustments to fund the new responsibilities given to the County Council during the year, or where responsibility for services transfers out, up to the level of Government funding provided/withdrawn.
- 11.7. The Chief Executive is instructed to remind all Strategic Directors, the Chief Fire Officer and Heads of Service that budgets must not be overspent and that effective budget management arrangements should be the cornerstone of Services' work to secure value for money.
- 11.8. Services, and also schools, are encouraged to take a medium term view of spending commitments and ensure a prudent approach is adopted in entering into initiatives which create commitments in future years and developing clear strategies for the utilisation of service reserves.
- 11.9. All member bodies, Members and officers are instructed to comply with the prescriptive legal duties placed upon the Council. The Chief Executive, Strategic Directors, Chief Fire Officer and Heads of Service are instructed to ensure that the implementation of policies complies with legal requirements.

11.10. That authority is given for all necessary tenders to be obtained and contracts to be completed to give effect to this budget, subject to compliance with Contract Standing Orders, Financial Regulations and the key decision regime.

12. Pay Policy

- 12.1. Section 38 of the Localism Act 2011 requires us, as a local authority to prepare and approve an annual pay policy statement by 31 March, immediately preceding the year to which it relates.
- 12.2. The pay policy statement must set out the authority's policies for the financial year relating to the remuneration of chief officers (*which, in the case of the County Council, includes the Chief Executive, Strategic Directors and Heads of Service*) and the remuneration of employees who are not chief officers.
- 12.3. Our pay policy statement that meets these statutory requirements is set out in **Appendix C** and the County Council agrees the application of these remuneration policies for the financial year 2016/17. It also sets out our proposed approach to the payment of exit payments at paragraph 9.6.

Balancing the Dedicated Schools Grant

Reference	Title	2016/17 £'000	2017/18 £'000	Description
DSG-01	Capping' increases in the funding to individual schools	1,300	1,300	The schools funding formula includes a provision that allows the authority to limit increases in funding to individual schools that see the biggest increase in per pupil funding from the previous year. This option is supported by the Schools Forum.
DSG-02	Trajectory funding	125	125	Funding was allocated in 2015/16 to support development of provision to meet the new requirement for 15 hours free child care for 40% of 2 year olds. This funding will not be required from 2016/17 onwards.
DSG-03	Integrated Disability Service	144	269	A saving on £125,000 in 2016/17 and a further £125,000 in 2017/18 has been agreed for the Integrated Disability Service. An additional £19,000 has been identified from the IDS Teaching and Learning Management budget.
DSG-04	Academisation deficits	50	50	The local authority has a responsibility to meet the deficit of any school which is required to become a sponsored academy. £50,000 is set aside to meet this cost but has not been used for the last two years. As it is effectively a contingency it is proposed to remove the budget and just pick up any costs as and when they may arise.
DSG-05	Remove contribution to Education and Learning Legal Costs	40	40	Funding was delegated by the Schools Forum to support the local authority's legal costs which are currently met by the Education and Learning Business Unit. These costs will in future be met by the Communities Group central legal budget.
DSG-06	Impact of the new AEN provision in Nuneaton	376	645	The new school, the Discovery Academy, opened in September 2015. The school is expected to be full from 2017/18 when the full level of projected savings will be delivered. The bid by the Macintyre Academies Trust to operate a similar school in Rugby will deliver a similar level of savings. This bid has been approved in principle by the DfE, but any savings that may result have not been included at this stage.
DSG-07	Resource Based Provision	640	640	Resource based provision is an alternative to specialist residential provision in hubs attached to mainstream schools. Three such hubs are expected to be operational by 2016/17 - the former Coleshill Youth Centre, Trinity Catholic School and Lillington Primary School. If further hubs are approved the level of savings will increase.
DSG-08	Partnerships between Mainstream and Special Schools	72	72	There are partnerships between mainstream and special schools coming into effect that will save money. The saving identified is as a result of partnerships between Brook and Harris Schools in Rugby and between Welcombe Hills and the secondary schools in the south.

Balancing the Dedicated Schools Grant

Reference	Title	2016/17 £'000	2017/18 £'000	Description
DSG-09	Business Support	216	216	The DSG currently contributes to Business Support within the Professional Practice and Governance Business Unit and the management of the Early Help and Targeted Support Business Unit. These allocations will be stopped.
	Total Savings Identified	2,963	3,357	
	Structural Overspend	4,418	4,418	
	Shortfall in Savings	(1,455)	(1,061)	Provision has been made within the Medium Term Contingency to cover this shortfall in 2016/17 and 2017/18. Options for closing this gap will be brought forward for consideration as part of setting the 2017/18 budget.

2016/17 and 2017/18 Savings Plan

Reference	Description of change proposed	2016/17 £'000	2017/18 £'000
	Economic Growth		
	Budget reduction for savings in 2014/15 and 2015/16	1,287	1,287
<u>Continuing</u>			
EG-B	Reducing the costs associated with landfill sites by diverting more waste from landfill to energy from waste plants	79	146
EG-H	Communities Group support services - reductions based on the priorities of Communities Group Business Units	0	98
EG-E	Continue to increase income from the household waste recycling centre shops via contracts with the third sector	85	85
EG-F	Review the regeneration function with a view to reduce activity and increase income, including reviewing the Pride in Camp Hill project	119	329
EG-G	Reducing waste and increase recycling across the County	196	509
	Total - Economic Growth	1,766	2,454
	Education and Learning		
	Budget reduction for savings in 2014/15 and 2015/16	1,568	1,568
<u>Continuing</u>			
EH-B	Attendance, Compliance & Enforcement Service (ACE): Reduce the number of cases that require intervention, effective use of funding from the priority families programme and increase trading with academy schools outside Warwickshire	44	111
LG-G	Increase income generation target for school governor development and training	3	3
LA-F	Responsibility will move to the early years sector to monitor and drive its own improvement. Also included in a restructure would be links with Health Visitors and the prioritisation of children for free childcare. Business support would have to be purchased by providers.	100	200
LA-I and J	Reduction in the Home to School Transport Budget:	407	993
LA-K	General Support: Review of general support budget in line with the changes in services across the Business Unit	1,900	1,800
	Total - Education and Learning	4,022	4,675

2016/17 and 2017/18 Savings Plan

Reference	Description of change proposed	2016/17 £'000	2017/18 £'000
	Localities and Community Safety		
	Budget reduction for savings in 2014/15 and 2015/16	626	626
Continuing			
LCS-A	Trading Standards Service - Service reductions in consumer protection and business support. We will develop calibration services to increase income and explore the development of shared service arrangements.	50	70
LCS-B	Warwickshire Youth Justice Service - Service reductions in our support to young people in the criminal justice system, including a reorganisation of the service in consultation with our key criminal justice partners.	50	145
LCS-D	Heritage and Culture Warwickshire - Large service reductions in some heritage & culture services and a focus on increasing volunteering and commercial viability.	173	355
Starting			
LCS-F	Reviewing alternative delivery models to enable Country parks to become self financing	178	306
LCS-G	Increasing income levels and identify savings to make Forestry self financing	27	53
Future			
LCS-E	Localities and Partnerships - Delete the element of the savings plan relating to cuts to direct voluntary and community sector funding. Re-profile the structure of the Localities and Partnerships Team ensuring a reallocation of resources to directly support the voluntary sector and front line community development work. As part of this redesign the councillor grant scheme is to remain at £5,000 per councillor.	0	100
	Total - Localities and Community Safety	1,104	1,655
	Public Health		
Starting			
PH-A	Redesigning current ways of working and the arrangements for external contracts	600	1,200
PH-B	Target the provision of health checks where most needed across the county.	200	800
	Total - Public Health	800	2,000

