

## **2018/19 Revenue Budget**

**The County Council will plan its budget framework for 2018/19 on the following basis:**

### **1. Financial Direction of Travel**

- 1.1. We plan our budgets over the medium term. This allows for a more focussed and planned approach to prioritisation. Services can focus on delivery knowing the financial environment within which they will be required to operate. We began this approach with the One Organisation Plan 2014-18 which has generally been successfully implemented. We intend to continue with this approach through our 2020 One Organisation Plan taking us through to the end of 2019/20.
- 1.2. To successfully deliver the Plan there is a need for certainty and a sure footed direction of travel. We intend to continue with the Plan as agreed last year, only making changes where necessary. We recognise that some additional pressures have surfaced over the last year and some adjustment is needed to accommodate these.
- 1.3. In response we will continue with our sound financial management throughout the organisation. We will:
  - Invest in £5.7 million in our children’s social care services, providing resources to meet higher numbers of Looked After Children, the limited options to tackle the foster care / placement mix and generally increasing demands on the service. We will also support the most vulnerable young people and their families through our investment providing increased stability of funding for family support workers, family conferencing and family information services as well as our partnership working through the Regional Adoption Service.
  - Invest £0.2 million in the education system in response to the rising demand from our most vulnerable learners
  - Protect our elderly citizens and vulnerable adults by raising the levy for adult social care to fund additional demand whilst still continuing to make progress on our vision of greater integration between health and social care.

- Invest £1.4 million in home to school transport to ensure we continue to provide services in line with our policy whilst being able to respond to the increasing demands on the service.
- Invest in the Fire and Rescue Service, by reducing their savings target in recognition of the difficulties experienced in moving towards increased collaboration to provide capacity to shape proposals for the delivery of efficiencies and in preparation for and in response to the forthcoming inspection.

1.4. We will also continue 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.

1.5. We will invest:

- £2.5 million in an ambitious Digital Transformation Programme. Expectations around digital access and ease of doing things online have increased and will continue to grow at pace. The services we provide have to be part of this. We also recognise we have an opportunity to invest in our digital infrastructure to help pinpoint customers who need support, improve their outcomes and enable them to transact with the Council on line. Digital transformation will provide capacity to deal with the huge volumes of requests for data and information we face and enable us to work more efficiently. We need to make sure we provide our customers with seamless integration across council services; this means customers verifying who they are once. Investment in digital platforms and data sharing will help us to become an enabler for our residents to help themselves.
- Generate additional capital so we can invest in the infrastructure of our County, including investing £200,000 in digital fibre optic hubs to enhance access to high speed communications in local communities and £330,000 to convert six school-based children's centres into specialist provision for pupils with special educational needs.
- £100,000 to expand the capacity of our transport planning team to maximise the funding received from developers to deliver the infrastructure requirements associated with housing and business growth across the county.
- £108,000 to maintain our library network, including Sunday opening, and to work with local communities to support the enhanced delivery of services from across our authority and community-managed libraries.
- £150,000 to work with partners on a joint project to integrate help for those in need of support due to mental health issues, homelessness and drug abuse in 2018/19 and 2019/20.
- £100,000 to support the digitalisation of our heritage collection

- £120,000 to work with partners to support the year of well-being.
  - £50,000 in 2018/19 for the refurbishment of the Veterans Centre in Nuneaton.
  - £57,000 to increase the Councillor's Community Grants by £1,000 per member each year.
- 1.6. The level of savings to be delivered and the choices we have made have not been taken lightly. But we will continue to be responsible and commit ourselves to targeting resources that will support our vision to make Warwickshire the best it can be. We are all consumers of the services the County Council provides. We also represent the tax payers of Warwickshire.
- 1.7. Unless there is a compelling invest-to-save business case we will only fund additional spending where there is no alternative. We will continue 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.
- 1.8. 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 an increase of 2.99% on the council tax for all other services too. In total, this 4.99% council tax increase is equivalent of an increase of £1.25 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 will continue to implement our plan 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 and the additional funding provided by the Government through the Better Care Fund, meeting all demographic, statutory and inflationary pressures or through the delivery of the identified savings proposals. We expect the Service to continue

to work 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.

### **3. Revenue Allocations**

- 3.1. To reflect the significant pressures on communities and the increasing demand for services we are responsible for, whilst ensuring we continue to develop so we can deliver the public services expected for the future, we are making allocations totalling £32.795 million.
- 3.2. We will provide £12.158 million for the estimated cost of pay and price inflation in 2018/19, allocated between Business Units as shown in **Appendix A**. 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.
- 3.3. The Medium Term Financial Plan sets aside a further £12.590 million to meet the estimated cost of inflation in 2019/20. We recognise that 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.
- 3.4. In addition to meeting the estimated cost of inflation we will also provide £20.637 million to meet additional spending need, of which £8.657 million is time-limited. Details of the allocations and how we expect the funding to be used are also detailed in **Appendix A**.
- 3.5. We expect business units to manage all other issues from within existing financial resource levels and support their planned use of £5.680 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 continue to 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. We have put in place a review, to be completed by June 2018, of current DSG spend against the Government's Operational Guidance and our strategic outcomes, with a view to improving the deployment of DSG resources for maximum impact.

## 5. Funding Sources

- 5.1. Our savings plan will generate £8.889 million in 2018/19 and approval is given to the plans for the delivery of these savings in **Appendix B**. If during 2018/19 any of the savings do not materialise to the degree shown, the Head of Service in conjunction with the relevant Joint Managing Director, 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 for 2019/20 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 B.
- 5.3. Just under 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 £12.3 million 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 Joint Managing Director (Resources).
- 5.4. We will use the £9.690 million Revenue Support Grant received from the Government to support these proposals. In doing so we recognise 2018/19 is the last year in which we will receive a general government grant of this nature

and therefore the higher level of savings planned for 2019/20 partially reflect the loss of this funding.

- 5.5. Included within the roll-forward budgets are a number of other grants we receive from the Government for specific purposes. Any variations to the levels of funding received will be matched by an equivalent adjustment in the budget for the respective service.
- 5.6. We will use business rates funding of £65.285 million to support the overall budget of the County Council.
- 5.7. In the event of final central government funding allocations and levels of business rates being above or below the provisional settlement level the variation will be managed by an adjustment to the Medium Term Contingency during 2018/19.
- 5.8. We will use the £2.124 million surplus from the collection of council tax to support the budget on a one-off basis.
- 5.9. We will provide sufficient resources to ensure the level of General Reserves is at least consistent with that stated by the Head of Finance as the minimum level of general reserves given the financial risks facing the authority. We will use £8.358 million of the Medium Term Contingency and available General Reserves to support our spending plans.
- 5.10. **The council tax will increase by 4.99%.** 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 have continued 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 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 continuing austerity alongside growing demand for and expectations of public services will continue beyond 2020. We know this means significant challenges for the organisation, beyond those that we have already faced including the changing way in which people want to access services. We will need to consider how we deliver such a fundamental shift in the capacity of local government and public services more generally. This will take time, investment and a broad engagement with all those affected, both inside and outside the organisation.
- 6.4. Whilst the Plan provides a financially sustainable basis through to the end of 2019/20 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 2019/20 refresh of the Medium Term Financial Plan. These include:
- 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.
  - A review of the Fire and Rescue Service to shape proposals for the delivery of efficiencies and in response to the forthcoming inspection
  - A feasibility study into the County Council undertaking a more commercial approach to the use of its property and land assets.
  - A digital transformation pathway that outlines the benefits to the people of Warwickshire, service users and service providers as well as identifying the contribution that digital transformation can make to the delivery of savings beyond 2020.
  - The development of a collaborative approach to end-to-end service redesign of the collection and disposal of waste across Warwickshire and neighbouring authorities with a view to delivering additional savings for all partners.

