

County Council

Date: Tuesday, 18 February 2020
Time: 10.00 am
Venue: Council Chamber, Shire Hall

Membership

Councillor Nicola Davies (Chair), Peter Butlin, Les Caborn, Mark Cargill, Richard Chattaway, Jeff Clarke, John Cooke, Peter Gilbert, Colin Hayfield, Maggie O'Rourke, Bill Olnier, Anne Parry, David Reilly, Jill Simpson-Vince, Andrew Wright, Bill Gifford, Kam Kaur, Jeff Morgan, Kate Rolfe, Izzi Seccombe, Jenny Fradgley, Clive Rickhards, Helen Adkins, Jo Barker, Margaret Bell, Parminder Singh Birdi, Sarah Boad, Mike Brain, Jonathan Chilvers, Alan Cockburn, Andy Crump, Yousef Dahmash, Corinne Davies, Neil Dirveiks, Judy Falp, Daniel Gissane, Clare Golby, Seb Gran, John Holland, John Horner, Andy Jenns, Keith Kondakor, Bhagwant Singh Pandher, Dave Parsons, Caroline Phillips, Wallace Redford, Howard Roberts, Jerry Roodhouse, Andy Sargeant, Dave Shilton, Dominic Skinner, Bob Stevens, Heather Timms, Adrian Warwick, Alan Webb, Chris Williams, Pam Williams

Items on the agenda: -

1. General

(1) Apologies for Absence

(2) Members' Disclosures of Pecuniary and Non-pecuniary Interests

(3) Minutes of the previous meeting 5 - 18

Minutes of the previous meeting held on 17 December 2019.

(4) Chair's announcements

To receive any announcements from the Chair of the Council, Leader, Cabinet Members or Chief Executive.

2. Council Plan 2025 19 - 46

Cabinet Portfolio Holders: Councillors Kam Kaur and Peter Butlin

This report outlines the content of the Council Plan 2025 and the planned work to ensure its accessibility. Council is asked to approve the plan.

3. 2020/21 Budget and 2020-25 Medium Term Financial Strategy

47 - 278

Cabinet Portfolio Holder: Councillor Peter Butlin

A report that asks Council to agree the 2020/21 Budget and authorise work to continue on ensuring the 2020-25 Medium Term Financial Strategy is aligned with and supports the delivery of the Council's ambitions as set out in the Council Plan 2025.

4. Any Other items of Urgent Business

To consider any other items that the Chair considers are urgent.

Monica Fogarty
Chief Executive
Warwickshire County Council

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Disclosures of Pecuniary and Non-Pecuniary Interests

Members are required to register their disclosable pecuniary interests within 28 days of their election of appointment to the Council. A member attending a meeting where a matter arises in which s/he has a disclosable pecuniary interest must (unless s/he has a dispensation):

- Declare the interest if s/he has not already registered it
- Not participate in any discussion or vote
- Must leave the meeting room until the matter has been dealt with
- Give written notice of any unregistered interest to the Monitoring Officer within 28 days of the meeting

Non-pecuniary interests must still be declared in accordance with the Code of Conduct.

These should be declared at the commencement of the meeting

The public reports referred to are available on the Warwickshire Web

<https://democracy.warwickshire.gov.uk/uuCoverPage.aspx?bcr=1>

Public Speaking

Any member of the public who is resident or working in Warwickshire, or who is in receipt of services from the Council, may speak at the meeting for up to three minutes on any matter within the remit of the Committee. This can be in the form of a statement or a question. If you wish to speak please notify Democratic Services in writing at least two working days before the meeting. You should give your name and address and the subject upon which you wish to speak. Full details of the public speaking scheme are set out in the Council's Standing Orders.

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**Minutes of the Meeting of Warwickshire County Council
held on 17 December 2019**

Present:
Councillor Nicola Davies (Chair)

Councillors Helen Adkins, Margaret Bell, Parminder Singh Birdi, Jo Barker, Peter Butlin, Les Caborn, Mark Cargill, Richard Chattaway, Jonathan Chilvers, Jeff Clarke, Alan Cockburn, John Cooke, Andy Crump, Yousef Dahmash, Corinne Davies, Neil Dirveiks, Judith Falp, Bill Gifford, Peter Gilbert, Clare Golby, Seb Gran, Colin Hayfield, John Holland, John Horner, Andy Jenns, Kam Kaur, Keith Kondakor, Jeff Morgan, Bill Olnor, Maggie O'Rourke, Bhagwant Singh Pandher, Anne Parry, Dave Parsons, Wallace Redford, David Reilly, Clive Rickhards, Howard Roberts, Kate Rolfe, Jerry Roodhouse, Andy Sargeant, Izzi Seccombe OBE, Dave Shilton, Jill Simpson-Vince, Dominic Skinner, Bob Stevens, Heather Timms, Adrian Warwick, Alan Webb, Pam Williams and Andy Wright.

1. General

(1) Apologies for absence

Apologies for absence were submitted on behalf of Councillors Sarah Boad, Mike Brain, Jenny Fradgley, Dan Gissane, Caroline Phillips and Chris Williams

(2) Members' Disclosures of Pecuniary and Non-Pecuniary Interests

With reference to agenda item 4 Education (Schools) Capital Programme 2019/20, Councillor Judy Falp declared a non-pecuniary interest with two of the schools referenced in the report located in her division. In addition, she is a governor at Campion School.

