# 2017/18 Revenue Budget

## The County Council will plan its budget framework for 2017/18 on the following basis:

## 1. Financial Direction of Travel

1.1. This budget is the first year of a new three year plan to take the organisation through to 2020. We intend to invest in Warwickshire's future, so that the economy is vibrant and we can use the proceeds from that to ensure our most vulnerable citizens are safe and that children and young people across the county have the opportunity to thrive and fulfil their potential.

1.2. We will:
- Invest in 40 additional children's social workers, plus additional support capacity, to reduce caseloads and provide greater support for our most vulnerable children
- Invest in the education system for our most vulnerable learners
- Protect our elderly citizens by investing in accommodation with care, raising the levy for adult social care to fund additional demand
- Invest in protecting those who use our roads
- Generate additional capital so we can invest in the infrastructure of our County
- Invest in our staff so we have a modern and flexible workforce that has the capacity to deliver what we ask of them

1.3. The level of savings to be delivered and the choices we have made have not been taken lightly. But we will be responsible and commit ourselves to targeting resources that will support our vision to make Warwickshire the best it can be.

1.4. We will continue the approach to planning over the medium term that has served us well over recent years by taking a more focussed approach to prioritising.

1.5. We recognise that delivering a balanced budget over the next three years will mean significant challenges for the organisation. That is why our focus is on the service redesign needed to continue to deliver services to the people of Warwickshire.

1.6. We will continue with our sound financial management throughout the organisation so that we have adequate resources to target at our priorities right through to 2020. Unless there is a compelling invest-to-save business case we will only fund additional spending where there is no alternative as with the funding of the apprenticeship levy, the replacement of the cuts to the Education Services Grant, managing emerging areas of demand-led overspending and to honour our partnership commitments to continue to fund the Coventry and Warwickshire Local Enterprise Partnership Growth Hub for a further two years.

1.7. We will accelerate the programme 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. We will require services to focus on the preventative agenda to manage demand downwards, so we can secure even more value for money. We recognise implementation will be complex, and appropriately skilled staff with the capability and capacity for implementation, is crucial. For this reason we have included a £5 million Transformation Fund as part of these proposals.

1.8. We are all consumers of the services the County Council provides. We also represent the tax payers of Warwickshire. We accept that we have to find another £67 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 £0.96 per week for a Band D dwelling.

## 2. Adult Social Care

2.1. Adult social care is our largest consumer of resources. In November 2015 the Government announced that local authorities would be able to levy an additional 2% on top of their normal council tax increase each year, with this additional funding to be ring-fenced for use in adult social care.

2.2. We propose to take the additional 2% levy for adult social care each year for the period 2017 to 2020 and will increase the resources available to deliver adult social care by at least the amount raised from the levy. We know that, both locally and nationally, this is a top priority for citizens. We expect the Service to manage within these funds, meeting all demographic, statutory and inflationary pressures from the additional resources generated or through the delivery of the identified savings proposals, working with partners to manage the extent of any emerging demand-led spending pressure, thereby reducing the level of savings needed.

2.3. We believe this approach provides the flexibility needed by the Service to manage its resources in the most effective way. Our focus is the transformation of adult social care pathways, the way we deploy social workers and the enhancement of information and advice to enable people to shape their own solutions. We expect the Service to use the additional £2.245 million one-off 2017/18 Adult Social Care Transformation Grant to support this agenda.

## 3. Revenue Allocations

3.1. We will provide £7.078 million for the estimated cost of pay and price inflation in 2017/18, 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. Once the overall allocation has been agreed, a Business Unit will have the opportunity to allocate the funding provided to reflect where inflation will impact at a local level.

The Medium Term Financial Plan sets aside a further £16.959 million to meet the estimated cost of inflation over the following two years. We recognise that over the period of the 2017-20 Plan we are likely to face rising inflationary pressures. Any inflationary pressures that cannot be managed from within this provision would need to be met by reducing spending by an equivalent amount.

| Table 1: 2017/18 Inflation Allocations | |
|---|---|
| Service | £ |
| Community Services | 434,000 |
| Education and Learning | 218,000 |
| Public Health | 378,000 |
| Transport and Economy | 209,000 |
| Children and Families | 851,000 |
| Professional Practice and Governance | 53,000 |
| Social Care and Support | 2,099,000 |
| Strategic Commissioning | 157,000 |
| Customer Services | 110,000 |
| Finance | 68,000 |
| Human Resources and Organisational Development | 61,000 |
| Information Assets | 110,000 |
| Law and Governance | 18,000 |
| Performance | 45,000 |
| Physical Assets | 114,000 |
| Fire and Rescue | 194,000 |
| Other Services | 1,959,000 |
| Total | 7,078,000 |

3.2. In addition to meeting the estimated cost of inflation we will also provide for the following additional spending need:

- We will provide £1.200 million to meet the estimated cost of the new apprenticeship levy to be paid by larger employers from April 2017.
- We will meet all the time-limited additional spending commitments for 2017/18 agreed by Council in previous years as part of the 2014-18 One Organisation Plan, totalling £4.640 million.
- We will provide £100,000 for each of the next two years as our contribution to the running costs of the Coventry and Warwickshire Local Enterprise Partnership (CWLEP) Growth Hub.
- We will set up a new £5 million Transformation Fund using the resources currently in the Capacity Building Fund, supplemented by £3.9 million from the Medium Term Contingency to invest in our workforce so they have the capacity to deliver the considerable and increasingly complex transformation agenda required.
- We will allocate £2.706 million to meet the increased cost of borrowing to deliver and support an enhanced programme of investment in Warwickshire's future.
- We will provide £8.586 million to adult social care (£2.245 million as a one-off allocation) in addition to the inflation allocation in Table 1 to meet

demand-led spending pressures and to ensure we meet the requirements for levying the additional adult social care levy.

- We will provide £1.199 million to the Children and Families Business Unit and £0.126 million to the Professional Practice and Assurance Business Unit to ensure the 2017/18 budget is on a sound financial footing and the risk of overspending is minimised. Subject to annual review, we have made provision for the allocation to Children and Families Business Unit to increase to £2.769 million by 2019/20. The relevant Business Units have identified additional savings, on top of those to balance the 2017-20 Plan to meet this risk of overspending.
- We will invest £0.200 million to pump prime the Fire and Rescue Services increased support for the vulnerable, including home fire safety.

3.3. We expect business units to manage all other issues from within existing financial resource levels and support their planned use of £6.571 million of service reserves to provide capacity to invest in service change and to allow space to effectively implement service redesign/reprioritisation.

## 4. Dedicated Schools Grant

4.1. We expect the cost of funding schools and relevant pupil-related services to be contained within the level of the Dedicated Schools Grant (DSG) over the period of the Plan. We do not intend to subsidise or write-off any overspends over the period of One Organisation Plan 2020. We have committed, within our Medium Term Financial Planning Framework to work with schools and the Schools Forum on a long term solution for the sustainability of services funded from DSG.

## 5. Funding Sources

5.1. Our savings plan will generate £33.257 million in 2017/18 and approval is given to the plans for the delivery of these savings in **Appendix A**. If during 2017/18 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.

5.2. 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 outlining costed savings proposals over the medium term that enable a greater understanding of the impact of savings plans and the difficult choices we have to make. These are also detailed in Appendix A.

5.3. The total savings to be delivered over the 2017-20 Plan are £67.399 million.

5.4. 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 £12.7 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.

5.5. 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 in Table 2 will be matched by an equivalent adjustment in the budget for the respective service.

| Table 2: 2017/18 Grant Allocations | £'000 |
|---|---|
| Revenue Support Grant | 20,389 |
| Business Rates Top-Up Allocation | 37,774 |
| Business Rates 2% Compensation Grant | 848 |
| Public Health Grant | 23,563 |
| Independent Living Fund | 1,865 |
| Fire and Rescue Local Services Grant | 48 |
| Community Voices | 301 |
| New Homes Bonus | 2,832 |
| Education Services Grant (via DSG) | 1,140 |
| Better Care Fund | 10,419 |
| Transitional Grant (year 2 of 2) | 2,993 |
| 2017/18 Adult Social Care Transformation Grant | 2,245 |
| Total | 104,417 |

5.6. We will use the £23.669 million from our 10% share of the business rates expected to be collected in Warwickshire to support the overall budget of the County Council.

5.7. We will use the £1.981 million surplus from the collection of council tax to support the budget on a one-off basis.

5.8. 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



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use £4.045 million of the Medium Term Contingency and earmarked service reserves to support our spending plans.

5.9. **The council tax will increase by 3.99%**. With the other funding resources identified, this will fund the proposals contained within this resolution.

## 6. Medium Term Financial Planning Framework

6.1. We plan our budgets over the medium term. This allows for a more focussed and planned approach to prioritisation. This means services can focus on delivery knowing the financial environment within which they will be required to operate. We continue with this approach in the 2020 One Organisation Plan taking us through to the end of 2019/20.

6.2. We recognise that beyond 2019/20 the changes to the system of local government finance as a result of the increasing moves towards self-sufficiency and the 100% localisation of business rates means our financial planning processes will need to change as the level of income from local taxation will become increasingly variable and unpredictable. We therefore ask Corporate Board to begin the preparatory work to ensure the organisation is in the best position to remain financially robust as we move into this more volatile funding environment.

6.3. In preparing this budget and savings plan we have recognised that the period of austerity for public services will continue until at least 2020. 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.

6.4. Our One Organisation Plan 2020 defines what the local authority, and indeed the wider public sector in Warwickshire, is likely to look like by 2020, maps out the changes and explains how we will navigate from here to there on a planned basis.

6.5. Whilst the Plan provides a financially sustainable basis for the next three years we recognise there are areas where work is still needed. There are a number of areas where we expect Corporate Board to develop more detailed plans in time for the 2018/19 refresh of the Medium Term Financial Plan. These include:

- To finalise work in progress for children and families, such as Smart Start and health visitors, which will be integrated into our overall work to achieve our vision for the future for children and families.

- To complete the work on the reassessment of the role of Children's Centres, how they target the areas of most need and provide support to areas where there is less access to services.

- To undertake a full review of the practicalities, costs and savings arising from the implementation of the Apprenticeship Levy.

- The identification of a long term solution to bring the Dedicated Schools Grant (DSG) back into balance. This should include an assessment of the future for services previously funded by the Education Services Grant and Early Years central funding.

- To investigate the option for the County Council having its own fleet of buses to extend competition in the market.

- To undertake a feasibility study into the County Council undertaking a more commercial approach to the use of its property and land assets.

6.6. We do not underestimate the extent of redesign and transformation required to deliver the 2020 One Organisation Plan. That is why we have put in place a £5 million Transformation Fund as part of this resolution to support the activity needed, including providing any funding to deliver the reviews outlined in paragraph 6.5.

6.7. We will also adopt a new reserves strategy (**Appendix B**) that outlines why we hold reserves and how this impacts on the level at which they are held and hence the accountability for their effective management, proposals for the maintenance of incentives within the system and an approach for seeking approval to use and hold reserves in the future. We expect Strategic Directors and the Chief Fire Officer to ensure the funding is used to cover service-based risks and meet any up-front investment needed to deliver the savings plan. We would expect this approach to improve the sustainability of the 2017-20 Plan and would not expect to have to reopen our budget decisions except in exceptional circumstances.

