

Council – 7 February 2019

Minute 3 – Appendix C

Warwickshire County Council

2019/20 Budget and Medium Term Financial Planning Framework

2019/20 Revenue Budget

The County Council will plan its budget framework for 2019/20 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. It provides a degree of certainty and a sure-footed direction of travel where services can focus on delivery knowing the financial environment within which they will be required to operate.
- 1.2. 2019/20 is the last year of our current One Organisation Plan and we intend to continue to implement the Plan, only making changes where necessary. By the end of 2019/20 the budget will be balanced and sustainable into the future with no on-going spending need being funded from one-off resources without an approved exit strategy being in place. We will put in place sustainable solutions in respect of those services where structural overspends have emerged.
- 1.3. This will ensure we can start work on the development of our next 2020-25 Corporate Plan with confidence bringing together service and financial planning arrangements as part of the authority's new operating model. 2019/20 will be the start of this transformation with greater emphasis on an evidence-based approach to budget setting. Commissioning strategies, key business measures and performance management requirements will be aligned and consistent with the available resources of the authority.
- 1.4. In response, to ensure the finances of the Council are robust and sustainable we will:
 - Directly invest £6.8 million in our children's social care services, providing resources to meet costs arising from: the higher numbers of Looked After Children, the limited options to tackle the foster care / placement mix and additional support for those moving from care to independent living. In addition we will invest £2.8 million into a Children's Transformation Fund to invest in initiatives to reduce demand for children's social care over the medium term.
 - Invest £7.3 million to protect our elderly citizens and vulnerable adults by raising the levy for adult social care to fund additional demand and manage

winter pressures whilst still continuing to make progress on our vision of greater integration between health and social care.

- Invest £1.1 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 £0.4 million in the Waste Management service to meet the increased demand as a result of housing growth combined with the increased costs of contracts and recycling credits above the rate of inflation.
- Invest £0.3 million to create capacity to undertake property feasibility studies and steer organisational strategy in relation to digital and technology investment to ensure service redesign and transformation is not slowed.

1.5. We are beginning to see real positive impacts of our strategy of investing in growth and a vibrant economy. For the first time in recent years the growth in the taxbase means we have resources available to invest in services. We are determined to make the best use of the funding we have available. With evidence based decision-making we are looking to make step changes towards the delivery of our service objectives whilst ensuring any allocations do not cause difficulties with sustainability over the medium term. We will put in place rigorous prioritisation and evaluation processes before funding allocations are confirmed.

1.6. We will use the capacity 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.

1.7. We will invest:

- £2.0 million (£1.5 million one-off) in an ambitious Early Intervention, Prevention and Community Capacity Fund. The Fund will be used to support projects and initiatives that deliver the organisation's service objectives in relation to supporting Warwickshire's communities and individuals to be safe, healthy and independent. Allocations to individual projects will require business cases that are evaluated against criteria that will be agreed by Cabinet in April 2019.
- £1.0 million to generate additional capital so we can invest in the infrastructure of our County and meet the needs of services. Our capital resolution outlines our priorities for the use of the additional capacity this allocation provides.
- £2.0 million to maintain and enhance our work to ensure Warwickshire has a vibrant economy, working in partnership to maximise the benefits from opportunities. Specific proposals include:

- £90,000 to support delivery of the 3 year forward plan for Tourism 2018-2022.
 - £60,000 to support the work of the Council as an active partner in the Coventry and Warwickshire Economic Growth partnership.
 - £200,000 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.
 - £384,000 over three years to fund the activity of the LEP Growth Hub, subject to an annual review of progress made towards delivery of a sustainable service offer.
 - £266,000 to continue the work on HS2 mitigation for a further two years beyond 2019/20.
 - £1 million investment to deliver City of Culture projects over the next four years that maximise the opportunities for Warwickshire.
 - £30,000 to provide funding for activity reflecting the County Council's policy commitment to the Armed Forces Covenant.
 - £300,000 to extend the current investment in initiatives to tackle homelessness delivered jointly with the Districts and Boroughs across Warwickshire.
 - £600,000 to provide an operational subsidy and preserve access to our heritage, subject to an annual review.
- 1.8. We will ring-fence the concessionary and public transport budgets and redirect the £500,000 structural underspend to provide transport solutions for our communities with a focus on tackling isolation and supporting vulnerable groups. We require that a report is brought to Cabinet in April 2019 to this end with clear criteria for assessing the benefit of proposals and initiatives including the effective use of community and commercial services, integration with existing arrangements and maximising the use of spare capacity.
- 1.9. 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.
- 1.10. 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 £1.31 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. Dedicated Schools Grant

- 3.1. 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). Our policy remains that we do not intend to subsidise the DSG from our own resources. We will continue with the approach adopted last year of moving towards the implementation of the National Funding Formula for schools. Last year we put in place a review of non-schools block DSG spend against the Government's Operational Guidance and our strategic outcomes, with a view to improving the deployment of non-schools block DSG resources for maximum impact. The findings of the DSG Review were reported to Cabinet in December 2018. The report identified a £4.0 million structural deficit.

- 3.2. Whilst proposals for bringing the DSG back into balance have been identified we recognise that achieving a balanced DSG budget is not possible in the short term. Therefore to ensure our budget remains robust we have allocated, as part of this resolution, £4.9 million of temporary funding (£3.3 million in 2019/20) to provide capacity to bring the DSG back into balance over three years.
- 3.3. However, given that our policy remains unchanged, we require that a report is brought to Cabinet by March 2019 for approval that sets out how the DSG will be brought back into balance within the level of allocations approved as part of this resolution.

4. Revenue Allocations

- 4.1. 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 £42.749 million.
- 4.2. We will provide £12.996 million for the estimated cost of pay and price inflation in 2018/19, allocated between Services as shown in **Appendix A**. In making this allocation it is acknowledged that the allocation to Services 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 Service will have the opportunity to allocate the funding provided to reflect where inflation will impact at a local level.
- 4.3. In addition to meeting the estimated cost of inflation we will also provide £29.753 million to meet additional spending need, of which £14.034 million is time-limited. Details of the allocations and how we expect the funding to be used are also detailed in **Appendix A** for permanent allocations and **Appendix B** for time-limited allocations.
- 4.4. We expect Services to manage all other issues from within existing financial resource levels and support their planned use of £3.329 million of service reserves to provide capacity to invest in service change and to allow space to effectively implement service redesign/reprioritisation.

5. Funding Sources

- 5.1. Our savings plan will generate £14.221 million in 2019/20 and a further £1.941 million in 2020/21. Approval is given to the plans for the delivery of these savings

detailed in **Appendix C**. However we recognise that some elements may require public consultation before a final decision is made. If during 2019/20 any of the savings do not materialise to the degree shown, the Assistant Director in conjunction with the relevant Strategic Director and Portfolio Holder should identify alternative proposals to ensure the savings targets are delivered and report this as part of quarterly monitoring.

- 5.2. 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 £10.7 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 Strategic Director of Resources.
- 5.3. 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.
- 5.4. We will use business rates funding of £67.821 million to support the overall budget of the County Council. In the event of business rates funding being above or below this level the variation will be managed by an adjustment to the Medium Term Contingency during 2019/20.
- 5.5. We will use the £1.453 million surplus from the collection of council tax to support the budget on a one-off basis.
- 5.6. We will provide sufficient resources to ensure the level of General Reserves is at least consistent with that stated by the Assistant Director for Finance and ICT as the minimum level of general reserves given the financial risks facing the authority. We will use £3.363 million of the available General Reserves to support our spending plans.
- 5.7. **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. Since 2011, we have adopted a stepped approach to the development of our medium term financial plans and have a track record of delivering savings. We intend to continue with this approach with the development of a new corporate plan to take the organisation through to 2025. Our 2020-25 Corporate Plan will bring together service and financial planning arrangements as part of the authority's new operating model.
- 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. Our new medium term financial plan must demonstrate that the finances of the authority are allocated in accordance with the priorities of the organisation and that the underpinning finances remain robust and our service delivery sustainable.
- 6.3. We therefore ask Corporate Board to begin the preparatory work on developing our 2020-25 Corporate Plan so that commissioning strategies, key business measures and performance management requirements are all aligned and consistent with the available resources of the authority. As part of this process options to identify further savings of £20 million to £45 million over the five years 2020/21 to 2024/25 should be brought forward for consideration.
- 6.4. We expect the Plan to reflect on and respond to the Council's key strategic risks of:
- The challenges to service delivery of Government policies, new legislation, austerity and demographic pressure;
 - The continuing pressure on adults' social care services, health and special educational needs and disability provision;
 - The safeguarding of children and vulnerable adults;
 - The maintenance of the security of our systems and data;
 - The inability to secure economic growth in Warwickshire;
 - The ability to keep our communities safe from harm, and
 - The transformation programme being able to deliver the extent of change required to meet high priority targets and deliver strategic priorities.
- 6.5. To do this, the Plan should demonstrate how we will work with partners in Health, other local authorities, Police and other public agencies to deliver services. We

require services to focus on the preventative agenda to manage demand downwards, so we can secure even more value for money.

- 6.6. We recognise 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. The Plan will need to consider how we deliver such a fundamental shift in the capacity of local government and public services more generally.
- 6.7. We know this will take time and investment and also a broad engagement with all those affected, both inside and outside the organisation. We therefore intend to retain our reserves capacity to maximise our flexibility as we face the challenges ahead.

7. Assistant Director for Finance and ICT: Statement

- 7.1. The following statement from the Assistant Director for Finance and ICT is 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 2019/20 budget remains balanced and sustainable into the future. To mitigate this risk:

- *key policy changes associated with major savings proposals have been identified;*
- *Assistant Directors, Strategic Directors, the Chief Executive 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, Assistant Directors, Strategic Directors, the Chief Executive 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 pending 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 2019/20. 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 2019/20 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:

- *Assistant Directors 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 2019/20. 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 £
Education Services	99,853,722	5,259,000	(156,000)	104,956,722
Environment Services	43,993,053	814,000	(884,000)	43,923,053
Fire and Rescue Service	19,215,312	1,524,000	(369,000)	20,370,312
Strategic Commissioner - Communities	5,648,051	1,533,000	(862,000)	6,319,051
Adult Social Care	142,679,995	12,288,000	(2,240,000)	152,727,995
Children and Families	59,841,206	8,076,000	(4,930,000)	62,987,206
Strategic Commissioner - People	35,057,296	781,000	(2,820,000)	33,018,296
Business and Customer Services	8,261,598	486,000	(125,000)	8,622,598
Commissioning Support Unit	3,461,203	81,000	(150,000)	3,392,203
Enabling Services	21,103,463	618,000	(735,000)	20,986,463
Finance and ICT	4,154,699	136,000	(95,000)	4,195,699
Governance and Policy	2,638,331	267,000	(855,000)	2,050,331
Other Services - spending	44,716,579	7,314,000	-	52,030,579
Other Services - schools and funding	(142,690,996)	-	(67,821,000)	(210,511,996)
	347,933,512	39,177,000	(82,042,000)	305,068,512
<u>Contributions to/(from) reserves:</u>				
- Service Reserves	(2,655,500)	-	(673,000)	(3,328,500)
- General Reserves	(1,315,000)	-	(2,047,595)	(3,362,595)
Budget Requirement	343,963,012	39,177,000	(84,762,595)	298,377,417

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 2020 as follows:

	£
Budget Requirement	298,377,417.00
Less Council Tax Surplus on Collection	(1,453,484.00)
Council Tax Requirement for the year ended 31 March 2020	296,923,933.00
Divided by aggregate Council Tax Base for the County Area	207,376.63

10. Council Tax

- 10.1. The council tax for 2019/20 is increasing by 4.99%. Therefore, approval is given to Council Tax amounts for each category of property as follows:

	£
Band A	954.5400
Band B	1,113.6300
Band C	1,272.7200
Band D	1,431.8100
Band E	1,749.9900
Band F	2,068.1700
Band G	2,386.3500
Band H	2,863.6200

11. Precepts

- 11.1. The Joint Managing Director (Resources) is authorised to issue the 2019/20 precepts on the Warwickshire billing authorities, as follows:

	£
North Warwickshire Borough Council	29,807,649.65
Nuneaton and Bedworth Borough Council	53,927,405.47
Rugby Borough Council	53,663,866.52
Stratford-on-Avon District Council	79,949,063.13
Warwick District Council	79,575,947.76

12. Budget Management

- 12.1. The Chief Executive 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 Chief Executive and Strategic Director of Resources 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 Chief Executive and Strategic Director of Resources, 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 Chief Executive and Strategic Director of Resources 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 Services), invest-to-save projects and funding strategies contained in this resolution and the accompanying capital budget resolution.
- 12.6. The Chief Executive and Strategic Director of Resources 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 Chief Executive is instructed to remind the Strategic Directors, the Chief Fire Officer and Assistant Directors 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 Chief Executive, Strategic Directors, Chief Fire Officer and Assistant Directors 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 Chief Executive, Strategic Directors and Assistant Directors) 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 D** and the County Council agrees the application of these remuneration policies for the financial year 2019/20. It also sets out our proposed approach to the payment of exit payments in Section 9.