(3) Minutes of the meeting held on 15 October 2019

Council considered the draft minutes from the meeting of 15 October 2019.

Resolved

That the minutes of the meeting held on 15 October 2019 be approved as a correct record.

(4) Announcements

A series of announcements were made to Council.

1. The recent death of former Warwickshire County Councillor Antoinette Gordon was announced. Antoinette Gordon represented the Council from 1989 – 2001. From 1997 until 2001 she served on the Effective Management Scrutiny & Review Committee, Economic Development Sub-Committee and Environmental Strategy Committee. Councillor Les Caborn (Portfolio Holder for Adult Social Care and Health) led tributes to ex-

Councillor Gordon stating that she served various councils in a robust fashion and with a strong sense of duty. Councillor Richard Chattaway (Leader of the Labour Group) acknowledged the dedication of Councillor Gordon to the community she served. Councillor Jerry Roodhouse (Leader of the Liberal Democrat Group) informed Council he had worked with Mrs Gordon on a number of committees; she was a person who stood up for what she believed in.

Councillor Judy Falp stated that whilst she had not always agreed with Councillor Gordon, she recognised her commitment to her community.

Council stood in tribute to Antoinette Gordon.

2. The Chair announced the retirement of Helen King (Deputy Director of Public Health). In 2007 Helen was appointed Deputy Director of Public Health for Warwickshire Primary Care Trust and was acting Joint Director of Public Health until 2009. Over the next few years she led Warwickshire in a range of Public Health with a focus on Children and Maternity Services. Helen became Interim Director of Public Health in March 2019 pending the appointment of a new Director of Public Health.

Members joined in commending Helen King for the leadership, diplomacy and positive approach she has always displayed. Her work on Swine Flu and the development of the 0-5 Strategy were particularly commended.

Helen King thanked members for their words of appreciation adding that the support they had provided had been invaluable.

3. The Chair commended the Fire and Rescue Service for its effective response to the fire that had occurred at Nuneaton Town Hall on 16 December.
4. Council was informed of the recent signing of the Armed Forces Covenant by the Warwick District Branch of the Royal Naval Association. The signing ceremony attended by the Lord Lieutenant had been held at the Lord Leicester Hospital.
5. A ceremony was recently held in Coventry to recognise the work of 31 Magistrates who were set to retire. It was reported that between them they had contributed around 500 years' service.
6. The Chair had recently attended the County Council's long service awards with 51 members of staff present who had delivered a combined 1250 years of service. Councillor Izzie Secombe (Leader of the Council) added that it is important to recognise the contribution of all staff in delivering services to the people of Warwickshire.

7. The Chair had recently attended a concert by young musicians. This was one of a series of such concerts organised by the County Music Service across Warwickshire. It was, the Chair added, a credit to the young musicians, teachers and support staff involved.

(5) Petitions

None

(6) Public Speaking

None

2. A452 Kenilworth to Leamington Spa Cycling Scheme

Councillor Jeff Clarke (Portfolio Holder for Transport and Planning) moved the recommendation and was seconded by Councillor John Cooke. In proposing the motion Councillor Clarke reminded Council that the cycleway between Kenilworth and Leamington had been long sought by residents and campaigners. Having the funding in place is a major milestone but he added, a number of physical challenges remain to overcome before the route comes into use. The current timescale is for construction to be undertaken in 2021/22.

Members of Council added the following points:

- Warwick District Council, Leamington Town Council and Kenilworth Town Council have expressed their full support for the scheme.
- The project fits well with the declared climate emergency and the need to establish a network of green transport.
- The route will be well used by cyclists and pedestrians. Many will wish to access Warwick University.
- After a long wait Kenilworth secured a new station. The cycleway will be worth waiting for too.
- The Leamington Road (between Kenilworth and Leamington) can be dangerous especially at night.
- The project will be welcomed by Public Health as it encourages people to take exercise.
- There is an urgent need to improve the air quality in Warwick District.
- A cycling strategy that joins up cycle routes in Warwickshire is required.
- Any increase in cycling will assist in reducing traffic levels and congestion.
- Modal shift cannot be achieved rapidly. In the Netherlands it took 30 years to develop the cycle network.
- Strategic cycle routes serve a purpose, but local cycle routes should be developed at either end.
- Cycle routes are cheap to develop compared to major road projects.
- The Kenilworth to Leamington project is one of 40 identified routes in Warwickshire. It will be important to press for the others to be progressed.
- The finances for the project have arisen through careful management of the Council's budget.
- The contribution and advice made by local cycle groups in getting to this stage should be acknowledged.

The Council was reminded that a special Communities OSC is scheduled for the 9 January 2020.

The recommendation was put to the vote. It was agreed unanimously

Resolved:

That Council approves an allocation of £4.749 million from the Capital Investment Fund to the Kenilworth to Leamington Spa Cycling Scheme and its addition to the Capital Programme.