## **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 and the growing demands on services, 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 2018/19 budget remains balanced and over the period of the One Organisation Plan 2020. To mitigate this risk:*

- *key policy changes associated with major savings proposals have been identified;*
- *Heads of Service, the Joint Managing Directors, 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, Joint Managing Directors, 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 and Local Government Funding***

*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. There is also greater*



*uncertainty with the announcement of a Fair Funding review of local government and how this may affect the resources available to the Council.*

***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 2018/19. 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 2018/19 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 2018/19. 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	26,030,112	1,339,000	(747,000)	26,622,112
Education and Learning	95,185,164	1,289,000	(733,000)	95,741,164
Fire and Rescue	18,703,117	513,000	0	19,216,117
Transport and Economy	25,212,383	1,244,000	(689,000)	25,767,383
Children and Families	56,698,493	5,665,000	(2,985,000)	59,378,493
Public Health	22,691,623	726,000	0	23,417,623
Social Care and Support	132,594,995	11,478,000	(2,562,000)	141,510,995
Strategic Commissioning	12,997,833	255,000	(406,000)	12,846,833
Customer Services	8,406,740	470,000	(10,000)	8,866,740
Finance	3,625,189	120,000	(65,000)	3,680,189
Human Resources and OD	4,507,271	120,000	(75,000)	4,552,271
Information Assets	8,581,097	579,000	(363,000)	8,797,097
Law and Governance	766,811	37,000	(49,000)	754,811
Performance	3,483,478	81,000	(55,000)	3,509,478
Property Services	8,388,383	1,234,000	(50,000)	9,572,383
Other Services - spending	41,857,416	7,645,000	(100,000)	49,402,416
Other Services - schools and funding	(127,198,092)	0	(74,975,000)	(202,173,092)
	<b>342,532,013</b>	<b>32,795,000</b>	<b>(83,864,000)</b>	<b>291,463,013</b>
<u>Contributions to/(from) reserves:</u>				
- Service Reserves	(5,680,000)	0	0	(5,680,000)
- Medium Term Contingency	0	0	(8,358,397)	(8,358,397)
<b>Budget Requirement</b>	<b>336,852,013</b>	<b>32,795,000</b>	<b>(92,222,397)</b>	<b>277,424,616</b>

## 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 2019 as follows:

	£
Budget Requirement	277,424,616.00
Less Council Tax Surplus on Collection	(2,124,338.00)
<b>Council Tax Requirement for the year ended 31 March 2018</b>	<b>275,300,278.00</b>
Divided by aggregate Council Tax Base for the County Area	201,880.41
<b>Basic Amount of Council Tax (Band D)</b>	<b>1,363.6800</b>

## 10. Council Tax

10.1. The council tax for 2018/19 is increasing by 4.99%. Therefore, approval is given to Council Tax amounts for each category of property as follows:

	£
Band A	909.1200
Band B	1,060.6400
Band C	1,212.1600
Band D	1,363.6800
Band E	1,666.7200
Band F	1,969.7600
Band G	2,272.8000
Band H	2,727.3600

## 11. Precepts

11.1. The Joint Managing Director (Resources) is authorised to issue the 2018/19 precepts on the Warwickshire billing authorities, as follows:

	£
North Warwickshire Borough Council	28,031,615.22
Nuneaton and Bedworth Borough Council	50,711,577.35
Rugby Borough Council	49,462,269.19
Stratford-on-Avon District Council	74,289,481.87
Warwick District Council	72,805,334.37

## 12. Budget Management

- 12.1. The Joint Managing Director (Resources) 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 Joint Managing Director (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 Joint Managing Director (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 Joint Managing Director (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 Joint Managing Director (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 Joint Managing Director (Resources) is instructed to remind the Joint Managing Director (Communities), 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 Joint Managing Directors, 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 2018/19. It also sets out our proposed approach to the payment of exit payments in Section 9.

## 2018/19 Revenue Spending Allocations

Description	Cumulative	
	2018/19 £'000	Indicative 2019/20 £'000
<b>Community Services</b>		
Inflation	608	608
Waste Management - allocation to mitigate the direct impact of housing growth and contract inflation	252	252
Waste Management - 1 year allocation to allow further work to be done to seek a permanent resolution to budget pressures by 2019/20	322	0
Increase Copuncillor Community Grants by £1,000 per member	57	57
Digitising Heritage - 1 year allocation	100	0
<b>Community Services Sub-total</b>	<b>1,339</b>	<b>917</b>
<b>Education and Learning</b>		
Inflation	496	496
SENDAR Budget Pressures - funding to maintain existing commissions of statutory work funded from the SEND Implementation Grant which ended in 2017/18	599	599
Quality of Early Years Education and Family Support Workers - 1 year allocation improve the quality of early years education and continue the work of family support workers pending the review of the Dedicated Schools Grant in 2018/19.	194	0
<b>Education and Learning Sub-total</b>	<b>1,289</b>	<b>1,095</b>
<b>Fire and Rescue</b>		
Inflation	513	513
<b>Fire and Rescue Sub-total</b>	<b>513</b>	<b>513</b>

## 2018/19 Revenue Spending Allocations

Description	Cumulative	
	2018/19 £'000	Indicative 2019/20 £'000
<b>Transport and Economy</b>		
Inflation	609	609
Recoverable funds from HS2 will not cover all costs of supporting all of the council services and communities affected by HS2 - 2 year allocation to allow the current work to continue, pending a further review after this time	235	200
Skills for Employment Project Extension - 2 year allocation to extend the project for a further 2 years.	300	300
Transport planning - allocation to ensure contributions from developers to meet the cost of infrastructure demands resulting from their developments are met as part of rebalancing transport and development activities	100	100
<b>Transport and Economy Sub-total</b>	<b>1,244</b>	<b>1,209</b>
<b>Children and Families</b>		
Inflation	1,277	1,277
Child Sexual Exploitation and Local Authority Designated Officer (LADO) - an allocation to provide funding for the missing children's teams, to meet statutory requirement to provide a return home interview to all missing children and to fund an additional LADO to meet demand and OFSTED recommendations.	214	214
School Transport for Looked After Children - an allocation to meet the rising demand for the service	200	200
Adoption Service and the Regional Adoption Agency (ACE) - an allocation to fund shortfall from ending of the Hard to Place Grant until spend activity changes as a result of the planned efficiencies that the ACE will bring and a 1 year allocation of £94,000 in 2019/20 to meet the higher unit cost of ACE whilst the new working arrangements are embedded	204	298
Children's Social Care - an allocation to address structural overspend from 2017/18 in relation to the numbers of Looked After Children, the pressure on the foster carer/placement mix and to support the recruitment and retention of social workers	2,000	2,000
Family Support Workers - an allocation to provide sustainable funding which would otherwise be at risk by the move to the National Funding Formula given the general pressure on the funding available to support pupils with high needs	834	834



## 2018/19 Revenue Spending Allocations

Description	Cumulative	
	2018/19 £'000	Indicative 2019/20 £'000
Family Group Conferencing - a 2 year allocation to develop the Family Group Conferencing service by funding a further 3 Family Group Conference co-ordinators, to be funded from savings thereafter.	146	146
School Transport for Looked After Children - a 1 year allocation to fund back-dated claims for additional support by foster carers following a decision of the Local Government Ombudsman	240	0
Specialist Equipment For Children with Special Educational Needs and Disabilities (SEND) - A 1 year allocation, pending further work being carried out, to improve understanding of the cost drivers that have resulted in increased spend	125	0
Priority Families and Family Support - a 2 year commitment to continue to provide match funding for Early Help Officer support and four Family Support Workers	425	425
<b>Children and Families Sub-total</b>	<b>5,665</b>	<b>5,394</b>
<b>Public Health</b>		
Inflation	456	456
A 1 year allocation to support the Year of Well-Being	120	0
A 1 year allocation to a joint project with partners to identify opportunities for joining up support for those with mental health, homelessness and drug abuse problems.	150	150
<b>Public Health Sub-total</b>	<b>726</b>	<b>606</b>

## 2018/19 Revenue Spending Allocations

Description	Cumulative	
	2018/19 £'000	Indicative 2019/20 £'000
<b>Social Care and Support</b>		
Inflation	6,174	12,033
Adult social care demand pressures	3,996	7,053
Additional investment in the development of an integrated health and social care service, with commitments agreed with health partners and funded from additional government grant	1,308	2,012
<b>Social Care and Support Sub-total</b>	<b>11,478</b>	<b>21,098</b>
<b>Strategic Commissioning</b>		
Inflation	255	255
<b>Strategic Commissioning Sub-total</b>	<b>255</b>	<b>255</b>
<b>Customer Service</b>		
Inflation	260	260
Family Information Service (FIS) - an allocation to provide additional capacity in the FIS service to deliver cost effective early intervention	102	102
Libraries - retention of Sunday opening and retaining the Warwick district local library network	83	83
Libraries - a 1 year allocation to support the development of community hubs in Libraries	25	0
<b>Customer Service Sub-total</b>	<b>470</b>	<b>445</b>
<b>Finance</b>		
Inflation	120	120
<b>Finance Sub-total</b>	<b>120</b>	<b>120</b>

## 2018/19 Revenue Spending Allocations

Description	Cumulative	
	2018/19 £'000	Indicative 2019/20 £'000
<b>Human Resources and Organisational Development</b>		
Inflation	120	120
<b>HR and OD Sub-total</b>	<b>120</b>	<b>120</b>
<b>IT Services</b>		
Inflation	230	230
Information management including subject access requests - an allocation to meet new Data Protection legislation and the updated Information Commissioner's requirements.	149	149
Digital fibre option network - 1 year allocation	200	0
<b>IT Services Sub-total</b>	<b>579</b>	<b>379</b>
<b>Law and Governance</b>		
Inflation	37	37
<b>Law and Governance Sub-total</b>	<b>37</b>	<b>37</b>
<b>Performance</b>		
Inflation	81	81
<b>Performance Sub-total</b>	<b>81</b>	<b>81</b>