## 7. Head of Finance Statement

7.1. 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 2017/18 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 2017/18. 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 2017/18 budget do not increase this financial risk. 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 £18.5 million in general reserves in 2017/18. 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."*

## 8. Summary of Service Estimates

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

| | Controllable Budget £ | Revenue Allocations £ | Funding Sources £ | Total £ |
|---|---|---|---|---|
| Community Services | 27,299,208 | 459,000 | (1,454,000) | 26,304,208 |
| Education and Learning | 86,774,112 | 258,000 | (1,249,000) | 85,783,112 |
| Public Health | 25,826,623 | 378,000 | (2,534,000) | 23,670,623 |
| Transport and Economy | 28,568,717 | 1,334,000 | (2,804,000) | 27,098,717 |
| Children and Families | 53,381,636 | 3,200,000 | (2,569,000) | 54,012,636 |
| Professional Practice and Governance | 5,024,399 | 179,000 | (401,000) | 4,802,399 |
| Social Care and Support | 122,169,177 | 11,035,000 | (6,360,000) | 126,844,177 |
| Strategic Commissioning | 11,961,279 | 607,000 | (2,361,000) | 10,207,279 |
| Customer Services | 8,692,682 | 110,000 | (356,000) | 8,446,682 |
| Finance | 4,076,189 | 68,000 | (624,000) | 3,520,189 |
| Human Resources and OD | 6,372,953 | 61,000 | (313,000) | 6,120,953 |
| Information Assets | 9,643,820 | 110,000 | (1,102,000) | 8,651,820 |
| Law and Governance | 803,811 | 18,000 | (65,000) | 756,811 |
| Performance | 3,077,978 | 45,000 | (90,000) | 3,032,978 |
| Physical Assets | 10,075,378 | 214,000 | (2,157,000) | 8,132,378 |
| Fire and Rescue | 18,506,993 | 394,000 | (368,000) | 18,532,993 |
| Other Services - spending | 44,890,580 | 12,365,000 | (8,450,000) | 48,805,580 |
| Other Services - schools and funding | (67,866,722) | 0 | (128,086,000) | (195,952,722) |
| | 399,278,813 | 30,835,000 | (161,343,000) | 268,770,813 |
| Contributions to/(from) reserves: | | | | |
| - Service Reserves | (6,571,000) | 0 | (1,100,000) | (7,671,000) |
| - Medium Term Contingency | 0 | 0 | (2,945,141) | (2,945,141) |
| Budget Requirement | 392,707,813 | 30,835,000 | (165,388,141) | 258,154,672 |

## 9. Council Tax Requirement

9.1. Approval is given to a council tax requirement and a Band D Council Tax for the County Council for the year ending 31 March 2018 as follows:

| | £ |
|---|---|
| Budget Requirement | 258,154,672.00 |
| *Less* Council Tax Surplus on Collection | (1,980,661.00) |
| Council Tax Requirement for the year ended 31 March 2018 | 256,174,011.00 |
| Divided by aggregate Council Tax Base for the County Area | 197,226.85 |
| Basic amount of Council Tax (Band D) | 1,298.8800 |

## 10. Council Tax

10.1. The council tax for 2017/18 is increasing by 3.99%. Therefore, approval is given to Council Tax amounts for each category of property as follows:

| | £ |
|---|---|
| Band A | 865.9200 |
| Band B | 1,010.2400 |
| Band C | 1,154.5600 |
| Band D | 1,298.8800 |
| Band E | 1,587.5200 |
| Band F | 1,876.1600 |
| Band G | 2,164.8000 |
| Band H | 2,597.7600 |

## 11. Precepts

11.1. The Head of Paid Service or Strategic Director of Resources issue 2017/18 precepts on the Warwickshire billing authorities, as follows:

| | £ |
|---|---|
| North Warwickshire Borough Council | 26,377,278.37 |
| Nuneaton & Bedworth Borough Council | 47,208,443.05 |
| Rugby Borough Council | 45,981,391.12 |
| Stratford-on-Avon District Council | 68,143,349.28 |
| Warwick District Council | 68,463,549.18 |

## 12. Budget Management

12.1. The Head of Paid Service is directly responsible for the implementation of the budget.

12.2. Cabinet will continue to receive quarterly reports on service performance, financial performance and progress on the delivery of the savings plans.

12.3. 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.

12.4. 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.

12.5. 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.

12.6. 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.

12.7. The Head of Paid Service 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.

12.8. 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.

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

12.10. 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.

## 13. Pay Policy

13.1. 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.

13.2. 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 Head of Paid Service, Strategic Directors and Heads of Service) and* the remuneration of employees who are not chief officers.

13.3. 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 2017/18. It also sets out our proposed approach to the payment of exit payments at paragraph 9.6.

# 2017-20 Savings Plan

| Ref Number | Description of change proposed | Cumulative Cash Saving 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 |
|---|---|---|---|---|
| | | | | |
| | Community Services Business Unit | | | |
| CG-CS-01 | Reducing the costs associated with landfill sites by diverting more waste from landfill to energy from waste plants | 67 | 67 | 67 |
| CG-CS-02 | Reducing waste and increase recycling across the County | 313 | 313 | 313 |
| CG-CS-03 | Communities Group support services - reductions based on the priorities of Communities Group Business Units | 98 | 98 | 98 |
| CG-CS-04 | Heritage and Culture Warwickshire - reductions in some heritage & culture services and a focus on increasing volunteering and commercial viability. | 182 | 182 | 182 |
| CG-CS-05 | 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. | 20 | 20 | 20 |
| CG-CS-06 | Youth Justice Service - a service redesign focussed on reactive court ordered activity with a reduction in staffing and management costs as a result | 0 | 0 | 222 |
| CG-CS-07 | Reviewing alternative delivery models to enable Country parks to become self financing | 128 | 128 | 128 |
| CG-CS-08 | Increasing income levels and identify savings to make Forestry self financing | 26 | 26 | 26 |
| CG-CS-09 | Localities and Partnerships - 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. | 100 | 100 | 100 |
| CG-CS-10 | Reduction in support for environmental landscape services | 30 | 30 | 30 |
| CG-CS-11 | Community Services Management - a reduction in the funding for training, legal costs and projects and a reduction in management posts consistent with the redesign of the Business Unit | 49 | 255 | 255 |
| CG-CS-12 | Trading Standards - implementation of a service redesign focussed on generic roles for trading standards officers and a 'one team' approach removing specialisms, partially offset by additional investment in intelligence to aid assessment and resilience, as a result there will be a reduction in staffing and management costs. Activity that delivers internet safety for vulnerable people will be protected | 24 | 227 | 227 |
| CG-CS-13 | Waste Management - a reduction waste tonnage to landfill, an increase in trade waste and third party income, an increase in recycling and a change in the allocation of recycling credits for green waste and food waste | 320 | 356 | 999 |
| CG-CS-14 | Communities Resources - a reduction in activity and staffing to focus on statutory activity such as freedom of information requests and information governance matters. | 2 | 24 | 45 |
| CG-CS-15 | Heritage and Culture - a refocus of services on the Market Hall Museum, the County Records office and income generation | 0 | 280 | 360 |
| CS-OOP14-18 | Youth Justice Service - service reductions in our support to young people in the criminal justice system | 95 | 95 | 95 |
| | Total for Community Services | 1,454 | 2,201 | 3,167 |

# 2017-20 Savings Plan

| Ref Number | Description of change proposed | Cumulative Cash Saving | | |
|---|---|---|---|---|
| | | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 |
| | | | | |
| | Education and Learning Business Unit | | | |
| CG-EL-01 | Funding set aside to repay self-financed borrowing is no longer needed for this purpose and can be released | 80 | 80 | 80 |
| CG-EL-02 | Remove the budget for one-off small research and development projects | 12 | 12 | 12 |
| CG-EL-03 | Attendance, Compliance & Enforcement Service (ACE): Reduce the number of cases that require intervention, effective use of funding from the priority families programme, increase trading with academy schools outside Warwickshire and reductions in the service | 67 | 206 | 206 |
| CG-EL-04 | 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 | 100 | 100 |
| CG-EL-05 | Reduction in management and administration and the removal of the funding set aside for school-based projects that arise during the year. | 300 | 410 | 410 |
| CG-EL-06 | Restructure of the school improvement and early years quality improvement functions and the post-16 team to reflect the approach to school-led improvement approach and policy outlined in the Education for All Bill. | 690 | 791 | 791 |
| CG-EL-07 | Access and Organisation; a reduction in planning costs, the removal of funding for vacant sites and removing the provision for the set-up costs of new schools | 0 | 35 | 70 |
| CG-EL-08 | Stop funding redundancy costs for schools and only provide for existing commitments | 0 | 100 | 221 |
| CG-EL-09 | Reduction in the Home to School Transport Budget: | 0 | 320 | 1,648 |
| | Total for Education and Learning | 1,249 | 2,054 | 3,538 |

# 2017-20 Savings Plan

| Ref Number | Description of change proposed | Cumulative Cash Saving | | |
|---|---|---|---|---|
| | | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 |
| | | | | |
| | Public Health Business Unit | | | |
| CG-PH-01 | Redesigning current ways of working and the arrangements for external contracts | 1,200 | 1,200 | 1,200 |
| CG-PH-02 | Drugs and Alcohol - a reduction in costs, prioritised through a redesign and recommissioning process | 377 | 1,300 | 1,300 |
| CG-PH-03 | Healthwatch - re-tendering and redesign of the service to allow greater use of different channels, of volunteers and alignment with other similar agencies | 42 | 87 | 87 |
| CG-PH-04 | Dietetics - retain the acute provision and move community provision towards the preventative approach with access criteria and lower priority requirements accessed through other community provision. | 200 | 400 | 400 |
| CG-PH-05 | Reduce staffing and overheads across the Business Unit | 100 | 200 | 300 |
| CG-PH-06 | Smoking Cessation - redesign services to accommodate the changes in how the public are choosing to quit smoking | 200 | 300 | 300 |
| CG-PH-07 | Health Visitors and Family Nurse Practitioners - reduction in costs, prioritised through a redesign and recommissioning process | 415 | 1,150 | 1,150 |
| CG-PH-08 | Advocacy - retendering and redesign of the service, combining the two advocacy approaches into one (see proposed saving from Healthwatch) | 0 | 85 | 85 |
| | Total for Public Health | 2,534 | 4,722 | 4,822 |
| | | | | |
| | Transport and Economy Business Unit | | | |
| CG-TE-01 | Rationalisation of management capacity within Business Unit as a result of a reorganisation of groups and functions | 185 | 185 | 185 |
| CG-TE-02 | Road Safety - a reduction in staffing levels as a result of the amalgamation of two teams to better reflect service delivery needs. | 80 | 80 | 80 |
| CG-TE-03 | Increased income as a result of pricing changes in Design Services, bringing our charges in line with the sector norm. | 100 | 150 | 200 |
| CG-TE-04 | Maximise the extent to which the operational costs of design work of schemes is financed by the capital allocated for a the specific scheme. | 100 | 100 | 100 |
| CG-TE-05 | Removal of contingency fund for managing contractual risk and/or ensuring operational resilience in the event of extreme events. | 400 | 400 | 400 |
| CG-TE-06 | Generate income by an increase in the fees payable for licences and permits, including skips, scaffold, street café licenses and vehicular access requests. | 50 | 55 | 60 |
| CG-TE-07 | Increase income targets to reflect current activity levels from Section 184 and Minor Works, Section 38 Agreements and pre application advice for highways. | 130 | 140 | 150 |
| CG-TE-08 | Review the regeneration function with a view to reduce activity and increase income. The outcome of the review will result in a reduction in officer and project based support for place and community based work, including Pride in Camp Hill. | 180 | 180 | 180 |
| CG-TE-09 | Increase parking income as a result of re-tendering for the Civil Parking Enforcement operation, increased residential parking permits and on-street parking charges | 441 | 485 | 529 |

2017-20 Savings Plan

| Ref Number | Description of change proposed | Cumulative Cash Saving 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 |
|---|---|---|---|---|
| CG-TE-10 | Increased income from the permit scheme for working on the highway as a result of systems development efficiencies and a more targeted site inspection regime will ensure compliance with permit scheme approvals. | 3 | 88 | 253 |
| CG-TE-11 | Reduction in highway drainage maintenance. | 200 | 200 | 200 |
| CG-TE-12 | To reduce the Public Transport Revenue Support Budget by £500,000. This will result in bus users across the county having less choice and reduced access opportunities to services and facilities. However, all communities with a population of more than 50 will retain a level of public transport provision as stipulated in the Local Transport Plan. This saving has been delivered as part of the OOP1 Savings Plan. | 500 | 500 | 500 |
| CG-TE-13 | Reduce capacity to develop Going for Growth bids | 200 | 200 | 200 |
| CG-TE-14 | Commissioning of the cycle training service to an external provider. | 15 | 20 | 20 |
| CG-TE-15 | Energy savings as a result of the capital investment into LED technology within our street lighting stock. | 200 | 600 | 900 |
| CG-TE-16 | Increased income from the current portfolio of business centres as a result of sustained higher levels of occupancy and through pro-active measures to improve service quality to enable increased rents in line with market conditions. | 20 | 40 | 70 |
| CG-TE-17 | Increased income and surplus from County Fleet Maintenance following the installation of an MOT test facility at the new Hawkes Point site. | 0 | 25 | 50 |
| CG-TE-18 | Develop the market for pre application advice, with the introduction of the pre-application charges in Flood Risk | 0 | 20 | 20 |
| CG-TE-19 | Generate new income from the implementation and operation of a highway permit scheme for Solihull MBC. The County Council currently manages a similar permit scheme for Coventry City Council. | 0 | 25 | 50 |
| CG-TE-20 | Winter gritting route optimisation as a result of rationalising depots to a single south depot. | 0 | 0 | 25 |
| CG-TE-21 | Reduction in depot maintenance costs as a result of rationalising depots to a single south depot. | 0 | 0 | 75 |
| CG-TE-22 | Increased income by the introduction of a new charging schedule for parking permits, including a consideration of a business parking permit scheme. | 0 | 0 | 698 |
| CG-TE-23 | Increased income by developing portfolio of business centres, creating new units in areas of demand to support local economic growth and generate a positive financial return to the Council | 0 | 0 | 80 |
| | Total for Transport & Economy Business Unit | 2,804 | 3,493 | 5,025 |