2016/17 and 2017/18 Savings Plan

Reference	Description of change proposed	2016/17 £'000	2017/18 £'000
	Transport and Highways		
	Budget reduction for savings in 2014/15 and 2015/16	2,185	2,185
<u>Continuing</u>			
TH-I	Tender the Civil Parking Enforcement Operation and increase on street parking charges	(20)	377
TH-J	Introduce permit scheme for street works for which a charge can be made	100	100
TH-K	Increase usage of Stratford park and ride so that it becomes self financing	20	23
<u>Starting</u>			
TH-L	Reduction in street lighting energy costs	300	300
TH-M	New ways of funding of road safety education and to be reduced by the redirection of all savings from the planned early repayment of self-financed borrowing.	214	214
<u>Future</u>			
TH-O	Reduction in highway drainage maintenance	0	200
TH-Q	Reduce capacity to develop Going for Growth bids	0	200
TH-P	Review the policy for subsidised public transport services with a view to making a reduction in the overall public transport subsidy and re tender services.	0	500
	Total - Transport and Highways	2,799	4,099

2016/17 and 2017/18 Savings Plan

Reference	Description of change proposed	2016/17 £'000	2017/18 £'000
	Children's Social Care and Safeguarding		
	Budget reduction for savings in 2014/15 and 2015/16	1,661	1,661
<u>Continuing</u>			
SG-A	Develop a specialist single placement foster care scheme to reduce the need for residential care	80	180
SG-B	Reducing the numbers of looked after children by ensuring that children receive the right help at the right time	585	1,173
SG-C	Review of processes, in light of recent legislative changes that have imposed a time limit on child care cases before the court which should help to reduce the legal costs associated with child protection.	200	200
SG-H	Restructuring the North Children's Team. The three teams that exist in Nuneaton and Bedworth will be merged into two, making the savings from a reduction in management posts.	80	80
SG-I	Review of all kinship care placements.	30	30
NEW	Planned reduction in pre-court proceedings/processes leading to reduced disbursement costs	250	500
<u>Starting</u>			
LA-I	Reduction in the transport budget for Looked After Children. This significant proposed reduction in the transport budget will require a change in policy and full consultation to inform changes.	300	600
	Total - Children's Social Care and Safeguarding	3,186	4,424

2016/17 and 2017/18 Savings Plan

Reference	Description of change proposed	2016/17 £'000	2017/18 £'000
	Early Help and Targeted Support		
	Budget reduction for savings in 2014/15 and 2015/16	1,537	1,537
Continuing			
EH-A	Using the Common Assessment Framework (CAF) as a tool to ensure early intervention services are provided to prevent escalation into specialist services or step down from specialist services	24	67
EH-C	Charging Academy Schools for the coordination of educational visits.	7	7
EH-F	Head of Service Business Unit wide through tighter scrutiny of value for money	18	23
EH-H	Target Support Young People - Teenagers in Care Programme: moving to a commissioning model based on evidence of practice to reduce the number of teenagers either moving into or remaining in care for longer than necessary (Dartington Project)	25	73
Starting			
EH-L	Warwickshire Employment Services Team. Proposal is based on exploring the potential for alternative delivery, funding or decommissioning the service.	0	280
NEW	Use of Reserves to allow more realistic phasing of savings delivery	280	0
Future			
EH-K	Development of family centres to deliver savings by integrating children's centres, early intervention, priority families and health services, which focus services to the most vulnerable.	0	700
	Total - Early Help and Targeted Support	1,891	2,687
	Professional Practice and Governance		
	Budget reduction for savings in 2014/15 and 2015/16	1,610	1,610
Continuing			
STC-E	Changes to System Support Service including a reduction in computer system support contract costs and consultancy	100	100
STC-F	Significant reduction to flexible resource budget which supports projects such as adult transformation programme	16	116
Starting			
STC-H	Reduction in support to the Heads of Service including staff reductions	74	74
	Total - Professional Practice and Governance	1,800	1,900

2016/17 and 2017/18 Savings Plan

Reference	Description of change proposed	2016/17 £'000	2017/18 £'000
	Social Care and Support		
	Budget reduction for savings in 2014/15 and 2015/16	11,676	11,676
<u>Continuing</u>			
SCS-A	Access to Adult Social Care: improving access, referral and information and advice pathways	200	400
SCS-B	Further development of reablement services to improve access, efficiency and capacity, thus reducing need for more costly forms of social care.	0	400
SCS-C	Maximise all customer charging opportunities	100	300
SCS-D	Occupational therapy - improve moving and handling training services	0	828
SCS-G	Service redesign for Social Care and Support teams (except reablement - separate savings plan)	100	200
SCS-H	Increase the range of reasonable cost services (e.g. assistive technology) to continue personalised approach to meeting needs within resources available to reduce the need for more expensive forms of care	1,072	1,372
STC-B	Reducing the cost of transport provision to eligible adults based on review of current contractual arrangements with providers and utilising alternative solutions (e.g. Direct Payments to customers)	100	100
SCS-M	Homecare framework contract review: renegotiate / refine model for home care contracting	250	250
SCS-N	Develop and implement an accommodation with care strategy	600	1,000
SCS-O	Improved 'whole life' and transitions pathway for children with disability who grow up and need adult care services.	200	500
SCS-P	Develop a new model for assessment, commissioning and delivery of Continuing Health Care services with health partners	(200)	(200)
<u>Starting</u>			
SCS-Q	Fundamental Review of contracting and relationship management with respect to how public sector and voluntary sector works together in Warwickshire to improve 'social capital' and reduce demand on statutory social care services.	500	800
SCS-R	Develop care and support services within the County so people do not need to move out-of-county to receive specialist services	328	350
	Total - Social Care and Support	14,926	17,976

2016/17 and 2017/18 Savings Plan

Reference	Description of change proposed	2016/17 £'000	2017/18 £'000
	Strategic Commissioning		
	Budget reduction for savings in 2014/15 and 2015/16	696	696
Continuing			
STC-K	Supporting People Programme - Review of contracts with a view to reducing costs/services, including decommissioning some specialist services and re-modelling and recommissioning generic housing related support services. The reduced saving is to reverse the proposed reductions in services for young people, care leavers and young homeless support.	1,328	3,225
Starting			
STC-L/N	Review of the necessary staffing levels to support the market management and facilitation functions with a view to reducing posts	165	165
STC-M	To review the future viability of the brokerage role	58	58
Future			
STC-O	Review of the necessary staffing levels to support the inspection / improvement activity across People Group with a view to reducing posts	0	120
STC-P	Review of the necessary staffing levels to support quality assurance and contract management functions across the business unit with a view to reducing posts	0	37
	Total - Strategic Commissioning	2,247	4,301
	Customer Service and Communications		
	Budget reduction for savings in 2014/15 and 2015/16	650	650
Continuing			
CS-B	Applying additional income targets to the Registration Service	0	100
CS-C	Reduction in the Customer Service improvement and development programme	40	40
CS-D	Reduction in the Customer Service projects	0	30
Starting			
CS-H	Implementation of the Digital by Default programme by reducing opening hours and reducing the demand placed on the Customer Service Centre and face to face outlets	150	346
CS-I	Improve the effectiveness of the whole library network	100	100
CS-J	Management restructure to reflect the changes and realignments of responsibilities	112	112
	Total - Customer Services	1,052	1,378