2019/20 Revenue Budget - Allocation of Permanent Funding by Service

Description	2019/20 £'000
Education Services	
Inflation	677
Home to School Transport - An allocation to meet demand pressures in home to school transport as a result of the increased in school age population and the increase in the proportion of pupils with SEN requiring personalised transport solutions.	1,082
School Improvement - Investment in the local authority school improvement offer to support the implementation of the Warwickshire Education Strategy	200
Total for Education Services	1,959
Environment Services	
Inflation	354
Waste Management - An allocation to meet the increased demand as a result of housing growth combined with the increased costs of contracts and recycling credits above the rate of inflation.	385
Street Trees - Investment to maintain the tree stock on streets across Warwickshire including addressing maintenance backlogs, accelerating cyclical maintenance and, where necessary, replanting	75
Total for Environment Services	814
Fire and Rescue Service	
Inflation	1,524
Total for Fire and Rescue Service	1,524

2019/20 Revenue Budget - Allocation of Permanent Funding by Service

Description	2019/20 £'000
Strategic Commissioner - Communities	
Inflation	775
Armed Forces Covenant - An allocation to provide a permanent source of funding for this activity, reflecting the County Council's policy commitment.	30
Tourism - An allocation to support delivery of the 3 year forward plan for Tourism 2018-22, maximise opportunities arising from the City of Culture and the Commonwealth Games for Warwickshire and to work more proactively with partners to support local Warwickshire tourism.	90
Promotion of Coventry and Warwickshire Economic Growth - An allocation to support the work of the Council as an active partner in the Coventry and Warwickshire Economic Growth partnership to raise the profile of the Coventry and Warwickshire area on a global stage; promote the investment opportunities within the sub-region; develop new and stronger relationships with key partners, stakeholders and businesses who may be looking to invest in the local area; and promote key sites/areas of investment of importance to the County Council and Warwickshire.	60
Transport Planning - An allocation to enable the service to respond to demand and develop proposals for new infrastructure as a result of housing/business growth across Warwickshire in a timely and effective way.	200
Total for Strategic Commissioner - Communities	1,155

2019/20 Revenue Budget - Allocation of Permanent Funding by Service

Description	2019/20 £'000
Adult Social Care	
<i>In addition to funding inflation we will invest £5.053 million on a permanent basis in adult social care services, using the funding generated from the adult social care levy. The list below shows how this funding will be utilised in 2019/20. The use of this funding to most effectively support older people and vulnerable adults over the medium term will be reviewed as part of developing the 2020-25 Corporate Plan and once there is greater clarity as to how the service will be funded in the future.</i>	
Inflation	5,000
Direct Payments and Provider Payments Portal - An allocation to implement a Direct Payments card, an online invoicing solution for Adults Homecare providers and a reablement time administration system.	157
Preventative Contracts - Investment to introduce new preventative and information and advice contracts to replace ad hoc spot provision	1,332
Mitigation of Future Demand - Investment in initiatives and service developments to transform social care services or enhance partnership working with a view to mitigating future demand	2,388
Support to Adult Carers - In 2019/20 this funding will be allocated, on a pilot basis, to support the work of Children's Services to meet local authority support requirements within the Care Act in recognition of the impact of short breaks services and equipment provision on the adult carers who are prevented from entering the adults social care system.	1,000
Contingency - a allocation set aside to support preparation for managing demand pending the proposals for the long term funding of adult social care	176
Total for Adult Social Care	10,053

2019/20 Revenue Budget - Allocation of Permanent Funding by Service

Description	2019/20 £'000
Children and Families	
Inflation	1,301
Residential Placement Framework Contracts - An allocation to fund the 4% increase in the unit costs under the regional residential framework contract.	100
Allowances - An allocation to meet the growth in the number of statutory orders related to Special Guardianship Orders (SGO), residence orders, child arrangement orders and adoption orders and the requirement, as a result of case law and Ombudsman findings nationally, that require local authorities to have parity between SGO and fostering allowances.	631
Children Looked After (CLA) Placements - An allocation to meet the cost of the demand for placements for children in care.	3,741
Leaving Care Post 16 Accommodation and Asylum - An allocation to respond to the forecast growth in numbers of care leavers and unaccompanied asylum seeking children requiring supported accommodation and also the above inflation increase in unit costs.	1,212
Young Carers - An allocation to replace the external funding previously used to fund this activity to enable the service to be maintained.	50
Integrated Community Equipment Service (ICES) - An allocation to maintain current activity levels by replacing current one-off funding on a permanent basis.	125
Priority Families - An allocation to replace the loss of priority families government grant on a permanent basis	371
Different Futures - Investment to provide permanent funding for the Different Futures project that works with parents to prevent repeated incidents of children being removed from their care.	150
Non-delivery of savings plan - An allocation to ensure the Service is funded on a sustainable basis going forward, removing the reliance on using temporary/short term funding to fund on-going activity	395
Total for Children and Families	8,076

2019/20 Revenue Budget - Allocation of Permanent Funding by Service

Description	2019/20 £'000
Strategic Commissioner - People	
Inflation	781
Total for Strategic Commissioner - People	781
Business and Customer Services	
Inflation	286
Total for Business and Customer Services	286
Commissioning Support Unit	
Inflation	81
Total for Commissioning Support Unit	81
Enabling Services	
Inflation	549
Information Technology Architecture Lead - Investment in the creation of a new lead/manager role for the newly created architecture team that will support and steer organisational strategy and investments in relation to digital and technology.	69
Total for Enabling Services	618

2019/20 Revenue Budget - Allocation of Permanent Funding by Service

Description	2019/20 £'000
Finance and ICT	
Inflation	136
Total for Finance and ICT	136
Governance and Policy	
Inflation	67
Property Feasibility - An allocation to create capacity to undertake property feasibility studies to support services re-configuration of their property requirements and ensure service redesign and transformation is not slowed.	200
Total for Governance and Policy	267
Other Services	
Inflation	1,465
Capital Financing Costs - An allocation to cover the additional borrowing costs of increasing resources in the Capital Investment Fund by £12.5 million	1,000
Early Intervention, Prevention and Community Engagement Fund - An allocation to support projects and initiatives that deliver the organisation's service objectives in relation to supporting Warwickshire's communities and individuals to be safe, healthy and independent. Allocations to individual projects will require business cases that are evaluated against criteria that will be agreed by Cabinet in April 2019.	500
Total for Other Services	2,965
Total 2019/20 Permanent Budget Allocations	28,715

2019/20 Revenue Budget - Allocation of Time-limited Funding by Service

	2019/20 £000	Future Years £000	Total £000
Education Services			
Managing the Dedicated Schools Grant (DSG) Overspend - An allocation of time-limited funding to allow time for the service changes required to bring the spending on schools and pupils with special educational needs and disabilities into line with the grant provided by the Department for Education for this purpose to make an impact.	3,300	1,600	4,900
Total for Education Services	3,300	1,600	4,900
Strategic Commissioner - Communities			
LEP Growth Hub - An allocation to provide funding to for the LEP Growth for the period 2019/20 to 2021/22. The allocation is subject to an annual review that demonstrates progress towards the Growth Hub becoming financially self-sustaining.	128	256	384
HS2 - An allocation to ensure there is capacity to continue work on HS2 mitigation beyond 2019/20 for a further two years.	0	266	266
City of Culture - Investment to deliver City of Culture projects over the next four years that maximise the opportunities for Warwickshire.	250	750	1,000
Total for Strategic Commissioner - Communities	378	1,272	1,650
Adult Social Care			
Winter Pressures - A one-off allocation to support the effective management of winter pressures in conjunction with Health, with funding from the grant provided by the Department of Health for this purpose	2,235	0	2,235
Total for Adult Social Care	2,235	0	2,235

2019/20 Revenue Budget - Allocation of Time-limited Funding by Service

	2019/20 £000	Future Years £000	Total £000
Strategic Commissioner - People			
Homelessness - An allocation to extend the current investment in initiatives to tackle homelessness delivered jointly with the Districts and Boroughs across Warwickshire.	0	300	300
Total for Strategic Commissioner - People	0	300	300
Business and Customer Services			
Old Shire Hall - An allocation to provide an operational subsidy and preserve access to our heritage. The allocation is subject to an annual review.	200	400	600
Total for Business and Customer Services	200	400	600
Other Services			
Early Intervention, Prevention and Community Engagement Fund - A one-off allocation to support projects and initiatives that deliver the organisation's service objectives in relation to supporting Warwickshire's communities and individuals to be safe, healthy and independent. Allocations to individual projects will require business cases that are evaluated against criteria that will be agreed by Cabinet in April 2019.	1,500	0	1,500
Children's Transformation Fund - One-off investment in initiatives to reduce demand for children's social care over the medium term, funded from the one-off grant from the Government allocated to support social care services.	2,849	0	2,849
Total for Other Services	4,349	0	4,349
Total 2019/20 Time-limited Budget Allocations	10,462	3,572	14,034

2019/20 Budget - Savings Plan

Description of change	2019/20 £'000
Education Services	
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
Stop funding redundancy costs for schools and only provide for existing commitments	121
Total for Education Services	156
Environment Services	
Waste Management - a reduction in the waste tonnage going to landfill	193
Communities Resources - a reduction in activity and staffing to focus on statutory activity such as freedom of information requests and information governance matters.	21
Increased income as a result of pricing changes in Design Services, bringing our charges in line with the sector norm.	50
Generate income by an increase in the fees payable for licences and permits, including skips, scaffold, street café licenses and vehicular access requests.	5
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.	165
Energy savings as a result of the capital investment into LED technology within our street lighting stock.	300
Increased income and surplus from County Fleet Maintenance following the installation of an MOT test facility at the new Hawkes Point site.	25
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
Winter gritting route optimisation as a result of rationalising depots to a single south depot.	25
Reduction in depot maintenance costs as a result of rationalising depots to a single south depot.	75
Total for Environment Services	884

2019/20 Budget - Savings Plan

Description of change	2019/20 £'000
Fire and Rescue Service	
Reduce the budget for pensions and ill-health retirements	100
Introduction of a single control room as part of the work on the MoU with West Midlands	300
Use of reserves (one-off) to provide funding for phasing as it is unlikely the control room savings will materialise in 2019/20	(300)
Asset reductions and reconfiguration of fleet maintenance	85
Health and Safety services	46
Review of whole-time deployment, with a view to reducing the number of whole-time firefighters	138
Total for Fire and Rescue Service	369
Strategic Commissioner - Communities	
Increase income targets to reflect current activity levels from Section 184 and Minor Works, Section 38 Agreements and pre application advice for highways.	10
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
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.	30
Increased income by the introduction of a new charging schedule for parking permits, including a consideration of a business parking permit scheme.	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	80
Total for Strategic Commissioner - Communities	862

2019/20 Budget - Savings Plan

Description of change	2019/20 £'000
Adult Social Care	
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	550
Use alternative 24 hour care options e.g. extra care housing and supported living	625
Alternative solutions for low level needs for home care e.g. assistive technology, information, advice and community resources	184
Remodel direct payment employment support services	150
Reshaping the information and advice contract aimed at supporting people to return home safely from hospital	100
Reduction of demand through early intervention and prevention, with the demand for social care not increasing as budgeted in 2018/19	631
Total for Adult Social Care	2,240
Children and Families	
Children's Centres - implementation of the service redesign to reflect targeting support on those with greatest need	372
Demand Management - through closer performance management, a new model and approach to risk and locality driven support based on intelligence and hot spots resulting in the ability to better target resources	1,000
Reduction in the demand for legal services	150
Delivery of a reduction in the need for children to become or remain looked after in Warwickshire	2,760
Reduction in staff costs	1,316
Develop the use of independent boarding's schools	150
Efficiencies in staff and client travel resulting in an overall reduction in costs	150
One-off funding to phase the delivery of the new plan	(968)
Total for Children and Families	4,930

