

2019/20 Capital Budget

Conservative Recommendations to County Council

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

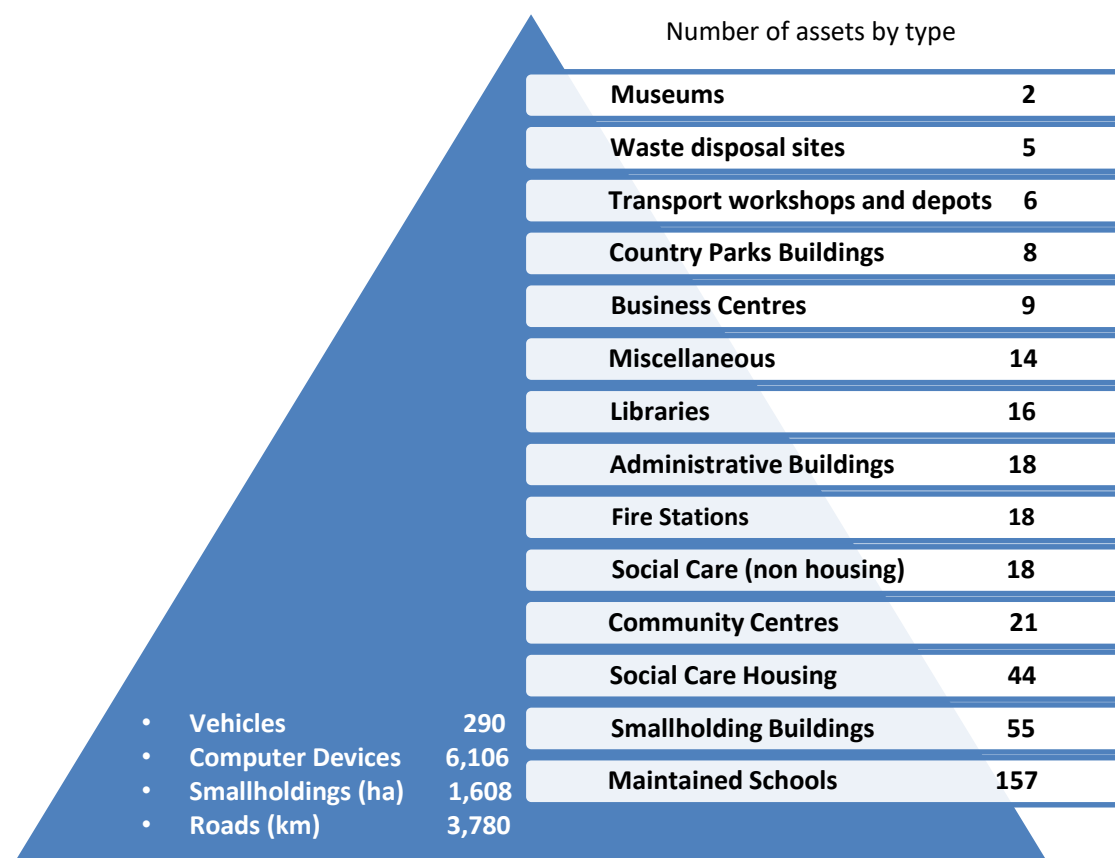
- 8.1. Each maintenance allocation will be monitored and reported to Members at the level approved in the Medium Term Financial Plan (MTFP) and Capital Strategy. Detailed budget management within those allocations is delegated to the responsible Assistant Director, in line with the agreed criteria and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