3. Capital Investment - Nuneaton

In moving the recommendation Councillor Izzi Seccombe explained that a report on the proposal to build a new public facility in Nuneaton had been considered at Cabinet on 14 November 2019. The decision required ratification by Council. The proposed new library supported office facilities and public space will form an iconic gateway to the town centre. It will be one of the largest single investments in the centre of Nuneaton for many years generating around 200 new jobs and supporting 120 new businesses.

Councillor Jeff Morgan seconded the recommendation adding that in developing the new library, it will be important to remember the importance of books as sources of information and pleasure.

Members of Council added the following points:

- The new facility will serve to attract fresh private investment to the area.
- Universities and the local hospitals should be encouraged to invest and have a presence in Nuneaton town centre.
- The scheme before Council dates back as far as 2001 and the outcome of the Library Best Value Working Party.
- The work of officers and members in getting to this stage in the project is to be commended.
- The project conveys a message that Warwickshire County Council is committed to investment in town centres.
- Nuneaton is a post-industrial town that many residents feel a strong affection for.
- Development in Nuneaton will have a positive knock-on effect on neighbouring towns e.g. Bedworth.
- If existing retail businesses are to be made to re-locate, to make way for the scheme, it will be important to assist them in identifying suitable locations.
- Once the current library has been vacated it will be important to ensure that it is not left to stand empty. Pop up facilities for art and other functions should be considered to assist in avoiding it becoming derelict.
- The inclusion of changing provision for adults is particularly welcome. Without such facilities it can be very difficult for parents/carers to accompany people with physical or mental health disabilities into town centres.
- The new library in Worcester is a good model for Warwickshire to follow for Nuneaton.
- The business start-up centre will be a major asset for the town.

- Funding for the scheme has been provided via the CIF which in turn has become available through growth in Warwickshire. The more growth there is in the economy the more funding will be available via CIF.

Councillor Izzi Seccombe closed by noting that a principal purpose of the Council is to grow a sense of pride in the area. Nuneaton is the largest town in Warwickshire, but its centre as defined by the (somewhat constraining) ring road and is currently too reliant on retail. The WCC business centres in the Nuneaton area currently have a 95% occupancy rate. The business centre in the town will provide extra capacity and will be an asset for Nuneaton and the people who use it.

The recommendation was put to the vote. It was agreed unanimously.

Resolved:

That the Council approves the allocation of £19.42m funding from the Capital Investment Fund (CIF) to enable the development of a new library and business centre in Nuneaton and add the project to the Capital Programme at the cost of £19.42m.

4. Education (Schools) Capital Programme 2019/20

Councillor Colin Hayfield (Portfolio Holder for Education and Learning) explained to Council that the purpose of the Education Capital Programme is to ensure that there is sufficient capacity in schools to accommodate all children. The reason the report was before Council was because of the value of the funds being allocated.

Councillor Yousef Dahmash seconded the motion and reserved the right to speak.

Members of Council made the following observations and comments.

- School expansions are generally to be welcomed but the growth of one school can be detrimental to its neighbours, if it draws children away from them.
- It is important that members and officers communicate well over proposals. This helps to ensure that sufficient funding is made available for expansion.
- The way in which schools are funded means that there can be a lengthy delay between the commencement of operation of an expanded school (with additional staff and pupils) and the funding for that operation being delivered.
- Funding for education is not evenly distributed across the country. A levelling of that funding would be welcomed in Warwickshire where it is significantly lower than some other areas.
- It currently takes too long to commission and build new primary schools in areas of major residential development such as Rugby and Nuneaton.
- Secondary schools will soon see a significant increase in their roll.
- There is too much reliance on developers playing their part in providing new schools as part of expansion. Not only should the council ensure that developers contribute what is owed but this should be done in a timely fashion.

In response to members' comments, Councillor Hayfield noted that the Council has no control over which school parents and carers send their children to. Good schools will always be popular. Predictions for places, he added, tend to vary

from year to year. The system of predicting demand needs to be able to cope with the vagaries of parental choice etc. Council was reminded that every school carries an environmental impact. It is important to ensure that any new developments are as environmentally sustainable as possible.

Council was informed that the Nuneaton Challenge Board is examining issues around achievement in schools in that area.

The recommendation was put to the vote. It was agreed unanimously.

Resolved:

That Council approves the addition of £15,694,411 to the capital programme to deliver the schemes outlined in Section 3 of the published report.

5. Notices of Motion (Standing Order 5)

1) Bus Services in Warwickshire

Councillor Keith Kondakor moved the first motion stating:

“This Council requests a report to go to Cabinet by April 2020 that:

1. Clarifies and prioritises the Authority’s powers and key objectives in relation to bus provision to enable more consistent and effective negotiations with bus operators. This should include investigating multi-operator ticketing, bus priority measures and improved bus information.
2. Analyses the success of s.106 contributions which have been used to pump prime new bus routes over the last 10 years in Warwickshire and investigates alternative frameworks to incentivise long term successful routes around new developments if necessary.
3. Fully scopes the use of Advanced Quality and Enhanced Partnership schemes as set out in the Transport Act 2000 and Bus Services Act 2017, including engagement with operators and sets a date no later than December 2020 to assess whether implementation of the AQ or EP schemes are necessary to achieve the Authority’s key objectives.
4. Considers and assesses the resources required to successfully deliver the Council’s key objectives recognising that any strategy or objectives that emerge from this process must be fully costed before they can be presented to Cabinet and all sources of funding identified”.