## 2018/19 Revenue Spending Allocations

Description	Cumulative	
	2018/19 £'000	Indicative 2019/20 £'000
<b>Property Services</b>		
Inflation	184	184
A one-off allocation to support the maintenance of the Nuneaton Veterans Centre. This will be added to the capital programme if the nature of the work requires spend to be capitalised.	50	0
An allocation to fund the up-front costs of bringing strategic sites through to disposal, including seeking outline planning permission	1,000	0
<b>Property Services Sub-total</b>	<b>1,234</b>	<b>184</b>
<b>Other Services</b>		
Inflation (the 2019/20 allocation is for all services excluding adult social care)	738	7,469
Capital Investment Fund - provision for the revenue costs of the increased borrowing	1,872	1,872
An allocation to provide capacity to meet our civic responsibilities. In 2018/19 this will be focussed on commemorating the end of World War One and the diversity of the Commonwealth	10	10
Impact of policy changes for transport costs of looked after children - 1 year allocation pending a decision on the Council's policy going forward.	125	0
Digital First Customer Transformation Programme - to deliver further improvements in service redesign using digital capabilities	2,500	0
Fire - a 1 year provision to provide transitional capacity to shape proposals from review of the Fire Service for implementation in 2019/20	1,000	0
A 1 year allocation to finance additional temporary borrowing as a result of delay in the Europa Way asset disposal	1,400	0
Provision for indicative spending pressures in 2019/20	0	3,615
<b>Other Services Sub-total</b>	<b>7,645</b>	<b>12,966</b>

## 2018/19 Revenue Spending Allocations

Description	Cumulative	
	2018/19 £'000	Indicative 2019/20 £'000
Total Revenue Spending Allocations	32,795	45,419



## 2018/19 and 2019/20 Savings Plan

Description of change proposed	Cumulative Cash Saving	
	2018/19 £'000	2019/20 £'000
<b>Community Services Business Unit</b>		
Youth Justice Service - a service redesign focussed on reactive court ordered activity with a reduction in staffing and management costs as a result	0	222
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	206	206
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	203	203
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	36	679
Communities Resources - a reduction in activity and staffing to focus on statutory activity such as freedom of information requests and information governance matters.	22	43
Heritage and Culture - a refocus of services on the Market Hall Museum, the County Records office and income generation	280	360
<b>Total for Community Services</b>	<b>747</b>	<b>1,713</b>

## 2018/19 and 2019/20 Savings Plan

Description of change proposed	Cumulative Cash Saving	
	2018/19 £'000	2019/20 £'000
<b>Education and Learning Business Unit</b>		
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	139	139
Reduction in management and administration and the removal of the funding set aside for school-based projects that arise during the year.	110	110
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.	101	101
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	35	70
Stop funding redundancy costs for schools and only provide for existing commitments	100	221
Reduction in the Home to School Transport Budget.	248	248
<b>Total for Education and Learning</b>	<b>733</b>	<b>889</b>
<b>Fire and Rescue</b>		
Alternative savings to be identified	0	1,520
<b>Total for Fire and Rescue</b>	<b>0</b>	<b>1,520</b>



## 2018/19 and 2019/20 Savings Plan

Description of change proposed	Cumulative Cash Saving	
	2018/19 £'000	2019/20 £'000
<b>Transport and Economy Business Unit</b>		
Increased income as a result of pricing changes in Design Services, bringing our charges in line with the sector norm.	50	100
Generate income by an increase in the fees payable for licences and permits, including skips, scaffold, street café licenses and vehicular access requests.	5	10
Increase income targets to reflect current activity levels from Section 184 and Minor Works, Section 38 Agreements and pre application advice for highways.	10	20
Increase parking income as a result of re-tendering for the Civil Parking Enforcement operation, increased residential parking permits and on-street parking charges	44	88
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.	85	250
Commissioning of the cycle training service to an external provider.	5	5
Energy savings as a result of the capital investment into LED technology within our street lighting stock.	400	700
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	50
Increased income and surplus from County Fleet Maintenance following the installation of an MOT test facility at the new Hawkes Point site.	25	50
Develop the market for pre application advice, with the introduction of the pre-application charges in Flood Risk	20	20
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.	25	50
Winter gritting route optimisation as a result of rationalising depots to a single south depot.	0	25
Reduction in depot maintenance costs as a result of rationalising depots to a single south depot.	0	75
Increased income by the introduction of a new charging schedule for parking permits, including a consideration of a business parking permit scheme.	0	698
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	80
<b>Total for Transport &amp; Economy Business Unit</b>	<b>689</b>	<b>2,221</b>

## 2018/19 and 2019/20 Savings Plan

Description of change proposed	Cumulative Cash Saving	
	2018/19 £'000	2019/20 £'000
<b>Children and Families Business Unit</b>		
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	149	209
Delivery of a reduction in the need for children to become or remain looked after in Warwickshire	1,592	4,792
Children's Centres - a redesign of the service to reflect targeting support on those with greatest need	748	1,120
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	140	860
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	215	215
Increase the income generated from traded services including new income generation opportunities within the CAMHS contract	110	160
Children's Centres	0	0
Integration of the support services provided to the Adult and Children's Safeguarding Boards	31	31
<b>Total for Children and Families</b>	<b>2,985</b>	<b>7,387</b>

## 2018/19 and 2019/20 Savings Plan

Description of change proposed	Cumulative Cash Saving	
	2018/19 £'000	2019/20 £'000
<b>Public Health Business Unit</b>		
Drugs and Alcohol - a reduction in costs, prioritised through a redesign and recommissioning process	0	923
Healthwatch - re-tendering and redesign of the service to allow greater use of different channels, of volunteers and alignment with other similar agencies	0	45
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.	0	200
Reduce staffing and overheads across the Business Unit	0	200
Smoking Cessation - redesign services to accommodate the changes in how the public are choosing to quit smoking	0	100
Health Visitors and Family Nurse Practitioners - reduction in costs, prioritised through a redesign and recommissioning process	0	735
Advocacy - retendering and redesign of the service, combining the two advocacy approaches into one (see proposed saving from Healthwatch)	0	85
<b>Total for Public Health</b>	<b>0</b>	<b>2,288</b>

## 2018/19 and 2019/20 Savings Plan

Description of change proposed	Cumulative Cash Saving	
	2018/19 £'000	2019/20 £'000
<b>Social Care and Support</b>		
Redesign contract arrangements for short breaks for people with disabilities, ensuring more consistent use of residential respite	0	0
Ensure the personal budget offer is consistent and appropriate to need, including the use of the Resource Allocation System	352	500
Increased reliance on mainstream transport solutions to enable customers to access the services they need	165	408
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	0	550
Management of the National Living Wage and inflation impacts through the development of a revised commissioning approach	0	0
Use alternative 24 hour care options e.g. extra care housing and supported living	669	1,294
Develop and shape community alternatives and improve social capital to reduce demand on statutory social care services	960	1,200
Alternative solutions for low level needs for home care e.g. assistive technology, information, advice and community resources	416	600
Consideration of alternatives to day opportunities	0	0
Remodel direct payment employment support services	0	150
Reshaping the information and advice contract aimed at supporting people to return home safely from hospital	0	100
Integration of the support services provided to the Adult and Children's Safeguarding Boards	0	0
<b>Total for Social Care and Support</b>	<b>2,562</b>	<b>4,802</b>

## 2018/19 and 2019/20 Savings Plan

Description of change proposed	Cumulative Cash Saving	
	2018/19 £'000	2019/20 £'000
<b>Strategic Commissioning Business Unit</b>		
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	400
Reduce and reshape the staffing structure within the Business Unit and a reduction in programme and management support	49	171
All Age Disabilities - commission only statutory advocacy services and redesign appointee services	49	49
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	125	150
Reduction in historic pension costs that will decline naturally over time	12	24
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.	22	204
Reduction in the funding allocated to provide training for the Adults and Children's Safeguarding Boards	80	80
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	4	24
Redesign of the support function for Care Records ICT Systems	65	65
Reduction in business redesign and collaboration functions and funding for service specific learning and development activity	0	66
<b>Total for Strategic Commissioning</b>	<b>406</b>	<b>1,233</b>
<b>Customer Services Business Unit</b>		
Increase income from the Registration Service	10	45
Reduction in Library and One Stop Shop and Customer Service Centre management and support staff consistent with the restructure and redesign of these services	0	90
<b>Total for Customer Services</b>	<b>10</b>	<b>135</b>