2019/20 Budget - Savings Plan

Description of change	2019/20 £'000
Strategic Commissioner - People	
Drugs and Alcohol - a reduction in costs, prioritised through a redesign and recommissioning process	923
Healthwatch - re-tendering and redesign of the service to allow greater use of different channels, of volunteers and alignment with other similar agencies	45
Reduce staffing and overheads across the Business Unit	200
Smoking Cessation - redesign services to accommodate the changes in how the public are choosing to quit smoking	100
Health Visitors and Family Nurse Practitioners - reduction in costs, prioritised through a redesign and recommissioning process	735
Advocacy - retendering and redesign of the service, combining the two advocacy approaches into one (see proposed saving from Healthwatch)	85
Additional efficiencies across the Business Unit including a review of staff vacancies, efficiencies in the Fitter Futures budget and re-alignment of young carer budget support	200
One-off funding to phase the delivery of the new plan	(200)
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.	400
Reduce and reshape the staffing structure within the Business Unit and a reduction in programme and management support	122
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	25
Reduction in historic pension costs that will decline naturally over time	12

2019/20 Budget - Savings Plan

Description of change	2019/20 £'000
Strategic Commissioner - People (continued)	
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.	122
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	20
Reduction in business redesign and collaboration functions and funding for service specific learning and development activity	31
Total for Strategic Commissioner - People	2,820
Business and Customer Services	
Increase income from the Registration Service	35
Reduction in Library and One Stop Shop and Customer Service Centre management and support staff consistent with the restructure and redesign of these services	90
Total for Business and Customer Service	125
Commissioning Support Unit	
Reduction in management and operational capacity through streamlining processes and redesigning the service.	45
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
Reduction in the contingency & project budget of the Business Unit and the delivery of a rationalised structure	60
Reduction in Business redesign & collaboration functions and funding for service specific learning & development activity.	35
Total for Commissioning Support Unit	150

2019/20 Budget - Savings Plan

Description of change	2019/20 £'000
Enabling Services	
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	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.	31
Savings in the costs associated with the management of the Service. It also includes an option to offer staff alternative working arrangements such as reduced hours.	65
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.	100
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.	140
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.	100
Rental income from Educaterers	21
Review of facilities management budgets, service specifications and IT interfaces	49
Total for Enabling Services	735
Finance and ICT	
Reduction in the support for service managers and Elected Members for budget setting, quarterly financial monitoring and final accounts.	5
Reduction in 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.	90
Total for Finance and ICT	95

2019/20 Budget - Savings Plan

Description of change	2019/20 £'000
Governance and Policy	
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.	49
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.	34
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	955
Release of contingency	85
Repayment of Hawkes Point self-financed borrowing	198
Reduced maintenance of the smallholdings estate	7
Use of one-off resources to match the timing of when capital receipts from the sale of strategic sites are expected to be received	(473)
Total for Governance and Policy	855
Total 2019/20 Savings	14,221

This figure is net of the use of reserves/grants for the Fire and Rescue service (£300k), Children' Services (£968k), Strategic Commissioner - People (£200k) and Strategic Commissioner - Governance and Policy (£473k). Excluding these means the savings plans proposed require services to deliver savings of £16.162 million on an on-going basis.

Warwickshire County Council – Pay Policy Statement 2019/20

1 Statutory Requirement

- 1.1 Section 38 of the Localism Act 2011 requires that local authorities must prepare and approve an annual pay policy statement, applicable to all staff except those employed in schools, by 31 March immediately preceding the year to which it relates.
- 1.2 The pay policy statement must set out the authority's policies for the financial year relating to:
 - the remuneration of its Chief Officers (which for the purposes of this Act and in the case of the County Council, includes the Chief Executive, Strategic Directors, Assistant Directors and the Chief Fire Officer)
 - 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. Further staffing reductions may result as the Council determines and introduces a new whole Council operating model during 2019/20.
- 2.3 The Council operates 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 A NJC pay agreement and new NJC pay spine exists for the period 1 April 2018 to 31 March 2020.
- 2.7 The Council's policy is to evaluate posts in accordance with the job evaluation scheme agreed by the NJC and then to incorporate these posts into the relevant pay bands accordingly within the salary spine.
- 2.8 It is the Council's policy to pay a temporary and reviewable 'market supplement' to salary levels within the NJC pay framework where there is clear and demonstrable evidence that the salary level otherwise attached to the post creates substantial recruitment, retention or 'market uncompetitiveness' difficulties.
- 2.9 Other groups of employees are paid in accordance with salaries or salary scales agreed by the relevant national negotiating bodies. These groups include uniformed fire and rescue staff, youth workers, craft workers and those falling within the ambit of the Soulbury Committee or School Teachers' Pay and Conditions agreements.
- 2.10 For all groups of staff paid in accordance with pay frameworks agreed by the national negotiating bodies, the Council's policy is to implement such salary increases as are agreed by those bodies without further local negotiation. Staff and Pensions Committee will consider pay and remuneration which falls outside of the recognised national frameworks and recommendations.

- 2.11 The only exception to the Council's policy of determining remuneration in accordance with national pay agreements, relates to senior professional or managerial employees whose posts are evaluated at more than 760 points under the NJC job evaluation scheme (see paragraph 2.4 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 27th May 2010).
- 2.12 The policy of the Council is to pay this group of employees, which includes the Chief Executive, Strategic Directors and Assistant Directors, within a framework of locally determined incremental salary grades (known as 'Management Bands'), or in the case of the Chief Fire Officer a 'spot' salary payment. See 4.1 detailing a review of the Chief Executive arrangements. Each post is evaluated using a proprietary job evaluation scheme devised by Hay Management Consultants and used widely in the public and private sectors both in the UK and abroad.
- 2.13 Any pay awards to the salary levels attached to each Management Band are reviewed in line with the outcome NJC agreements and where applicable they are applied with effect from the 1st January each year. Currently, the pay framework for Management Band staff covers a salary range from £42,219 to £168,545.
- 2.14 The above policies apply save in cases where the operation of the Transfer of Undertakings (Protection of Employment) Regulations, or other statutory provision, dictate otherwise.
- 2.15 Where a person is appointed under a 'contract for service', rather than as an employee, the Council's Contract Standing Orders are followed to ensure that maximum value for money is secured.
- 2.16 **It is proposed that the County Council applies the remuneration policies set out above for the financial year 2019/20.**

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 £17,364 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 Chief Executive and Strategic Directors are 1:10.5 and 1:8.4 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 (£25,463 pa) and that of the Chief Executive and Strategic Directors are 1:7.1 and 1:5.8 respectively.

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

- 4.1 The remuneration arrangements for the Chief Executive salary are currently under review and will result in this position being paid on either a determined range or spot salary. Currently a spot salary of £168,545 pa is paid to the Chief Executive position. No other salary payments are made to the Chief Executive.
- 4.2 The Chief Fire Officer is paid a 'spot' salary of £128,689 pa (including the 1 January 2019 pay award) based on Hay evaluation. No other salary payments are made to the Chief Fire Officer. A car is provided for this role.
- 4.3 Each of the Strategic Directors are paid on the same five point incremental scale under Hay, currently £132,038 - £146,464 as agreed in December 2015 and in accordance with independent advice from Hay Management Consultants and increased annually thereafter (see paragraphs 2.5 and 2.12 above). No other salary payments are made to the Strategic Directors.
- 4.4 Assistant Directors are paid on a ten point incremental scale (£85,719 - £116,555). Progression within the scale is determined by a performance management framework.
- 4.5 Subject to the approval of the Chief Executive or Strategic Directors for Assistant Directors and Chief Fire Officer; Chief Executive for Strategic Directors; Staff and Pensions Committee for the Chief Executive, a temporary honoraria payment may be made where a Chief Officer undertakes duties outside the scope of their normal job.
- 4.6 It is not the Council's policy to increase the pension benefits of the Chief Officers.
- 4.7 It is not the Council's policy to provide benefits in kind to Chief Officers other than a car to the Chief Fire Officer which is necessary for their role.
- 4.8 The maximum car mileage allowance paid to Chief Officers is that prescribed for 'casual users'.
- 4.9 Details of the salary scales attached to the roles of the Chief Officers are accessible on the Council's website.
- 4.10 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 Appointments will be to a relevant point on the scale recognising skills, experience and market consideration.
- 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 2.13 above.

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

- 7.1 The performance progression of staff, in positions within Tiers 0-3 of the organisational structure, will be managed by the performance management framework. For all other staff this is managed via the My Appraisal process. Pay progression for all positions below Tier 3 level is to be through incremental pay scales and is on an annual basis, save that progression to the final two points of the scale for Hay positions below Tier 3 is subject to service in the post being certified as fully satisfactory by their line manager.

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

- 8.1 It is not the Council's policy to make bonus payments to the Chief Officers.

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

- 9.1 The Council's policies in respect of the payment of the Chief Officer ceasing to hold office are the same as for its other employees, as follows:

- In the case of an employee whose employment is terminated on grounds of redundancy or efficiency, any redundancy or severance payment should be based upon actual earnings.
- In the case of an employee whose employment is terminated on grounds of redundancy and who is aged 54 or less, or is aged 55 or over and is unable to immediately access accrued pension benefits, a severance payment based on applying a multiplier of 1.75 to the statutory redundancy payment formula, should be made.
- In the case of an employee whose employment is terminated on grounds of redundancy and who is aged 55 or over and is able to immediately access accrued pension benefits, a severance payment based on applying a multiplier of 1.75 to the statutory redundancy payment formula, should be made for the first £26,539 of the employee's salary. Thereafter, the following multiplier should be used at the following ages:
 - 55 - 1.65,
 - 56 - 1.55,
 - 57 - 1.45,
 - 58 - 1.35,
 - 59 - 1.25,
 - 60 - 1.15,
 - 61 - 1.05,
 - 62 - 0.95,
 - 63 - 0.85,
 - 64 - 0.75
 - 65 - 0.65
 - 66 - 0.55
 - 67 - 0.45
 - 68 - 0.35
 - 69 - 0.25
 - 70 - 0.15

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

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 relevant programme where the Chief Executive is satisfied that the savings which the relevant exit 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 the Chief Executive, Strategic Directors and Assistant Directors on its website (www.warwickshire.gov.uk) in accordance with the Code of Recommended Practice for Local Authorities on Data Transparency and as required by s.7 of the Accounts and Audit (England) Regulations 2011.

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

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

Warwickshire County Council

2019/20 Capital Budget

1. Financial Direction of Travel

- 1.1. The value of our assets is £1.2 billion. Each year we need to spend money to ensure these assets are still suitable for use in the provision of services and to invest in new assets to meet our changing needs and requirements. This investment forms the basis of our capital programme.
- 1.2. Our Capital Strategy (**Appendix A**) sets out how we aim to use our capital resources and deliver our priorities.
- 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 have supplemented the £20 million a year borrowing with an additional £12.5 million 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.
- 1.5. We will use these additional capital resources to provide capacity to deliver capital schemes with a safety focus. As a priority, by September 2019, we expect investment proposals for the following to have been brought forward for decision:
 - Road safety junction improvements at the Green Man crossroads in Coleshill and Grove Road in Stratford.
 - The introduction of in-cab navigation and auto-salting to our gritters to improve the efficiency and effectiveness of our winter maintenance.
 - Replacement mobile equipment for the household waste recycling centres
 - Additional cycle routes in response to accident data and air quality
- 1.6. 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 of the grant to be used to meet the growing demand for school places, alongside contributions from developers.

2. 2019/20 Capital Programme

- 2.1. Approval is given to a capital programme of £293.343 million. Of this £230.593 million is for 2019/20 and £62.750 million for future years. There is £60.052 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 services, with the full detail of the capital programme attached at **Appendix B**.

Table 1: Capital Programme Summary by Service				
Service	2019/20	2020/21	2021/22 and later years	Total
	£'000	£'000	£'000	£'000
Education Services	51,346	9,444	-	60,791
Environment Services	65,119	34,388	1,005	100,512
Fire and Rescue Service	5,241	-	-	5,241
Strategic Commissioner - Communities	17,039	5,900	2,181	25,120
Adult Social Care	3,350	-	-	3,350
Children and Families	194	138	-	332
Strategic Commissioner – People	657	46	-	703
Business and Customer Services	24	-	1,878	1,902
Commissioning Support Unit	692	-	-	692
Enabling Services	19,408	4,497	2,197	26,102
Governance and Policy	7,470	1,076	-	8,545
Total Allocations	170,541	55,489	7,261	233,291
Capital Investment Fund	60,052	0	0	60,052
Total Programme	230,593	55,489	7,261	293,343

3. Financing the Capital Programme

- 3.1. The capital programme will be financed by a mixture of capital grants, capital receipts, revenue and self-financed and corporate borrowing. A deduction will be made from services' revenue budgets for self-financed projects funded from borrowing. Table 2 provides a breakdown of the financing of the capital programme between years.