**Appendix A**

# 2017-20 Savings Plan

| Ref Number | Description of change proposed | Cumulative Cash Saving | | |
|---|---|---|---|---|
| | | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 |
| | | | | |
| | Children and Families Business Unit | | | |
| PG-CF-01 | Reductions, savings and efficiencies in the operation of the Business Unit including a refocus of council-led parenting training, efficiency savings from the establishment of a regional adoption agency and fully integrating the Priority Families team into the management and operational structures of the Business Unit | 359 | 508 | 568 |
| PG-CF-02 | Planned reduction in pre-court proceedings/processes leading to reduced disbursement costs | 250 | 250 | 250 |
| PG-CF-03 | Warwickshire Employment Services Team | 280 | 280 | 280 |
| PG-CF-04 | Delivery of a reduction in the need for children to become or remain looked after in Warwickshire | 408 | 2,600 | 5,200 |
| PG-CF-05 | Children's Centres - a redesign of the service to reflect targeting support on those with greatest need | 0 | 420 | 420 |
| PG-CF-06 | Changes to the placement mix of Children Looked After and improved management of placements, including building on best practice to improve the numbers of women that go on to successfully parent or make a positive choice not to have further children and delivery of a specialist single placement fostercare scheme | 711 | 1,151 | 1,571 |
| PG-CF-07 | Savings in the commissioning of services including a reduction in external residential placement costs through a move to more collaborative provision and the development of a framework agreement to reduce the cost of psychological assessments | 115 | 330 | 330 |
| PG-CF-08 | Increase the income generated from traded services including new income generation opportunities within the CAMHS contract | 10 | 120 | 170 |
| PG-CF-09 | Full year effect of existing savings and one-off under-spends to manage the phasing of savings relative to the need to spend. | 436 | 161 | 167 |
| CF-OOP14-18 | Childrens Centres | 0 | 700 | 700 |
| | Total for Children and Families | 2,569 | 6,520 | 9,656 |

# 2017-20 Savings Plan

| Ref Number | Description of change proposed | Cumulative Cash Saving | | |
|---|---|---|---|---|
| | | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 |
| | | | | |
| | Professional Practice and Assurance Business Unit | | | |
| PG-PPA-01 | Reduction in the planning and research functions supporting the delivery of adult social care services | 25 | 25 | 25 |
| PG-PPA-02 | Reduction in secretarial support for the senior management of the People Group through the release of a vacant post | 24 | 24 | 24 |
| PG-PPA-03 | Redistribution of project budgets across PPA. | 126 | 126 | 126 |
| PG-PPA-04 | Reduction in historic pension costs that will decline naturally over time | 12 | 24 | 36 |
| PG-PPA-05 | Reduction in the contingency and projects budget of the Business Unit and the delivery of a rationalised Head of Service structure once the redesign and transformation work has been delivered. | 214 | 236 | 418 |
| PG-PPA-06 | Reduction in the funding allocated to provide training for the Adults and Children's Safeguarding Boards | 0 | 80 | 80 |
| PG-PPA-07 | Integration of the support services provided to the Adult and Children's Safeguarding Boards | 0 | 61 | 61 |
| PG-PPA-08 | Rationalisation of the system supporting the Local Authority Designated Officer function with the main social care ICT systems to enable a saving in licensing costs and reductions in Google licence costs | 0 | 4 | 24 |
| PG-PPA-09 | Redesign of the support function for Care Records ICT Systems | 0 | 65 | 65 |
| PG-PPA-10 | Reduction in business redesign and collaboration functions and funding for service specific learning and development activity | 0 | 0 | 66 |
| | Total for Professional Practice and Assurance | 401 | 645 | 925 |

# 2017-20 Savings Plan

| Ref Number | Description of change proposed | Cumulative Cash Saving | | |
|---|---|---|---|---|
| | | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 |
| | | | | |
| | Social Care and Support | | | |
| PG-SCS-01 | Decommission the non-statutory additional dementia navigator and specialist support services contracts and decommission the stroke contract, ensuring the training offer and specifications of other external contracts include appropriate stroke support | 427 | 427 | 427 |
| PG-SCS-02 | Ensure residential care for people with a disability appropriately meeting need and is cost effective | 600 | 600 | 600 |
| PG-SCS-03 | Ensure supported living services for people with a disability are appropriately meeting need and are cost effective | 300 | 300 | 300 |
| PG-SCS-04 | Redesign contract arrangements for short breaks for people with disabilities, ensuring more consistent use of residential respite | 131 | 463 | 854 |
| PG-SCS-05 | Reshape the day opportunities offer for people with disabilities | 200 | 200 | 200 |
| PG-SCS-06 | Ensure the personal budget offer is consistent and appropriate to need, including the use of the Resource Allocation System | 518 | 1,042 | 1,320 |
| PG-SCS-07 | Increased reliance on mainstream transport solutions to enable customers to access the services they need | 65 | 272 | 515 |
| PG-SCS-08 | Development of Reablement services | 447 | 447 | 447 |
| PG-SCS-09 | Maximise all customer charging opportunities | 200 | 200 | 200 |
| PG-SCS-10 | Occupational therapy - improve moving and handling training services | 878 | 878 | 878 |
| PG-SCS-11 | Service redesign for Social Care and Support teams (except Reablement - separate savings plan), reshaping the workforce to meet the future model of adult social care | 239 | 789 | 1,428 |
| PG-SCS-12 | 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 | 300 | 300 | 300 |
| PG-SCS-13 | Improved 'whole life' and transitions pathway for children with disability who grow up and need adult care services. | 300 | 300 | 300 |
| PG-SCS-14 | Develop care and support services within the County so people do not need to move out-of-county to receive specialist services | 22 | 22 | 22 |
| PG-SCS-15 | Management of the National Living Wage and inflation impacts through the development of a revised commissioning approach | 1,000 | 2,100 | 2,100 |
| PG-SCS-16 | Use alternative 24 hour care options e.g. extra care housing and supported living | 423 | 1,092 | 1,717 |
| PG-SCS-17 | Develop and shape community alternatives and improve social capital to reduce demand on statutory social care services - reducing the budget for commissioned services in line with a planned approach to developing community alternatives and local capacity, capacity building of existing and emerging third sector and informal organisations and securing strong connections between real and virtual sources of information so that self-help is the first option with a consequent reduction in demand. | 310 | 2,269 | 4,290 |
| PG-SCS-18 | Alternative solutions for low level needs for home care e.g. assistive technology, information, advice and community resources | 0 | 416 | 830 |
| PG-SCS-19 | Consideration of alternatives to day opportunities | 0 | 701 | 1,402 |
| PG-SCS-20 | Remodel direct payment employment support services | 0 | 0 | 150 |
| PG-SCS-21 | Reshaping the information and advice contract aimed at supporting people to return home safely from hospital | 0 | 0 | 100 |
| | Total for Social Care and Support | 6,360 | 12,818 | 18,380 |

2017-20 Savings Plan

| Ref Number | Description of change proposed | Cumulative Cash Saving | | |
|---|---|---|---|---|
| | | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 |
| | | | | |
| | Strategic Commissioning Business Unit | | | |
| PG-SCOM-01 | Reduction in the Housing Related Support Programme through a further redesign of the service to ensure support is provided to the most vulnerable, supporting individuals to become more independent and self-sufficient. 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. | 0 | 0 | 400 |
| PG-SCOM-02 | Review of the necessary staffing levels to support the inspection / improvement activity across People Group with a view to reducing posts | 120 | 120 | 120 |
| PG-SCOM-03 | Review of the necessary staffing levels to support quality assurance and contract management functions across the business unit with a view to reducing posts | 37 | 37 | 37 |
| PG-SCOM-04 | Reduce and reshape the staffing structure within the Business Unit and a reduction in programme and management support | 203 | 252 | 374 |
| PG-SCOM-05 | All Age Disabilities - commission only statutory advocacy services and redesign appointee services | 104 | 153 | 153 |
| PG-SCOM-06 | Integration of existing commissioning functions into a single commissioning service and generation of an income stream through joint commissioning with and on behalf of partner organisations | 0 | 125 | 150 |
| SC-OOP14-18 | 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 | 1,897 | 1,897 | 1,897 |
| | Total for Strategic Commissioning | 2,361 | 2,584 | 3,131 |
| | | | | |
| | Customer Services Business Unit | | | |
| RG-CS-01 | Reduction in the staff supporting the senior management of the Business Unit. | 30 | 30 | 30 |
| RG-CS-02 | Increase income from the Registration Service | 100 | 110 | 145 |
| RG-CS-03 | Reduction in the resources available to undertake projects within Customer Services | 30 | 30 | 30 |
| RG-CS-04 | 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. | 196 | 196 | 196 |
| RG-CS-05 | Reduction in Library and One Stop Shop management and support staff consistent with the restructure and redesign of these services | 0 | 0 | 90 |
| | Total for Customer Services | 356 | 366 | 491 |

**Appendix A**

2017-20 Savings Plan

| Ref Number | Description of change proposed | Cumulative Cash Saving | | |
|---|---|---|---|---|
| | | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 |
| | | | | |
| | Finance Business Unit | | | |
| RG-FIN-01 | The service will make the final payment to repay borrowing to pay for the Council's financial system (Agresso) and so can release the budget as an ongoing saving. | 150 | 150 | 150 |
| RG-FIN-02 | The procurement team will prioritise additional service activity to target additional income from contract rebates | 60 | 60 | 60 |
| RG-FIN-03 | Better use of financial systems to generate efficiencies, maximise income and minimise transaction costs. | 249 | 249 | 249 |
| RG-FIN-04 | The service will reduce the number of staff it employs to support both service managers and Elected Members for budget setting, quarterly financial monitoring and final accounts, by focussing more on training and on-line support and redesigning services to improve the "financial literacy" of the organisation. | 165 | 200 | 205 |
| RG-FIN-05 | The service will reduce the need for current staffing capacity by focussing on greater use of standardised processing of transactions, less manual intervention and exploring the benefits of a broader transactional service across the organisation. | 0 | 30 | 120 |
| | Total for Finance | 624 | 689 | 784 |
| | | | | |
| | Human Resources Business Unit | | | |
| RG-HR-01 | Reduction in the Business Unit's management team as a result of a reorganisation of operational teams across the service | 60 | 60 | 60 |
| RG-HR-02 | Re-design HR Business Partnership Service and reduce capacity. Reduce the spend on the corporately funded learning menu. | 68 | 68 | 68 |
| RG-HR-03 | Redesign employee relations (including HR and equalities and diversity advisory services), policy development and manage demand by increasing self-service | 40 | 40 | 40 |
| RG-HR-04 | Reduction in agency / temp staff spend in HRSC | 34 | 34 | 34 |
| RG-HR-05 | Workforce Strategy and Organisational Development Service - Redesign the service reducing management and team capacity; streamlining learning and development processes with the HR Service Centre and reducing spend on corporately funded learning. | 111 | 138 | 187 |
| RG-HR-06 | Implement a new HR and payroll system to replace HRMS and restructure the HR Service Centre. This will include the review of charges for all external customers | 0 | 0 | 229 |
| RG-HR-07 | The purchase of the new HR and payroll system will provide an alternative learning management and e-learning option resulting in the decommissioning of WILMA and a reduction in the current licence costs. | 0 | 0 | 31 |
| RG-HR-08 | Employee welfare - Review the employee welfare service, including seeking a more cost effective provider of staff care and a reduction of support to managers in health and safety and well-being. | 0 | 48 | 48 |
| | Total for Human Resources | 313 | 388 | 697 |

# 2017-20 Savings Plan

| Ref Number | Description of change proposed | Cumulative Cash Saving | | |
|---|---|---|---|---|
| | | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 |
| | | | | |
| | Information Assets Business Unit | | | |
| RG-IA-01 | Release of the trading surplus delivered by the Schools ICT Service | 200 | 200 | 200 |
| RG-IA-02 | Make saving in the use of the Corporate ICT Development Budget by seeking to use either fixed term contract/student placements as an alternative to some of the contractor approaches currently employed. This should allow us to make a saving without a reduction in the quality and output of the service. | 150 | 150 | 150 |
| RG-IA-03 | Reduction in spend on specification, building, procurement, implementation, support and enhancement of information systems | 117 | 117 | 117 |
| RG-IA-04 | 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. | 50 | 50 | 50 |
| RG-IA-05 | 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 | 146 | 146 | 146 |
| RG-IA-06 | 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 | 58 | 58 | 58 |
| RG-IA-07 | Reduction in the cost of the management, the technical development/build and deployment of personal computing devices | 35 | 35 | 35 |
| RG-IA-08 | 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. | 43 | 43 | 43 |
| RG-IA-09 | 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 | 17 | 17 | 17 |
| RG-IA-10 | Savings in the costs associated with the management of the Information Assets Service. This includes options to rationalise the management structure associated with the refocused operational activity and a more commissioning style structure. It also includes an option to offer staff alternative working arrangements such as reduced hours. | 116 | 174 | 239 |
| RG-IA-11 | Reduction in the costs associated with the management and support of the ICT Infrastructure equipment that is used to deliver our ICT systems and related facilities. This includes savings associated with the introduction of a new modern telephony service, further contract benefits and adoption of a capital approach for some projects/products. | 170 | 280 | 380 |
| RG-IA-12 | Reduction in the funding associated with the provision of ICT Help Desk and Support Services, and a further reduction in the volume and costs of the personal computing facilities provided to staff and elected members. | 0 | 145 | 285 |
| RG-IA-13 | Savings in the staffing budget for the Strategy, Programme and Information Team as Project and Programme management support capacity is reduced as part of the general reduction in size of the Council. | 0 | 50 | 150 |
| | Total for Information Assets | 1,102 | 1,465 | 1,870 |