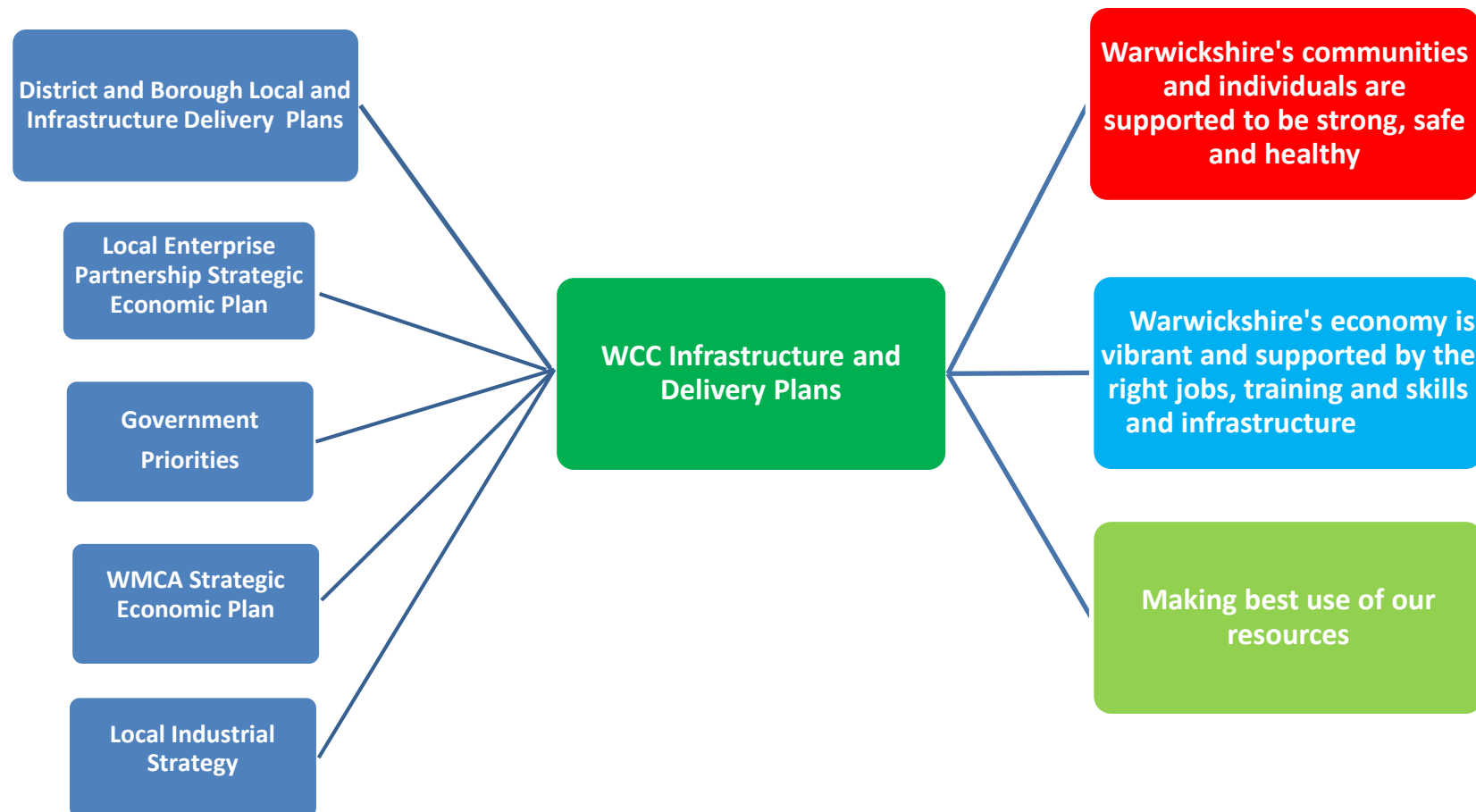
The Council owns and maintains a large number and variety of assets, valued in our most recent Statement of Accounts at £1.192bn.