Table 2: Financing the Capital Programme – Summary by Year				
	2019/20	2020/21	2021/22 and later years	Total
	£'000	£'000	£'000	£'000
Capital Grants	55,750	26,654	623	83,027
Third Party Contributions	28,173	15,731		43,904
Capital Receipts	28,018	10,943	6,637	45,598
Revenue	628	1,165		1,793
Borrowing	118,026	995		119,021
Total Financing	230,593	55,489	7,261	293,343

Note: The borrowing figure is greater in 2019/20 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 2019/20 and the subsequent years as detailed in **Appendix C**.

5. Assistant Director of Finance and ICT: Statement

- 5.1. The following statement from the Assistant Director of Finance and ICT 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 of Resources and Assistant Director of Finance and ICT 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 of Resources and Assistant Director of Finance and ICT, in consultation with the Leader, are authorised to reverse allocations made as part of this budget process where the investment does not progress.

7. Budget Management

- 7.1. The Chief Executive is directly responsible for the implementation of the capital programme.
- 7.2. The Chief Executive is instructed to remind all Strategic Directors, the Chief Fire Officer and Assistant Directors 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 Fund.
- 7.4. All member bodies, members and officers are instructed to comply with the prescriptive legal duties placed upon the Council. The Chief Executive, Strategic Directors, the Chief Fire Officer and Assistant Directors 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 Chief Executive, Strategic Directors, the Chief Fire Officer and Assistant Directors, in the following circumstances and with approval from the Strategic Director of Resources, 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 ring-fenced 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 Assistant Directors 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 Strategic Director of Resources, 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 ring-fenced 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

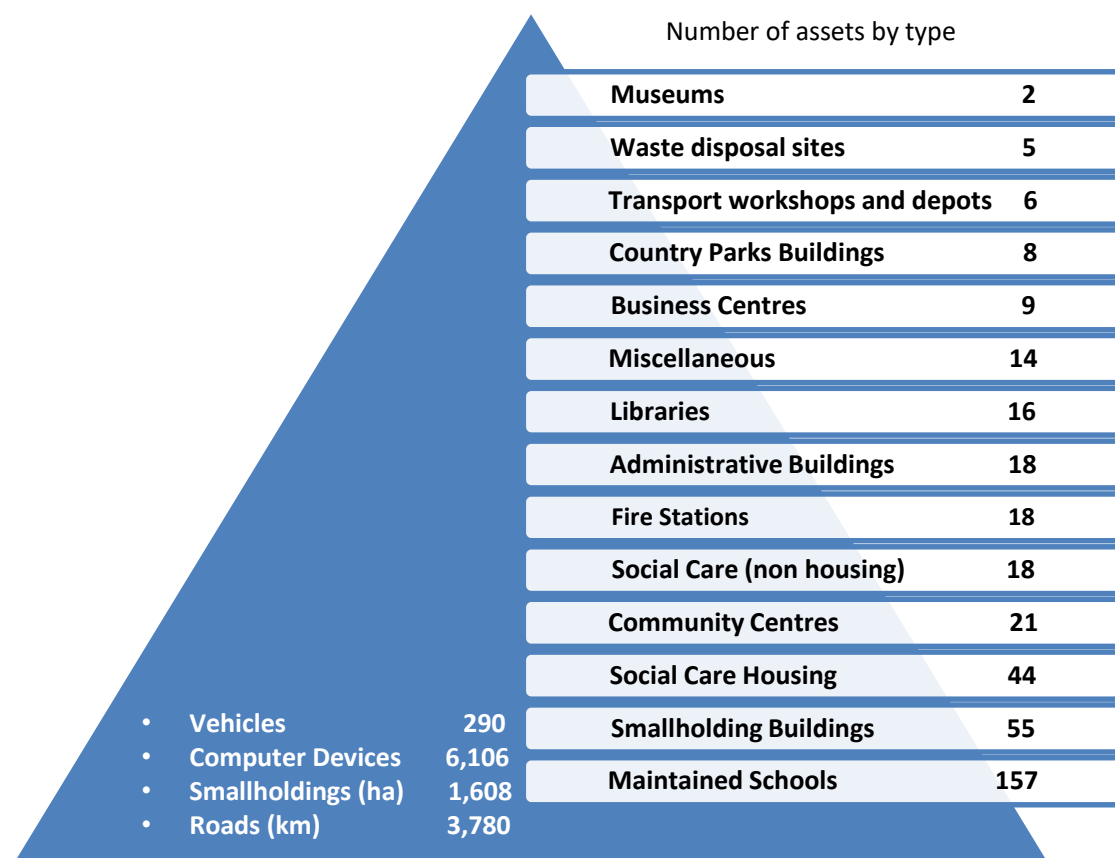
- 8.1. Each maintenance allocation will be monitored and reported to Members at the level approved in the Medium Term Financial Plan (MTFP) and Capital Strategy. Detailed budget management within those allocations is delegated to the responsible Assistant Director, in line with the agreed criteria and prioritisation approved by Council in the MTFP and 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: Executive Summary

Our asset base and the drivers for capital expenditure



Our capital programme includes

- costs of long-term maintenance of existing assets, and
- costs of investing in new or substantially improved assets to meet the county's changing needs.

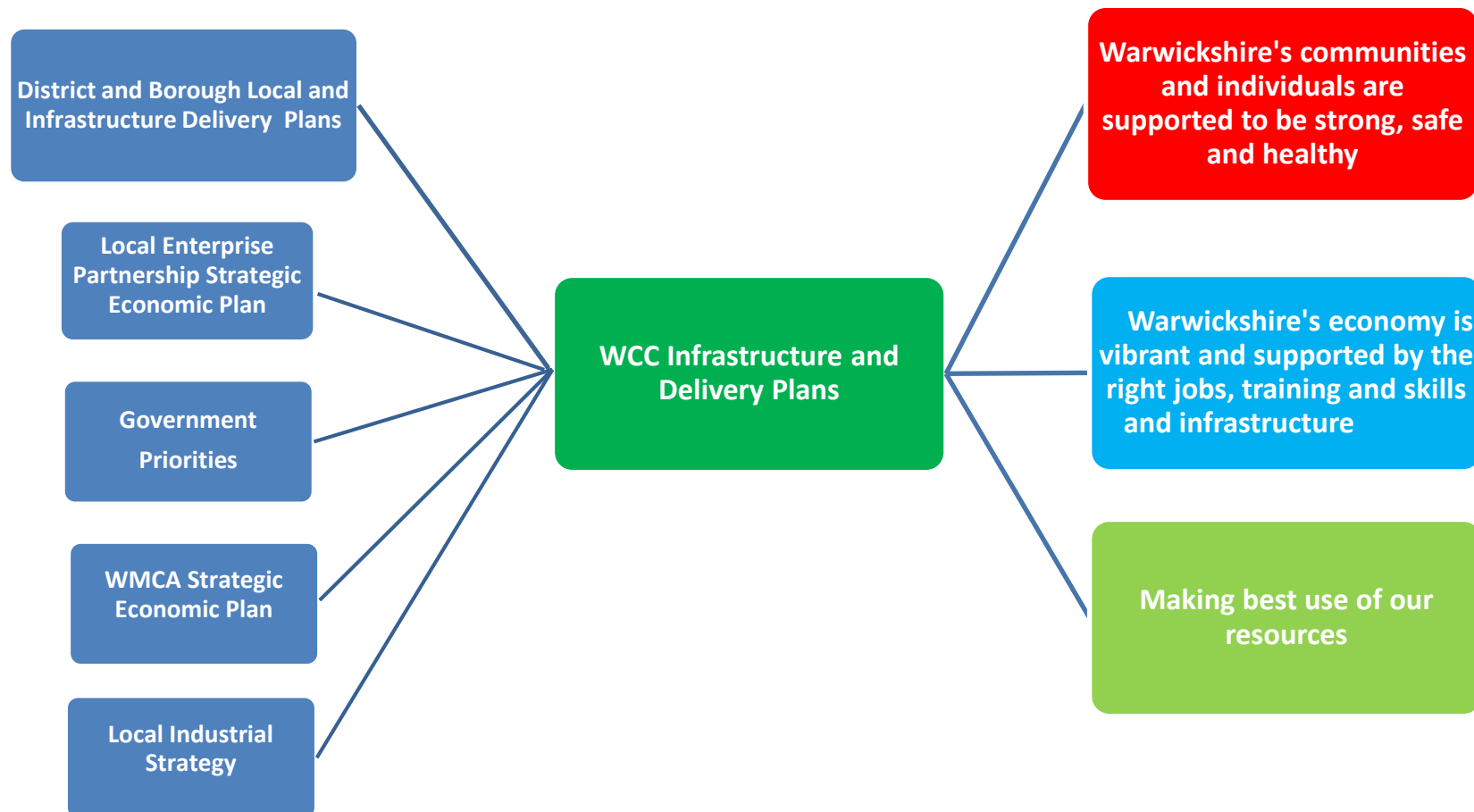
The Council owns and maintains a large number and variety of assets, valued in our most recent Statement of Accounts at £1.192bn.

This Capital Strategy explains how we choose the capital schemes we carry out, and how we fund them.

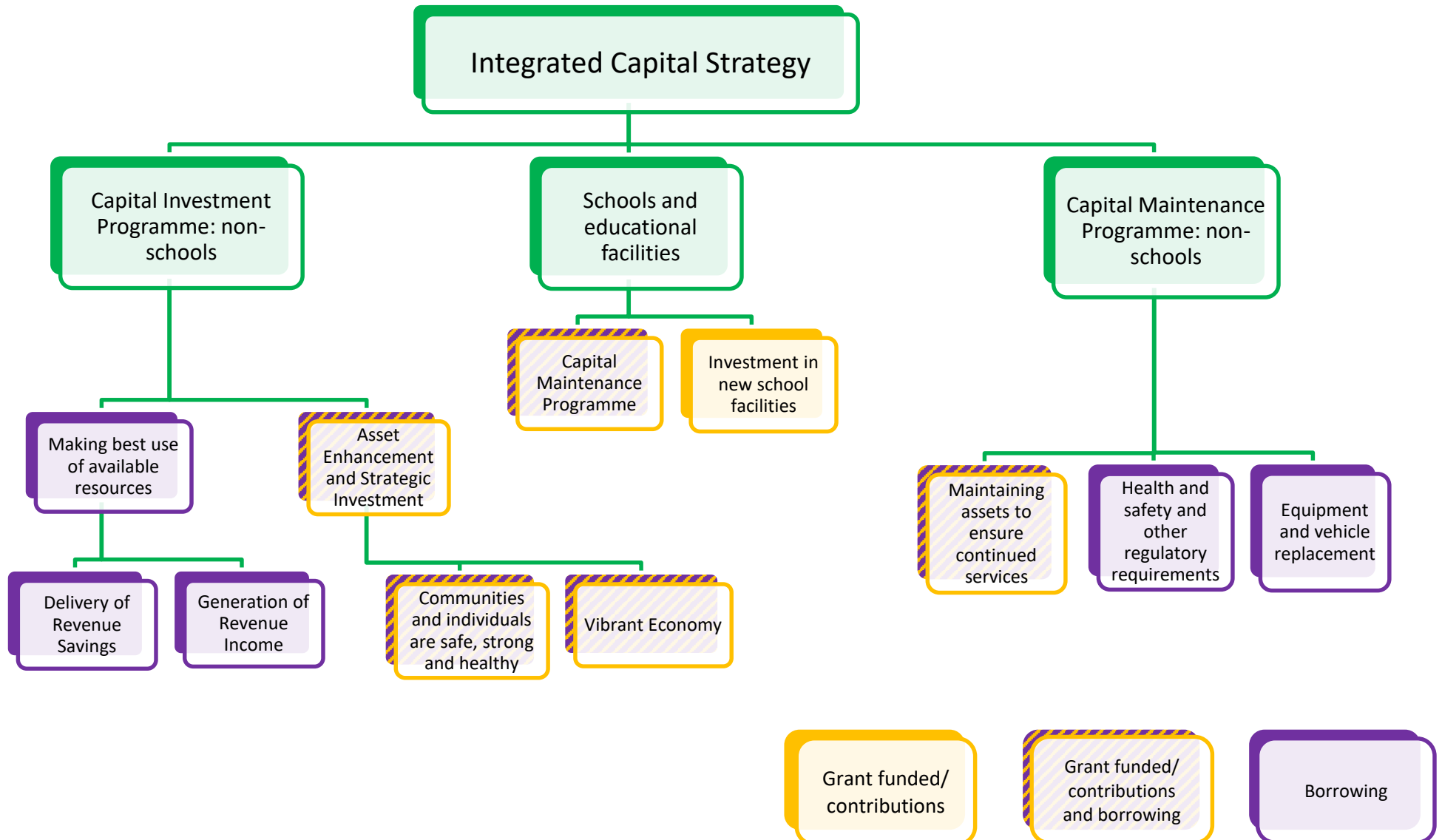
Planning our approach

We determine our integrated expenditure plan to deliver our corporate priorities after reviewing

- asset management strategies and survey information
- local development plans and forecasts, and
- regional economic plans.