## 2018/19 and 2019/20 Savings Plan

Description of change proposed	Cumulative Cash Saving	
	2018/19 £'000	2019/20 £'000
<b>Finance Business Unit</b>		
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.	35	40
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.	30	120
<b>Total for Finance</b>	<b>65</b>	<b>160</b>
<b>Human Resources Business Unit</b>		
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.	27	76
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	229
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	31
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.	48	48
<b>Total for Human Resources</b>	<b>75</b>	<b>384</b>

## 2018/19 and 2019/20 Savings Plan

Description of change proposed	Cumulative Cash Saving	
	2018/19 £'000	2019/20 £'000
<b>IT Services Business Unit</b>		
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.	58	123
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.	110	210
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.	145	285
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.	50	150
<b>Total for IT Services</b>	<b>363</b>	<b>768</b>
<b>Law and Governance Business Unit</b>		
Internal Audit - Savings achieved through streamlining processes and restructure of service	20	20
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.	29	63
<b>Total for Law and Governance</b>	<b>49</b>	<b>83</b>
<b>Performance Business Unit</b>		
Reduction in management and operational capacity through streamlining processes and redesigning the service.	45	90
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.	10	20
<b>Total for Performance</b>	<b>55</b>	<b>110</b>

## 2018/19 and 2019/20 Savings Plan

Description of change proposed	Cumulative Cash Saving	
	2018/19 £'000	2019/20 £'000
<b>Property Services Business Unit</b>		
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	0	1,140
Reductions in WCC's landlord maintenance budget commensurate with the reduction in property holdings	50	100
<b>Total for Property Services</b>	<b>50</b>	<b>1,240</b>
<b>Other Services</b>		
Management restructure	100	100
<b>Total for Other Services</b>	<b>100</b>	<b>100</b>
<b>CUMULATIVE TOTAL</b>	<b>8,889</b>	<b>25,033</b>
<b>IN-YEAR TOTAL</b>	<b>8,889</b>	<b>16,144</b>



## Warwickshire County Council – Pay Policy Statement 2018/19

### 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 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.
- 2.3 The Council has also implemented the National Living Wage for all staff regardless of age.
- 2.4 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
- 2.5 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'). For Hay graded staff pay awards ordinarily follow the NJC national recommended award.
- 2.6 An NJC pay agreement for 2018-19 is expected to be reached during 2018. The NJC pay agreement 2015-17 adjusted 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.
- 2.7 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.

- 2.8 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.
- 2.9 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 consider pay and remuneration which falls outside of the recognised national frameworks and recommendations.
- 2.10 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 2.4 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 27<sup>th</sup> May 2010).
- 2.11 The policy of the Council is to pay this group of employees, which includes the 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 Joint Managing Directors 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.
- 2.12 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.
- 2.13 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.
- 2.14 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.

- 2.15 **It is proposed that the County Council applies the remuneration policies set out above for the financial year 2018/19.**

### **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 undergoing a recognised national training scheme, those on work experience or those on other placements related to training, which are not established posts within the Council. The reason for excluding those individuals from the definition of 'lowest paid employees' is that the primary aim of their engagement is training and as such, they are not considered to be carrying out the full range of duties when compared to employees in established posts.
- 3.2 This means that the 'salary ratios' between the Council's lowest paid staff and its Joint Managing Directors and Strategic Directors are 1:11 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 Joint Managing Directors 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 Joint Managing Directors are paid a spot salary of £162,000 pa and will be reviewed annually in accordance with other Hay graded staff as outlined in 2.5. No other salary payments are made to the Joint Managing Directors.
- 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 Strategic Directors are paid on the same five 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 2.5 and 2.11 above). No other salary payments are made to the 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 fourth and fifth 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; 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 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 Joint Managing Directors, Strategic Directors or Heads of Service.
- 4.9 The maximum car mileage allowance paid to the 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 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 2.10 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 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 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 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 Joint Managing Directors; or where the employee is 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 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 Joint Managing Directors, Strategic Directors and Heads of Service on its website ([www.warwickshire.gov.uk](http://www.warwickshire.gov.uk)) in accordance with the Code of Recommended Practice for Local Authorities on Data Transparency and as required by s.7 of the Accounts and Audit (England) Regulations 2011.

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

- 11.1 Except in respect of pay and pay related arrangements (see paragraphs 2.10 and 2.13 above), and car allowances, the terms and conditions that apply to the Joint Managing Directors, Strategic Directors and Heads of Service are those agreed by the Joint Negotiating Committee for Chief Officers of Local Authorities.



# 2018/19 Capital Budget

## 1. Financial Direction of Travel

- 1.1. The value of our assets is £1.300 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. The Strategy has been updated in 2018 to reflect new external requirements in its content.
- 1.3. We have 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, in the next two years we will:
  - Continue to operate the Warwickshire Capital Investment Fund. The Fund provides 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 provides funding opportunities to revitalise our urban town centres, including provision of matched funding where possible and providing repayable loans to developers to accelerate key housing and employment sites.
  - Invest £0.330 million to keep SEND pupils local by improving facilities in schools.
- 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.

## 2. 2018/19 to 2019/20 Capital Programme

- 2.1. Approval is given to a capital programme of £299.494 million. Of this £171.473 million is for 2018/19 and £128.022 million for future years. There is £69.035 million in the Capital Investment Programme that will be allocated to specific schemes, in line with our priorities, as bids are created and considered.

- 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**.

<b>Table 1: Capital Programme: Summary by Service</b>				
<b>Service</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21 and later years</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Community Services	393	300	0	693
Education and Learning	17,085	40,015	4,260	61,360
Fire and Rescue	6,992	2,027	0	9,019
Transport and Economy	57,330	47,146	925	105,401
Children and Families	120	120	30	270
Public Health	24	0	0	24
Social Care and Support	2,300	1,000	0	3,300
Strategic Commissioning	1,507	0	0	1,507
Customer Services	509	0	1,670	2,179
Information Assets	10,263	8,398	4,579	23,240
Property Services	13,415	8,878	1,173	23,466
<b>Total Allocations</b>	<b>109,938</b>	<b>107,885</b>	<b>12,637</b>	<b>230,459</b>
<b>Capital Investment Programme</b>	<b>61,535</b>	<b>7,500</b>	<b>0</b>	<b>69,035</b>
<b>Total Programme</b>	<b>171,473</b>	<b>115,385</b>	<b>12,637</b>	<b>299,494</b>

### 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.

<b>Table 2: Financing the Capital Programme: Summary by Year</b>				
	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21 and later years</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Capital Grants and Contributions	46,048	73,190	3,149	122,387
Capital Receipts	41,142	23,096	8,285	72,523
Revenue	657	193	208	1,058
Self-financed borrowing	5,172	1,630	995	7,797
Corporate borrowing	78,453	17,276	0	95,728
<b>Total Financing</b>	<b>171,473</b>	<b>115,385</b>	<b>12,637</b>	<b>299,494</b>

*Note: The corporate borrowing figure is greater in 2018/19 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. Our modelling of future debt levels leaves the Council with significant headroom against its Operational Boundary and Affordable Limit, two of the key indicators within the Prudential Framework. Our approach of determining borrowing affordability from the position of ongoing revenue resource availability ensures that we will not commit the Council to future costs it cannot afford.

### 4. Prudential Guidelines and Limits

- 4.1. Approval is given to an Affordable Borrowing Limit and other Prudential Indicators consistent with the capital programme for 2018/19 and the subsequent years as detailed in **Appendix C**.

### 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 about risk and affordability and that it represents a robust and deliverable 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 £2 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 Joint Managing Director (Resources) is directly responsible for the implementation of the capital programme.
- 7.2. The Joint Managing Director (Resources) is instructed to remind all Joint Managing Directors, 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. The carry forward regime to review whether all uncommitted capital spend at the end of the financial year is still a priority will continue. 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 Joint Managing Directors, 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. The Joint Managing Directors, 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 ringfenced to that specific project by a third party
- 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 ringfenced to that specific asset by a third party
- 7.9. 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.

## **8. Managing the Maintenance Programme**

- 8.1. 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.
- 8.2. 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.

## **9. Managing the Investment Programme**

- 9.1. 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.
- 9.2. 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.
- 9.3. 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.



# 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, describes how we determine the content of and 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 as its key driver. 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.

Spending is included within the capital programme where we expect it to result in future economic (asset value) or service (asset performance or life) benefits. This covers both purchase of new long-term assets and improvements to existing ones, and is consistent with the approach required in the CIPFA Code of Practice in Local Authority Accounting. Some of our spending allocations are to either purchase or improve an asset belonging to another organisation or individual; in these circumstances, we include the expenditure in the capital programme for budget setting and monitoring processes, but follow the Code of Practice's requirements for accounting treatment to ensure it does not increase the net worth shown on our Balance Sheet. We operate a general de minimis of £6,000 on a project-by-project basis (£3,000 where the spend relates to primary schools or nurseries); expenditure below this level is treated as revenue and not part of the capital programme. Further details of our capitalisation policies can be found in the Accounting Policies section of our Statement of Accounts, published on our website.