2016/17 and 2017/18 Savings Plan

Reference	Description of change proposed	2016/17 £'000	2017/18 £'000
	Finance		
	Budget reduction for savings in 2014/15 and 2015/16	501	501
<u>Continuing</u>			
FIN-D	Improvements in procurement, treasury management, debt management and redemption and cash flow / reserves to reduce cost	172	172
<u>Starting</u>			
FIN-C	Better use of financial systems to generate efficiencies, maximise income and minimise transaction costs	78	327
	Total - Finance	751	1,000
	Human Resources and Organisational Development		
	Budget reduction for savings in 2014/15	561	561
<u>Continuing</u>			
HR-A	Business redesign of the HR Service Centre to review processes across pay and pensions for WCC (including schools), employment records and HR data management	43	43
HR-B	Redesign corporate learning and development with a reduction in demand and increased self-service and e-learning	23	115
HR-C	Redesign employee relations (including HR and equalities and diversity advisory services), policy development and manage demand by increasing self-service	129	169
HR-D	Redesign HR business partnership, realigning support for services	37	37
<u>Starting</u>			
HR-E	Redesign health and safety services, increase self service and consider alternative delivery models	75	75
NEW	Additional savings	40	50
	Total - Human Resources and Organisational Development	908	1,050

2016/17 and 2017/18 Savings Plan

Reference	Description of change proposed	2016/17 £'000	2017/18 £'000
	Information Assets		
	Budget reduction for savings in 2014/15 and 2015/16	1,067	1,067
<u>Continuing</u>			
IA-A	Reduction in spend on specification, building or procurement, implementation, support and enhancement of information systems for WCC and partners.	117	234
IA-B	Reduction in the cost of maintaining the availability of the core ICT infrastructure equipment and services that deliver our ICT systems and access to systems, including some 24x7 availability, when required by services.	0	50
IA-C	Reduction in the scale and approach of the service that provides a single point of contact for IT support queries to assist staff and Elected Members with ICT problems	104	209
IA-D	Reduction in spend on designing, managing and implementing ICT programmes and projects that improve service delivery through the effective use of ICT and process redesign	108	166
IA-F	Reduction in the cost of the provision, support, maintenance and management of ICT communications links in the form of both Local Area Network (LAN) internal connections, Wide Area Network (WAN) and telephony for WCC between our buildings, and other organisations, including wider Internet access	152	152
IA-G	Reduction in the cost of the management, the technical development/build and deployment of personal computing devices	72	107
<u>Starting</u>			
IA-H	Scale back the central purchasing function for all ICT equipment, including desktop application software, mobile devices, network points and internal telephone extensions	14	14
<u>Future</u>			
IA-I	Savings associated with the provision of ICT training to ensure that staff have the appropriate skills and knowledge to allow them to make best use of the Authority's ICT facilities.	0	43
IA-J	Reductions in the service management and business liaison service that leads on the development and maintenance of relationships between ICT and other Services, increasing the alignment of ICT to WCC front line services and the return on our overall ICT investment.	0	41
IA-K	Scale back the records management service that provides advice to seek to ensure that corporate documents and records are correctly classified, tagged, stored and disposed of	0	17
	Total - Information Assets	1,634	2,100

2016/17 and 2017/18 Savings Plan

Reference	Description of change proposed	2016/17 £'000	2017/18 £'000
	Physical Assets		
	Budget reduction for savings in 2014/15 and 2015/16	1,042	1,042
<u>Continuing</u>			
PA-B	Disposal of surplus properties (both urban sites and smallholdings) to accrue capital receipts that will be earmarked for the purposes of reducing the council's debt charges.	0	750
PA-C	Introduce a charge to staff for the use of WCC owned car parking facilities in the central Warwick area covering Barrack Street Car park, Cape Road Car Park and Saltisford Car Park.	30	50
PA-D	Reduce the cost of Corporate Contracts and Specifications for Cleaning Contracts	4	6
PA-E	Develop a new 'Catering Traded Service to Schools' offer potentially combining services with Solihull and Coventry to reduce management overheads within the service.	40	80
PA-F	Develop an increased take up of school meals within existing and new customer base, targeting increasing turnover in already established schools.	7	12
PA-I	Return responsibility for cleaning contracts back to schools and design services to help them manage their arrangements	5	5
PA-K	Reduce staff numbers in the Estates and Smallholdings team commensurate with a reduction in the portfolio.	25	25
PA-L	Deliver a 2 nd phase of Property Rationalisation known as PRP2 which will see a reduction in the number of Council buildings and their associated running costs	700	1,250
<u>Starting</u>			
PA-N	To market test the corporate cleaning service with a view of achieving a reduction in costs for an agreed service delivery level.	50	80
PA-M	Reductions in WCC's landlord maintenance budget commensurate with the reduction in property holdings as part of a further phase of Property Rationalisation.	250	450
	Total - Physical Assets	2,153	3,750

2016/17 and 2017/18 Savings Plan

Reference	Description of change proposed	2016/17 £'000	2017/18 £'000
	Law and Governance		
	Budget reduction for savings in 2014/15 and 2015/16	57	57
<u>Continuing</u>			
LG-D	Increase external income potential through Legal Services	6	14
<u>Starting</u>			
LG-F	Reduce Elected Member support and development	24	24
	Total - Law and Governance	87	95
	Service Improvement and Change Management		
	Budget reduction for savings in 2014/15 and 2015/16	540	540
<u>Continuing</u>			
NEW	Rationalisation of performance management and business support	30	30
<u>Starting</u>			
SICM-H	The GIS function will be remodelled and re-focussed on a smaller core offering which may include a reduction in posts.	50	50
SICM-I	The Project and Performance Management Arrangements (both central and localised arrangements) will be remodelled. Savings will be delivered by both expenditure savings and reduction in posts.	100	100
SICM-J	Reduction in inflation budget commensurate with changes across the Business Unit.	20	20
	Total - Service Improvement and Change Management	740	740

2016/17 and 2017/18 Savings Plan

Reference	Description of change proposed	2016/17 £'000	2017/18 £'000
	Fire and Rescue		
	Budget reduction for savings in 2014/15 and 2015/16	1,129	1,129
<u>Continuing</u>			
FRS-A	Implement a new response model	688	1,041
FRS-B	Reduction of fire control staff as part of a joined control arrangement with Northamptonshire Fire and Rescue Service	49	49
FRS-E	A reduction in fire engines, clothing, protective equipment, operational equipment and training in line with the reduction in staff numbers	16	31
FRS-H	Removal of an Area Commander post from the senior management team within the Service (25% of current establishment)	65	65
<u>Starting</u>			
FRS-G	Reduction in staffing in Arson Reduction Team (1 uniformed post and 1 non uniformed post)	42	42
	Total - Fire and Rescue	1,989	2,357
	Other Services and Authority Wide Savings		
	Budget reduction for savings in 2014/15 and 2015/16	1,550	1,550
<u>Continuing</u>			
OS-A	Reduction in the provision for borrowing costs	500	1,000
<u>Starting</u>			
OS-D	Management restructure	100	250
<u>Future</u>			
OS-E	Removal of the provision for funding redundancy costs	0	2,000
AW-A	Savings from efficiencies through working with other local authorities (including Warwickshire districts and the wider sub region) as well as other public sector agencies (e.g. through Community Budgets) by 2018.	0	2,800
	Total - Other Services and Authority Wide Savings	2,150	7,600
	Cumulative Total	46,005	66,241
	In-Year Savings	16,062	20,236