Councillor Jonathan Chilvers (Leader of the Green Group) seconded the motion reserving the right to speak.

In support of the motion Councillor Keith Kondakor informed Council that although 14 million trips have been made on buses in Warwickshire in the last year, this was down on previous figures. Improvements to bus services can bring about rapid enhancements in terms of accessibility and reductions in congestion and pollution. The key is to kickstart greater bus use so that it becomes the preferred mode of transport for more people.

Amendment 1

Councillor Jerry Roodhouse (Leader of the Liberal Democrat Group) moved an amendment. This changed the first paragraph of the motion and stated,

“This Council **supports the call by the “Campaign for Better Transport” report called “The Future of the Bus” and** requests that a report to go to Cabinet by April 2020 that.....”

In proposing the amendment Councillor Roodhouse observed that the report cited should be brought to the fore. He added that more should be done to work with the bus operators, Stagecoach.

Councillor Clive Rickhards seconded the amendment adding that the issue of bus service provision should be considered by Cabinet. With fewer than 50% of small rural settlements in the UK being served by buses a national and a Warwickshire bus strategy are required.

The amendment tabled by the Liberal Democrat Group was accepted by the Green Group as a friendly amendment. This then became the substantive motion.

Amendment 2

Councillor Jeff Clarke (Portfolio Holder for Transport and Planning) tabled the following amendment.

“This Council requests ~~supports the call by the “Campaign for Better Transport” report called “The Future of the Bus”~~ **(that the Strategic Director Communities takes a report to Communities Overview and Scrutiny Committee in June 2020)** ~~by 30 April 2020 that:~~

1. Clarifies and prioritises the Authority’s powers and key objectives in relation to bus provision to enable more consistent and effective negotiations with bus operators. This should include investigating multi-operator ticketing, bus priority measures and improved bus information.
2. Analyses the success of s.106 contributions which have been used to pump prime new bus routes over the last 10 years in Warwickshire and investigates alternative frameworks to incentivise long term successful routes around new developments if necessary.
3. Fully scopes the use of Advanced Quality and Enhanced Partnership schemes as set out in the Transport Act 2000 and Bus Services Act 2017, including engagement with operators and sets a date no later than December 2020 to assess whether 3 of 4 implementation of the AQ or EP schemes are necessary to achieve the Authority’s key objectives.
4. Considers and assesses the resources required to successfully deliver the Council’s key objectives recognising that any strategy or objectives that emerge

from this process must be fully costed before they can be presented to Cabinet and all sources of funding identified.

5. Considers the call by the “Campaign for Better Transport” report called “The Future of the Bus”

(Communities OSC to discuss the findings of the report and to bring forward recommendations to Cabinet).

In proposing this second amendment Councillor Clarke stated that there was a clear role for Overview and Scrutiny in reviewing the situation ahead of consideration by Cabinet.

Amendment 2 was seconded by Councillor Dave Shilton.

Amendment 2 was accepted by the Green Group as a friendly amendment. This then became the substantive motion.

Debate

Council discussed the new substantive motion. The following points were made by members.

- Heavily used bus routes become part of a bus-use culture. For this culture to become established it is important that services are frequent as in London. A challenge for bus users travelling from Leamington to Warwick is that it takes around an hour to make the journey.
- The cost of operating a bus decreases if they are carrying many passengers. To increase patronage people should see buses as useful and affordable.
- Bus shelters should display real-time travel information.
- People living in rural areas can be very isolated. Buses provide them with a lifeline giving them access to services, shops and leisure activities.
- Two newly created bus services in North Warwickshire are serving to improve health and social mobility.
- Some bus operators are prepared to run services whilst Section 106 money is available. However as soon as that funding ceases the operators withdraw the service.
- Some bus operators regard the County Council as a “cash cow”. The Council should apply pressure on those operators to achieve a reversal in the falling number of passengers.
- Account should be taken of the needs of rural commuters.
- Ideally everyone would have a bus waiting for them whenever they wished to travel. This is unreasonable. Therefore, it is necessary to consider that which is realistic and affordable. The Communities Overview and Scrutiny Committee will have the time and resources to explore this issue in detail. It will be required to be rational in identifying what can be done.

Councillor Jonathan Chilvers (Leader of the Green Group), the seconder of the original motion, acknowledged that the Council cannot control the bus operators. However, he did suggest that the Council recognise that it does have control over matters that the bus operators would find appealing. For example, the Council controls bus subsidies. In addition, it engages in negotiations for S106 payments

from developers. It is important also to consider the legal levers (e.g. Bus Services Act 2017) that can be applied. Council recognised that some elements of any review may need to be considered in private.

Councillor Keith Kondakor who proposed the original motion noted that around 30% of households in Warwickshire do not have access to a car. Some developer funding is wasted when bus operators fail to run services at night. In addition, fare zones can mean that short journeys can be more expensive than long journeys. He concluded by calling for more bus shelters to be provided and for closer working with Coventry.

Vote

A vote was held on the Conservative amendment (accepted as a friendly amendment). This was agreed unanimously.