The two dominant areas of expenditure in cost terms are highways and educational facilities, with smaller allocations made to invest-to-save projects and place-focused economic development. We separate our programme to separately identify maintenance and investment expenditure.



We spend capital resources to create and maintain assets to enable us to deliver services. We receive some of these resources from

- government or other partners (grants)
- housing developers (contributions), and
- selling our assets and reinvesting the funds (capital receipts).

Where we need to fill a resourcing gap, we can use funding from our day-to-day budget (revenue) or borrow funds from the government or elsewhere. Our policy is to

- maximise the use of grants and contributions
- use capital receipts to avoid borrowing wherever possible, and
- limit our need to borrow to £20m per year, unless we get sufficient increases in council tax through expansion in the county's population to be able to afford more.

Warwickshire County Council has historically kept its borrowing levels at sensible and prudent levels, ensuring that we can afford the revenue consequences of debt in full in our annual and medium term financial plans. We use our borrowing to support the maintenance programme, and to support investment through our Capital Investment Fund. Allocations from the Capital Investment Fund are made following submission of bids to a panel, which scores the bid for quality, risk and the fit with the organisation's strategic priorities.

The table below shows the headline budgets for both resources and expenditure for the Council's capital programme.

Integrated capital programme, 2019/20 and later years: £293.343m

Expenditure			Financing		
Investment – vibrant and supported economy: £107.191m	Investment – to be allocated: £60.052m		Borrowing: £119.021m (including £60.052m still to be allocated)	Grants: £83.027m	Contributions: £43.904m
	Investment – schools and education facilities: £60.791m	Maintenance – schools and other: £34.829m			Capital receipts: £45.598m
		Investment – communities and individuals: £17.177m			
		Investment - best use of resources: £13.303m		Revenue: £1.793m	

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.

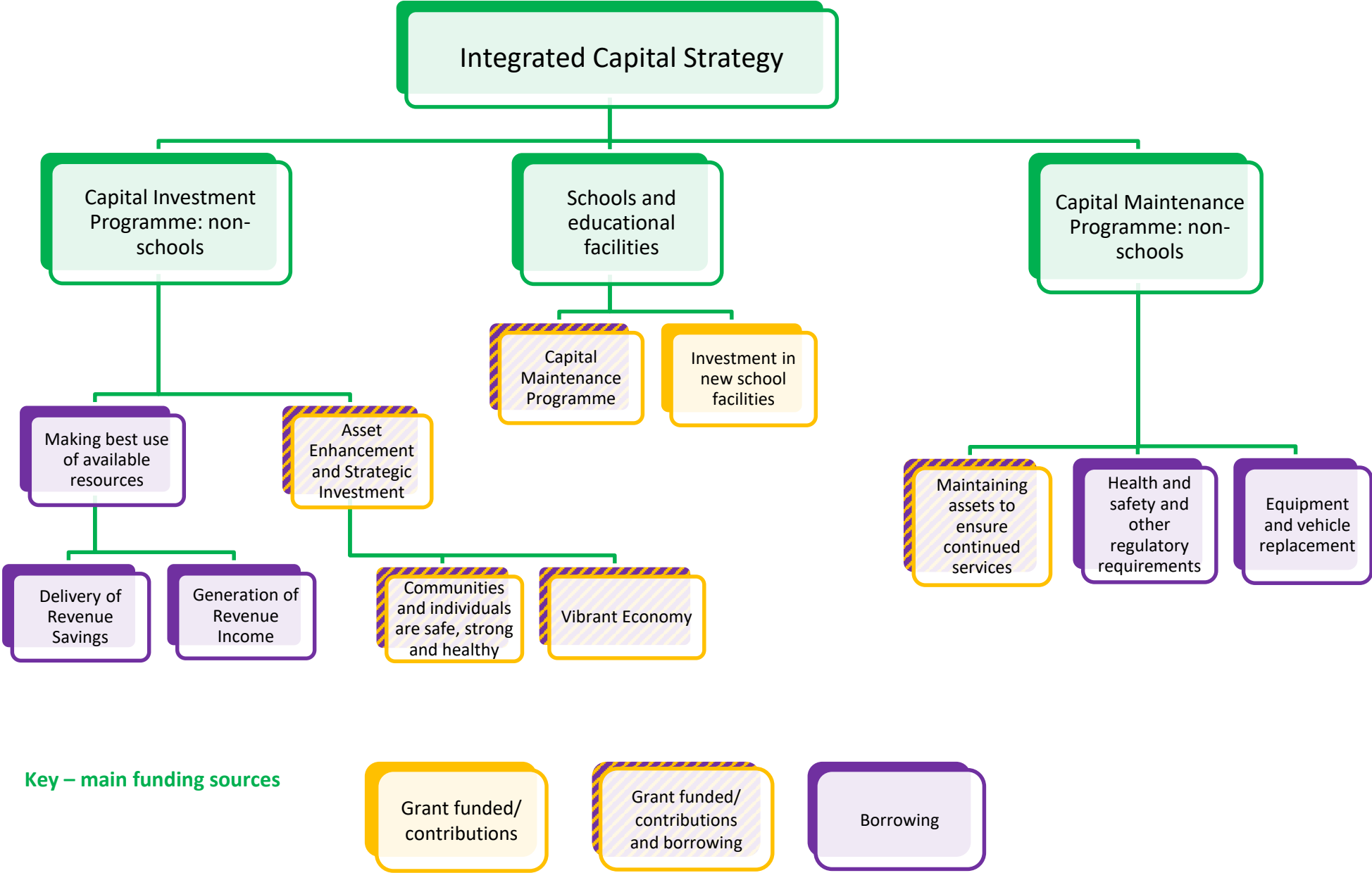
Each programme has a number of strands that ensure a clear focus on the purpose of capital spending and the prioritisation of proposals.

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

- The Asset Management Framework and Property Strategy
- The Highways Asset Management Strategy and the Highways Asset Management Policy
- The ICT Devices Strategy
- The Education and Learning Sufficiency Strategy

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, with colouring to indicate the major sources of funding for each element.

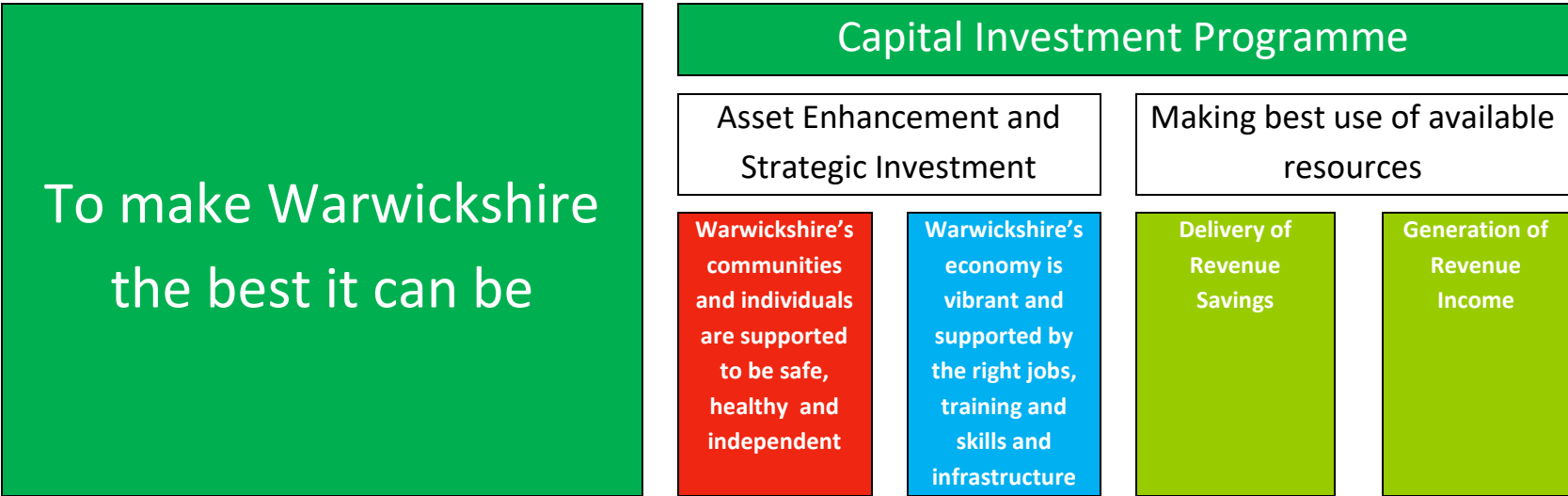


Capital Investment Programme: non-schools

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 Assistant Director for Finance and ICT. 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 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](#).

[Annex D](#) indicates the connection between the Council's existing investment plans and its objectives. This listing covers the larger investment schemes already approved by Members and the 2019/20 maintenance programme. It also includes a low number of "priority" schemes which, whilst not yet formally approved, are expected to come through to the Capital Investment Fund with applications for funding within the next financial year and for which funding has therefore been reserved from application to other schemes.

The Council generally does not choose to make investments in the commercial property market purely for the purpose of generating a financial return. The Council owns a small number of assets classified as Investment Properties but these are primarily assets whose usage has changed over time and that now fall into this category. Income from these assets is immaterial.

Schools and Educational Facilities: investment

It is the Council's role to plan, commission and organise education places in a way that promotes improved standards, manages supply and demand and creates a diverse infrastructure. The strategy supports the provision of accommodation, whether permanent or temporary, that is high quality, fit for purpose, provides value for money and ensures flexibility to respond to changes in need and curriculum. Whilst the Council is not responsible for Academy schools, our strategy includes them as education providers within the county.

School-level forecasts of future pupil numbers are produced each year on the receipt of the latest population data from the health authorities and the latest data on parental preferences and housing development numbers. The target for Warwickshire is for the supply of places to exceed demand by approximately 4% in any planning area. The level of surplus capacity available in Warwickshire schools varies from area to area, with extremely low levels of surplus capacity available in urban areas, particularly across the primary phase of education. In contrast to this, higher levels of surplus capacity are recorded in the county's rural areas. There is a need to maintain a certain amount of capacity within a given area to allow for flexibility to enable in-year movement of pupils, to meet parental preference as much as possible, and allow families moving to an area to be able to secure a place at a local school or for each of their children at the same school. Consideration for the quality of the education provision available in any area is also included when planning for sufficient places.

Capital allocations to meet projected shortfalls in provision are provided by the Education and Skills Funding Agency to all local authorities. However there is pressure on capital budgets for new school places across the country and it is likely that allocations will continue to be limited for the foreseeable future. It is important, therefore, to consider value for money in the process of commissioning school places. Where new housing development creates a demand for school places in excess of those available, the County Council will work with District and Borough Councils and developers to ensure that the appropriate contributions for the provision of additional school places are given. We will seek the maximum contribution from developers to support the provision of additional places that we believe is proportionate to the impact of the development ensuring all requests for contributions are compliant with the relevant legislation.

Warwickshire is entering a period of significant growth, with large scale housing development proposed across the county over the next 15 years and beyond. It is expected this will require education provision for over 30,000 additional Warwickshire children. As development progresses across the county there will be the need for the delivery of new provision during the next 5 years and effective planning for further new provision beyond that period.

Further details on education investment planning can be found in the Education Sufficiency Strategy – see [Annex A](#) for link.