Warwickshire County Council – Pay Policy Statement 2016/17

1 Statutory Requirement

- 1.1 S.38 of the Localism Act 2011 requires that local authorities must prepare and approve an annual pay policy statement, applicable to all staff except those employed in schools, by 31 March immediately preceding the year to which it relates.
- 1.2 The pay policy statement must set out the authority's policies for the financial year relating to:
- ◆ the remuneration of its chief officers (which, for the purposes of this Act and in the case of the County Council, includes the Chief Executive, Strategic Directors and Heads of Service)
 - ◆ the remuneration of its lowest paid employees, and
 - ◆ the relationship between:
 - the remuneration of its chief officers and
 - the remuneration of its employees who are not chief officers
- 1.3 The pay policy statement must state:
- ◆ the definition of “lowest paid employees” adopted by the authority for the purposes of the statement, and
 - ◆ the authority's reasons for adopting that definition
- 1.4 The statement must include the authority's policies relating to:
- ◆ the level and elements of remuneration for each chief officer
 - ◆ remuneration of chief officers on recruitment
 - ◆ increases and additions to remuneration for each chief officer
 - ◆ the use of performance-related pay for chief officers
 - ◆ the use of bonuses for chief officers
 - ◆ the approach to the payment of chief officers on their ceasing to hold office under or be employed by the authority
 - ◆ the publication of and access to information relating to the remuneration of chief officers
- 1.5 A pay policy statement may also set out the Authority's policies relating to the other terms and conditions applying to the authority's chief officers.
- 1.6 The following paragraphs seek to meet these statutory requirements by setting out County Council policy in the above prescribed areas, having firstly summarised the background to pay issues within this authority.

2 Remuneration Policies

- 2.1 In seeking endorsement of the pay policies summarised below, the wider picture of job reductions and reductions in benefits and allowances needs to be taken into account.
- 2.2 The savings proposals contained within the Council's One Organisation Plan 2014-18 involves a reduction of 627 posts. The council implemented the nationally agreed 2.2% pay award for 2015-17 in January 2015.
- 2.3 The Council implemented a 1% pay award for Hay staff from Jan 2015 with a further 1% from January 2016. It reflects the 2.2% increase over 2 years awarded to NJC staff and further changes to the Hay pay scales which will allow the council to recruit and retain the experienced senior staff required to deliver council services for the future.
- 2.4 The Council has also implemented the National Living Wage for all staff regardless of age.
- 2.5 The final elements of the Pay & Conditions Review have been implemented including a reduction or abolition of a range of allowances paid to staff. These include reductions in the allowances paid to staff working outside 'normal hours', the abolition of 'essential car user' allowances, a reduction in mileage allowance rates for staff using their own cars at work and reductions in compensation paid to those made redundant.
- 2.6 The County Council's policy in respect of the vast majority of its employees is to pay staff in accordance with pay frameworks and terms and conditions agreed by the national negotiating bodies representing local authorities and recognised trade unions. Review of Pay and Conditions and any Discretionary pay awards to Hay graded staff are agreed by the Staff and Pensions Committee which has delegated authority for all issues relating to remuneration of staff
- 2.7 For the majority of its employees the Council's policy is to implement the pay framework and terms and conditions, unless locally agreed otherwise, prescribed by the National Joint Council for Local Government Services ('NJC').
- 2.8 The NJC pay agreement 2014-16 adjusts the salary 'spine' removing the 3 lowest points so the framework now comprises 44 salary points, currently between £13,891 pa and £42,957 for a full-time employee (based on a 37 hour week). The Council's policy is to evaluate posts in accordance with the job evaluation scheme agreed by the NJC and then to allocate them to one of incremental pay points within the salary spine.
- 2.9 It is the Council's policy to pay a temporary and reviewable 'market supplement' to salary levels within the NJC pay framework where there is clear and demonstrable evidence that the salary level otherwise attached to the post creates substantial recruitment, retention or 'market un-competitiveness' difficulties.

- 2.10 Other groups of employees are paid in accordance with salaries or salary scales agreed by the relevant national negotiating bodies. These groups include uniformed fire and rescue staff, youth workers, craft workers and those falling within the ambit of the Soulbury Committee or School Teachers' Pay & Conditions agreements.
- 2.11 For all groups of staff paid in accordance with pay frameworks agreed by the national negotiating bodies, the Council's policy is to implement such salary increases as are agreed by those bodies without further local negotiation. Staff and Pensions Committee will review all pay and remuneration annually
- 2.12 The only exception to the Council's policy of determining remuneration in accordance with national pay agreements, relates to senior professional or managerial employees whose posts are evaluated at more than 760 points under the NJC job evaluation scheme (see paragraph 2.3 above) and for which it would therefore be inappropriate to accommodate within the NJC salary 'spine'. (The relationship between posts covered by the NJC pay framework and this group of employees was supported by the Staff & Pensions Committee on 27th May 2010).
- 2.13 The policy of the Council is to pay this group of employees, which includes the Chief Executive, Strategic Directors and Heads of Service, within a framework of six locally determined incremental salary grades (known as 'Management Bands'), or in the case of the Chief Executive and the Chief Fire Officer a 'spot' salary payment. Each post is evaluated using a proprietary job evaluation scheme devised by Hay Management Consultants and used widely in the public and private sectors both in the UK and abroad.
- 2.14 The salary levels attached to each Management Band are determined with reference to the independent advice of Hay Management Consultants having regard to salaries paid elsewhere in the public sector, predominantly in local government. Currently, the pay framework for Management Band staff covers a salary range from £46,119 to £172,866.
- 2.15 The above policies apply save in cases where the operation of the Transfer of Undertakings (Protection of Employment) Regulations, or other statutory provision, dictate otherwise.
- 2.16 Where a person is appointed under a 'contract for service', rather than as an employee, the Council's Contract Standing Orders are followed to ensure that maximum value for money is secured.
- 2.17 **It is proposed that the County Council applies the remuneration policies set out above for the financial year 2016/17.**

3 Relationship between the highest and lowest paid employees

- 3.1 The policy of the Council to pay employees in accordance with the NJC pay framework means that its 'lowest paid employees' are paid an annual salary of £13,614 pa, or on a pro-rata basis if they work for less than 37 hours per week. (This definition does not include those working as apprentices, on work experience or other placements where the full duties attached to the post are not required to be undertaken)
- 3.2 This means that the 'salary ratios' between the Council's lowest paid staff and its Chief Executive and Strategic Directors are 1:13 and 1:10 respectively.
- 3.3 Comparative figures for other County Councils, who also generally pay staff within the NJC pay framework, are 1:15 and 1:10 respectively.
- 3.4 The salary differentials between the highest and lowest paid staff in the County Council, and local government in general, are very much less than in similar sized private sector businesses.
- 3.5 The salary ratios between the Council's median salary level (£24,472 pa) and that of its Chief Executive and Strategic Directors are 1:7.1 and 1:5.7 respectively – again very much less than in similar sized private sector businesses.