Resolved

This Council requests that the Strategic Director Communities takes a report to Communities Overview and Scrutiny Committee in June 2020:

1. Clarifies and prioritises the Authority's powers and key objectives in relation to bus provision to enable more consistent and effective negotiations with bus operators. This should include investigating multi-operator ticketing, bus priority measures and improved bus information.
2. Analyses the success of s.106 contributions which have been used to pump prime new bus routes over the last 10 years in Warwickshire and investigates alternative frameworks to incentivise long term successful routes around new developments if necessary.
3. Fully scopes the use of Advanced Quality and Enhanced Partnership schemes as set out in the Transport Act 2000 and Bus Services Act 2017, including engagement with operators and sets a date no later than December 2020 to assess whether 3 of 4 implementation of the AQ or EP schemes are necessary to achieve the Authority's key objectives.
4. Considers and assesses the resources required to successfully deliver the Council's key objectives recognising that any strategy or objectives that emerge from this process must be fully costed before they can be presented to Cabinet and all sources of funding identified.
5. Considers the call by the "Campaign for Better Transport" report called "The Future of the Bus"

Communities OSC to discuss the findings of the report and to bring forward recommendations to Cabinet.

2) Reducing the use of Excess Packaging

Councillor Jonathan Chilvers moved the motion stating,

“This Council encourages all Warwickshire residents to leave excess packaging at supermarket checkouts”.

In proposing the motion Councillor Chilvers observed that with the emphasis on excess packaging the need is to reduce the amount used in the first place. Members were informed that £20m a year is expended by the County Council on disposing on packaging. A 5% reduction in this would realise a saving of £1m. The key is to ensure that the supermarkets receive the message that they need to do more to reduce packaging.

Councillor Keith Kondakor seconded the motion and reserved the right to speak.

Councillor Heather Timms (Portfolio Holder for Environment and Heritage & Culture) expressed her concern over the motion as proposed by the Green Group stating that if implemented it could initiate conflict in stores. The government, she added, is keen to reduce waste generation.

Amendment

Councillor Heather Timms proposed the following amendment.

“The new National Waste Strategy for England will allow the Council to work with the District and Borough Councils to develop a renewed Joint Municipal Waste Strategy for Warwickshire and to deliver real improvements including reducing our carbon emissions.

This Council therefore will write to the Prime Minister to urge him to continue to drive forward progress on the Strategy and to minimise the use of excess packaging at supermarkets to radically reduce waste and increased reuse and recycling across Warwickshire”.

The amendment was seconded by Councillor Adrian Warwick who reserved the right to speak.

Debate

Members made a series of observations regarding the matter of waste reduction.

- Where excess packaging is removed at supermarket tills it only ever attracts positive remarks. In some instances, other customers follow the example being set.
- Leaving waste at a till can make people feel uncomfortable. Any conflict at a shop till can have a negative and unreasonable impact on the staff. However, it is down to the individual to choose their actions.
- Not enough recycling is being undertaken. Any waste strategy should be used to encourage people to recycle.
- Some packaging is necessary to protect goods in transit.
- Supermarkets should be encouraged to reduce the production of excess packaging.
- Recycling facilities in the UK are inadequate. Materials for recycling are sent overseas and there is uncertainty regarding where it ends up.

- People should be encouraged to buy goods from local shops (e.g. greengrocers) and markets where excess packaging is reduced. In addition, fruit and vegetables that are considered misshapen or not up to standard should be bought rather than wasted.

Councillor Keith Kondakor, the seconder of the motion, observed that the reduction of waste generation sits at the top of the waste hierarchy. He suggested that greater consideration be given to ways in which excess packaging can be designed out. He observed legislation can be slow to have an impact and litter is a major threat to the environment.

Councillor Heather Timms advocated closer working with supermarkets to reduce excess waste generation.

In closing, Councillor Jonathan Chilvers, the proposer of the original motion suggested that there is a place for direct action and legislation. The focus, he stated is around excess packaging not on the removal of all packaging. He agreed that local shops should be supported but also stated that there is value in unwrapping excess packaging at supermarkets too.

Vote

The motion as proposed by the Green Group was put to the vote. The motion was lost 41 against and 6 for.

The amended motion as proposed by the Conservative Group became the substantive motion at this point. A vote was held. This has passed 40 for, 1 against and 7 abstentions.

Resolved

“The new National Waste Strategy for England will allow the Council to work with the District and Borough Councils to develop a renewed Joint Municipal Waste Strategy for Warwickshire and to deliver real improvements including reducing our carbon emissions.

This Council therefore will write to the Prime Minister to urge him to continue to drive forward progress on the Strategy and to minimise the use of excess packaging at supermarkets to radically reduce waste and increased reuse and recycling across Warwickshire”.

6. Member Question Time (Standing Order 7)

1) Restoration of the Former Daw Mill Colliery Site

Councillor Kondakor to Councillor Clarke

Councillor Kondakor asked why progress on the restoration of the site of the former Colliery at Daw Mill was not being progressed.

In response Councillor Clarke stated, “In June 2018, we requested Harworth Estates to submit and implement the restoration scheme. In October 2018 Harworth's indicated that they were unlikely to do anything further in this respect unless an Enforcement Notice was served seeking restoration of the site.