# 2017-20 Savings Plan

| Ref Number | Description of change proposed | Cumulative Cash Saving | | |
|---|---|---|---|---|
| | | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 |
| | | | | |
| | Law and Governance Business Unit | | | |
| RG-LG-01 | Increase External Income Potential through Legal Services | 8 | 8 | 8 |
| RG-LG-02 | Internal Audit - Savings achieved through streamlining processes and restructure of service | 35 | 55 | 55 |
| RG-LG-03 | Increased surplus from external legal work - combination of reducing operating costs, increasing utilisation and delivering more external hours to external customers at increased hourly rates. | 22 | 51 | 85 |
| | Total for Law and Governance | 65 | 114 | 148 |
| | | | | |
| | Performance Business Unit | | | |
| RG-PE-01 | Reduction of management team as a result of the release of a vacant post | 70 | 70 | 70 |
| RG-PE-02 | Reduction in the cost of providing a commissioning and business intelligence service through the release of a vacant post | 20 | 20 | 20 |
| RG-PE-03 | Reduction in management and operational capacity through streamlining processes and redesigning the service. | 0 | 45 | 90 |
| RG-PE-04 | Reduction in software tools and procured data sets which are used to provide insight and intelligence in support of transformation and service delivery for the Council. | 0 | 10 | 20 |
| | Total for Performance | 90 | 145 | 200 |
| | | | | |
| | Physical Assets Business Unit | | | |
| RG-PA-01 | Reduction in the running costs of property as a consequence of Property Rationalisation | 406 | 406 | 406 |
| RG-PA-02 | Reduce property costs in Stratford by moving from Elizabeth House to smaller alternative premises | 154 | 154 | 154 |
| RG-PA-03 | Reduction in the Council's borrowing costs as a result of using capital receipts from the sale of land and buildings (both urban sites and smallholdings) to reduce long term debt | 750 | 1,250 | 1,640 |
| RG-PA-04 | Reductions in WCC's landlord maintenance budget commensurate with the reduction in property holdings | 220 | 270 | 320 |
| RG-PA-05 | Reduction in the cost of corporate cleaning and catering through changes to specifications and working practices | 77 | 77 | 77 |
| RG-PA-06 | Deliver a 2nd phase of Property Rationalisation known as PRP2 which will see a reduction in the number of Council buildings and their associated running costs | 550 | 500 | 500 |
| RG-PA-07 | Reduce property costs in Warwick by vacating the Barrack Street block and accommodating staff in other existing premises | 0 | 0 | 250 |
| | Total for Physical Assets | 2,157 | 2,657 | 3,347 |

# 2017-20 Savings Plan

| Ref Number | Description of change proposed | Cumulative Cash Saving 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 |
|---|---|---|---|---|
| | | | | |
| | Fire and Rescue | | | |
| FR-FR-01 | Implement a new response model | 353 | 353 | 353 |
| FR-FR-02 | A reduction in fire engines, clothing, protective equipment, operational equipment and training in line with the reduction in staff numbers | 15 | 15 | 15 |
| FR-FR-03 | Implementation of alternative arrangements for the Service's Fire Control, working with a partner agency | 0 | 300 | 300 |
| FR-FR-04 | Merger of Warwickshire Fire and Rescue Service (FRS) with another FRS or alliance/strategic collaborative partnership of Warwickshire FRS with another Blue Light organisation or commission Warwickshire FRS to a neighbouring Fire Authority | 0 | 0 | 2,000 |
| | Total for Fire and Rescue | 368 | 668 | 2,668 |
| | | | | |
| | Other Services | | | |
| OS-OS-01 | Implementation of a revised approach to assessing the prudent level of debt to repay each year | 3,000 | 3,000 | 3,000 |
| OS-OS-02 | Reduction in the provision for borrowing costs. | 3,300 | 3,300 | 3,300 |
| OS-OS-03 | Management restructure | 150 | 250 | 250 |
| OS-OS-04 | Removal of the provision for funding redundancy costs. | 2,000 | 2,000 | 2,000 |
| | Total for Other Services | 8,450 | 8,550 | 8,550 |
| | | | | |
| | CUMULATIVE TOTAL | 33,257 | 50,079 | 67,399 |
| | | | | |
| | IN-YEAR TOTAL | 33,257 | 16,822 | 17,320 |

# One Organisation Plan 2020 Reserves Strategy

## The Need for Reserves

Reserves are resources we have accumulated over time and set aside for a particular purpose as part of an integrated approach to the successful financial management of the authority over the short, medium and long term.

We hold reserves to:

a) Manage financial risk so that the risk materialising does not undermine the authority's overall financial position or impact on service delivery

b) Plan for the effective use of resources over time for a specific purpose

c) Ensure we meet funding conditions (set either by an external funding body or a specific decision of Elected Members) in our use of any available resources

d) Retain any other accumulated underspends prior to decisions on their use

We recognise there will always be a need for the authority to retain reserves for each of these reasons. All reserves that do not fall into categories a) to c) automatically fall into category d).

## The Accountability for Reserves

We hold reserves at three levels across the organisation – at business unit, group and corporate levels. The level at which accountability for a reserve lies is based on an assessment against the following criteria:

- The extent of any local choice about how the reserve is used
- The level of certainty about the amount of funding that will be needed
- The period of time over which the funding is likely to be needed

- Maximisation of the ability to use resources flexibly to deliver the authority's priorities
- Minimisation of the amount of the authority's scarce resources held in reserves
- Ensuring access to a reserve promotes good financial management and the effective use of resources.

Combining the reason for holding reserves with the accountability level gives us a categorisation of reserves as follows:

| Type of Reserve | Accountability Level | | |
|---|---|---|---|
| | Business Unit | Group | Corporate |
| Management of Financial Risk | √ | √ | √ |
| Specific Investment | √ | √ | √ |
| Earmarked | √ | | |
| Accumulated Underspends | | | √ |

Where a reserve may be held at more than one level we use sub-criteria to determine the most appropriate level for the accountability to lie.

For the management of financial risk the probability of the risk materialising and the timescale over which this may occur is used.

| | Accountability Level | | |
|---|---|---|---|
| Likelihood of Risk Materialising | Corporate - General Reserves | Consolidated Group Risk Reserve | Business Unit Reserve |
| Probability | Less than 10% chance of circumstances arising | 10% to 75% chance of circumstances arising | More than 75% chance of circumstances arising |
| Timescale | Unlikely to occur | Possible/likely in the next 1 to 3 years | Very likely to occur in the next year |
| Clarity | Financial impact cannot be quantified | Financial impact can be estimated | Financial impact is known |

Where reserves are set aside for a specific project/investment, accountability is deemed to lie at Business Unit level unless the investment is part of a Group-wide investment programme where specific projects have yet to be determined. If the prioritisation of projects/investment is determined through a corporate bidding/assessment process then the funding set aside will be held at a corporate level.

## The Management of Reserves

This reserves strategy forms part of a collective accountability framework for the management of the authority's financial resources. The central role in the management of the authority's reserves lies with Strategic Directors, both individually and collectively, with support and advice from Finance. In particular there is a critical role for Strategic Directors in working with their respective Group Leadership Teams to ensure and recommend to Members the most effective use of the resources available.

There is a presumption but not a rule that Business Units/Groups within the period of any Medium Term Financial Plan period can retain any resources allocated to them that are not spent in a financial year to support the delivery of the savings plan, to manage fluctuations in demand and to manage any overspends within the Plan period. Through effective planning of the use of resources reserves are only expected to change in-year in exceptional circumstances.

### Setting Up a New Reserve

New reserves can only be established with the support of the Customer and Transformation Board. Any requests will form part of a consolidated report from the Head of Finance to the Customer and Transformation Board, with formal approval from Elected Members sought through the quarterly OOP Progress Report to Cabinet.

### Requesting the Use of an Existing Reserve

Groups and Business Units are authorised to draw down on their reserves where this supports the delivery of the One Organisation Plan, subject to notifying the Head of Finance. Approval for this will be sought through the quarterly OOP Progress Report to Cabinet.

### Adding Funding to a Reserve In-Year

For funding to be added to a reserve during the year a Business Unit/Group will be forecasting a material underspend. As part of the integrated approach to the management of the authority's resources, we adopt a collective prioritisation to determining the most effective use of reserves. Any requests will form part of a consolidated report from the Head of Finance to the Customer and Transformation Board, with formal approval from Elected Members sought through the quarterly OOP Progress Report to Cabinet.

### End of Year Financial Performance and the Carry Forward of Resources

At the end of the year any variance from the budget (i.e. an over or under spend) will allocated to the appropriate reserve, with a default of any variance not allocated elsewhere forming part of the Group general risk reserve. This will enable the complete financial picture of the Group to be seen.

Once this has been established, the Group will then review whether the resulting levels of reserves are appropriate and propose any amendments and/or the carry forward of resources into the budget for the following year. This review will include making good any overdrawn reserve either by redirecting resources from a different reserve or replenishing it from the Business Unit's/Group's budget.

The outcomes of this review will then form part of a consolidated report from the Head of Finance to the Customer and Transformation Board, before going to Elected Members for approval as part of the End-of-Year OOP Progress Report to Cabinet.

### Corporate Reserves

A slightly different approach operates for those reserves classified as 'corporate'. There are five corporate reserves:

- Transformation Fund (previously called the Capacity Building Fund) to provide funding for projects to support new ways of working, deliver better outcomes and improvements in the efficiency of our services.
- Provision for Redundancy Costs (previously called the Service Realignment Fund) - a fund to meet the one-off costs of reducing the number of employees i.e. redundancy payments and/or pension strain. This Fund is therefore fully available to support the 2017-20 Plan.

- Insurance Fund - the amount set aside to meet our insurance liabilities either in areas where we self-insure (such as IT equipment) or to meet any policy excesses. This resource is not available to support the budget.
- General Reserves – an unhypothecated general risk reserve to meet any unexpected liabilities. Legislation requires that the Head of Finance make an annual statement on the adequacy of general reserves and provisions and the Council is committed to retaining the minimum amount in general reserves as determined by the Head of Finance.
- Medium Term Contingency – Funding set aside to manage any phasing/timing difficulties with the delivery of the current and future savings plans.

The first three of these have specific protocols that determine their use. The latter two form part of the Council's budget and policy framework and therefore their use can only be agreed by full Council. This is usually done as part of the annual budget setting process.

The level of general reserves is consistent with the overall financial environment and the key financial risks faced by the County Council. These risks are assessed at least annually and take account of circumstances at the time of assessment and the Statement of Internal Control. Any general reserves in excess of the assessed amount will be available for Elected Members to use to fund one off or time limited expenditure. Should the level of general reserves at the end of the financial year be lower than recommended in the Head of Finance's risk assessment then the shortfall becomes the first call on the new financial year's revenue budget.

The Medium Term Contingency is funding available to support the phasing of the delivery of the OOP Financial Plan over the 2017-20 period and can only be used for this purpose. A minimum of £5 million working balance will be retained at all times.

## Incentivising Good Financial Management

Maintaining the current high standards of financial management across the organisation is not only critical to the successful delivery of OOP2020. Any weakening of financial management has a direct impact on the level of reserves that need to be held to offset the risk of services overspending and/or the non-delivery of savings targets.

We use a range of approaches to ensure incentives remain. These include:

- Encouraging open and honest discussions at Group Leadership Teams about financial performance, the financial challenges Business Units face, the need to plan over the medium term and the opportunities available to invest in services and projects to deliver the Council’s priority outcomes.
- Amending service plans and budgets where requests for carry forwards or investment in specific change projects are not supported and it can be demonstrated that this directly impacts on the outputs/savings that can be delivered.
- Commissioning a review of financial management in any Business Unit with material or persistent overspending or there is evidence of a ‘spend it or lose it’ culture emerging.

**Appendix C**

# Warwickshire County Council – Pay Policy Statement 2017/18

## 1 Statutory Requirement

1.1 Section 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, Joint Managing Directors, 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 2017-20 involves an anticipated reduction of 317 posts. The Council implemented the nationally agreed 2 year pay award for non Hay staff for 2016-17 with a further 1% to be awarded in April 2017.

2.3 The Council implemented a 1% pay award for Hay staff from January from 2017.

2.4 The Council has also implemented the National Living Wage for all staff regardless of age.

2.5 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

2.6 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').

2.7 The NJC pay agreement 2015-17 adjusts the salary 'spine' removing the 3 lowest points so the framework now comprises 43 salary points, currently between £15,014 pa and £43,821 pa 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 the incremental pay points within the salary spine.

2.8 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.

2.9 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 and Conditions agreements.

2.10 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.

2.11 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).

2.12 The policy of the Council is to pay this group of employees, which includes the Chief Executive, Joint Managing Directors, 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.

2.13 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 £40,580 to £172,866.

2.14 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.

2.15 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.

2.16 **It is proposed that the County Council applies the remuneration policies set out above for the financial year 2017/18.**

## 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 £15,014 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 1:12 and 1:9 respectively.

3.3 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.

3.4 The salary ratios between the Council's median salary level (£24,210 pa) and that of its Chief Executive and Strategic Directors are 1:7 and 1:6 respectively.

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

4.1 The out-going 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 2.12 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 £122,264 pa (including the 1 January 2017 pay award) based on Hay evaluation. No other salary payments or benefits are made to the Chief Fire Officer. With the exception of paragraph 4.3, further references in this document to Strategic Director includes the Chief Fire Officer.