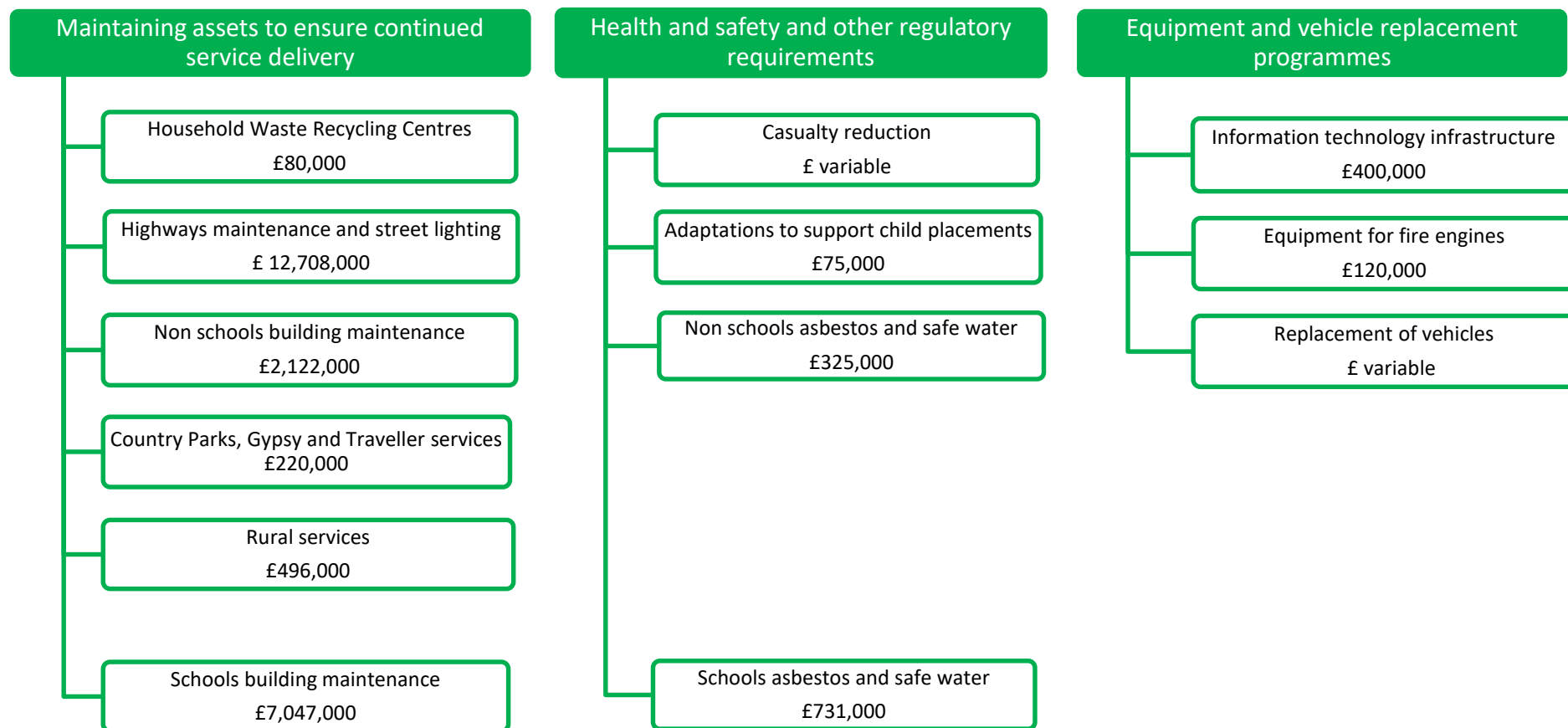
Capital Maintenance Programme

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, including schools elements, 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, while **Annex D** includes the 2019/20 maintenance programmes.

Our Capital Resources

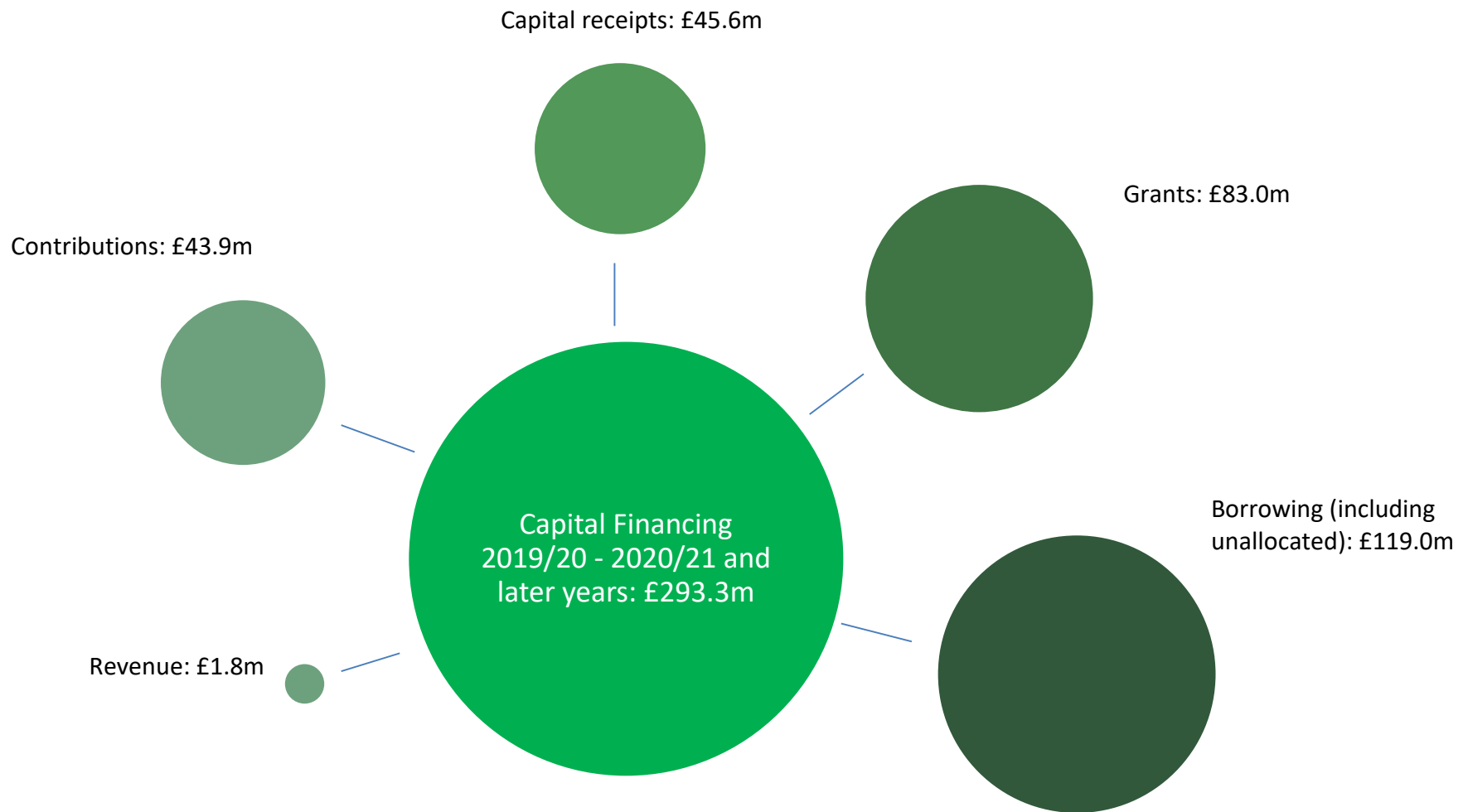
Funding Strategy

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. £3.616 million of the government grant forms an annual contribution to the cost of school maintenance. The remainder of funding is used to invest in the provision of additional places.
- 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.
- Contributions from developers are actively sought in collaboration with our District and Borough Council colleagues and applied to appropriate schemes ahead of Council resources whenever possible.
- £8 million of maintenance allocations are funded from the £20 million borrowing and are strictly 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.

The actual funding allocated to the approved capital programme at this point is shown below.



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

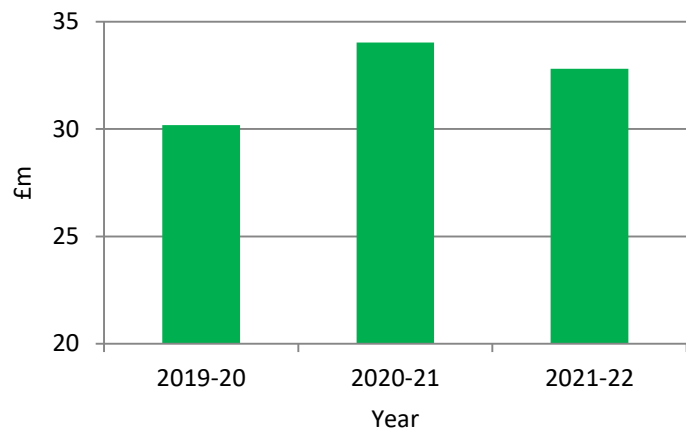
All capital receipts, with the exception of school receipts which are reinvested, are used to repay debt, with a consequent reduction in the Council's borrowing costs. Whilst financially there is no difference in the revenue cost to the authority as to whether capital receipts (providing they are used 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. We use the term 'unfinanced expenditure' to delineate expenditure for which we expect to borrow.

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 borrowing 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. This means that to forecast future years' revenue costs as a result of borrowing, we must consider both historic levels of unfinanced expenditure, the full unfinanced cost of the existing capital programme, and any decisions Members make to take out further borrowing in future years. We estimate that the total revenue cost as a result of past and planned new borrowing from these two charges will be £30.180 million in 2019/20, £34.035 million in 2020/21 and £32.809m in 2021/22.

Estimated revenue cost of planned borrowing



Provision for these costs is included as part of our 2019/20 budget and medium term financial plan. Further details of anticipated borrowing levels, forecast repayment schedules, our detailed approach to the Minimum Revenue Provision and the framework within which we make decisions about debt and investments can be found within the Treasury Management Strategy ([see Annex A](#)). Our modelling of future debt levels, detailed within the Treasury Management Strategy, can be compared to the Council's Operational Boundary and Affordable Limit, two of the key indicators within the Prudential Framework. This shows that 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, committing the Council only to sensible, prudent levels of borrowing.

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](#)
- The [Highways Asset Management Strategy and the Highways Asset Management Policy](#)
- The [ICT Devices Strategy](#)
- The [Education and Learning Sufficiency Strategy](#)

Treasury Management and Investment Strategies

- The Treasury Management Strategy

Other relevant plans and documents

- [The One Organisational Plan 2017 - 2020](#)

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 Strategic Asset Management team. 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. Projects are reprioritised and planned maintenance programmes managed to the bottom line budget.

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

Winter Works programme is developed in early autumn for delivery November - Easter. Resourcing is a blend of Country Park staff, volunteers, partners and contractors in order to maximise what is achieved within the allocation. Certain works are completed outside of that period due to ground conditions, weather etc.

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.

Common emergency works include repairs to paths / roads / furniture / play areas affected by flooding and severe weather events. Timely repair is undertaken by Ranger teams with occasional use of external contractors.

Estate management includes surfaced paths, play areas, bridges, fencing, board walks, bird hides, fishing pegs, shelters, revetments, barriers and payment machines, signage, vehicles, plant and equipment, sculptures and art installations, habitat creation and restoration, and a host of other built and green infrastructure within the parks.

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 and those who leave care through adoption and special guardianship

Prioritisation Methodology

Applications are invited from foster carers, prospective adopters, special guardians who are approved or judged to be able to provide the necessary care to the child. Social Workers of children can also apply on behalf of the birth parent following agreement from their manager. 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. In the case of parents it must be shown that capital investment to property for example will support a child to remain at home. There is an application process, endorsed by the relevant operations manager, which is considered by a panel which is chaired by a Service Manager and include a finance representative. The decision to award the grant is made at Service Manager level within the Business Unit, with reference to and oversight from the Head of Service.