4 Specific policy and practice: The level and elements of remuneration for each chief officer

- 4.1 The Council's Chief Executive is paid a 'spot' salary of £172,866 pa, the salary level having been agreed by the County Council prior to his appointment in 2005 and thereafter increased annually in accordance with independent advice from Hay Management Consultants. (See paragraph 2.13 above. However, no annual increase has been applied since January 2009). Published information for other County Councils suggests the average salary for chief executives is £182,000.
- 4.2 The Chief Fire Officer is paid a 'spot' salary of £125 654 pa based on Hay evaluation. The CFO will receive the 1% increase agreed for Hay graded staff from 1 January 2016. No other salary payments or benefits are made to the Chief Fire Officer. The Chief Fire Officer is a Strategic Director and, with the exception of paragraph 4.3, further references in this document to Strategic Director include the Chief Fire Officer.
- 4.3 The Strategic Directors are paid on a five point incremental scale under Hay, currently £125,654 - £139,383 as agreed in December 2015 in accordance with independent advice from Hay Management Consultants and increased in line with NJC awards thereafter. (See paragraphs 2.3 and 2.13 above). No other salary payments are made to Strategic Directors. Published information for other County Councils suggest the average salary for posts equivalent to Strategic Directors is £142,000, and most Councils have a larger number of posts at this level.

- 4.4 Heads of Service are paid on one of two five point incremental scales (£93,672 - £106,161 or £81,574 - £92,448) agreed by the Staff and Pensions Committee in December 2015. No other salary payments are made to Heads of Service.
- 4.5 Progression through incremental pay scales is on an annual basis, save that progression to the last two points of the scale is subject to service in the post being certified as fully satisfactory.
- 4.6 Subject to the approval of Strategic Directors (or in the case of such payments to Strategic Directors, the Chief Executive), a temporary honoraria payment may be made where a Strategic Director or Head of Service undertakes duties outside the scope of their normal job.
- 4.7 It is not the Council's policy to increase the pension benefits of the Chief Executive, Strategic Directors or Heads of Service.
- 4.8 It is not the Council's policy to provide benefits in kind to the Chief Executive, Strategic Directors or Heads of Service.
- 4.9 The maximum car mileage allowance paid to the Chief Executive, Strategic Directors and Heads of Service, from 1st April 2012, is that prescribed for 'casual users'.
- 4.10 Details of the salary scales attached to the roles of Chief Executive, Strategic Directors and Heads of Service are accessible on the Council's website.
- 4.11 The appointment of all employees is made in accordance with the Council's Officer Employment Standing Orders.

5 Specific policy and practice: Remuneration of chief officers on recruitment

- 5.1 Where recruitment is to a new post or the duties of the post have changed significantly, the post is re-evaluated and placed on the appropriate Management Band salary scale. Otherwise, the recruitment is to the existing salary scale.
- 5.2 Ordinarily, appointment is to the minimum point of the scale unless there are compelling reasons to do otherwise, e.g. the person we wish to appoint is already on a higher salary elsewhere and is not prepared to take a salary reduction.
- 5.3 Where a salary package exceeds £100k this will require specific approval by the Council in advance of adoption.

6 Specific policy and practice: Increases and additions to remuneration for each chief officer

- 6.1 The salary scale attached to a post currently occupied would only increase in the event that the duties attached to the post changed significantly and this resulted in a fresh job evaluation suggesting that the post should be on a higher Management Band.
- 6.2 Any increases to the salary levels attached to Management Band salary scales are made in accordance with paragraph 2.9 above.

7 Specific policy and practice: The use of performance-related pay for chief officers

- 7.1 It is not the Council's policy to make performance related payments to the Chief Executive, Strategic Directors or Heads of Service. The performance of all staff , including all senior staff , is managed via the Competency Framework and the Appraisal system

8 Specific policy and practice: The use of bonuses for chief officers

- 8.1 It is not the Council's policy to make bonus payments to the Chief Executive, Strategic Directors or Heads of Service.

9 Specific policy and practice: The approach to the payment of chief officers on their ceasing to hold office under or be employed by the authority

- 9.1 The Council's policies in respect of the payment of the Chief Executive, Strategic Directors or Heads of Service ceasing to hold office are the same as for its other employees, as follows:
- ♦ In the case of an employee whose employment is terminated on grounds of redundancy or efficiency, any redundancy or severance payment should be based upon actual earnings.
 - ♦ In the case of an employee whose employment is terminated on grounds of redundancy and who is aged 54 or less, or is aged 55 or over and is unable to immediately access accrued pension benefits, a severance payment based on applying a multiplier of 1.75 to the statutory redundancy payment formula, should be made.
 - ♦ In the case of an employee whose employment is terminated on grounds of redundancy and who is aged 55 or over and is able to immediately access

accrued pension benefits, a severance payment based on applying a multiplier of 1.75 to the statutory redundancy payment formula, should be made for the first £26,539 of the employee's salary. Thereafter, the following multiplier should be used at the following ages:

- 55 - 1.65,
- 56 - 1.55,
- 57 - 1.45,
- 58 - 1.35,
- 59 - 1.25,
- 60 - 1.15,
- 61 - 1.05,
- 62 - 0.95,
- 63 - 0.85,
- 64 - 0.75
- 65 - 0.65
- 66 - 0.55
- 67 - 0.45
- 68 - 0.35
- 69 - 0.25
- 70 - 0.15

- 9.2 In the case of an employee whose employment is terminated on grounds of efficiency, Strategic Directors (or where the employee is a Strategic Director the Chief Executive, or where the employee is the Chief Executive, the Staff & Pensions Committee) have discretion to make severance payments up to the levels described above.

Regulation 31 of the LGPSR 2013 allows a scheme employer to award to a) an active member or b) a member who was an active member who was dismissed by way of redundancy or business efficiency additional pension in total not more than £6,500. It is the County Council's Policy that the award of additional pension should only be applied in exceptional circumstances where this is necessary to address a situation where there would otherwise be a significant risk of harm to the County Council's services or objectives.

- 9.3 The County Council will no longer apply the abatement rule save in exceptional circumstances where it determines that to not abate the pension in payment could lead to a serious lack of confidence in the public service.
- 9.4 Where an employee has to give up work in order to care for a chronically ill spouse or partner the Council's policy is to give consideration to waiving the actuarial reduction that would otherwise attach to the early payment of pension benefits.
- 9.5 Other discretions are exercised in accordance with the Council's scheme of delegation on a case by case basis.
- 9.6 The Council recognises that the existing One Organisational Plan Programme of reorganisation will need to be refreshed and updated in light of the new financial

settlement for local government. Where it is within its power to do so the Council will dis-apply any applicable legal restriction in relation to the payment of exit payments under the Programme where the Strategic Director of Resources is satisfied that the savings which it contributes to need to be made to ensure the delivery of the service within budget and that the payment concerned will be recouped within two years or in exceptional circumstances, with the approval of the relevant Portfolio Holder, within three years.

10 Specific policy and practice: The publication of and access to information relating to the remuneration of chief officers

- 10.1 The Council's policy is to provide information on the remuneration of its Chief Executive, Strategic Directors and Heads of Service on its website (www.warwickshire.gov.uk) in accordance with the Code of Recommended Practice for Local Authorities on Data Transparency and as required by s.7 of the Accounts and Audit (England) Regulations 2011.