4.3 The Joint Managing Directors and Strategic Directors are paid on the same four point incremental scale under Hay, (currently £126,911 - £140,383 as agreed in December

2015) agreed by the Council in 2005 in accordance with independent advice from Hay Management Consultants and increased annually thereafter. (See paragraphs 2.3 and 2.12 above). No other salary payments are made to the Joint Managing Directors and 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 (£94,609 - £107,223 or £82,390 - £93,372) 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 third and fourth points of the scale is subject to service in the post being certified as fully satisfactory.

4.6 Subject to the approval of the Joint Managing Directors or Strategic Directors for Heads of Service; Chief Executive or Joint Managing Directors for Strategic Directors; Staff and Pensions Committee for the Joint Managing Directors, a temporary honoraria payment may be made where a Chief Officer 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, Joint Managing Directors, Strategic Directors or Heads of Service.

4.8 It is not the Council's policy to provide benefits in kind to the Chief Executive, Joint Managing Directors, Strategic Directors or Heads of Service.

4.9 The maximum car mileage allowance paid to the Chief Executive, Joint Managing Directors, Strategic Directors and Heads of Service is that prescribed for 'casual users'.

4.10 Details of the salary scales attached to the roles of Chief Executive, Joint Managing Directors, 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 new salary package exceeds £100,000 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 2.11 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, Joint Managing Directors, 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, Joint Managing Directors, 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, Joint Managing Directors, 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 Joint Managing Directors; or where the employee is the Chief Executive or a Joint Managing Director, the Staff & Pensions Committee) have discretion to make severance payments up to the levels described above.

9.3 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.

9.4 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.

9.5 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.

9.6 Other discretions are exercised in accordance with the Council's scheme of delegation on a case by case basis.

9.7 The Council recognises that the One Organisational Plan 2020 may need to be refreshed and updated in light of any new financial settlement for local government and emerging budget priorities. 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 for Resources or Joint Managing Director (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, Joint Managing Directors, 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(3) Section 1 of the Accounts and Audit (England) Regulations 2015.

## 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, Joint Managing Directors, Strategic Directors and Heads of Service are those agreed by the Joint Negotiating Committee for Chief Officers of Local Authorities.

# 2017/18 Capital Budget

## 1. Financial Direction of Travel

1.1. The value of our assets is £1.260 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. The 2017-20 Integrated Capital Strategy (**Appendix A)** sets out how we aim to use our capital resources and deliver our priorities through to 2020. Through the growth in the taxbase we will support an enhanced programme of investment in Warwickshire's future.

1.3. We will put in place a benefit-driven, strategic approach to determining our capital investment priorities, ensuring our scarce resources are used in the most effective way. We expect all proposals to be subject to a robust scrutiny process prior to approval to ensure widespread support for the resulting investment programme.

1.4. We will use our capital resources to invest in the core infrastructure of the area. In particular over the next three years we will:

- Create a Warwickshire Strategic Investment Fund. We propose using this Fund will provide investment in development and infrastructure activity to support the long-term growth of Warwickshire's economy and create job opportunities in our local communities. It will provide funding opportunities to revitalise our urban town centres, including provision of matched funding where possible and explore providing repayable loans to developers to accelerate key housing and employment sites.

- Invest in priority road safety schemes across the County targeted at reducing the numbers killed or seriously injured on our roads

- Invest £3 million in supported further extra care housing and sheltered housing with care developments, encouraging a mixed economy of care provision to develop.

- Expand SEN provision on school campus' to improve the life chances of our young people whilst also reducing the cost of the associated support services.

- Address the road infrastructure in our residential areas; investing £2.000 million for each of the next three years for Members to use on local highways priorities that can make a real difference to communities and examine the scope for additional spending in 2019/20, including reviewing the adoption process in consultation with the Portfolio Holder and Scrutiny Chair.

- Invest an additional £2.500 million over three years in LED street lights.

- Invest £1.000 million in safer routes to school to complete the programme for all of Warwickshire's children.

1.5. As part of our work on transforming town centres we will look towards working together with borough and district partners.

1.6. We will continue to borrow £20 million a year plus the amount generated from the growth in the taxbase above that needed to fund our revenue proposals and we will continue with the separation of maintenance and investment programmes that has brought benefits in terms of reducing bureaucracy.

1.7. We require £3.616 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, alongside contributions from developers.

1.8. We will use any in-year revenue savings from the taxbase growth committed to capital as a contribution to a Systems Development Fund, so we can use Information Technology to drive the delivery of transformation change.

## 2. 2017/18 to 2019/20 Capital Programme

2.1. Approval is given to a capital programme of £240.759 million. Of this £141.630 million is for 2017/18 and £99.129 million for future years. There is £56.207 million in the Capital Investment Programme that will be allocated to specific schemes, in line with our priorities, once the evaluation criteria are agreed.

2.2. Table 1 shows the breakdown of the programme across Business Units, with the full detail of the capital programme attached at **Appendix B**.

| Table 1: Captal Programme: Summary by Service | | | | |
|---|---|---|---|---|
| Service | 2017/18<br>£'000 | 2018/19<br>£'000 | 2019/20 and later years<br>£'000 | Total<br>£'000 |
| Community Services | 464 | 306 | 300 | 1,070 |
| Education and Learning | 16,678 | 4,000 | 0 | 20,678 |
| Public Health | 24 | 0 | 0 | 24 |
| Transport and Economy | 55,186 | 18,441 | 16,558 | 90,185 |
| Children and Families | 50 | 276 | 75 | 401 |
| Social Care and Support | 2,170 | 1,500 | 1,000 | 4,670 |
| Strategic Commissioning | 1,038 | 0 | 0 | 1,038 |
| Customer Services | 245 | 3,211 | 0 | 3,456 |
| Information Assets | 3,836 | 17,240 | 400 | 21,476 |
| Physical Assets | 12,379 | 13,522 | 7,105 | 33,006 |
| Fire and Rescue | 8,308 | 120 | 120 | 8,548 |
| Total Allocations | 100,378 | 58,616 | 25,558 | 184,552 |
| | | | | |
| Capital Investment Programme | 41,252 | 7,455 | 7,500 | 56,207 |
| | | | | |
| Total Programme | 141,630 | 66,071 | 33,058 | 240,759 |

## 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. Table 2 provides a breakdown of the financing of the capital programme between years.

| Table 2: Financing the Capital Programme: Summary by Year | | | | |
|---|---|---|---|---|
| | 2017/18<br>£'000 | 2018/19<br>£'000 | 2019/20 and later years<br>£'000 | Total<br>£'000 |
| Capital Grants and Contributions | 47,380 | 22,268 | 13,058 | 82,706 |
| Capital Receipts | 28,642 | 24,574 | 0 | 53,216 |
| Revenue | 846 | 867 | 0 | 1,713 |
| Self-financed borrowing | 400 | 6,230 | 0 | 6,630 |
| Corporate borrowing | 64,362 | 12,132 | 20,000 | 96,494 |
| Total Financing | 141,630 | 66,071 | 33,058 | 240,759 |

*<u>Note:</u> The corporate borrowing figure is greater in 2017/18 as it includes the funding of capital spend financed by borrowing that was originally planned for earlier years.*

3.2. We recognise that the expansion of our investment programme will result in additional borrowing costs and we have made full provision for this within our revenue budget resolution. As part of considering whether the capital programme is affordable we have also extended the number of years over which we take out our capital loans from 20 to 25 years. We believe this strikes the correct balance between ensuring those who benefit from investment in assets contribute to their cost but that this does not push onto future generations the cost of assets that are being consumed now. The £3 million saving from this policy change is also reflected in our revenue budget resolution and will form part of our Treasury Management Strategy.

## 4. Prudential Guidelines and Limits

4.1. Approval is given to an Affordable Borrowing Limit consistent with the capital programme for 2017/18 and the subsequent years as detailed in Appendix B. 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<br>£ per Band D Council Tax | Cumulative<br>£ per Band D Council Tax |
|---|---|---|
| 2017/18 | 1.85 | 1.85 |
| 2018/19 | 12.72 | 14.57 |
| 2019/20 | -1.14 | 13.43 |

4.2. Approval is also given to the prudential indicators detailed at **Appendix C**, consistent with the approved 2017/18 Capital Programme.

## 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 Head of Paid Service is directly responsible for the implementation of the capital programme.

7.2. The Head of Paid Service 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 Capital Investment Programme.

7.4. All member bodies, members and officers are instructed to comply with the prescriptive legal duties placed upon the Council. The Head of Paid Service, 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 One Organisation Plan Progress 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 contributions or third party funding that is 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 quarterly One Organisation Plan Progress Report.

**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 Integrated 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 Integrated Capital Strategy.

Maintenance allocations may be vired in accordance with the scheme of capital virement to an investment project where that project incorporates elements of work which would otherwise be funded from the maintenance budget. The entire project would be treated as an investment project for approval and reporting purposes.

**7.10. Managing the Investment Programme**

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

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

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.

**Appendix A**

# Integrated Capital Strategy 2017-2020

## Introduction

We have over many years invested in assets that have a lasting value, for example land, roads, buildings and large items of equipment and vehicles. Each year we need to spend more money to ensure our 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 Capital Strategy sets out how we aim to use capital resources to achieve our vision “To make Warwickshire the best it can be” and deliver our corporate priorities through to 2020.

It outlines: the structure of our capital programme; how we determine the content of our capital programme; how we finance our capital programme and provides an overview of how our capital programme is managed.

## Our Capital Programme

Our capital programme cannot be viewed in isolation. It influences and is influenced by many strategies and plans and forms part of an integrated plan for the organisation that has the delivery of the One Organisational Plan and the core priorities as its key drivers. Some of the other plans that link directly to the Capital Strategy are the Strategic Economic Plan, the School Sufficiency Strategy, corporate and service asset management plans and the Treasury Management Strategy.

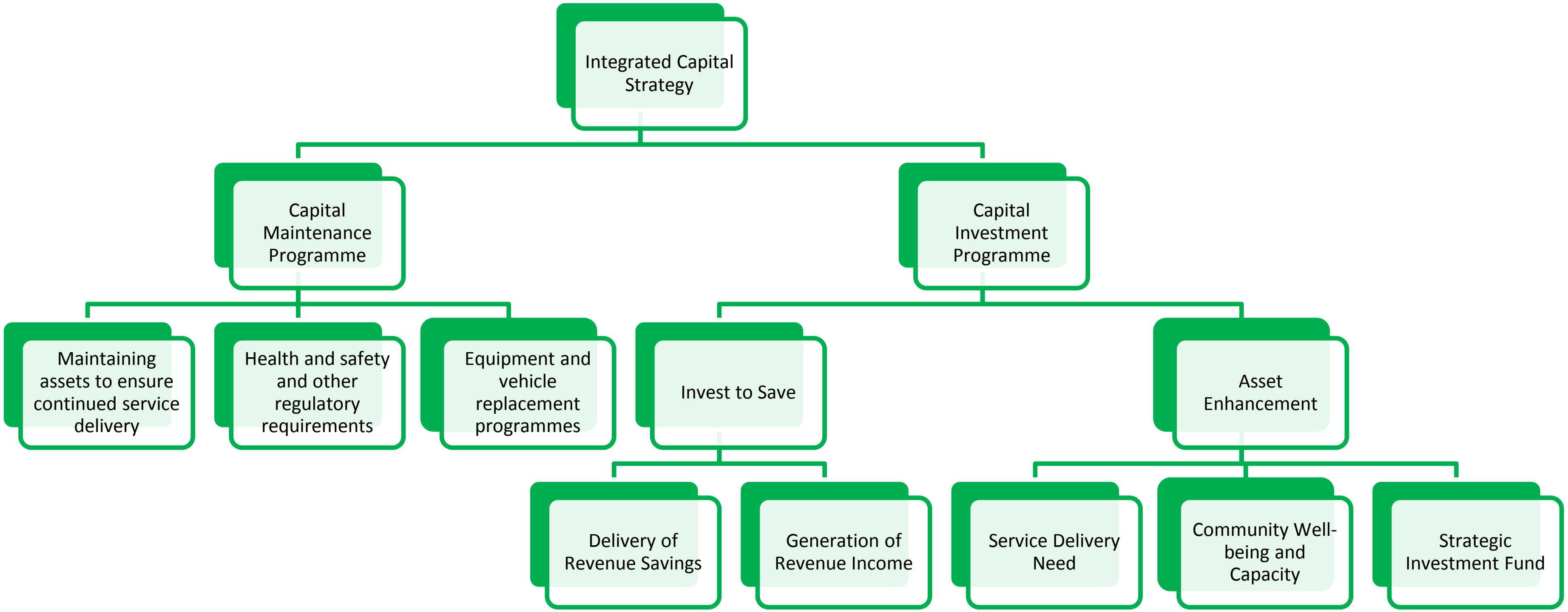
Our commitment to an integrated approach impacts in how our capital programme is developed and prioritised with an organisation-wide approach to determining our capital investment priorities, rather than this being determined in relative isolation by individual services. This aims to ensure our scarce resources are used in the most effective way to deliver our core outcomes and priorities.

There are two broad strands to our capital programme:

- A maintenance programme that ensures our assets continue to be fit for purpose and able to support the delivery of services, and
- An investment programme that creates and develops new assets.

Each programme has a number of strands that ensure a clear focus on the purpose of capital spending and the prioritisation of proposals.

The diagram below shows the overall structure of our capital programme.