Balance of Planned Maintenance and Emergency Work

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

Schools and Non-schools asbestos and safe water

Prioritisation Methodology

Asbestos

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

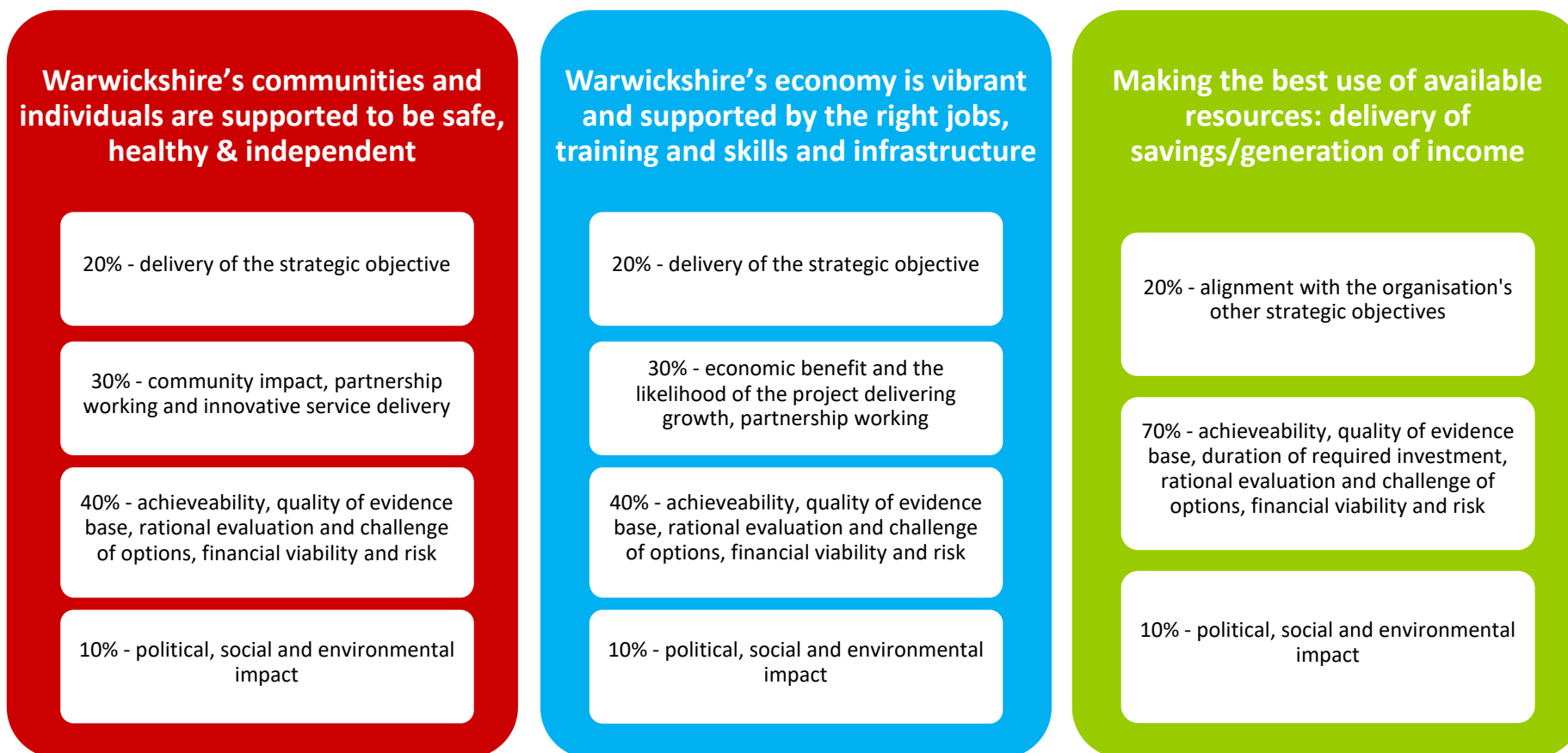
Prioritisation Methodology

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.

Capital Investment Priorities

The table below shows the connection between the Council's capital investment plans and the organisation's key objectives, this includes the maintenance programme. Where schemes are marked with an asterisk (*), business cases are still to be completed to confirm final funding allocations and formal addition to the council's capital programme. Only schemes expected to cost £1m or more are shown. Locations are provided for information where not clear from scheme title; where not shown, schemes may be at multiple sites or county-wide.

Outcome/Objective	Capital Investment Priorities (* indicates allocation still to be confirmed)	Link to External Funding allocations/priorities/support
Warwickshire's Communities and individuals are supported to be safe healthy and Independent		
Support our most vulnerable and disadvantaged children reducing the need for children to become, or remained looked after	<ul style="list-style-type: none"> Adaptations to support child placements 	
Support Warwickshire residents to take responsibility for their own health and wellbeing and reduce the need for hospital or long term health care		
Support the most vulnerable & disadvantaged adults in Warwickshire to enjoy life; achieve & live independently	<ul style="list-style-type: none"> Extra Care Housing 	
Work with communities to reduce crime and disorder and promote safety across Warwickshire	<ul style="list-style-type: none"> Casualty Reduction * (some individual schemes approved) Equipment for Fire Engines Training Provision 	

Outcome/Objective	Capital Investment Priorities (* indicates allocation still to be confirmed)	Link to External Funding allocations/priorities/support
Outcome/Objective	Capital Investment Priorities (* indicates allocation still to be confirmed)	Link to External Funding allocations/priorities/support
Warwickshire's economy is vibrant and supported by the right jobs, training, skills and infrastructure		
Attract economic investment and maximise the rate of employment, business growth and skill levels in Warwickshire	<ul style="list-style-type: none"> Transforming Nuneaton – Nuneaton ring road * Transforming Nuneaton – Vicarage street development site * Transforming Nuneaton – Strategic land acquisition * Transforming Nuneaton – Nuneaton town flood model * Bermuda Connectivity (Nuneaton) A452 Myton Road and Shire Park Roundabouts (Leamington) Europa Way * (Leamington) A46 Stoneleigh Junction Improvements (Warwick) A46 Stanks Island (Warwick) A444 Corridor Improvements - Phase 2 (Nuneaton) A47 Hinckley Road (Nuneaton) Rugby Parkway * (Rugby) A3400 Birmingham Road Corridor (Stratford) 	<ul style="list-style-type: none"> Coventry and Warwickshire Local Enterprise Partnership Coventry and Warwickshire Local Enterprise Partnership S106 Coventry and Warwickshire Local Enterprise Partnership Department for Transport West Midlands Combined Authority Coventry and Warwickshire Local Enterprise Partnership S106 Department for Transport, S106, S278

Outcome/Objective	Capital Investment Priorities (* indicates allocation still to be confirmed)	Link to External Funding allocations/priorities/support
	<ul style="list-style-type: none"> Duplex Fund 	
Manage and maintain Warwickshire's transport network in a safe, sustainable and integrated way	<ul style="list-style-type: none"> Highways Maintenance and Street Lighting Portobello Bridge (Warwick/Leamington) 	<ul style="list-style-type: none"> Department for Transport
Support communities and businesses to develop the digital skills and tools they need in an increasingly digital economy	<ul style="list-style-type: none"> Development of Rural Broadband (BDUK) Information Technology Infrastructure 	<ul style="list-style-type: none"> Coventry, Solihull and Warwickshire District and Boroughs BT Coventry and Warwickshire Local Enterprise Partnership European Regional Development Fund
Reduce household waste and increase reuse, recycling and composting rates across Warwickshire	<ul style="list-style-type: none"> Household Waste Recycling Centres 	
Support and enable children and young people to access a place in high quality education settings	<ul style="list-style-type: none"> Schools Building Maintenance Schools Asbestos and Safe Water Michael Drayton Primary Expansion (Hartshill) New school, The Gateway (Rugby) Water Orton Primary School Welford on Avon Primary School High Meadow Infant School (Coleshill) Campion School Phase 1 (Leamington) Coleshill Secondary School 	<ul style="list-style-type: none"> Department for Education – Schools Condition Allocation Department for Education – Basic Need S106

Outcome/Objective	Capital Investment Priorities (* indicates allocation still to be confirmed)	Link to External Funding allocations/priorities/support
	(See main report for further discussion of future education investment planning)	
Making the best use of resources		
Make it easy for the customers to access our information and services so they have a positive experience of our services	<ul style="list-style-type: none"> Improving the Customer Experience/One Front Door Improvements 	
Put our financial resources in the right place to support the Organisation's priorities	<ul style="list-style-type: none"> Non-Schools Building Maintenance Non-Schools asbestos and safe water County Parks, Gypsy and Traveller Services Rural Services Fire & Rescue HQ (Leamington) Replacement of Vehicles Rationalisation of County Storage – Hawkes Point, Montague Road (Warwick) 	
Develop our work force so that it has the right skills and capabilities to get the job done		
Pursue leadership excellence and high performance at all levels		

Outcome/Objective	Capital Investment Priorities (* indicates allocation still to be confirmed)	Link to External Funding allocations/priorities/support
Reduce demand and cost through innovative and effective service redesign		

Category	Scheme Title	Earlier Years £'000	2019/20 £'000	2020/21 £'000	2021/22 and Later Years £'000	Total £'000's
	Education Services					
Investment - Schools and Education Facilities	High Meadow Infant School new classrooms, group rooms and toilets	250	1,400	0	0	1,650
	Long Lawford Primary permanent expansion	2,740	402	0	0	3,142
	The Ferncumbe Primary School temporary classroom	100	50	0	0	150
	The Ferncumbe Primary School additional classroom	69	331	0	0	400
	Welford on Avon Primary School improvement works	300	1,472	0	0	1,772
	Newdigate Primary School expansion and internal referb	364	900	0	0	1,264
	Wellesbourne Primary School new small hall and servery to the annex site	138	762	0	0	900
	Michael Drayton Primary expansion	1,140	1,126	0	0	2,266
	Aylesford Primary School new primary provision at Aylesford school	3,009	7	0	0	3,016
	New School, The Gateway, Rugby	50	1,100	2,000	0	3,150
	Water Orton Primary School (re HS2 Conditional)	2,999	3,028	0	0	6,027
	Eastlands Primary Temporary Classroom	122	20	60	0	202
	Long Lawford Primary temporary classroom	331	40	0	0	371
	Kineton High School refurbishment phase 1	3,167	128	0	0	3,295
	Campion Phase 1 (incl Sports Hall refurb)	350	4,950	2,200	0	7,500
	Coleshill Secondary School modular build with additional classrooms	500	1,580	0	0	2,080
	Etone Secondary School grounds resurfacing and expansion enabling works	41	34	0	0	75
	Welcombe Hills vehicle access alterations	8	442	0	0	450
	Paddox Primary SISG	2	298	0	0	300
	Ridgeway School reconfiguration of classrooms	0	0	60	0	60
	Round Oak School reconfiguration of classrooms	0	0	190	0	190
	Keeping SEND pupils local	200	130	0	0	330
	Exhall Grange modular pod	514	332	0	0	846
	Water Orton evergreen unit	50	600	0	0	650
	Education Capital - Unallocated	0	32,216	4,934	0	37,150
	Total Education Services	16,444	51,346	9,444	0	77,235

Category	Scheme Title	Earlier Years £'000	2019/20 £'000	2020/21 £'000	2021/22 and Later Years £'000	Total £ 000's
	Environment Services					
Investment - Communities and individuals are safe, strong and healthy	Area delegated funding	416	2,036	0	0	2,452
	Leamington to Rugby Disused Railway Line	73	27	0	0	100
	Pump Priming allocation for LED street lighting	3,190	2,000	0	0	5,190
Investment - Vibrant Economy	Rugby Western Relief Road	59,146	100	0	0	59,246
	A47 Hinckley Road Corridor Scheme	0	3,485	0	0	3,485
	M40 Junction 12	11,855	157	60	0	12,071
	Rugby Gyratory Improvements	1,563	15	0	0	1,578
	A444 Coton Arches, Nuneaton	3,270	450	0	0	3,720
	A46 Stanks Island, Warwick	1,691	4,899	0	0	6,590
	A444 Corridor Improvements - Phase 2	54	1,017	2,528	1,000	4,600
	A3400 Bham Road Stratford Corridor Improvements	182	3,318	0	0	3,500
	A452 Myton Road and Shire Park roundabouts	19	0	3,781	0	3,800
	A452 M40 spur west of Banbury Road	0	1,600	6,000	0	7,600
	A46 Stoneleigh Junction Improvements	3,031	7,000	0	0	10,031
	Portobello Bridge	528	66	1,461	5	2,060
Maintenance	Highways maintenance	0	13,058	13,058	0	26,116
	Traffic Signals	254	59	0	0	313
	Household Waste Recycling Centre Maintenance	0	200	0	0	200
	Countryside Rural Services Capital Maintenance	0	270	0	0	270
	Developer Funded					
Investment - Vibrant Economy	Unallocated S278 developer funds	(41)	1,487	0	0	1,446
	Install CCTV on Emscote Road Warwick	0	9	0	0	9
	Install MOVA operation on traffic signal junctions Emscote Road Warwick	0	75	0	0	75
	Install Variable Message Signs A444	0	82	0	0	82
	Install Traffic Signals junction Colliery lane / Back Lane Exhall	0	45	0	0	45