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.

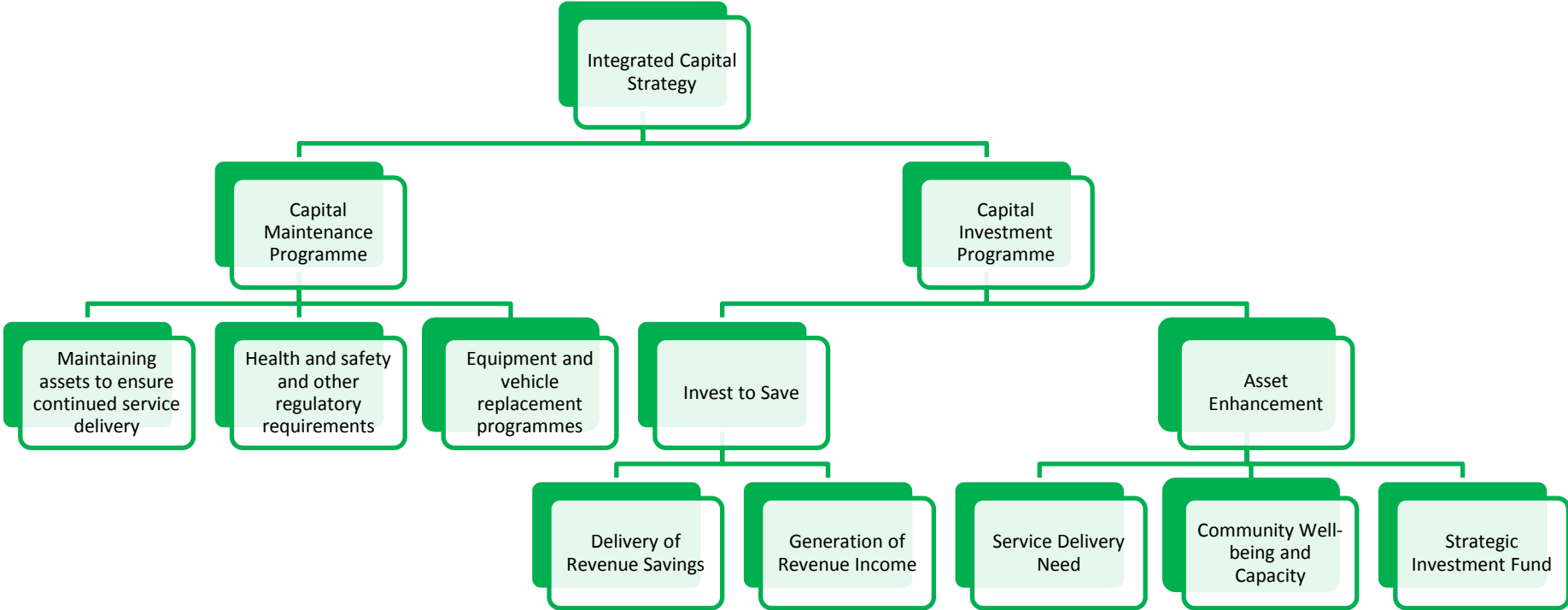
Each programme has a number of strands that ensure a clear focus on the purpose of capital spending and the prioritisation of proposals.

These approaches are underpinned by a number of specific service asset management strategies, including:

- The Asset Management Framework and Property Strategy 2013 – 2018
- The Highways Asset Management Strategy and the Highways Asset Management Policy
- The ICT Devices Strategy
- The Education and Learning Sufficiency Strategy 2016 – 2021

Links to these strategies can be found in [Annex A](#). If any of these strategies are revised during the year as part of our on-going service transformation and redesign programme, any consequent changes to this strategy will be considered at the same time.

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



**Maintenance Programme**

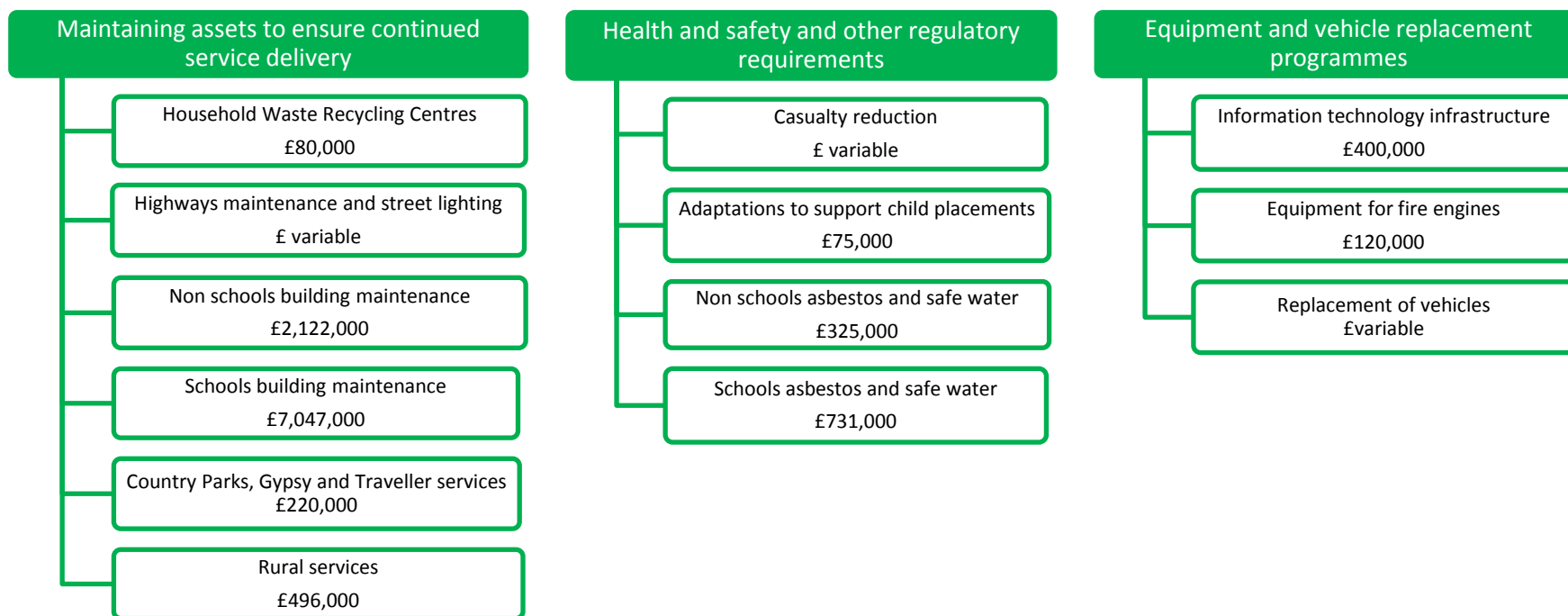
Each year the capital programme includes a number of schemes that relate to the routine maintenance of our asset infrastructure. It represents the level of spending which we have no choice but to incur over the medium term. Each element of the maintenance programme has a fixed annual allocation. This approach allows managers to plan their maintenance programme over the medium term in a structured way that reduces 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) plus the grant received from Government for highways maintenance plus revenue funding 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 B** summarises the prioritisation methodology that will be used through to 2020 for each of the elements of the rolling maintenance programme.

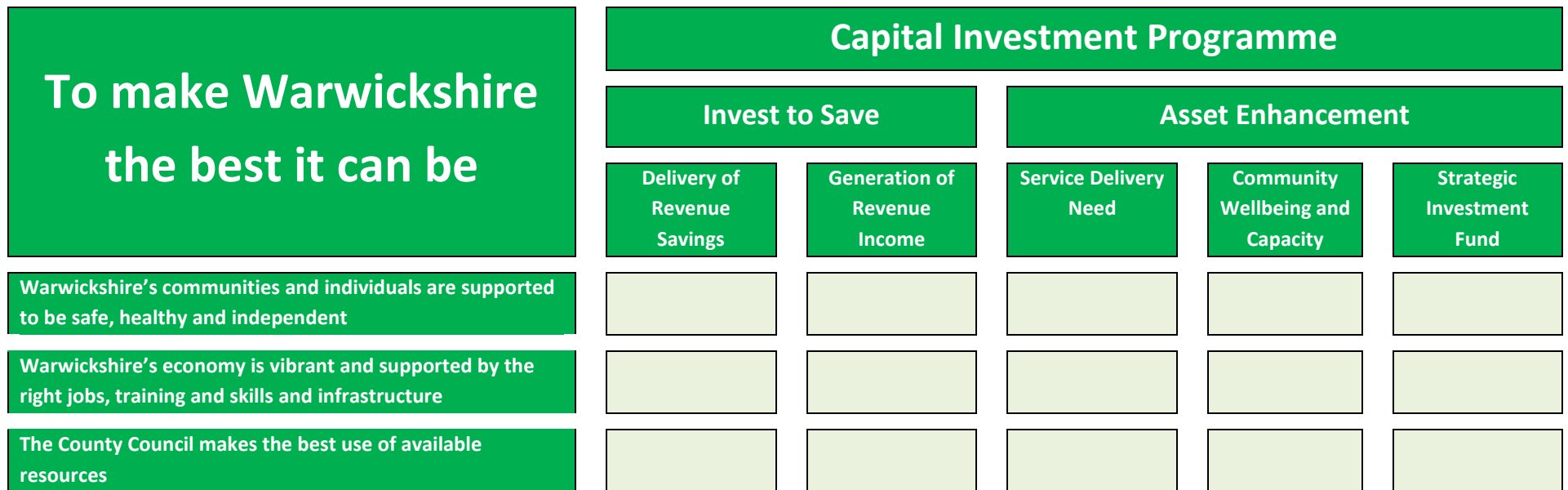


### Investment Programme

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 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.