## Maintenance Programme

Each year the capital programme includes a number of schemes that relate to the routine maintenance of our asset infrastructure. It represents the level of spending which we have no choice but to incur over the medium term. Each element of the maintenance programme has a fixed annual allocation. This approach allows managers to plan their maintenance programme over the medium term in a structured way that reduces the bureaucracy, subject to the agreement of a consistent and transparent methodology for the prioritisation of maintenance spending.

Allocations included in the maintenance programme meet one of the following three criteria:

- Structural maintenance cost of maintaining our assets to ensure services can continue to be delivered
- Statutory health and safety and other regulatory requirements
- Annual cost of equipment and/or vehicle replacement programmes

Our annual maintenance programme is £11.616 million a year (including a £3.616 million allocation from the Government Grant received for schools maintenance) plus the grant received from Government for highways maintenance plus revenue funding used for the replacement of vehicles. Revenue funding is used for the replacement of vehicles where this is more cost effective than leasing the vehicle. The split of this annual maintenance allocation between services is shown below.

**Annex A** summarises the prioritisation methodology that will be used through to 2020 for each of the elements of the rolling maintenance programme.

**Maintaining assets to ensure continued service delivery**

- Household Waste Recycling Centres £80,000
- Highways maintenance and street lighting £ variable
- Non schools building maintenance £2,122,000
- Schools building maintenance £7,047,000
- Country Parks, Gypsy and Traveller services £220,000
- Rural services £496,000

**Health and safety and other regulatory requirements**

- Casualty reduction £ variable
- Adaptations to support child placements £75,000
- Non schools asbestos and safe water £325,000
- Schools asbestos and safe water £731,000

**Equipment and vehicle replacement programmes**

- Information technology infrastructure £400,000
- Equipment for fire engines £120,000
- Replacement of vehicles £variable

## Investment Programme

Any capital spending not included in the maintenance programme automatically forms part of our capital investment programme. Investment schemes are, by their nature, not routine and, within a climate of scarce resources, are only considered if they move the organisation towards the delivery of the corporate outcomes. Allocations in the capital investment programme support the delivery of one of the following outcomes:

- Warwickshire's communities and individuals are supported to be safe, healthy and independent
- Warwickshire's economy is vibrant and supported by the right jobs, training and skills and infrastructure
- The County Council makes best use of the available resources

The capital investment programme contributes to the delivery of these outcomes through invest-to-save projects and projects that enhance and grow the assets of the authority. The structure of the capital investment programme is shown below.

| To make Warwickshire the best it can be | Capital Investment Programme | | | | |
|---|---|---|---|---|---|
| | Invest to Save | | Asset Enhancement | | |
| | Delivery of Revenue Savings | Generation of Revenue Income | Service Delivery Need | Community Wellbeing and Capacity | Strategic Investment Fund |
| Warwickshire communities and individuals are supported to be safe, healthy and independent | | | | | |
| Warwickshire's economy is vibrant and supported by the right jobs, training and skills and infrastructure | | | | | |
| The County Council makes the best use of available resources | | | | | |

We operate a clear and transparent corporate approach to the prioritisation of all capital spending. To ensure widespread support for the investment programme all proposals are subject to an officer scrutiny process prior to being considered by Corporate Board and ultimately by Members. The overarching governance structure is designed to ensure the most effective use of the available resource and the best use of the limited organisational capacity required to bring capital schemes forward for approval and see them through to implementation. We operate a two-speed approach for the approval of schemes that enhance assets as a result of additional service delivery need.

We use a fast track approach for schemes costing less than £1.5 million that are wholly funded from external resources provided for a specific purpose and where there is no, or minimal, discretion over how the funding is used e.g. developer and third party funding. Fast track schemes will be required to provide a brief summary of the infrastructure investment required and how it supports the delivery of the core priorities and outcomes before going to the Leader and/or any such person/body which he/she designates for approval. For vehicles, plant and equipment this approval is delegated to the Head of Finance. Any scheme costing above £1.5 million requires the approval of full Council.

For all other capital investment schemes, including where we are bidding for external funding, we use a structured evaluation process that assesses:

- What we are trying to achieve for the Warwickshire residents, businesses and visitors by investing in particular assets
- The contribution of the new assets to the delivery of the corporate outcomes
- The financial costs and benefits over the short, medium and long term, and
- The risks inherent in the delivery of the scheme itself and the expected benefits, with a focus on better up-front planning and timetabling.

The results of this evaluation process are reported to Corporate Board quarterly who consider whether to recommend the scheme to Members for approval. If the total cost of the scheme is less than £1.5 million this approval is by either the Leader, Cabinet or a Portfolio Holder to whom powers have been delegated. Schemes over £1.5 million require the approval of full Council. A summary of the evaluation criteria and their relative weighting is attached at **Annex B.**

## Our Capital Resources

When assessing the level of planned capital investment to undertake we make a judgement about the level of capital resources that are likely to be available over the period of the programme. Our main capital resources are service specific grants and third party contributions, capital receipts and borrowing.

Our funding strategy for the delivery of the overall capital programme is:

- £20 million new borrowing funded as part of the revenue budget proposals for OOP2020.
- All capital receipts (excluding schools) are used to repay debt. Exceptions to this policy are only considered when as part of an invest-to-save project such that investing the capital receipt will result in bigger reductions in debt outstanding or greater revenue savings than would have been achieved by simply repaying debt.
- The base level of investment in the school stock is fixed at the level of government capital grant for schools plus receipts generated from the sale of school assets and developer contributions, less a £3.616 million annual contribution to the cost of school maintenance.
- The base level of investment in the maintenance of Warwickshire's highways and street lighting and casualty reduction is fixed at the level of government grant for this purpose.
- The other £8 million of maintenance allocations are funded from the £20 million borrowing and are cash limited.
- The balance of the £20 million borrowing (£12 million a year) is allocated to the Capital Investment Programme. This is supplemented by the level of borrowing afforded by any growth in the council tax taxbase above 0.75% each year.

## Capital Receipts

Through our approach to asset management planning we undertake continuous monitoring and review of the Council's property portfolio seeking to ensure we make best use of the capital value tied up in those assets. When making decisions on the disposal of assets and hence the generation of capital receipts a number of factors are into consideration:

- Whether assets are surplus to requirements in the short, medium and long term
- Whether assets are achieving their financial or service delivery performance targets
- If we would be achieving the best value from the disposal
- The level of any financial return
- Any legal obligations, and
- The impact on corporate policies and the promotion of key strategic policies

All capital receipts, with the exception of school receipts which are reinvested, are used to repay debt, with the consequent reduction in the Council's borrowing costs. Whilst financially there is no difference in the revenue cost to the authority as to whether capital receipts (providing they are used to repay debt) or borrowing are used to fund the capital programme, capital receipts are inherently volatile and the timing of when the money is received is uncertain and unrelated to the timing of any need to incur capital spend. Our approach to the use of capital receipts enables capital spend to be incurred when it is needed rather than being dependent on when a capital receipt comes in.

## Borrowing

We are required, by statute, to borrow money to finance capital investment based on a set of guiding principles (prudential guidelines). These include the principles of affordability, prudent funding, efficiency, forward planning, outcomes, sustainability and investment return.

Incurring an additional £20 million borrowing each year is affordable within the OOP2020 financial envelope and is deemed to be the minimum level of borrowing needed over the medium term.

We recognise that significant drivers of additional capital spend exist both in terms of providing additional school places, growing our business rates taxbase and providing the additional infrastructure needed as a result of housing growth. We therefore use the additional revenue resources from growth in the taxbase above the level assumed in the OOP2020 financial plan to operate a Capital Investment Fund. Through this approach we are able to support an expanded capital programme and drive economic growth and activity across the county.

It is recognised that the creation of a Capital Investment Fund requires revenue funding to be set aside to meet the cost of borrowing prior to knowing how the capital resources generated will be used. This approach has the benefit of retaining the ability to bring projects forward for inclusion in the capital programme as opportunities arise, not just once a year through the budget setting process. It also provides confidence that developing positive an innovative schemes to support the delivery of the Council's core outcomes are affordable. We are committed to reviewing the level of the Capital Investment Fund on an annual basis to ensure it remains affordable. Any in-year underspend in the cost of financing the Capital Investment Fund will be used to supplement of investment in IT projects and the digital agenda and to commission specific projects designed to deliver a step change in delivering the OOP2020 Outcomes.

## Management of the Capital Programme

The key risks to the delivery of our capital programme are overspending against the approved budget for a scheme, project/programme slippage where the project is not delivered in accordance within the planned timescales thereby delaying approval of the expected benefits, and delays in or non-receipt of external contributions towards the cost of the scheme.

We use the following mechanisms to ensure our capital spending and the delivery of this strategy is effectively managed:

- Officers monitor physical progress regularly, usually monthly and there is a system of exception reporting to senior managers where problems emerge.
- Financial progress is reported quarterly to Corporate Board and Cabinet, highlighting any key issues for Members to consider, including seeking Cabinet approval to any variations to schemes both in terms of the total cost and the phasing of spend across years and the consequent impact on the overall financing of the programme.
- Projects part or wholly funded by external contributions are separately monitored to ensure compliance with any funding conditions applicable.
- Post contract appraisal is carried out to provide feedback on the success, or otherwise, of the design solution, procurement process and customer satisfaction levels to provide the opportunity for positive learning over time.

# Prioritisation of the Annual Maintenance Programme

## Household Waste Recycling Centre's (HWRC) and Transfer Stations

### Prioritisation Methodology
Maintenance will be prioritised as follows:

a) Health and Safety – for the staff employed to run the site, members of the public using the site and also the District and Borough Councils who use the Transfer stations to facilitate their kerbside collections. Other statutory requirements would also fall under this umbrella.
b) Efficiency, cost effectiveness, increasing the service offer to the public (new recycling streams etc.)
c) Effect of maintenance on reputation value of the Council – a clean, tidy site with smart, neat operating staff will encourage higher rates of recycling.

### Balance of Planned Maintenance and Emergency Work
The annual plan includes a contingency for emergencies. Regular meetings are held to monitor the plan against actual activity and any move from the plan would be based on the prioritisation criteria above.

## Highways Maintenance

### Prioritisation Methodology
An asset management approach is used to manage the highway network in order to ensure that the best possible use can be made of the available resources. Central to this is the collection and use of robust network condition data year-on-year, which allows us to model its deteriorating or improving condition. The results allow us to target suitable treatments at the most appropriate locations, maintaining and, where possible, improving the whole network condition. Capital allocations for street lighting are used for the replacement of columns that fail structural testing, installations that need replacing due to untraced third party damage and improvements that fall outside the scope of specific capital allocations made in recent years for a Central Management System and the introduction of LED technology. The allocations for bridge maintenance are used to undertake the minor capital works that are deemed essential to be carried out. This approach should ensure our bridge stock remains in a safe condition.

External validation of our approach to managing the highway assets is now possible through Department of Transport's 'Incentive Fund' programme, established to promote efficient and effective maintenance practices nationally. Warwickshire is currently assessed as 'Level 2' and working towards achieving the highest 'Level 3' incentive funding.

### Planned Versus Emergency Maintenance

All routine, reactive and emergency works required to the highway network are revenue funded, allowing capital to be used for planned programmes of work designed to maintain and improve the asset condition. Bridge maintenance emergency works are funded from capital and tend to be in the form of vehicular damage, flash flooding or vandalism, all of which are unpredictable. At the start of the year a contingency sum from the capital allocation will be reserved to cover emergencies based on experience in previous years. This will be released for planned maintenance at the end of the year if a proportion is unused.

## Schools and Non-Schools Building Maintenance

### Prioritisation Methodology

Condition survey work is carried out across the property stock and classifies building and engineering maintenance items into 4 categories: D (Bad), C (Poor), B (Satisfactory) and A (Good). The categories are then given priorities highlighting recommended timescales for the work to take place: 1 – Urgent Work, 2 – Work required within 2 years, 3 - Work required within 3 to 5 years, 4 – Work outside the 5 year planning period. The priority listing is then further interrogated and validated by using a surveyor intervention check and a property future review with the Facilities Support Managers. The budget available for the particular area of work is then allocated to the priority list and this determines that approximate number of projects that can be carried out.

### Balance of Planned Maintenance and Emergency Work

Emergency work that arises means the planned maintenance programme developed from the above methodology is revised in some areas throughout the year.

## Country Parks and Greenways, Forestry Services and Gypsy and traveller sites

### Prioritisation Methodology

Maintenance will be prioritised as follows:

a) Health and Safety – in particular the duty of care under Occupiers Liability. This also reduces claims against the Council.
b) Maintaining the visitor welcome, and in particular parking infrastructure (to maintain income) and replacement play equipment, fishery development, and visitor enhancements (to increase income).
c) Schemes that lever out match funding

### Balance of Planned Maintenance and Emergency Work

Emergency work that arises is funded from revenue where there is capacity to deliver this. However, if the cost cannot be accommodated within a tightly controlled revenue budget the planned maintenance programme developed from the above methodology is revised.

## Rural Services

### Prioritisation Methodology

All properties are on a rolling five year rotation for condition surveys, asbestos inspections are carried out every 2 years and water hygiene inspections every four years and all properties have Energy Performance Certificate ratings. Work will be prioritised by identifying high category items from the latest surveys/inspections. The level of risk / consequences to the tenant's business (and hence the Council's rental income) is also taken into account as part of the prioritisation process.