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

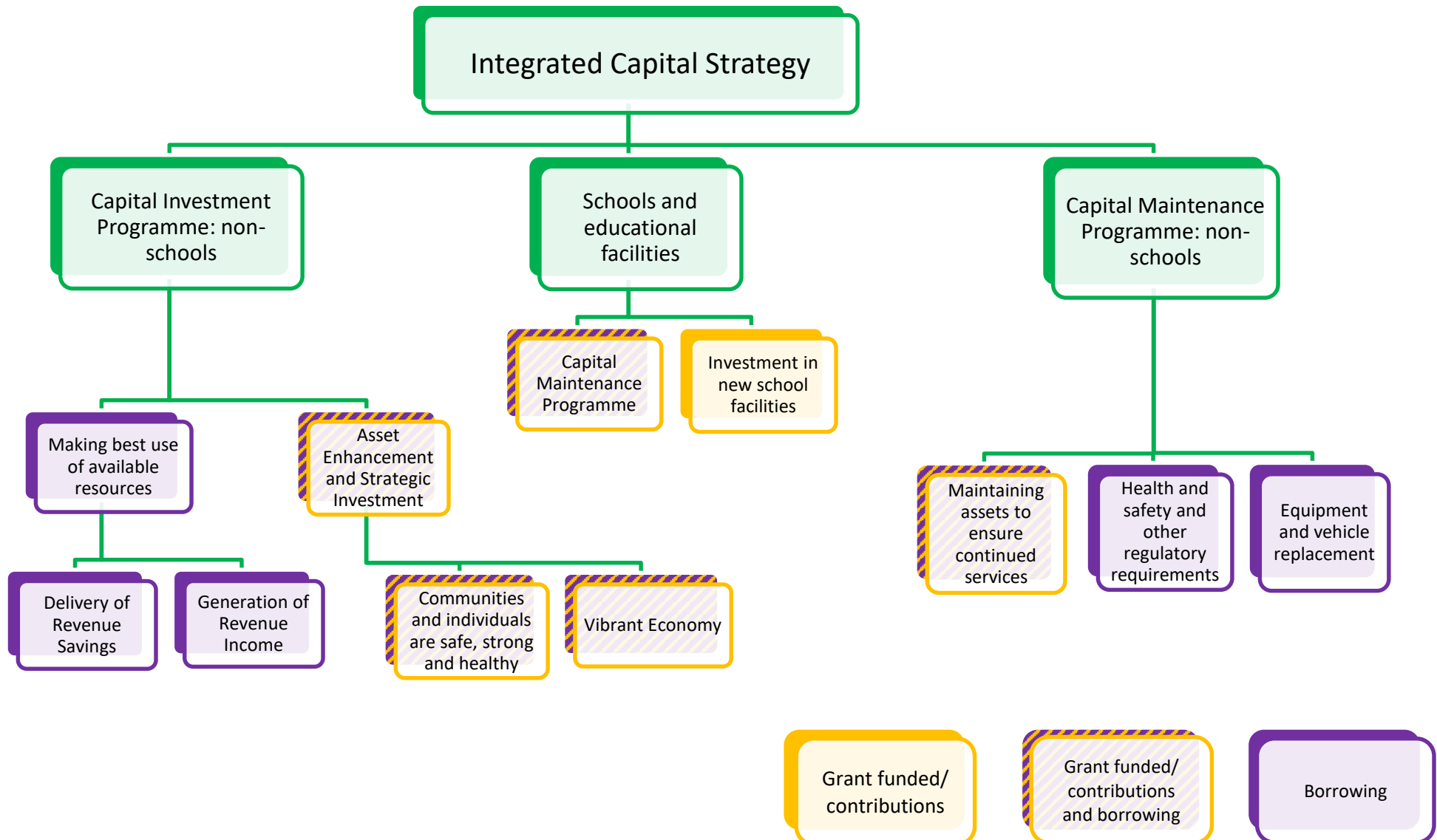
Planning our approach

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.