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 organisational capacity required to see capital schemes 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 £2 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 £2 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 £2 million this approval is by the Leader, Cabinet or a Portfolio Holder to whom powers have been delegated. Schemes over £2 million require the approval of full Council. A summary of the evaluation criteria and their relative weighting is attached at [Annex C](#).

## 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 those from the disposal of 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 that becomes affordable as a result of growth in the council tax taxbase above 0.75% each year that is not needed to balance the revenue budget.

## Capital Receipts

Through our approach to asset management planning (see [Annex A](#)), 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 taken 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
- The level of any potential financial return
- Any legal obligations
- 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 a 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 base our approach to borrowing money to finance capital investment on a set of guiding principles (the Prudential Framework). The framework includes 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. The revenue cost of this borrowing and any additional borrowing agreed as part of the 2018/19 budget is felt in two ways; firstly in real interest charges incurred on our loans and secondly in the Minimum Revenue Provision, a notional charge to the revenue budget which spreads the cost of acquiring assets across the years in which the benefits of that expenditure are felt. We estimate that the total revenue cost as a result of past and planned new borrowing from these two charges will be £25.836 million in 2018/19, £31.516 million in 2019/20 and £31.783 million in 2020/21. Provision for these costs is included as part of our 2018/19 budget and medium term financial plan. Further details of anticipated borrowing levels, forecast repayment schedules and the framework within which we make decisions about debt and investments can be found within the Treasury Management Strategy 2018/19 ([see Annex A](#)). Our modelling of future debt levels, detailed within the Treasury Management Strategy, leaves the Council with significant headroom against its Operational Boundary and Affordable Limit, two of the key indicators within the Prudential Framework. Our approach of determining borrowing affordability from the position of ongoing revenue resource availability ensures that we will not commit the Council to future costs it cannot afford.

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.

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 and 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 Capital Investment Fund will be used to supplement 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 achievement 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.

## Links to Related Documents

### Asset Management Strategies

- The [Asset Management Framework and Property Strategy 2013 – 2018](#)
- The [Highways Asset Management Strategy and the Highways Asset Management Policy](#)
- The [ICT Devices Strategy](#)
- The [Education and Learning Sufficiency Strategy 2016 – 2021](#)

### Treasury Management and Investment Strategies

- The Treasury Management Strategy 2018/19

## Prioritisation of the Annual Maintenance Programme

### Household Waste Recycling Centres (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. 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. 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 guardians 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 through 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, 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 two or four 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.

However, emergency work can arise; resulting in a situation where the plan 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 two 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**

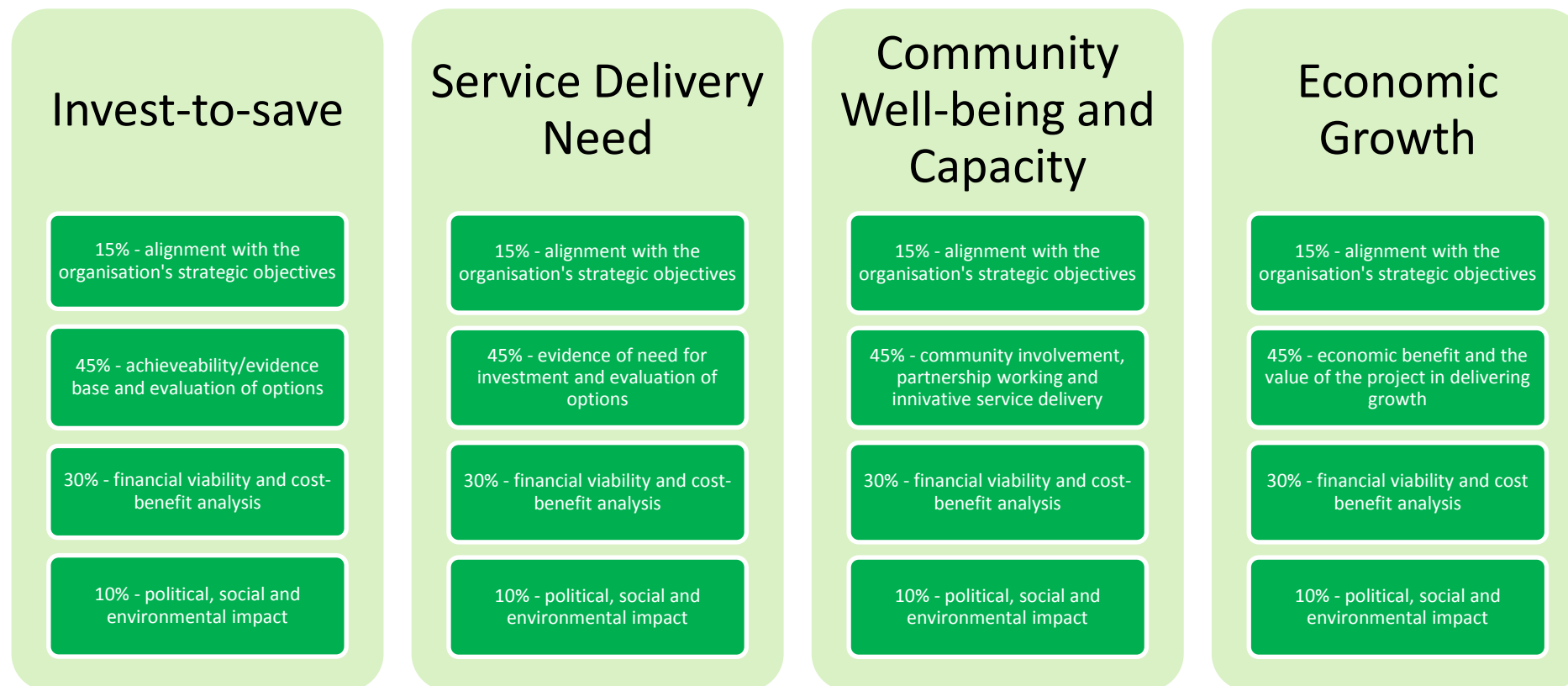
Spending is prioritised through an approved fleet replacement programme produced by consultation with manufacturer's recommendations and the Council's fleet management team.

### **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



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.