- Priority items, identified from condition surveys as D1s (urgent) will be dealt with immediately. Prioritisation is then given to D2s (bad - items identified as needing to be addressed within 2 years) followed by C2s (poor - to be addressed within 2 years) and C3s (poor - to be addressed within 3-5 years).
- Items that have been recommended to be removed due to potential health risks on asbestos reports are programmed as the service becomes aware of them to reduce the Council's liability.
- Properties that do not meet Minimum Energy Efficiency Standards are prioritised based on when they are due to be re-let where they do not score the minimum rating of 'E'. All properties are required to meet minimum standards by 1 April 2023.

### Balance of Planned Maintenance and Emergency Work

The first call for emergency maintenance is a revenue maintenance budget of £145,000. Having a capital maintenance budget to address planned maintenance has resulted in not having to put planned maintenance on hold when emergencies arise that cannot be accommodated within the revenue budget.

## Assistance towards suitable placements for Children Looked After (CLA) and those who leave care through adoption and special guardianship

### Prioritisation Methodology

Applications are invited from foster carers and prospective adopters and special guardian(s) who are approved or judged to be able to provide the necessary care to the child. The social worker needs to be satisfied and be able to demonstrate that a real need for financial support exists and will either result in long term opportunities for additional placements or is required to ensure stability and permanence of a current placement for a child looked after. There is an application process, endorsed by the relevant operations manager which is considered by a panel including a finance representative. The decision to award the grant is made at Service Manager level within the Business Unit.

### Balance of Planned Maintenance and Emergency Work

All planned Grants will be approved though the panel as described above who meet on a quarterly basis. In emergencies, the Panel can convene to assess individual cases, to meet the timescales required.

## Schools and Non-schools asbestos and safe water

### Prioritisation Methodology

Asbestos

The prioritisation of asbestos remedial work is set out in the HSE Guidance 'The Surveyors Guide – HSG 264'. This document provides a prioritised scoring matrix for each occurrence of asbestos and allocates a condition rating of D (Bad), C (Poor), B (Satisfactory) or A (Good). Each property is resurveyed a minimum of once every 2 years. The asbestos is scored based on the type, condition and quantity; this is called the Material Assessment. The Material Assessment is then further weighted by applying a score to elements such as location, type of location and potential number of people exposed; this is called the Prioritisation Assessment. Following completion of both of these assessments (Material and Prioritisation) a score is allocated to each occurrence of asbestos – the higher the score, the higher the risk and therefore the higher the prioritisation.

### Water Hygiene

All properties are surveyed every 2 years or 4 years (dependant on Property risk type). The Water Hygiene risk assessments are reported with all remedial works banded into categories indicating, High, Medium or Low risk. This data is then input into a weighting system which allocates a weighting per item, along with a weighting for type of property, occupation density etc. The result of the methodology ranks the properties into order of the highest risk difference score that could be obtained by carrying out the remedial works and all works are carried out in this priority order.

Due to the limited resources allocated to carrying out the ongoing asbestos and water hygiene risk assessment surveys, and updating of the database, it is evident that the detail is not always 100% accurate. This fact, combined with emergency work that can arise, results in a situation where the works identified in the Asbestos Prioritised Remedial Work Plan and the Water Hygiene Risk Register developed from the above methodologies is revised in some areas throughout the year.

### Balance of Planned Maintenance and Emergency Work

Emergencies throughout the year will be dealt with in 2 ways;

- The budget allocation for works is reduced at year start to leave a small central contingency fund in the budget. This is reallocated at an appropriate time during the year.
- The projects carried out are staggered throughout the year. If an emergency arises, the necessary funds are diverted from a planned scheme and allocated to the emergency. This will result in a planned project potentially being eliminated from the list in year.

## ICT Network Infrastructure

### Prioritisation Methodology

Investment is prioritised based on the need for additional facilities/capacity and the life expectancy of equipment, in terms of how long it can be used for until an unacceptable failure rate is likely to occur. The level of failure rate accepted will depend on factors such as; criticality of the service, and resilience and support arrangements in place.

### Balance of Planned Maintenance and Emergency Work

The rolling programme of investing in the maintenance of the IT infrastructure will significantly reduce the need for emergency purchases due to the regular monitoring of the equipment. However, in the event that an emergency procurement needs to be made we would adjust the planned programme, looking to extend the life of less critical equipment.

## Equipment for Fire Engines

### Prioritisation Methodology

Spending is prioritised through an approved fleet replacement programme produced by consultation with manufacturer's recommendations and the Council's fleet management team. If a front line Fire Engine was left without a full complement of equipment it would be considered "off the run" (i.e. unavailable to respond) and this would directly impinge upon the Service's ability to achieve its response standards and deliver its core emergency duty.

### Balance of Planned Maintenance and Emergency Work

The Fire and Rescue Service has stores which hold at least enough equipment to immediately restock a spare fire engine in the event that a front line vehicle should be lost along with its entire inventory. This is our emergency reserve which is maintained as part of the rolling capital replacement programme.

## Summary of Capital Investment Programme Scheme Evaluation Criteria

| Invest-to-save | Service Delivery Need | Community Well-being and Capacity | Economic Growth |
|---|---|---|---|
| 15% - alignment with the organisations strategic objectives | 15% - alignment with the organisations strategic objectives | 15% - alignment with the organisations strategic objectives | 15% - alignment with the organisations strategic objectives |
| 45% - achieveability/evidence base and evaluation of options | 45% - evidence of need for investment and evaluation of options | 45% - community involvement, partnership working and innivative service delivery | 45% - economic benefit and the value of the project in delivering growth |
| 30% - financial viability and cost-benefit analysis | 30% - financial viability and cost-benefit analysis | 30% - financial viability and cost-benefit analysis | 30% - financial viability and cost benefit analysis |
| 10% - political, social and environmental impact | 10% - political, social and environmental impact | 10% - political, social and environmental impact | 10% - political, social and environmental impact |

These high-level criteria are supplemented by more detailed evaluation criteria designed for each strand of the investment programme to ensure a consistent and transparent approach. Once the strategy has been approved these more detailed criteria will be brought forward to Cabinet for approval.

# 2017-20 Capital Programme by Business Unit

| Programme | Category | Scheme Title | Earlier Years £'000 | 2017/18 £'000 | 2018/19 £'000 | 2019/20 and Later Years £'000 | Total £ 000's |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
| | | **Community Services** | | | | | |
| Maintenance | Maintenance | Household Waste Recycling Centre maintenance | 0 | 151 | 80 | 80 | 311 |
| Maintenance | Maintenance | Country Parks, Gypsy and Travellers services maintenance | 0 | 220 | 220 | 220 | 660 |
| Investment | Service Need | Waste Strategy - waste treatment and transfer facility | 1,561 | 32 | 0 | 0 | 1,593 |
| Investment | Community Well-Being | Leamington to Rugby Disused Railway Line | 73 | 27 | 0 | 0 | 100 |
| Investment | Invest to save | County Records Office Service - Digital Asset Management | 61 | 34 | 6 | 0 | 101 |
| | | Total Community Services | 1,695 | 464 | 306 | 300 | 2,765 |
| | | | | | | | |
| | | **Public Health** | | | | | |
| Investment | Community Well-Being | Urban mile markers | 0 | 24 | 0 | 0 | 24 |
| | | Total Public Health | 0 | 24 | 0 | 0 | 24 |

# 2017-20 Capital Programme by Business Unit

| Programme | Category | Scheme Title | Earlier Years £'000 | 2017/18 £'000 | 2018/19 £'000 | 2019/20 and Later Years £'000 | Total £ 000's |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
| | | **Education and Learning** | | | | | |
| Investment | Income generation | County Music Service musical instruments | 49 | 25 | 0 | 0 | 74 |
| Investment | Service Need | Bidford Primary and Willow Tree Nursery separation works | 4 | 34 | 0 | 0 | 38 |
| Investment | Service Need | Paddox School extension - targeted basic need | 2,640 | 10 | 0 | 0 | 2,650 |
| Investment | Service Need | Long Lawford Primary permanent expansion | 602 | 2,438 | 0 | 0 | 3,040 |
| Investment | Service Need | Hillmorton Primary permanent expansion | 1,700 | 1,250 | 0 | 0 | 2,950 |
| Investment | Service Need | Oakfield Primary expansion (Academy) | 60 | 490 | 0 | 0 | 550 |
| Investment | Service Need | Nathaniel Newton Infants, extension re bulge class | 200 | 50 | 0 | 0 | 250 |
| Investment | Service Need | Northlands Primary School - bulge class additional toilets and security door relocation | 15 | 55 | 0 | 0 | 70 |
| Investment | Service Need | New School, The Gateway, Rugby | 11 | 1,139 | 2,000 | 0 | 3,150 |
| Investment | Service Need | New school, South Warwick (Heathcote Farm site) | 1,375 | 1,950 | 0 | 0 | 3,325 |
| Investment | Service Need | Water Orton Primary School (HS2 Conditional) | 148 | 3,352 | 2,000 | 0 | 5,500 |
| Investment | Service Need | Eastlands Primary temporary classroom | (5) | 5 | 0 | 0 | 0 |
| Investment | Service Need | Long Lawford temporary arrangements | 4 | 136 | 0 | 0 | 140 |
| Investment | Service Need | Acorns Primary School, Long Compton - new temporary classroom | 10 | 250 | 0 | 0 | 260 |
| Investment | Service Need | Access works for SEN | 100 | 200 | 0 | 0 | 300 |
| Investment | Service Need | Kineton High School | 995 | 2,300 | 0 | 0 | 3,295 |
| Investment | Service Need | Shipston High School | 155 | 2,095 | 0 | 0 | 2,250 |
| Investment | Service Need | Campion School - Phase 1 (conditional) | 25 | 25 | 0 | 0 | 50 |
| Investment | Service Need | Southam College (conditional) | 100 | 300 | 0 | 0 | 400 |
| Investment | Service Need | Shipston High temporary classroom | 130 | 50 | 0 | 0 | 180 |
| Investment | Service Need | Welcombe Hills vehicle access alterations | 26 | 424 | 0 | 0 | 450 |
| Investment | Service Need | Stockingford Primary School new SISG module building | 300 | 100 | 0 | 0 | 400 |
| | | Total Education and Learning | 8,644 | 16,678 | 4,000 | 0 | 29,322 |

# 2017-20 Capital Programme by Business Unit

| Programme | Category | Scheme Title | Earlier Years £'000 | 2017/18 £'000 | 2018/19 £'000 | 2019/20 and Later Years £'000 | Total £ 000's |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
| | | **Transport and Economy** | | | | | |
| Maintenance | Maintenance | Highways maintenance | 0 | 15,801 | 12,708 | 12,708 | 41,217 |
| Maintenance | Maintenance | Pot hole maintenance - additional government allocation | 0 | 1,016 | 0 | 0 | 1,016 |
| Investment | Service Need | Portobello Bridge | 522 | 5 | 1,533 | 0 | 2,060 |
| Investment | Invest to save | Home to school routes | 375 | 1,615 | 500 | 500 | 2,990 |
| Investment | Invest to save | School safety zones | 989 | 1,714 | 0 | 0 | 2,703 |
| Investment | Invest to save | National Productivity Investment Fund - allocated to additional LED street lighting | 0 | 2,469 | 0 | 0 | 2,469 |
| Investment | Income generation | Centenary Business Centre Phase 3 | (7) | 7 | 0 | 0 | 0 |
| Investment | Income generation | Stratford Park and Ride site alterations | 90 | 10 | 0 | 0 | 100 |
| Investment | Community Well-Being | Area delegated funding | 7,390 | 4,861 | 2,000 | 2,000 | 16,251 |
| Investment | Community Well-Being | Ladbrooke flood alleviation | 5 | 60 | 0 | 0 | 65 |
| Investment | Community Well-Being | Casualty reduction schemes | 0 | 350 | 350 | 350 | 1,050 |
| Investment | Community Well-Being | Lawford Road cycle route | 458 | 14 | 0 | 0 | 472 |
| Investment | Community Well-Being | Warwick, Myton Road cycle link (Myton and Warwick School) | 30 | 102 | 0 | 0 | 132 |
| Investment | Community Well-Being | North West Warwick cycle scheme | 776 | 2 | 0 | 0 | 778 |
| Investment | Community Well-Being | Access to stations - Leamington | 173 | 27 | 0 | 0 | 200 |
| Investment | Economic Growth | Nuneaton and Bedworth Town Centre - Queens Road West Improvements | 586 | 134 | 0 | 0 | 720 |
| Investment | Economic Growth | Business loans and grants | 932 | 1,068 | 0 | 0 | 2,000 |
| Investment | Economic Growth | Rugby Western Relief Road | 59,345 | 1,151 | 0 | 0 | 60,496 |
| Investment | Economic Growth | Kenilworth Station | 11,227 | 2,662 | 37 | 0 | 13,926 |
| Investment | Economic Growth | Rugby Gyratory improvements | 1,562 | 50 | 0 | 0 | 1,612 |
| Investment | Economic Growth | Bermuda Connectivity | 1,150 | 2,552 | 0 | 0 | 3,702 |
| Investment | Economic Growth | A444 Coton Arches, Nuneaton | 200 | 3,500 | 100 | 0 | 3,800 |
| Investment | Economic Growth | A46 Stanks Island, Warwick | 155 | 5,745 | 100 | 0 | 6,000 |
| Investment | Invest to save | LED Street lighting | 0 | 500 | 1,000 | 1,000 | 2,500 |
| | | Developer Funded | | | | | |
| Investment | Economic Growth | Minor developer funded schemes | 453 | 117 | 0 | 0 | 570 |
| Investment | Economic Growth | Rugby, Hunters Lane - through route New Technology Drive to Newbold Road | 51 | 340 | 0 | 0 | 391 |
| Investment | Economic Growth | New roundabout on the A444 Weddington Road, Nuneaton | 4 | 100 | 0 | 0 | 104 |
| Investment | Economic Growth | B4113 Gipsy Lane junction | 5 | 199 | 0 | 0 | 204 |