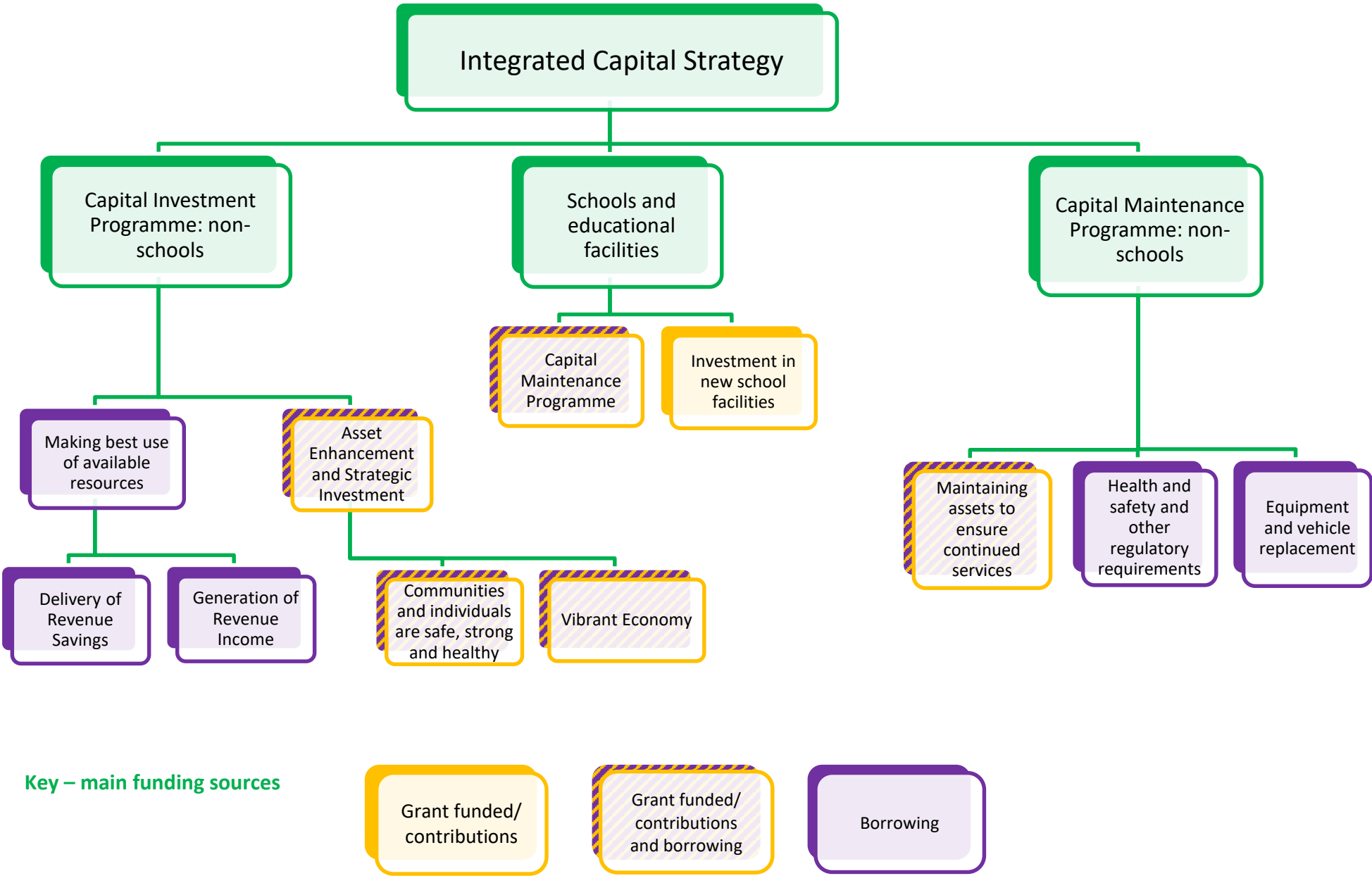
Each programme has a number of strands that ensure a clear focus on the purpose of capital spending and the prioritisation of proposals.

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.

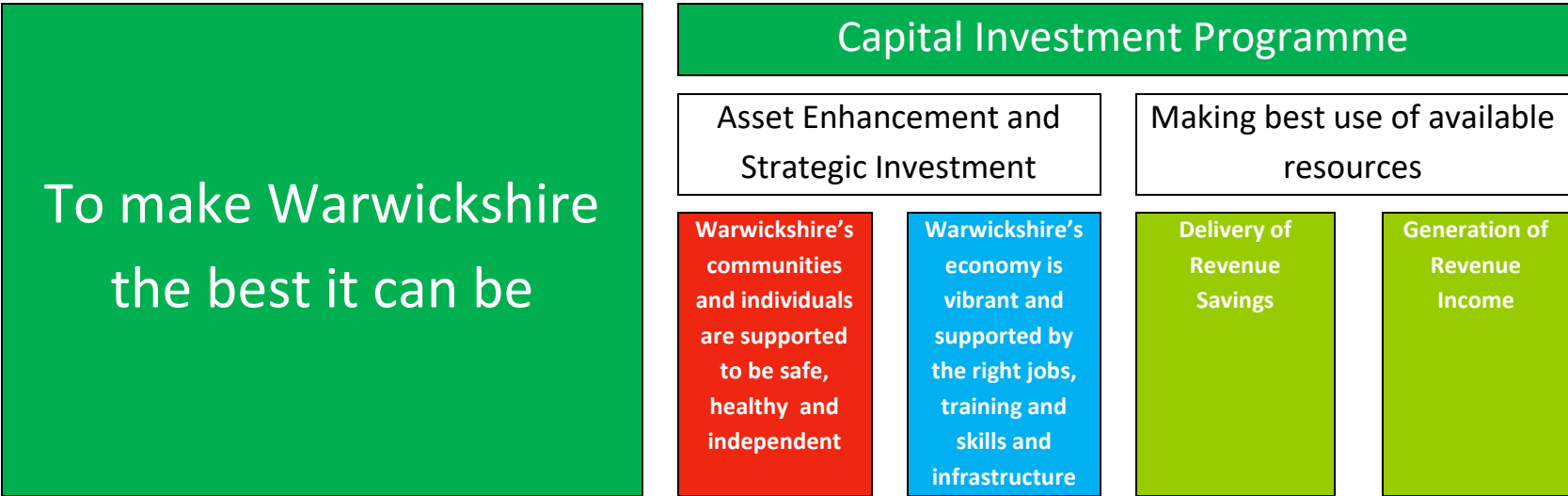


Capital Investment Programme: non-schools

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.