11 Specific policy and practice: The Council's policy relating to the other terms and conditions applying to chief officers

- 11.1 Except in respect of pay and pay related arrangements (see paragraphs 2.11 and 2.14 above), and car allowances, the terms and conditions that apply to the Chief Executive, Strategic Directors and Heads of Service are those agreed by the Joint Negotiating Committee for Chief Officers of Local Authorities.

County Council – 4 February 2016 - Minute 2 Appendix E

2016/17 Capital Budget Resolution

1 Financial Direction of Travel

- 1.1 The value of our assets is £1.264 billion. Each year we need to spend money to ensure these assets are still suitable for use in the provision of services and to invest in new assets to meet our changing needs and requirements. This investment forms the basis of our capital programme.
- 1.2 Our objectives in relation to the capital programme are to:
- Reduce the authority's level of outstanding debt.
 - Support the growth of the local economy through investment in infrastructure that will deliver a positive economic impact for the people of Warwickshire.
 - Support invest-to-save projects where the result of the investment is revenue savings to the authority.
- 1.3 We will continue to limit borrowing to £20 million a year so the amount spent on servicing borrowing does not increase and we will continue with the separation of maintenance and development programmes that has brought benefits in terms of reducing bureaucracy.
- 1.4 In 2014/15 we introduced a new approach to the development of the capital programme. This has given services the benefits of certainty about funding levels over the medium term whilst enabling the authority to take advantage of key development opportunities that arise during the year. We do not propose any changes to this approach for 2016/17.
- 1.5 We will invest an additional £2.000 million a year in each of the next two years to supplement government capital grant allocations for maintaining the condition of Warwickshire's roads.
- 1.6 We recognise that in approving the capital programme some of the allocations remain indicative, pending the announcement of the Government's capital allocations for 2016/17 and beyond. As these are announced we will approve the necessary adjustments/additions to the capital programme in accordance with the approved strategy as part of the 2016/17 service estimates report to Cabinet in March.
- 1.7 We require £2.000 million each year of the transport capital grant to be allocated to equally to each elected member and £0.350 million each year to be allocated to casualty reduction schemes.

- 1.8 We require £3.000 million of the schools capital grant to form a contribution towards the cost of maintenance of the school estate, with the balance to be used to meet the growing demand for school places.
- 1.9 The capital programme we are recommending for approval covers the financial years 2016/17 and 2017/18 only. No allocations are approved beyond this as we intend to review the way the capital programme is developed and targeted as part of the work on the 2017-20 Medium Term Financial Plan. Given the financial settlement we recognise this will mean the County Council has to review its asset base again and expect Corporate Board to bring forward proposals for Elected Members to consider.

2 2016/17 to 2018/19 Capital Programme

- 2.1 Approval is given to a capital programme of £157.967 million. Of this £94.264 million is for 2016/17 and £63.703 million for 2017/18. There is £10.173 million remaining in the Capital Growth Fund.
- 2.2 Table 1 shows the breakdown of the programme across Business Units, with the full detail of the capital programme attached at **Appendix A**.

Table 1: Capital Programme: Summary by Service			
Service	2016/17	2017/18 and later years	Total
	£000	£000	£000
Economic Growth	4,044	1,278	5,322
Education and Learning	13,958	3,250	17,208
Localities and Community Safety	636	142	778
Transport and Highways	41,435	22,506	63,941
Children's Social Care and Safeguarding	50	188	238
Early Help and Targeted Support	25	25	50
Professional Practice and Governance	311	0	311
Social Care and Support	920	750	1,670
Strategic Commissioning	520	500	1,020
Customer Services	3,190	45	3,235
Information Assets	7,323	13,035	20,358
Physical Assets	11,021	13,373	24,394
Fire and Rescue	5,658	3,611	9,269
Total Allocations	89,091	58,703	147,794
Capital Growth Fund	5,173	5,000	10,173
Total Programme	94,264	63,703	157,967

3 Financing the Capital Programme

- 3.1 The capital programme will be financed by a mixture of capital grants, capital receipts, revenue and self-financed and corporate borrowing. A deduction will be made from services revenue budgets for self-financed projects funded from borrowing. New borrowing has been limited to £20 million per annum. Table 2 provides a breakdown of the financing of the capital programme between years.

Table 2: Financing the Capital Programme – Summary by Year			
	2016/17	2017/18 and later years	Total
	£000	£000	£000
Capital grants and contributions	44,057	18,601	62,658
Capital receipts	16,531	36,538	53,069
Revenue	1,327	486	1,813
Self-financed borrowing	2,491	5,794	8,285
Corporate borrowing	29,858	2,284	32,142
Total financing	94,264	63,703	157,967

Note: The corporate borrowing figure is greater than £20 million in 2016/17 as it includes the funding of capital spend financed by borrowing that was originally planned for earlier years.

4 Prudential Guidelines and Limits

- 4.1 Approval is given to an Affordable Borrowing Limit consistent with the capital programme for 2016/17 and the subsequent years as detailed in Appendix A. The allocations approved as part of this resolution are equivalent to an increase in the cost to a Band D council tax payer as follows:

	In-Year	Cumulative
	£ per Band D Council Tax	£ per Band D Council Tax
2016/17	5.05	5.05
2017/18	-2.53	2.52
2018/19	-2.53	-0.01

- 4.2 Approval is also given to the prudential indicators detailed at **Appendix B**, consistent with the approved 2016/17 Capital Programme. ***[Please note Appendix B remains as presented in the original resolution and has not been reproduced here].***

5 Head of Finance's Statement

5.1 The following statement from the Head of Finance 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. 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."

6 Delegations

6.1 That the Council reconfirms the delegated powers to the Leader as follows:

- That the Leader or person(s) or body nominated by her are authorised to:
 - Agree any increases or reductions in capital starts/payments totals as part of the capital review process.
 - Approve 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.
 - Approve individual projects within the allocations made by Council

6.2 In addition the Strategic Director for Resources and Head of Finance are authorised to vire capital projects between Services where such virements are as a direct consequence of a restructuring within the County Council.

6.3 The Strategic Director for Resources and Head of Finance, in consultation with the Leader, are authorised to reverse allocations made as part of this budget process where the investment does not progress.

7 Budget Management

7.1 The Chief Executive is directly responsible for the implementation of the capital programme.

7.2 The Chief Executive is instructed to remind all Strategic Directors, the Chief Fire Officer and Heads of Service that budgets must not be overspent and that effective budget management arrangements should be the cornerstone of each Service's work to secure value for money.

7.3 A carry forward regime will be introduced with immediate effect to review whether all uncommitted capital spend at the end of the financial year is still a priority. Any funding released through this process will be used to enhance the Growth Fund.

7.4 All member bodies, members and officers are instructed to comply with the prescriptive legal duties placed upon the Council. The Chief Executive, Strategic Directors, the Chief Fire Officer and Heads of Service are instructed to ensure that the implementation of policies complies with legal requirements.