## 2018-20 Capital Programme by Business Unit

Programme	Category	Scheme Title	Earlier Years £'000	2018/19 £'000	2019/20 £'000	2020/21 and Later Years £'000	Total £ 000's
		<b>Community Services</b>					
Maintenance	Maintenance	Household Waste Recycling Centre maintenance	0	80	80	0	160
Maintenance	Maintenance	Country Parks, Gypsy and Travellers services maintenance	1,599	257	220	0	2,076
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	95	6	0	0	101
Investment	Community Well-Being	Development of Emergency Stopping Places	50	23	0	0	73
		<b>Total Community Services</b>	<b>1,817</b>	<b>393</b>	<b>300</b>	<b>0</b>	<b>2,510</b>
		<b>Education and Learning</b>					
Investment	Service Need	Minor Works	0	300	0	0	300
Investment	Service Need	DDA Blockheader	0	400	0	0	400
Investment	Service Need	High Meadow Infant School - new classrooms, group rooms and toilets	10	240	1,400	0	1,650
Investment	Service Need	Weddington Nursery Provision - demolition and new build	10	378	0	0	388
Investment	Service Need	Long Lawford Primary permanent expansion	541	2,499	0	0	3,040
Investment	Service Need	The Ferncumbe Primary School	120	30	0	0	150
Investment	Service Need	Newdigate Primary School Bedworth	120	30	0	0	150
Investment	Service Need	The Ferncumbe Primary School	40	360	0	0	400
Investment	Service Need	Welford on Avon Primary School	150	1,350	0	0	1,500
Investment	Service Need	Acorns Primary School, Long Compton - new temporary classroom	45	215	0	0	260
Investment	Service Need	Newdigate Primary School - Expansion and internal referb	10	290	700	0	1,000
Investment	Service Need	Wellesbourne Primary School - new small hall and servery to the annex site	10	190	700	0	900
Investment	Service Need	Michael Drayton Primary - Expansion	20	480	1,000	0	1,500
Investment	Service Need	New School, The Gateway, Rugby	21	29	1,100	2,000	3,150
Investment	Service Need	Water Orton Primary School (re HS2 Conditional)	143	5,358	0	0	5,500
Investment	Service Need	Eastlands Primary Temporary Classroom	102	20	20	60	202
Investment	Service Need	Long Lawford temporary arrangements	4	80	0	0	84
Investment	Service Need	Race Leys Infant School demolish classroom and extend playground	50	1	0	0	51
Investment	Service Need	Campion Phase 1 (incl Sports Hall refurb)	50	250	5,000	2,200	7,500
Investment	Service Need	Bilton School Refocus Unit - Expansion and refurbishment	10	244	0	0	254
Investment	Service Need	Welcombe Hills vehicle access alterations	8	442	0	0	450
Investment	Service Need	Paddox Primary SISG	10	290	0	0	300
Investment	Service Need	Arden Fields Academy - creation of additional facilities	0	66	0	0	66

## 2018-20 Capital Programme by Business Unit

Programme	Category	Scheme Title	Earlier Years £'000	2018/19 £'000	2019/20 £'000	2020/21 and Later Years £'000	Total £ 000's
Investment	Service Need	Specialist Nurture Provision at Special School	0	200	0	0	200
Investment	Service Need	Oakwood Special School - Conversion of music room to specialist teaching room	0	60	0	0	60
Investment	Service Need	Ridgeway School - Reconfiguration of classrooms	0	100	25	0	125
Investment	Service Need	Round Oak School - Reconfiguration of classrooms	0	100	25	0	125
Investment	Service Need	Keeping SEND pupils local	0	200	130	0	330
Investment	Service Need	Education Capital - Unallocated	0	2,883	29,915	0	32,798
		<b>Total Education and Learning</b>	<b>1,474</b>	<b>17,085</b>	<b>40,015</b>	<b>4,260</b>	<b>62,833</b>
		<b>Fire and Rescue</b>					
Maintenance	Service Need	Equipment for new fire appliances	103	183	120	0	405
Investment	Service Need	Fire & Rescue HQ Leamington Spa	0	402	1,907	0	2,309
Investment	Service Need	Training centre - new build	1,993	5,885	0	0	7,878
Investment	Service Need	WFRS Water Training Facility	0	500	0	0	500
Investment	Service Need	Warwickshire fire control provision	817	22	0	0	839
		<b>Total Fire and Rescue</b>	<b>2,913</b>	<b>6,992</b>	<b>2,027</b>	<b>0</b>	<b>11,931</b>
		<b>Transport and Economy</b>					
Maintenance	Maintenance	Highways maintenance	0	12,708	12,708	0	25,416
Investment	Community Well-Being	Area delegated funding	4,702	5,066	2,000	0	11,768
Investment	Income generation	Centenary Business Centre Phase 3	1,883	7	0	0	1,890
Investment	Economic Growth	Nuneaton and Bedworth Town Centre - Queens Road West improvements	616	104	0	0	720
Investment	Economic Growth	Business loans and grants	1,587	500	0	0	2,088
Investment	Economic Growth	Transforming Nuneaton	0	500	7,055	0	7,555
Investment	Economic Growth	Duplex Fund	0	480	600	920	2,000
Investment	Economic Growth	Small Business Grants	0	300	0	0	300
Investment	Community Well-Being	Snitterfield flood alleviation	2,792	70	0	0	2,863
Investment	Community Well-Being	Ladbroke flood alleviation	45	21	0	0	66
Investment	Economic Growth	Flood modelling, Nuneaton	60	21	0	0	81
Investment	Community Well-Being	Kites Hardwick flood alleviation	52	8	0	0	60
Investment	Community Well-Being	Cherrington Flood Risk Management Scheme	19	46	0	0	65
Investment	Community Well-Being	Casualty reduction schemes	313	570	350	0	1,234
Investment	Community Well-Being	Warwick, Myton Road cycle link (Myton and Warwick School)	27	123	0	0	150
Investment	Income generation	Stratford Park and ride site alterations	85	15	0	0	100

## 2018-20 Capital Programme by Business Unit

Programme	Category	Scheme Title	Earlier Years £'000	2018/19 £'000	2019/20 £'000	2020/21 and Later Years £'000	Total £ 000's
Investment	Economic Growth	Stratford Town Station Upgrade	127	110	0	0	237
Investment	Invest to save	Home to school routes	41	1,868	0	0	1,909
Investment	Invest to save	School safety zones	2,113	1,073	500	0	3,686
Investment	Economic Growth	Rugby Western Relief Road	59,455	291	0	0	59,746
Investment	Economic Growth	Stratford-upon-Avon Local Sustainable Transport Project	5,562	34	0	0	5,596
Investment	Economic Growth	M40 Junction 12	11,572	500	0	0	12,072
Investment	Economic Growth	Rugby Gyratory Improvements	1,553	59	0	0	1,612
Investment	Economic Growth	Bermuda Connectivity	1,433	2,269	0	0	3,702
Investment	Economic Growth	A444 Coton Arches, Nuneaton	568	3,052	100	0	3,720
Investment	Economic Growth	A46 Stanks Island, Warwick	857	5,143	0	0	6,000
Investment	Economic Growth	A444 Corridor Improvements - Phase 2	0	4,270	0	0	4,270
Investment	Economic Growth	A3400 Bham Road Stratford Corridor Improvements	160	1,250	2,090	0	3,500
Investment	Invest to save	Pump Priming allocation for LED street lighting	2,234	1,000	1,000	0	4,234
Investment	Service Need	Portobello Bridge	527	67	1,461	5	2,060
Maintenance	Maintenance	Minor Bridge Maintenance Schemes	1,908	211	0	0	2,119
		<b>Developer Funded</b>					
Investment	Economic Growth	Clifton on Dunsmore Traffic Calming S106	49	271	0	0	320
Investment	Economic Growth	Bus Stop Enhancement Works In Alderminster	7	15	0	0	21
Investment	Economic Growth	Install CCTV on Emscote Road Warwick	0	9	0	0	9
Investment	Economic Growth	Install MOVA operation on traffic signal junctions Emscote Road Warwick	0	75	0	0	75
Investment	Economic Growth	Install Variable Message Signs A444	0	82	0	0	82
Investment	Economic Growth	Install Traffic Signals junction Colliery lane / Back Lane Exhall	0	45	0	0	45
Investment	Economic Growth	Rights of Way Scheme at Long Shoot Development Nuneaton	0	6	0	0	6
Investment	Economic Growth	Weddington Road, Nuneaton - Implement toucan crossing	0	68	0	0	68
Investment	Economic Growth	2 Bus shelters at bus stops on Narrow Hall Meadow near GP Surgery Chase Meadow	0	20	0	0	20
Investment	Economic Growth	Birmingham Road - Cycle route enhancements	11	6	0	0	16
Investment	Economic Growth	Leamington, Junction Alterations at Former Potterton Works	4	396	0	0	401
Investment	Economic Growth	Rugby, Hunters Lane - through route New Technology Drive to Newbold Road	58	332	0	0	391
Investment	Economic Growth	Blackhorse Road - Upgrade traffic signals	137	11	0	0	148
Investment	Economic Growth	New Roundabout on the A444 Weddington Road, Nuneaton	721	150	0	0	871
Investment	Economic Growth	B4113 Gipsy Lane Junction	5	199	0	0	204
Investment	Economic Growth	Ansty Business Park Phase 3	1,519	1,034	0	0	2,553
Investment	Economic Growth	A426 / A4071 Avon Mill Roundabout Rugby improvement scheme	344	0	273	0	617
Investment	Economic Growth	A426 Gateway Rugby to Rugby Town Centre cycle scheme	33	115	109	0	257