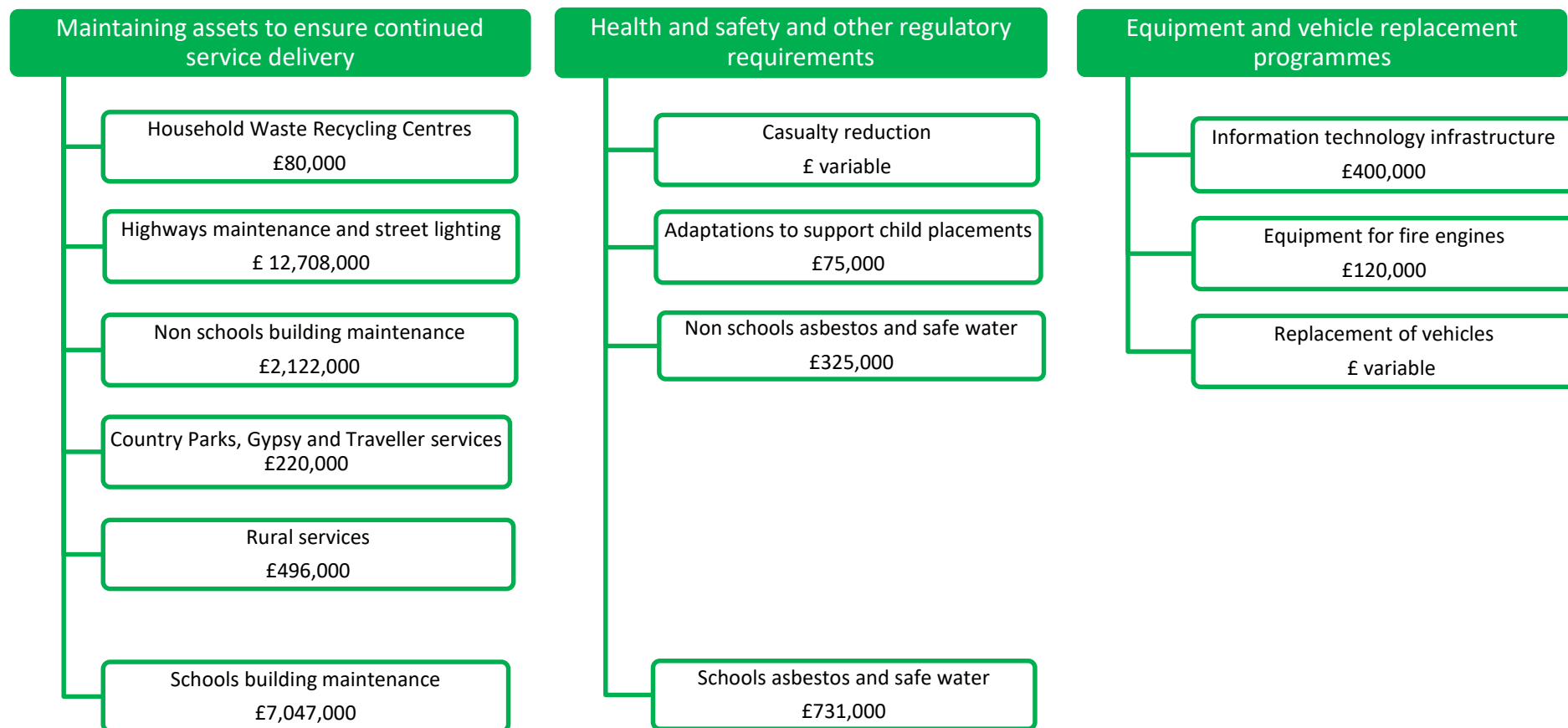
Capital Maintenance Programme

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

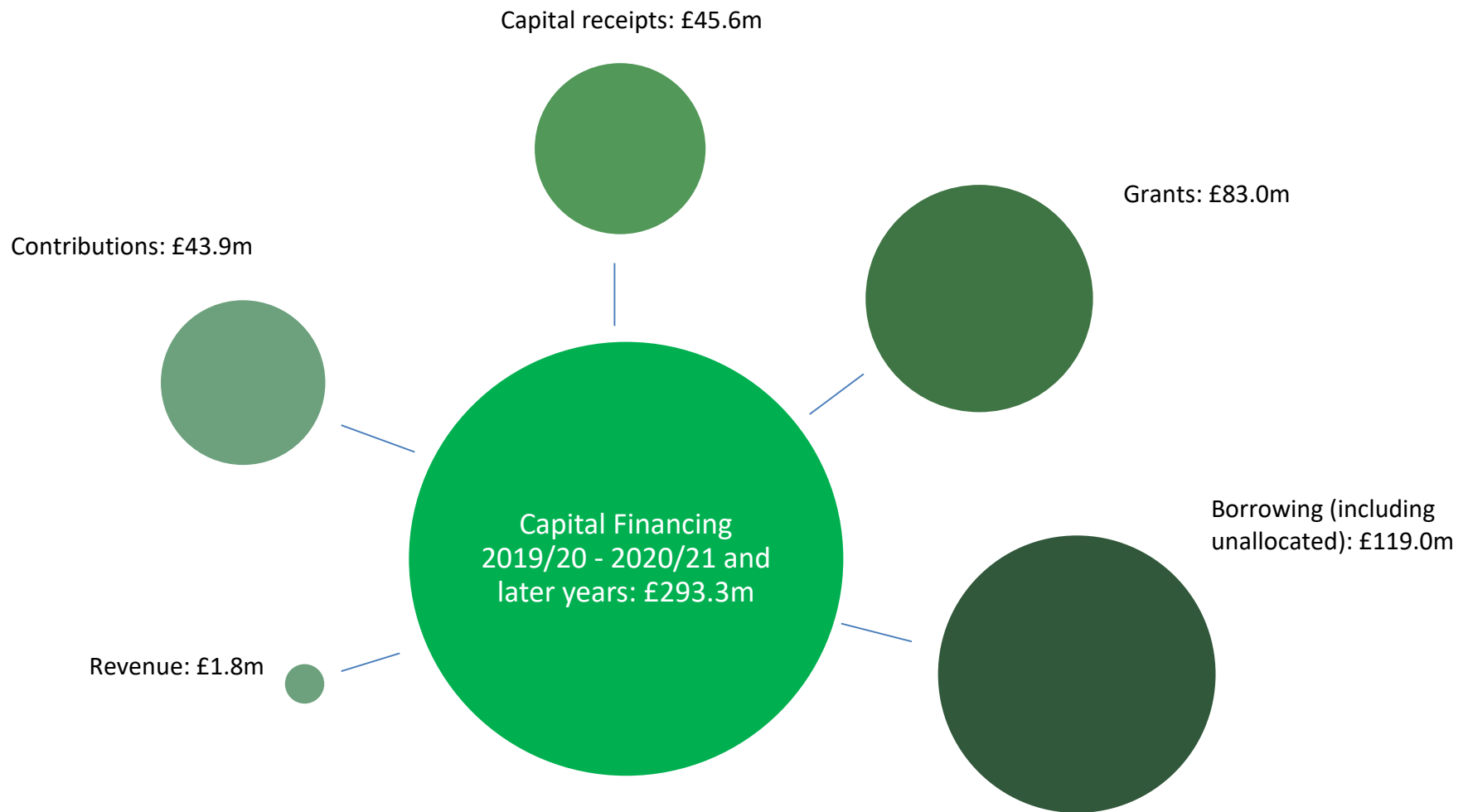
Funding Strategy

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

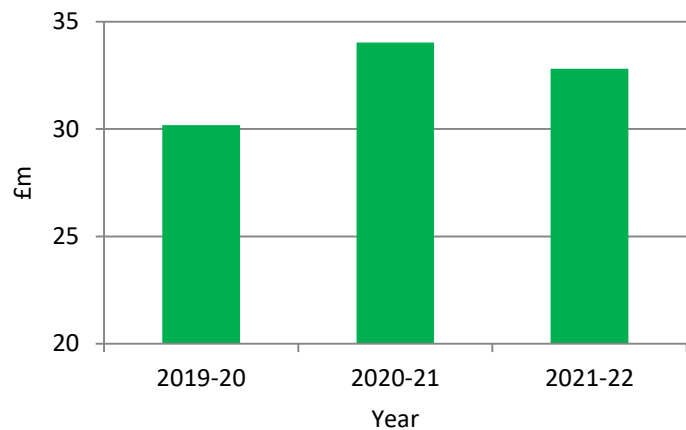
All capital receipts, with the exception of school receipts which are reinvested, are used to repay debt, with a consequent reduction in the Council's borrowing costs. Whilst financially there is no difference in the revenue cost to the authority as to whether capital receipts (providing they are used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