As a result, since the end of 2018 we have been preparing an appropriate Enforcement Notice. This is a complex and detailed piece of work and it is imperative that we get the wording and the structure of the Notice correct to ensure that it can be effectively implemented, and that we do not enter into a lengthy and costly legal argument with Harworth Estates. We have therefore been required to access specialist legal advice, including from Counsel. We have also been in discussion with the lawyers acting for Harworth Estates and given the complexity of the site we must also liaise with statutory consultees (Environment Agency, Environmental Health, Natural England, ecology etc) on the wording of the Notice and their requirements before we serve it.

We now have a draft Enforcement Notice, but we are seeking further Counsel's opinion on this in January 2020 and hope to be able to move forward on this following advice.

Throughout this process the representatives of the community have maintained a keen interest and are kept informed”

2) Year of Wellbeing

Councillor Kondakor to Councillor Caborn

Councillor Kondakor, recognising the success of the 2019 Year of Wellbeing asked what plans were in place to build on its legacy.

In reply Councillor Caborn informed Council that a series of legacy projects are being planned. The messages for the Year of Wellbeing will be embedded in communication and projects like the “Good Gym” initiative will be supported.

Councillor Kondakor proposed developing the initiative into a “Decade of Wellbeing”.

3) Refreshing the Dementia Strategy

Councillor Gifford to Councillor Caborn.

Councillor Gifford asked what steps are being undertaken to refresh the Dementia Strategy and what account is being taken of carers.

Councillor Caborn explained that the refresh is underway with a three-phase approach being adopted. Phase one is engagement with those who have lived the experience e.g. carers. Phase two is a review of the Strategy. For this, the Council is working with the Alzheimer's Society. The third phase will commence when the refreshed Strategy is in draft form. At this point it will be shared with partners and carers etc.

4) Paving in Bedworth Town Centre

Councillor Chattaway to Councillor Clarke.

Councillor Chattaway informed Council of a recent spate of people tripping on unsafe paving in Bedworth. He asked Councillor Clarke if he would be prepared to undertake another site visit to see the problem for himself.

In reply, Councillor Clarke noted that the Council's highways team does undertake inspections and responds accordingly. He agreed to meet on site to review the situation.

5) Alverston Church of England Primary School

Councillor Rolfe to Councillor Hayfield

Councillor Rolfe informed Council that Alverston Church of England Primary School had recently been recognised as one of the top 25 state primary schools in the country. She asked that Councillor Hayfield join her in acknowledging this achievement.

In response Councillor Hayfield recognised the achievement and agreed that a letter should go from the County Council to the school to offer congratulations.

6) County Smallholdings

Councillor Dirveiks to Councillor Butlin

Councillor Dirveiks reminded members that the County Council owns a number of smallholdings and has declared an ambition to maintain them. He noted that nationally the number of smallholdings has declined and asked whether this pattern was to be seen in Warwickshire.

In response Councillor Butlin noted that in 2015 the Council had owned 5000ha of smallholding land. It had been agreed that if any of this land is sold then it should be replaced through the purchase of land elsewhere. In some instances, it may be necessary to buy land outside of Warwickshire. In these cases, land close to the county boundary will be chosen.

7) Bus Stops Murray Road, Rugby

Councillor Dahmash to Councillor Clarke

Councillor Dahmash asked when the two bus stops on Murray Road in Rugby will be moved.

In reply Councillor Clarke expressed his concern that this had not apparently been progressed. He agreed to investigate the matter and send a full reply to Councillor Dahmash.

8) Pears Centre, Bedworth

Councillor Gilbert to Councillor Butlin

Councillor Gilbert noted that the purchase of the Pears Centre in Bedworth had recently been completed. He asked if there is an aspiration to provide a similar facility in south Warwickshire.

In reply Councillor Butlin congratulated officers for their work in completing the purchase. He added that if the opportunity were to present itself then a facility in the south would be considered.

9) Road Accidents in North Warwickshire

Councillor Parsons to Councillor Clarke

Councillor Parsons noted a steep increase in the number of serious road accidents in north Warwickshire. He requested that details of these be provided to him. He asked that road safety in North Warwickshire be made a priority and that speed limit enforcement cameras be sent by the police to the north of the county.

In response Councillor Clarke assured Council that road safety is of paramount importance. He added that the Safer Warwickshire Partnership has been reinvigorated with a view to addressing the concerns that Councillor Parsons has. Councillor Clarke agreed to get a full response to Councillor Parsons.

10) New Secondary School in Nuneaton

Councillor C.Davies to Councillor Hayfield

Councillor Davies asked the Portfolio Holder whether he knew who the provider of the new secondary school in Nuneaton might be.

Councillor Hayfield stated that he did not know but agreed to find the answer.

11) Schools in Deficit

Councillor Adkins to Councillor Hayfield

Councillor Adkins reminded Councillor Hayfield that it had previously been agreed that a report would be produced setting out details of schools that are in deficit. That report was awaited, and Councillor Adkins asked when it might be produced.

In reply Councillor Hayfield stated that given the sensitive nature of schools funding it might not be appropriate to produce a report. He agreed to pursue the matter with officers.