- 7.5 Authority is given for all necessary tenders to be obtained and contracts to be completed to give effect to this budget, subject to compliance with Contract Standing Orders, Financial Regulations and the key decision regime for individual approvals.
- 7.6 Strategic Directors, the Chief Fire Officer and Heads of Service, in the following circumstances and with approval from the Head of Finance, are given authority to let contracts where the tender price would cause the project to exceed its approved budget:
- If the project is and remains fully funded from external sources; and
 - If all funding is externally ringfenced to that specific project
- 7.7 That, with the exception of the circumstances outlined in 7.6, the Council reconfirms the requirement for Strategic Directors, the Chief Fire Officer and Heads of Service to seek Member approval to proceed with a project if, at the tender stage or any subsequent decision point, the contract price would cause the project to exceed its approved budget by more than tolerances in Financial Regulations prior to committing the Council to proceed with the project. In any event, any increase in the expected project cost should be reported to Members as soon as possible via the quarterly Organisational Health report.
- 7.8 Strategic Directors, the Chief Fire Officer and Heads of Service, with approval from the Head of Finance, are given approval to use capital receipts to fund replacement assets:
- Where the receipt is less than £100,000; and
 - Where the receipt is generated from the sale of vehicles, plant, equipment or software; and
 - Where the replacement asset provides the same service as the item sold; and
 - Where the remaining cost of the replacement asset is fully funded from self-financed borrowing, revenue contribution or third party funding externally ringfenced to that specific asset.
- In any event, capital expenditure on the replacement asset should be reported to Members as soon as possible via the capital review process.
- 7.9 **Managing the Maintenance Programme**
Each maintenance allocation will be monitored and reported to Members at the level approved in the Medium Term Financial Plan (MTFP) and Capital Strategy. Detailed budget management within those allocations will be delegated to the responsible Head of Service, in line with the agreed criteria and prioritisation approved by Council in the MTFP and Capital Strategy.
- 7.10 Maintenance allocations may be vired in accordance with the scheme of capital virement to a development project where that project incorporates elements of work which would otherwise be funded from the maintenance budget. The entire project would be treated as a development project for approval and reporting purposes.

7.11 **Managing the Development Programme**

Allocations made to Services under the development programme are for individual and specific projects. Any funding allocations may not be committed until individual projects are approved by Members.

7.12 Virements between projects in the development programme are expected to be rare. Services are expected to manage variations in total project costs with the appropriate approval under Financial Regulations.

7.13 Virements can only take place between two existing projects. Any new project will require Member approval, irrespective of whether its proposed funding is taken from an existing allocation.

2016/17 Capital Programme by Business Unit

Economic Growth	Earlier Years £'000	2016/17 £'000	2017/18 and Later Years £'000	Total £ 000's
Household waste recycling centres maintenance	14	182	71	267
Snitterfield Flood Alleviation	100	2,100	0	2,200
Ladbrooke Flood Alleviation	5	45	0	50
Centenary Business Centre Phase 3	(8)	0	7	(1)
Nuneaton and Bedworth Town Centre - Queens Road West Improvements	586	134	0	720
Capital Growth Fund Business Loans and Grants	525	1,275	1,200	3,000
Broadband and communication provision - business centres	20	55	0	75
Waste Strategy - Waste Treatment & Transfer Facility	1,263	225	0	1,488
In-Vessel Composting Units For Schools	37	28	0	65
Total Economic Growth	2,542	4,044	1,278	7,864

2016/17 Capital Programme by Business Unit

Education and Learning	Earlier Years £'000	2016/17 £'000	2017/18 and Later Years £'000	Total £ 000's
Education Capital - Earmarked Capital Receipts	0	550	0	550
Education Capital - Unallocated Contributions	0	350	0	350
Welcombe Hills vehicle access alterations	8	442	0	450
Bishopton School extension - targeted basic need	1,357	1,343	0	2,700
Schools disability access	557	115	0	672
Long Lawford Primary - temporary classroom	215	20	0	235
Brooke School - conversion of existing spaces	0	500	0	500
Former Bridgeway CSS Centre - new KS2 annexe for All Saints CE Infant School, Bedworth	1,060	340	0	1,400
New School, The Gateway, Rugby	15	2,135	1,000	3,150
Long Lawford Primary - permanent expansion	170	2,780	0	2,950
All Saints Primary, Nuneaton - replace temporary classrooms with new extension	57	693	0	750
New school, South Warwick	305	1,745	1,000	3,050
St Peters Barford - expansion	201	129	0	330
Hillmorton Primary - permanent expansion	450	1,250	1,250	2,950
Hillmorton Primary - temporary classroom	125	37	0	162
St Michael's CE Primary, Bedworth - permanent expansion	144	756	0	900
Southam College - expansion	900	100	0	1,000
SEN resource base provision - Primary Schools (Stockingford, Outwoods and Rokeby)	75	75	0	150
SEN resource base provision - Secondary Schools (Harris and George Eliot)	50	50	0	100
Boughton Leigh Junior - specialist inclusion support group	40	360	0	400
New SEN provision - complex mental health needs	170	25	0	195
Race Leys Infant School - universal free school meals	0	144	0	144
Hampton Lucy CE Primary - universal free school meals	180	20	0	200
Total Education and Learning	6,080	13,958	3,250	23,288

2016/17 Capital Programme by Business Unit

Localities and Community Safety	Earlier Years £'000	2016/17 £'000	2017/18 and Later Years £'000	Total £ 000's
County Records Office - digital asset management	55	26	20	101
Market Hall Museum - "Our Warwickshire"	772	282	0	1,054
Leamington to Rugby disused railway line	73	27	0	100
Countryside Rural Services capital maintenance	783	301	122	1,206
Localities and Community Safety Total	1,683	636	142	2,461

Transport and Highways	Earlier Years £'000	2016/17 £'000	2017/18 and Later Years £'000	Total £ 000's
Rugby Western Relief Road	59,447	550	499	60,496
Kenilworth Station	5,384	6,737	0	12,121
Kenilworth Station - contingency	0	1,495	0	1,495
Stratford-upon-Avon - local sustainable transport project	5,608	50	0	5,658
M40 Junction 12	10,154	1,000	0	11,154
Bermuda Connectivity	454	900	2,348	3,702
Traffic signals	245	14	0	259
Area delegated funding	7,089	2,334	2,000	11,423
Highways maintenance	0	12,160	11,801	23,961
Transport Planning Unit - area delegated funding	758	123	0	881
Design Services - area delegated funding	105	61	0	166
Portobello Bridge	527	67	1,466	2,060
Safety camera funded schemes	1,394	150	0	1,544
Warwick, Myton Road Cycle Link (Myton and Warwick School)	0	132	0	132

2016/17 Capital Programme by Business Unit

Transport and Highways (continued)	Earlier Years £'000	2016/17 £'000	2017/18 and Later Years £'000	Total £ 000's
Casualty reduction schemes	384	381	350	1,115
Home to school routes	0	1,200	580	1,780
Fillongley crossroads - realigning crossroad junction	7	90	0	97
School safety zones	0	1,450	1,250	2,700
Rugby, Hunters Lane - through route New Tech Drive to Newbold Road	70	300	0	370
LED street lights funding	3,000	2,000	0	5,000
South west Warwickshire - Fisher Brook flood alleviation	897	80	0	977
Leamington - junction alterations at former Potterton Works	4	396	0	400
Minor developer funded schemes	549	198	5	752
New footway/cycleway to connect Insight Park to Southam along Welsh Road East	1	109	0	110
Stratford Town - station upgrade	17	243	0	260
B4113 Gipsy Lane junction	4	196	0	200
Ansty Business Park Phase 3	445	2,577	0	3,022
A426/A4071 Avon Mill Roundabout, Rugby - improvement scheme	150	467	0	617
A426 Gateway Rugby to Rugby town centre cycle scheme	15	35	207	257
A423 Coventry Road, Southam (S278)	0	380	0	380
B5000 Grendon Road, Polesworth new roundabout (S278)	0	1,360	0	1,360
A428 Rugby Radio Station Mast Site highways work (S278)	500	2,200	0	2,700
Highway maintenance additional funding	0	2,000	2,000	4,000
Transport And Highway Total	97,208	41,435	22,506	161,149