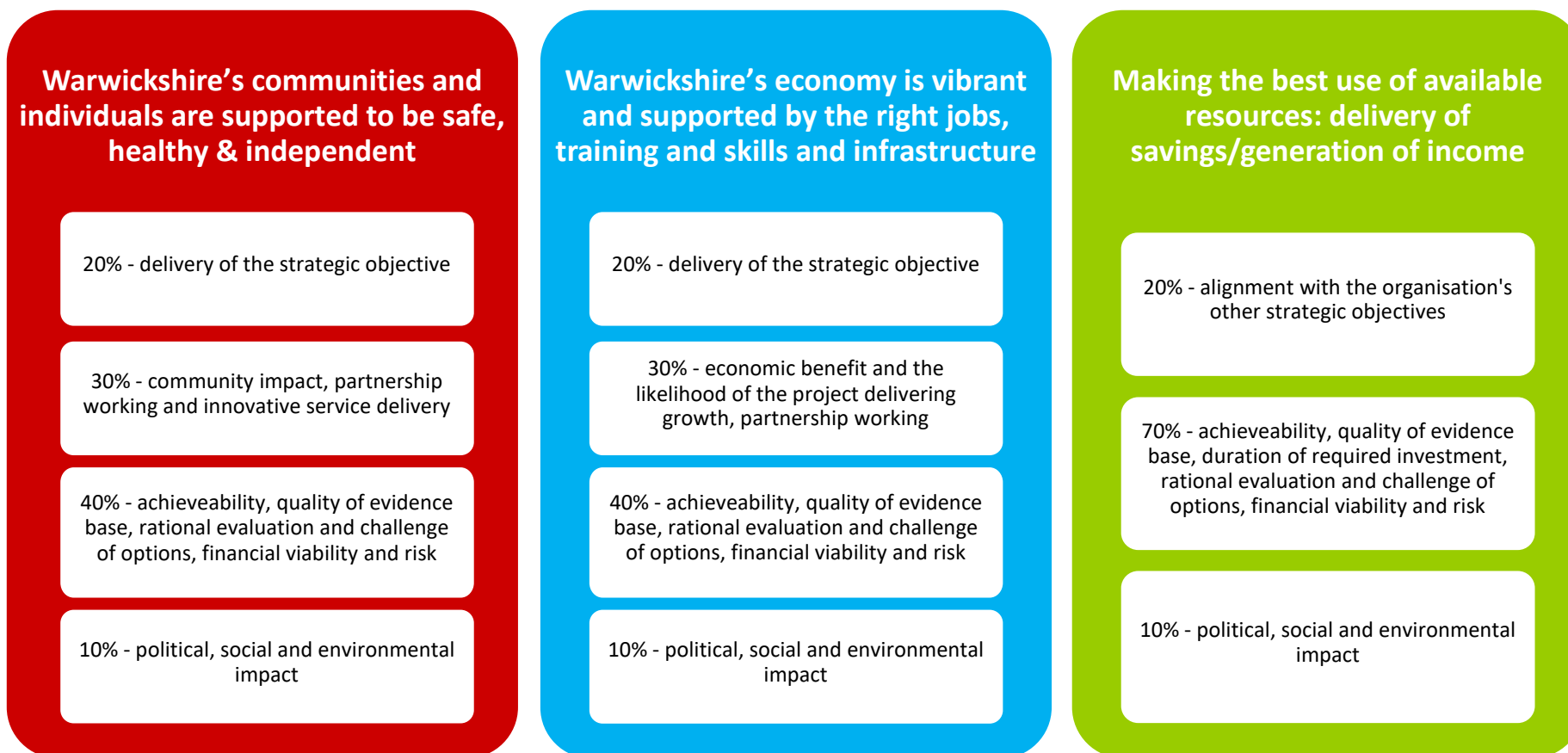
Prioritisation Methodology

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 Gyatory 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

Appendix B

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.