7. Any other items of urgent business

None

The meeting closed at 13.05.

.....Chair

Council

18 February 2020

Council Plan 2025

Recommendation

That Council approve the Council Plan 2025.

1.0 Background

- 1.1 On the 12 September 2019 Cabinet agreed the approach for the development of the Council Plan 2025.
- 1.2 On 16 December 2019, Cabinet also noted the key messages and conclusions from the public engagement programme and endorsed the next steps for the development of the Council Plan 2025.
- 1.3 On 30 January 2020 Cabinet endorsed the Council Plan 2025 for consideration by Council.
- 1.4 The following report outlines the content of the Council Plan 2025 and the planned work to ensure its accessibility.

2.0 Context

- 2.1 The Plan is based on the County Council's established two priority outcomes, and the 14 objectives which support them, with some minor drafting amendments. This reflects the long-term nature of the outcomes and objectives, it also supports strategic alignment both with the Council's other strategies, new performance framework, the development of its financial framework and the wider change plan.
- 2.2 The Plan informs, and is integral to, work taking place in parallel to develop a new Medium-Term Financial Strategy (MTFS) that will be prepared on a five-year rolling basis.
- 2.3 The parallel development of both the Council Plan and MTFS has taken place in a rapidly changing national context. The process has been designed to be flexible and sufficiently agile to respond effectively to changes in the external environment.

3.0 Content of Council Plan 2025

- 3.1 The Council Plan 2025 sets out a vision for Warwickshire and the journey that the authority will take to deliver this vision. The Plan sets out the

organisation's Core Purpose and supporting Outcomes, outlining how, as an organisation, the Council seeks to deliver them over the period 2020-2025.

3.2 The Core Purpose, as outlined in the plan, articulates that the Council seeks:

“to make Warwickshire the best it can be, sustainable now and for future generations”

This is supported by the two already established 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, skills and infrastructure”

3.3 In doing so we have sought to bring to life what we are trying to achieve in plain English. The Plan contains the following:

- Welcome
- Our Vision – what we are aiming to achieve
- Content
- Looking back – what we have achieved
- Looking forward – what Warwickshire could look like in 2025
- Looking forward – responding to climate change
- Looking forward – transforming the Council
- Funding and investment
- Looking forward – delivering on your feedback

4.0 Financial Implications

4.1 The Council Plan and MTFS will set the financial direction for the medium term. The precise impacts of the Spending Round 2020-21 that inform the draft MTFS were presented to Cabinet on 16 December 2019.

4.2 The Council Plan is consistent with the MTFS and reflects the budget proposals from the MTFS that are being presented to Council on the 18 February 2020.

4.3 The final approved budget resolutions will be reflected in the final version of the Council Plan 2025.

5.0 Environmental Implications

5.1 Following the Council's declaration of a climate change emergency in July 2019, the recommendations of the Climate Change Adaptation Task and Finish Group were presented to and approved by Cabinet on 16 December 2019. One of those recommendations was to “provide clear direction through

the Council Plan 2020-2025 detailing actions that will be taken to prepare Warwickshire for the change in climate to come”.

- 5.2 The recommendations of the Climate Change Mitigation Task and Finish Group were considered and approved by Cabinet on 30 January 2020 and have been incorporated in the version of the Council Plan 2025, appended to this report.

6.0 Timescales and next steps associated with the decision

- 6.1 The Council Plan will drive the Council’s work and priorities, building upon our business planning process which identifies each service’s key activities and contributes to delivering the Council outcomes. Progress against our delivery plans will be reported quarterly and annually as part of the Council’s performance framework.
- 6.2 A comprehensive communications plan and timeline will be prepared following the decision, with a view to communications roll out up to and beyond 1 April 2020.

Background papers

None

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Portfolio Holder	Cllr Kam Kaur Cllr Peter Butlin	

The report was circulated to the following members prior to publication:

Cllrs Seccombe, Kaur and Butlin

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COUNCIL PLAN 2020-2025



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Welcome

We all want to make Warwickshire the best it can be - for everyone who lives, works, visits and does business here. We want people to have the best lives and enjoy the best opportunities, and to secure the best, sustainable future for everyone.

Our county, with its vibrant mix of towns and rural areas, heritage and culture, businesses of all sizes and great connectivity, is brimming with opportunities.

But our world is also facing significant challenges. Our economy, now vibrant, must be sustained. Traditional sources of council funding are diminishing. And our environment is under threat. The Council has declared a climate emergency and we will focus on what we can do to meet the goal of carbon neutrality to protect our environment now and for future generations.

We want to make the most of those opportunities and tackle those challenges by working with you, our partners and our communities to build on the strengths we already have. By combining our collective skills, assets and connections we will achieve our ambition to make Warwickshire the best it can be.

Our Council Plan 2020–25 sets out our priority areas for action and how we will achieve them. In short, we want people to stay safe, and be healthy, independent and engaged with their communities. And we want a vibrant economy: an environment where businesses can thrive and everyone has access to jobs and training, and where there is a transport infrastructure that allows everyone to access these opportunities. Underpinning all this we want to address the long-term challenge of climate change.