# 2017-20 Capital Programme by Business Unit

| Programme | Category | Scheme Title | Earlier Years £'000 | 2017/18 £'000 | 2018/19 £'000 | 2019/20 and Later Years £'000 | Total £ 000's |
|---|---|---|---|---|---|---|---|
| Investment | Economic Growth | Ansty Business Park Phase 3 | 2,676 | 500 | 0 | 0 | 3,176 |
| Investment | Economic Growth | A426 /A4071 Avon Mill Roundabout Rugby improvement scheme | 345 | 272 | 0 | 0 | 617 |
| Investment | Economic Growth | A426 Gateway Rugby to Rugby town centre cycle scheme | 22 | 122 | 113 | 0 | 257 |
| Investment | Economic Growth | B4642 Coventry Road / site access Cawston | 100 | 450 | 0 | 0 | 550 |
| Investment | Economic Growth | C204 Birmingham Road, Alcester - new right turn land outside Alcester Grammar | 0 | 500 | 0 | 0 | 500 |
| Investment | Economic Growth | A47 The Long Shoot, Nuneaton | 0 | 500 | 0 | 0 | 500 |
| Investment | Economic Growth | B4035 Campden Road, Shipston on Stour new right turn lane | 0 | 450 | 0 | 0 | 450 |
| Investment | Economic Growth | B4451 Kineton Road, Southam - new roundabout | 100 | 400 | 0 | 0 | 500 |
| Investment | Economic Growth | A429 Ettington Road, Wellesbourne | 0 | 980 | 0 | 0 | 980 |
| Investment | Economic Growth | A426 Southam Road, Southam | 0 | 245 | 0 | 0 | 245 |
| Investment | Economic Growth | A428 Lawford Road, Rugby | 100 | 350 | 0 | 0 | 450 |
| Investment | Economic Growth | A4254 Eastbrough Way, Nuneaton traffic signals at junctions with Camborne Drive | 0 | 1,450 | 0 | 0 | 1,450 |
| Investment | Economic Growth | A444 Weddington Road, Nuneaton right turn Lane to site access | 150 | 250 | 0 | 0 | 400 |
| Investment | Economic Growth | A47 Hinkley Road, Nuneaton - puffin crossing | 0 | 100 | 0 | 0 | 100 |
| Investment | Economic Growth | D2206 Siskin Drive, Baginton - right turn lane | 0 | 175 | 0 | 0 | 175 |
| Investment | Economic Growth | D3108 Back Lane Long Lawford Traffic Signals and Junction Improvements | 0 | 850 | 0 | 0 | 850 |
| Investment | Economic Growth | A423 Marton Road, Long Itchington - new footway and site access | 0 | 100 | 0 | 0 | 100 |
| Investment | Economic Growth | A444 Weddington Road, Nuneaton - new puffin crossing | 0 | 150 | 0 | 0 | 150 |
| Investment | Economic Growth | B4642 Coventry Road, Cawston - new right turn lane. | 0 | 150 | 0 | 0 | 150 |
| Investment | Economic Growth | Long Itchington - new footway and upgrade of zebra crossing | 0 | 150 | 0 | 0 | 150 |
| Investment | Economic Growth | D1643 Park Road, Bedworth - new car park egress. | 0 | 125 | 0 | 0 | 125 |
| Investment | Economic Growth | Warwick town centre | 0 | 550 | 0 | 0 | 550 |
| Investment | Economic Growth | A47 Long Shoot relocation of refuge island | 0 | 75 | 0 | 0 | 75 |
| Investment | Economic Growth | Vicarage Street site investigations | 0 | 40 | 0 | 0 | 40 |
| Investment | Economic Growth | Flood modelling, Nuneaton | 0 | 81 | 0 | 0 | 81 |
| | | Total Transport and Economy | 89,964 | 55,186 | 18,441 | 16,558 | 180,149 |

# 2017-20 Capital Programme by Business Unit

| Programme | Category | Scheme Title | Earlier Years £'000 | 2017/18 £'000 | 2018/19 £'000 | 2019/20 and Later Years £'000 | Total £ 000's |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
| | | **Children and Families** | | | | | |
| Maintenance | Service Need | Adaptations to support child placements | 12 | 50 | 276 | 75 | 413 |
| | | Total Children and Families | 12 | 50 | 276 | 75 | 413 |
| | | | | | | | |
| | | **Social Care and Support** | | | | | |
| Investment | Invest to save | Common assessment formula - social care IT development | 0 | 1,170 | 500 | 0 | 1,670 |
| Investment | Invest to save | Extra-care housing and accommodation with care | 0 | 1,000 | 1,000 | 1,000 | 3,000 |
| | | Total Social Care and Support | 0 | 2,170 | 1,500 | 1,000 | 4,670 |
| | | | | | | | |
| | | **Strategic Commissioning** | | | | | |
| Investment | Service Need | Mental health grant | 130 | 68 | 0 | 0 | 198 |
| Investment | Service Need | Adult social care modernisation and capacity | 45 | 951 | 0 | 0 | 996 |
| Investment | Service Need | Autism capital grant - 'brain-in-hand' assistive technology | 18 | 19 | 0 | 0 | 37 |
| | | Total Strategic Commissioning | 193 | 1,038 | 0 | 0 | 1,231 |
| | | | | | | | |
| | | **Customer Services** | | | | | |
| Investment | Service Need | Improve the customer experience, one-stop shop expansion and DDA works | 353 | 0 | 3,147 | 0 | 3,500 |
| Investment | Service Need | Stratford Library – Registrars accommodation works and Library alterations | 75 | 245 | 0 | 0 | 320 |
| Investment | Community Well-Being | Community information hubs | 45 | 0 | 64 | 0 | 109 |
| | | Total Customer Services | 473 | 245 | 3,211 | 0 | 3,929 |
| | | | | | | | |
| | | **Information Assets** | | | | | |
| Maintenance | Maintenance | Information technology infrastructure | 0 | 400 | 400 | 400 | 1,200 |
| Investment | Economic Growth | Development of Rural Broadband | 12,081 | 3,436 | 16,840 | 0 | 32,357 |
| | | Total Information Assets | 12,081 | 3,836 | 17,240 | 400 | 33,557 |

# 2017-20 Capital Programme by Business Unit

| Programme | Category | Scheme Title | Earlier Years £'000 | 2017/18 £'000 | 2018/19 £'000 | 2019/20 and Later Years £'000 | Total £ 000's |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
| | | **Physical Assets** | | | | | |
| Maintenance | Maintenance | Non-schools asbestos and safe water remedials | 0 | 325 | 325 | 325 | 975 |
| Maintenance | Maintenance | Non-schools - planned building, mechanical and electrical backlog | 0 | 2,122 | 2,122 | 2,122 | 6,366 |
| Maintenance | Maintenance | Schools asbestos and safe water remedials | 0 | 731 | 731 | 731 | 2,193 |
| Maintenance | Maintenance | Schools planned building, mechanical and electrical backlog | 0 | 7,047 | 3,431 | 3,431 | 13,909 |
| Maintenance | Maintenance | Rural services capital maintenance | 851 | 542 | 496 | 496 | 2,385 |
| Investment | Income generation | Refurbishment of Old Shire Hall | 266 | 484 | 0 | 0 | 750 |
| Investment | Income generation | Warwick, Aylesford flood alleviation scheme contribution | 13 | 0 | 187 | 0 | 200 |
| Investment | Income generation | Strategic site planning applications | 842 | 548 | 0 | 0 | 1,390 |
| Investment | Income generation | Planning consent re the disposal of Dunchurch depot | 25 | 55 | 0 | 0 | 80 |
| Investment | Invest to save | Rationalisation of the Council's property | 865 | 50 | 0 | 0 | 915 |
| Investment | Invest to save | Rationalisation of county storage | 4,000 | 400 | 0 | 0 | 4,400 |
| Investment | Invest to save | Various properties - renewable energy | 171 | 0 | 6,230 | 0 | 6,401 |
| Investment | Service Need | Small scale reactive / minor improvements county-wide | 347 | 75 | 0 | 0 | 422 |
| | | Total Physical Assets | 7,380 | 12,379 | 13,522 | 7,105 | 40,386 |
| | | | | | | | |
| | | **Fire and Rescue** | | | | | |
| Maintenance | Service Need | Equipment for new fire appliances | 0 | 120 | 120 | 120 | 360 |
| Investment | Service Need | New Fire and Rescue centre - Leamington Spa | 1,724 | 1,126 | 0 | 0 | 2,850 |
| Investment | Service Need | Training centre - new build | 838 | 7,040 | 0 | 0 | 7,878 |
| Investment | Service Need | Warwickshire fire control provision | 824 | 22 | 0 | 0 | 846 |
| | | Total Fire and Rescue | 3,386 | 8,308 | 120 | 120 | 11,934 |
| | | | | | | | |
| | | **Capital Investment Programme** | | | | | |
| | | Capital Investment Programme - existing £20 million | 0 | 9,752 | 8,955 | 9,000 | 27,707 |
| | | Capital Investment Programme - new | 0 | 31,500 | (1,500) | (1,500) | 28,500 |
| | | Total Capital Investment Programme | 0 | 41,252 | 7,455 | 7,500 | 56,207 |
| | | | | | | | |
| | | TOTAL CAPITAL PROGRAMME | 123,828 | 141,630 | 66,071 | 33,058 | 364,587 |

# Prudential Indicators

| PRUDENTIAL INDICATOR<br>(1) AFFORDABILITY PRUDENTIAL INDICATORS | 2015/16<br>actual | 2016/17<br>approved | 2017/18<br>estimate | 2018/19<br>estimate | 2019/20<br>estimate |
|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Capital Expenditure | 85,733 | 106,989 | 141,630 | 66,071 | 33,058 |
| | | | | | |
| | % | % | % | % | % |
| Ratio of financing costs to net revenue stream | 8.86 | 10.34 | 9.35 | 9.93 | 9.87 |
| | | | | | |
| Gross borrowing requirement | £'000 | £'000 | £'000 | £'000 | £'000 |
| Gross Debt | 388,424 | 363,424 | 362,274 | 362,274 | 352,274 |
| Capital Financing Requirement as at 31 March | 319,361 | 346,224 | 393,914 | 392,819 | 393,417 |
| Under/(Over) Borrowing | (69,063) | (17,200) | 31,640 | 30,545 | 41,143 |
| | | | | | |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| In year Capital Financing Requirement | 14,004 | 26,862 | 47,690 | (1,094) | 598 |
| | | | | | |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Capital Financing Requirement as at 31 March | 319,361 | 346,224 | 393,914 | 392,819 | 393,417 |
| | | | | | |
| Affordable Borrowing Limit | £ | £ | £ | £ | £ |
| Position as agreed at March 2016 Council | 1.90 | 5.05 | -2.53 | -2.35 | |
| Increase per council tax payer | | | | | |
| | | | | | |
| Updated position of Proposed Capital Programme | -5.81 | 1.30 | 1.85 | 12.72 | -1.14 |
| Increase per council tax payer | | | | | |

| PRUDENTIAL INDICATOR<br>(2) TREASURY MANAGEMENT PRUDENTIAL INDICATORS | 2015/16<br>actual | 2016/17<br>approved | 2017/18<br>estimate | 2018/19<br>estimate | 2019/20<br>estimate |
|---|---|---|---|---|---|
| Authorised limit for external debt - | £'000 | £'000 | £'000 | £'000 | £'000 |
| Borrowing | 526,219 | 497,346 | 544,951 | 542,258 | 554,976 |
| Other long term liabilities | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 |
| TOTAL | 538,219 | 509,346 | 556,951 | 554,258 | 566,976 |
| | | | | | |
| Operational boundary for external debt - | £'000 | £'000 | £'000 | £'000 | £'000 |
| Borrowing | 438,516 | 414,455 | 454,126 | 451,882 | 462,480 |
| Other long term liabilities | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| TOTAL | 448,516 | 424,455 | 464,126 | 461,882 | 472,480 |
| | | | | | |
| 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 | upper limit | lower limit |
|---|---|---|
| under 12 months | 20% | 0% |
| 12 months and within 24 months | 20% | 0% |
| 24 months and within 5 years | 60% | 0% |
| 5 years and within 10 years | 100% | 0% |
| 10 years and above | 100% | 0% |