## 2018-20 Capital Programme by Business Unit

Programme	Category	Scheme Title	Earlier Years £'000	2018/19 £'000	2019/20 £'000	2020/21 and Later Years £'000	Total £ 000's
Investment	Economic Growth	B4632 Campden Road / C47 Station Road	570	80	0	0	650
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	300	300	0	0	600
Investment	Economic Growth	A428 Lawford Road, Rugby	0	450	0	0	450
Investment	Economic Growth	D3108 Back Lane Long Lawford Traffic Signals & Junction Improvements	650	200	0	0	850
Investment	Economic Growth	B4642 Coventry Road, Cawston - new right turn lane	1	150	0	0	151
Investment	Economic Growth	D1643 Park Road, Bedworth - new car park egress	1	200	0	0	201
Investment	Economic Growth	A47 Long Shoot - relocation of a refuge island	7	75	0	0	82
Investment	Economic Growth	Warwick Town Centre	250	300	0	0	550
Investment	Economic Growth	A3400 Banbury Road / Tiddington Road, Stratford upon Avon.	500	500	0	0	1,000
Investment	Economic Growth	C98 Loxley Road, Tiddington	150	500	0	0	650
Investment	Economic Growth	A452 Europa Way (Lower Heathcote Farm), Warwick	1,000	1,800	0	0	2,800
Investment	Economic Growth	Butlers Leap Link Road, Rugby	700	2,000	0	0	2,700
Investment	Economic Growth	Shottery Link Road, Stratford-upon-Avon	750	750	0	0	1,500
Investment	Economic Growth	B4451 Station Road Bishops Itchington Ghost Island Right Turn Lane	0	500	0	0	500
Investment	Economic Growth	A452 Europa Way / Olympus Avenue Traffic Signal Controlled Junction	4	3,500	0	0	3,504
Investment	Economic Growth	B439 Salford Road Bidford - Access And Puffin Crossing	0	150	0	0	150
Investment	Economic Growth	A446 Lichfield Road, Coleshill - Highway improvements	0	150	0	0	150
Investment	Economic Growth	C104 Milcote Rd, Welford On Avon - Highway improvements	0	200	0	0	200
Investment	Economic Growth	A47 The Long Shoot ( Callendar Farm ) - highway alterations	0	150	0	0	150
Investment	Economic Growth	C12 Plough Hill Road , Galley Common - installation of puffin crossing and associated footway works	0	300	0	0	300
Investment	Economic Growth	A452 Myton Road and Shire Park roundabouts	0	0	3,800	0	3,800
Investment	Economic Growth	A452 Europa South of Olympus Avenue to Heathcote Lane roundabout	0	0	7,500	0	7,500
Investment	Economic Growth	A452 M40 spur west of Banbury Road	0	0	7,600	0	7,600
		<b>Total Transport and Economy</b>	<b>108,062</b>	<b>57,330</b>	<b>47,146</b>	<b>925</b>	<b>213,463</b>

## 2018-20 Capital Programme by Business Unit

Programme	Category	Scheme Title	Earlier Years £'000	2018/19 £'000	2019/20 £'000	2020/21 and Later Years £'000	Total £ 000's
		<b>Children and Families</b>					
Maintenance	Service Need	Children and Families property adaptations, purchases and vehicles	131	120	120	30	401
		<b>Total Children and Families</b>	<b>131</b>	<b>120</b>	<b>120</b>	<b>30</b>	<b>401</b>
		<b>Public Health</b>					
Investment	Community Well-Being	Urban mile markers	0	24	0	0	24
		<b>Total Public Health</b>	<b>0</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>24</b>
		<b>Social Care and Support</b>					
Investment	Invest to save	Common assessment formula - social care IT development	50	300	0	0	350
Investment	Invest to save	Extra-care housing and accommodation with care	0	2,000	1,000	0	3,000
		<b>Total Social Care and Support</b>	<b>50</b>	<b>2,300</b>	<b>1,000</b>	<b>0</b>	<b>3,350</b>
		<b>Strategic Commissioning</b>					
Investment	Service Need	Mental health grant	160	56	0	0	216
Investment	Service Need	Adult social care modernisation and capacity	101	896	0	0	997
Investment	Service Need	Client Information Systems Review	3,639	555	0	0	4,194
		<b>Total Strategic Commissioning</b>	<b>3,900</b>	<b>1,507</b>	<b>0</b>	<b>0</b>	<b>5,407</b>
		<b>Customer Services</b>					
Investment	Service Need	One-Stop Shops Expansion Programme	182	0	0	21	203
Investment	Service Need	Improving the Customer Experience/One Front Door Improvements	511	509	0	1,600	2,620
Investment	Community Well-Being	Community information hubs	59	0	0	50	109
		<b>Total Customer Services</b>	<b>752</b>	<b>509</b>	<b>0</b>	<b>1,670</b>	<b>2,931</b>
		<b>Information Assets</b>					
Investment	Service Need	WCC Information Assets Purchases	678	548	521	0	1,746
Investment	Economic Growth	Development of Rural Broadband	14,998	9,715	7,878	4,579	37,170
		<b>Total Information Assets</b>	<b>15,676</b>	<b>10,263</b>	<b>8,398</b>	<b>4,579</b>	<b>38,916</b>

## 2018-20 Capital Programme by Business Unit

Programme	Category	Scheme Title	Earlier Years £'000	2018/19 £'000	2019/20 £'000	2020/21 and Later Years £'000	Total £ 000's
		<b>Property Services</b>					
Maintenance	Maintenance	Non-schools asbestos and safe water remedials	0	325	325	0	650
Maintenance	Maintenance	Non-schools - planned building, mechanical and electrical backlog	0	2,122	2,122	0	4,244
Maintenance	Maintenance	Schools asbestos and safe water remedials	0	731	731	0	1,462
Maintenance	Maintenance	Schools planned building, mechanical and electrical backlog	0	3,431	3,431	0	6,862
Maintenance	Maintenance	Rural services capital maintenance	0	496	496	0	992
Investment	Income generation	Refurbishment of Old Shire Hall	986	700	0	0	1,686
Investment	Income generation	Planning Consent For Europa Way	631	20	0	0	651
Investment	Income generation	Strategic site planning applications	1,288	340	143	178	1,949
Investment	Income generation	Planning consent re the disposal of Dunchurch depot	40	40	0	0	80
Investment	Invest to save	Rationalisation of county storage	2,828	1,572	0	0	4,400
Investment	Invest to save	Dunsmore Home Farm, Clifton on Dunsmore - Ground Mounted Solar	0	3,600	1,630	0	5,230
Investment	Invest to save	Various properties - renewable energy	240	0	0	995	1,235
Investment	Service Need	Small scale reactive / minor improvements county-wide	453	38	0	0	491
		<b>Total Physical Assets</b>	<b>6,466</b>	<b>13,415</b>	<b>8,878</b>	<b>1,173</b>	<b>29,932</b>
		<b>Capital Investment Programme</b>					
		Capital Investment Programme - existing	0	38,535	7,500	0	46,035
		Capital Investment Programme - new	0	23,000	0	0	23,000
		<b>Total Capital Investment Programme</b>	<b>0</b>	<b>61,535</b>	<b>7,500</b>	<b>0</b>	<b>69,035</b>
		<b>TOTAL CAPITAL PROGRAMME</b>	<b>141,240</b>	<b>171,473</b>	<b>115,385</b>	<b>12,637</b>	<b>440,734</b>



## Prudential Indicators

PRUDENTIAL INDICATOR	2016/17	2017/18	2018/19	2019/20	2020/21
<b>(1) AFFORDABILITY PRUDENTIAL INDICATORS</b>					
	actual	estimate	estimate	estimate	estimate
	£'000	£'000	£'000	£'000	£'000
Capital Expenditure	83,606	97,112	171,473	115,385	12,637
	%	%	%	%	%
Ratio of financing costs to net revenue stream	8.78	7.10	7.09	7.73	7.55
	£'000	£'000	£'000	£'000	£'000
Gross borrowing requirement					
Gross Debt	363,424	362,274	362,274	352,274	332,274
Capital Financing Requirement as at 31 March	316,694	322,953	393,952	397,291	382,586
Under/(Over) Borrowing	(46,730)	(39,321)	31,678	45,017	50,312
	£'000	£'000	£'000	£'000	£'000
In year Capital Financing Requirement	(2,668)	6,259	70,999	3,339	(14,705)
	£'000	£'000	£'000	£'000	£'000
Capital Financing Requirement as at 31 March	316,694	322,953	393,952	397,291	382,586
<b>PRUDENTIAL INDICATOR</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
<b>(2) TREASURY MANAGEMENT PRUDENTIAL INDICATORS</b>					
	actual	estimate	estimate	estimate	estimate
	£'000	£'000	£'000	£'000	£'000
Authorised limit for external debt -					
Borrowing	497,346	549,049	516,818	532,824	527,178
Other long term liabilities	12,000	12,000	12,000	12,000	12,000
TOTAL	509,346	561,049	528,818	544,824	539,178
	£'000	£'000	£'000	£'000	£'000
Operational boundary for external debt -					
Borrowing	414,455	457,540	430,681	444,020	439,315
Other long term liabilities	10,000	10,000	10,000	10,000	10,000
TOTAL	424,455	467,540	440,681	454,020	449,315
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 year	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%