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Category	Scheme Title	Earlier Years £'000	2019/20 £'000	2020/21 £'000	2021/22 and Later Years £'000	Total £ 000's
	Weddington Road, Nuneaton - Implement toucan crossing	0	183	0	0	183
	Rugby, Hunters Lane - through route New Technology Drive to Newbold Road	62	329	0	0	391
	B4113 Gipsy Lane Junction	5	199	0	0	204

Category	Scheme Title	Earlier Years £'000	2019/20 £'000	2020/21 £'000	2021/22 and Later Years £'000	Total £ 000's
Investment - Vibrant Economy	Ansty Business Park Phase 3	1,583	970	0	0	2,553
	A426 / A4071 Avon Mill Roundabout Rugby Improvement Scheme	344	273	0	0	617
	C204 Birmingham Road, Alcester - new right turn land outside Alcester Grammar	1	500	0	0	501
	B4642 Coventry Road, Cawston - new right turn lane	101	300	0	0	401
	C33 Stockton Road and A423 Southam Road, Long Itchington - new footway on Stockton Road and upgrade of zebra crossing to puffin crossing on Southam Road.	201	100	0	0	301
	A3400 Banbury Road / Tiddington Road, Stratford upon Avon.	0	1,000	0	0	1,000
	A3400 Bridgefoot / Bridgeway, Stratford upon Avon	1	400	0	0	401
	C98 Loxley Road, Tiddington	0	650	0	0	650
	A452 Europa Way (Lower Heathcote Farm)	1,800	1,700	0	0	3,500
	Butlers Leap Link Road, Rugby	1,000	1,700	0	0	2,700
	Shottery Link Road, Stratford-upon-Avon	0	3,500	0	0	3,500
	B4451 Station Road Bishops Itchington Ghost Island Right Turn Lane	300	650	0	0	950
	A452 Europa Way / Olympus Avenue Traffic Signal Controlled Junction	1,504	2,500	0	0	4,004
	C104 Milcote Rd Welford On Avon, Highway Improvements	100	250	0	0	350
	A452 Europa South of Olympus Avenue to Heathcote Lane roundabout	0	0	7,500	0	7,500
	A3400 London Road, Shipston on Stour	0	450	0	0	450
	A425 Daventry Road, Southam	475	1,325	0	0	1,800
	C8 Trinity Road, Kingsbury	300	1,200	0	0	1,500
	CCTV/UTC integration scheme on A3400 Birmingham Road Stratford	0	85	0	0	85
	B4642 Coventry Road, Cawston ghost island right turn lane	0	400	0	0	400
	B4455 Fosse Way / B4100 Banbury Rd (Jlr) Highway Improvements	0	400	0	0	400
	B4455 Fosse Way /A425 Southam Rd Roundabout Improvements	0	350	0	0	350
	B4455 Fosse Way /C43 Harbury Lane Impt Crossroads	0	600	0	0	600
	B4100 Banbury Rd / Meadow Close Junction Improvements	0	400	0	0	400
	B4100 Banbury Rd / Kingston Grange Site Access Improvements	0	250	0	0	250
	B4100 Banbury Rd / Site Access Lighthorne Heath Highways Improvements	0	400	0	0	400
	C30 Hillmorton Lane To Houlton And The Kent Rugby, Highway Improvements	0	2,150	0	0	2,150

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Category	Scheme Title	Earlier Years £'000	2019/20 £'000	2020/21 £'000	2021/22 and Later Years £'000	Total £ 000's
	Rugby Free School, Highway Improvements	0	450	0	0	450
	Total Environment Services	93,008	65,119	34,388	1,005	193,520

Category	Scheme Title	Earlier Years £'000	2019/20 £'000	2020/21 £'000	2021/22 and Later Years £'000	Total £ 000's
	Fire and Rescue Service					
Investment - Communities and individuals are safe, strong and healthy	Equipment for new fire appliances	94	146	0	0	240
	Training Provision	1,369	3,152	0	0	4,521
Investment - Making the best use of available resources	Fire & Rescue HQ Leamington Spa	287	1,944	0	0	2,231
	Total Fire and Rescue Service	1,750	5,241	0	0	6,992
	Strategic Commissioner - Communities					
Investment - Communities and individuals are safe, strong and healthy	Casualty reduction schemes	551	978	0	0	1,529
	Lawford Road Cycle Route	498	17	0	0	515
	Warwick, Myton Road cycle link (Myton and Warwick School)	146	5	0	0	151
	Safety Camera Funded Schemes	1,576	20	0	0	1,596
	Whiteacre Health Flood Alleviation	43	4	0	0	47
	Home to school routes	595	1,396	0	0	1,991
	School safety zones	3,278	410	0	0	3,688
	Area delegated funding	204	2,934	0	0	3,138
Investment - Vibrant economy	Stratford Town Station Upgrade	127	110	0	0	237
	Nuneaton and Bedworth Town Centre - Queens Road West improvements	641	79	0	0	720
	Business loans and grants	1,807	343	89	61	2,300
	Transforming Nuneaton	555	3,700	3,300	0	7,555
	Duplex Fund	288	692	650	370	2,000
	Small Business Grants	150	250	350	250	1,000
	Business Centre Strategy	80	70	0	0	150
	Bermuda Connectivity	1,668	4,221	1,511	1,500	8,900

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Category	Scheme Title	Earlier Years £'000	2019/20 £'000	2020/21 £'000	2021/22 and Later Years £'000	Total £ 000's
	Lawford Road / Addison Road Casualty Reduction	150	696	0	0	846
	Stratford Park and ride site alterations	86	14	0	0	100

Category	Scheme Title	Earlier Years £'000	2019/20 £'000	2020/21 £'000	2021/22 and Later Years £'000	Total £ 000's
	Developer Funded					
Investment - Vibrant economy	Southbound bus stop on A426 Leicester Road Rugby	16	64	0	0	80
	B4087 Oakley Wood Road - raised traffic calming scheme	30	67	0	0	97
	Upgrading of existing bus stops infrastructure Alcester Road, Shotton	13	1	0	0	14
	Wellesbourne, Ettington Road, provision of bus stops	1	20	0	0	21
	Bidford Salford Rd, provision of bus stops & upgrade existing infrastructure	2	80	0	0	82
	Upgrade existing shared ped / cycle path Bermuda	2	21	0	0	23
	Bidford-on- Avon bridge and Welford bridge, traffic calming and signage improvements	5	26	0	0	31
	2 Bus shelters at bus stops on Narrow Hall Meadow nr GP Surgery Chase Meadow	0	20	0	0	20
	Birmingham Road cycle route enhancements	5	11	0	0	16
	Enhance existing Bus Stops Land Adj to the Gaydon Inn Banbury Road Gaydon	3	15	0	0	18
	Highways improvements to bus stops at land off the Longshoot	20	11	0	0	31
	A426 Gateway Rugby to Rugby Town Centre cycle scheme	29	229	0	0	258
	Warwick Town Centre transport proposals	364	536	0	0	900
	Total Strategic Commissioner - Communities	12,933	17,039	5,900	2,181	38,053
	Adult Social Care					
Investment - Making the best use of available resources	Common assessment formula - social care IT development	0	350	0	0	350
Investment - Communities and individuals are safe, strong and healthy	Extra care housing and accommodation with care	0	3,000	0	0	3,000
	Total Adult Social Care	0	3,350	0	0	3,350

Category	Scheme Title	Earlier Years £'000	2019/20 £'000	2020/21 £'000	2021/22 and Later Years £'000	Total £ 000's
	Children and Families					
Investment - Communities and individuals are safe, strong and healthy	Children's Services property adaptations, purchases and vehicles	74	194	138	0	406
	Total Children and Families	74	194	138	0	406
	Strategic Commissioner - People					
Investment - Communities and individuals are safe, strong and healthy	Mental health grant	140	76	0	0	216
	Adult social care modernisation and capacity	370	581	46	0	997
	Total Strategic Commissioner - People	510	657	46	0	1,213
	Business and Customer Services					
Investment - Making the best use of available resources	County Records Office Service - Digital Asset Management	95	6	0	0	101
	Community information hubs	59	0	0	50	109
	One-Stop Shops Expansion Programme	72	0	0	131	203
	Improving the Customer Experience/One Front Door Improvements	821	0	0	1,697	2,518
Investment - Communities and individuals are safe, strong and healthy	Market Hall Museum	913	18	0	0	931
	Total Business and Customer Services	1,960	24	0	1,878	3,862

Category	Scheme Title	Earlier Years £'000	2019/20 £'000	2020/21 £'000	2021/22 and Later Years £'000	Total £ 000's
	Commissioning Support Unit					
Investment - Making the best use of available resources	Client Information Systems Review	3,400	692	0	0	4,092
	Total Commissioning Support Unit	3,400	692	0	0	4,092
	Enabling Services					
Investment - Making the best use of available resources	Various properties - renewable energy	240	0	995	0	1,235
Investment - Vibrant economy	Development of Rural Broadband	19,631	12,424	3,409	2,197	37,661
Maintenance	Non-schools asbestos and safe water remedials	0	325	0	0	325
	Non-schools - planned building, mechanical and electrical backlog	0	2,122	0	0	2,122
	Schools asbestos and safe water remedials	0	731	0	0	731
	Schools planned building, mechanical and electrical backlog	0	3,431	0	0	3,431
	WCC Information Assets Purchases	1,353	375	93	0	1,821
	Total Enabling Services	21,224	19,408	4,497	2,197	47,326
	Governance and Policy					
Investment - Making the best use of available resources	Strategic site planning applications	1,954	822	1,076	0	3,852
	Rationalisation of county storage	3,238	5,541	0	0	8,779
Maintenance	Rural services capital maintenance	300	1,107	0	0	1,407
	Total Governance and Policy	5,492	7,470	1,076	0	14,037

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Category	Scheme Title	Earlier Years £'000	2019/20 £'000	2020/21 £'000	2021/22 and Later Years £'000	Total £ 000's
	Capital Investment Fund					
Investment	Capital Investment Programme - existing	0	47,552	0	0	47,552
	Capital Investment Programme - new	0	12,500	0	0	12,500
	Total Capital Investment Fund	0	60,052	0	0	60,052
	TOTAL CAPITAL PROGRAMME	156,795	230,593	55,489	7,261	450,138

PRUDENTIAL INDICATORS	2017/18 actual	2018/19 forecast	2019/20 estimate	2020/21 estimate	2021/22 estimate
Capital Expenditure	£'000 78,344	£'000 132,825	£'000 230,593	£'000 55,489	£'000 7,261
Ratio of financing costs to net revenue stream	% 7.10	% 6.99	% 7.14	% 8.00	% 7.90
Gross borrowing requirement	£'000	£'000	£'000	£'000	£'000
Gross Debt	362,274	362,274	352,274	332,274	332,275
Capital Financing Requirement as at 31 March	313,947	336,652	441,402	424,933	408,127
Under/(Over) Borrowing	(48,327)	(25,622)	89,128	92,659	75,852
In year Capital Financing Requirement	£'000 (2,746)	£'000 22,704	£'000 104,751	£'000 (16,470)	£'000 (16,806)
Capital Financing Requirement as at 31 March	£'000 313,947	£'000 336,652	£'000 441,402	£'000 424,933	£'000 408,127
Authorised limit for external debt -	£'000	£'000	£'000	£'000	£'000
Borrowing	549,049	516,818	587,675	579,911	535,744
Other long term liabilities	12,000	12,000	12,000	12,000	12,000
TOTAL	561,049	528,818	599,675	591,911	547,744
Operational boundary for external debt -	£'000	£'000	£'000	£'000	£'000
Borrowing	457,540	430,681	489,729	483,259	446,453
Other long term liabilities	10,000	10,000	10,000	10,000	10,000
TOTAL	467,540	440,681	499,729	493,259	456,453
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	£'000	£'000	£'000	£'000	£'000
(per maturity date)	0	60,000	60,000	60,000	60,000

Maturity structure of new 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%

These indicators are the part of our Treasury Management Strategy that must be approved as part of the budget resolutions. The Treasury Management Strategy itself will be brought to Council in March 2019. It will reconfirm the above indicators and also introduce new monitoring ratios to assess the Council's investment risk position on a wider ongoing basis, including having regard to commercial investments.