2016/17 Capital Programme by Business Unit

Children's Social Care and Safeguarding	Earlier Years £'000	2016/17 £'000	2017/18 and Later Years £'000	Total £ 000's
Fostercare adaptations	12	50	188	250
Children's Social Care and Safeguarding Total	12	50	188	250

Early Help and Targeted Support	Earlier Years £'000	2016/17 £'000	2017/18 and Later Years £'000	Total £ 000's
County Music Service - musical instruments	25	25	25	75
Early Help and Targeted Support Total	25	25	25	75

Professional Practice and Governance	Earlier Years £'000	2016/17 £'000	2017/18 and Later Years £'000	Total £ 000's
Client information systems	1,049	311	0	1,360
Professional Practice and Governance Total	1,049	311	0	1,360

Social Care and Support	Earlier Years £'000	2016/17 £'000	2017/18 and Later Years £'000	Total £ 000's
Common Assessment Framework - social care IT	0	920	750	1,670
Social Care and Support Total	0	920	750	1,670

2016/17 Capital Programme by Business Unit

Strategic Commissioning	Earlier Years £'000	2016/17 £'000	2017/18 and Later Years £'000	Total £ 000's
Mental Health grant	130	68	0	198
Adult Social Care modernisation and capacity	48	452	500	1,000
Strategic Commissioning Total	178	520	500	1,198

Customer Services	Earlier Years £'000	2016/17 £'000	2017/18 and Later Years £'000	Total £ 000's
Improving the customer experience in Council buildings and DDA works	116	453	0	569
One-stop shops expansion programme	138	65	0	203
Improving the customer experience/one front door improvements	302	2,427	0	2,729
Stratford Library – Registrars accommodation works and library alterations	30	245	45	320
Customer Services Total	586	3,190	45	3,821

Information Assets	Earlier Years £'000	2016/17 £'000	2017/18 and Later Years £'000	Total £ 000's
Development of Rural Broadband	11,148	7,323	13,035	31,506
Information Assets Total	11,148	7,323	13,035	31,506

2016/17 Capital Programme by Business Unit

Physical Assets	Earlier Years £'000	2016/17 £'000	2017/18 and Later Years £'000	Total £ 000's
Warwick, Shire Hall - refurbishment of Old Shire Hall	145	605	0	750
Multi Agency Safeguarding Hub (MASH) accommodation works	746	249	0	995
Warwick, Aylesford - contribution to flood alleviation scheme	12	0	188	200
Rationalisation of the Council's property	848	34	0	882
Rationalisation of County storage	2,933	1,467	0	4,400
Non-schools - asbestos and safe water remedials	0	311	311	622
Non-schools - planned building, mechanical and electrical maintenance backlog	0	2,524	2,524	5,048
Schools - asbestos and safe water remedials	0	1,292	1,292	2,584
Schools - planned building, mechanical and electrical maintenance backlog	0	2,569	2,569	5,138
Small scale reactive/minor improvements county-wide	176	113	0	289
Climate change	310	45	0	355
Reducing energy - various properties	63	300	1,200	1,563
Renewable energy - various properties	178	723	4,500	5,401
Rural Services capital maintenance	0	789	789	1,578
Physical Assets Total	5,411	11,021	13,373	29,805

2016/17 Capital Programme by Business Unit

Fire and Rescue	Earlier Years £'000	2016/17 £'000	2017/18 and Later Years £'000	Total £ 000's
Equipment for new fire appliances	82	158	120	360
New Fire and Rescue centre, Leamington Spa	209	750	1,891	2,850
Fire and Rescue Service - future estate	0	870	0	870
Response location - Gaydon	530	220	0	750
Training Centre - new build	40	3,660	1,600	5,300
Fire and Rescue Total	861	5,658	3,611	10,130

Capital Growth Fund	Earlier Years £'000	2016/17 £'000	2017/18 and Later Years £'000	Total £ 000's
Capital Growth Fund	0	5,173	5,000	10,173
Capital Growth Fund Total	0	5,173	5,000	10,173

TOTAL CAPITAL PROGRAMME	126,783	94,264	63,703	284,750
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Prudential Indicators

PRUDENTIAL INDICATOR (1) AFFORDABILITY PRUDENTIAL INDICATORS	2014/15	2015/16	2016/17	2017/18	2018/19
	actual	approved	estimate	estimate	estimate
Capital Expenditure	£'000 91,458	£'000 104,421	£'000 90,841	£'000 52,529	£'000 10,487
Ratio of financing costs to net revenue stream	% 9.22	% 9.14	% 9.37	% 8.96	% 8.73
Gross borrowing requirement	£'000	£'000	£'000	£'000	£'000
Gross Debt	393,485	388,424	363,424	362,274	352,274
Capital Financing Requirement as at 31 March	332,825	360,965	371,996	365,666	347,535
Under/(Over) Borrowing	(60,660)	(27,459)	8,572	3,392	(4,739)
In year Capital Financing Requirement	£'000 11,899	£'000 28,140	£'000 11,031	£'000 (6,330)	£'000 (18,131)
Capital Financing Requirement as at 31 March	£'000 332,825	£'000 360,965	£'000 371,996	£'000 365,666	£'000 347,535
Affordable Borrowing Limit	£	£	£	£	£
Position as agreed at March 2015 Council					
Increase per council tax payer	-5.98	1.90	11.22	12.13	0.00
Updated position of Proposed Capital Programme					
Increase per council tax payer	-5.96	1.90	5.05	-2.53	-2.35
PRUDENTIAL INDICATOR (2) TREASURY MANAGEMENT PRUDENTIAL INDICATORS	2014/15	2015/16	2016/17	2017/18	2018/19
	approved	estimate	estimate	estimate	estimate
Authorised limit for external debt -	£'000	£'000	£'000	£'000	£'000
Borrowing	501,915	526,219	497,346	461,130	449,993
other long term liabilities	12,000	12,000	12,000	12,000	12,000
TOTAL	513,915	538,219	509,346	473,130	461,993
Operational boundary for external debt -	£'000	£'000	£'000	£'000	£'000
Borrowing	418,263	438,516	414,455	384,275	374,994
other long term liabilities	10,000	10,000	10,000	10,000	10,000
TOTAL	428,263	448,516	424,455	394,275	384,994
Upper limit for fixed interest rate exposure					
Net principal re fixed rate borrowing / investments	100%	100%	100%	100%	100%
Upper limit for variable rate exposure					
Net principal re variable rate borrowing / investments	25%	25%	25%	25%	25%
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 2011/12	lower limit
under 12 months	0%
12 months and within 24 months	0%
24 months and within 5 years	0%
5 years and within 10 years	0%
10 years and above	0%