We know we face pressures arising from meeting increasing demand for services and our resources, particularly in adult and children’s social care, special educational needs and disability, and waste. We will ensure the Council makes the best use of its resources to achieve our ambitions in a way that protects the interests of future generations. We will invest in prevention and support at the right time, to make sure we can manage the increasing pressures on our services. We will also look to reduce the environmental impact of what we do and how we do it.

Our strategic approach and decision making around service design will be based on evidence and data. We will work with partners and the community to ensure we build on strengths and networks that already exist, and our focus will be on prevention and self care.

We will need to work in innovative and radically different ways and to make the best use of opportunities offered by digital solutions and emerging technologies.

We are looking at a number of ways to use commercial investments and skills to enhance our services, and to secure new physical assets in order to improve the county's infrastructure.

We are tackling these challenges from a strong base. We manage our finances responsibly; our staff are engaged, committed and passionate about delivering the best possible outcomes for our communities. We work with partners who share our ambition. We recognise that within our communities there are skills, resources, relationships and networks that we can build on so that we make the most of our strengths and collective assets to make Warwickshire the best it can be, now and for future generations.



Cllr Izzi Seccombe
Leader,
Warwickshire County Council



Monica Fogarty
Chief Executive,
Warwickshire County Council

Our vision - what we are aiming to achieve

To make Warwickshire the best it can be, sustainable now and for future generations

PRIORITY OUTCOME



Warwickshire's communities and individuals are supported to be safe, healthy and independent

PRIORITY OUTCOME



Warwickshire's economy is vibrant and supported by the right jobs, training, skills and infrastructure

Support our most vulnerable and disadvantaged children, providing early support, before situations become complex

Support the most vulnerable and disadvantaged adults in Warwickshire to enjoy life; achieve and live independently

Support Warwickshire residents to take responsibility for their own health and wellbeing and reduce the need for hospital or long term health care

Work with communities to promote safety, prevent harm and reduce crime and disorder across Warwickshire

Support communities and businesses to develop the digital skills and tools they need in an increasingly digital economy

Attract economic investment and maximise the rate of employment, business growth and skill levels in Warwickshire

Increase reuse, recycling and composting rates and reduce waste across Warwickshire

Manage and maintain Warwickshire's transport network in a safe, sustainable and integrated way

Support and enable children and young people to access a place in a high quality education setting and achieve their full potential

SUPPORTED BY



Making the best use of resources

Put our resources in the right place to support the organisation's priorities and balance the books
Develop our workforce so that it has the right skills and capabilities to get the job done
Pursue leadership excellence and high performance at all levels

Reduce demand and reduce cost through innovative service design and focussed prevention interventions

Make it easy for customers to access our information and services so they have a positive experience of our services

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As part of our response to climate change, we make sure our work is in-line with the UN Sustainable Development Goals

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 Our action on climate change
 Transforming the Council
 Funding and investment
 Delivering on your feedback
 - ➔ Delivering our objectives
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Our Plan – how this works

Our Council Plan 2020–25 sets our ambition for Warwickshire over the next five years.

It reflects on the achievements we have made so far and gives a robust assessment of the challenges and opportunities we face over the next five years as both a county and County Council.

We have listened carefully to your views and shaped a set of outcomes, which we believe respond to the priorities you have set for us as a County Council.

Under each of these outcomes sits a series of objectives, which translate our ambition into practice. These will inform the strategies we set and the way we commission and deliver services on your behalf. The plan sets out a page for each, showing what this will mean for you as customers and residents.

Our performance frameworks will ensure we monitor progress. We will annually review our progress and ensure our direction remains relevant and right.

For staff, our Council Plan will provide a reference point for all our work and a holistic view of our work priorities.



For the public, our Council Plan will set out what you can expect from us and how this will improve the places you live in, your communities and your wellbeing.

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Looking back - what we have achieved

Our previous Council Plan covered three years from 2017 to 2020. We accomplished a lot during this time. Here are just a few of our achievements:

Major infrastructure projects delivered, resulting in national recognition

-  Kenilworth and Bermuda railway stations
-  M40 junction 12 dual carriageway link

Warwickshire Education Strategy launched

Improving educational outcomes of learners of all ages




Skills for Employment success

Services have helped to equip over **30,000** young people with workplace readiness skills.



Adoption Central England launched


 Bringing together local authorities of Coventry, Solihull, Warwickshire, Worcestershire and Herefordshire

Warwickshire Multi-Agency Safeguarding Hub created

Council services, Police, NHS and other key agencies were brought together to safeguard children, young people and adults



4,500 Safe and Well checks delivered annually

 By our Fire and Rescue service to protect vulnerable residents

£ Business hubs and small business grants and loans

Have helped **300** Warwickshire businesses to thrive



Fitter Futures Warwickshire launched

Supporting people across the county to improve their health




Recruited more social workers to support children and families


We have increased our number of social workers by 29%, ensuring better outcomes for children and young people



Our Ask Warwickshire website refreshed

 The new site has a more user-friendly experience for anyone wanting to take part in consultation and engagement activity

Reablement service continues to help customers to live independently


 Service praised for quality of care and improvements it makes to people's lives

71,000 properties across the region able to connect to fibre network


Thanks to work of the Connecting Solihull and Warwickshire Broadband project



Digital improvements

 Our new-look website, with updated content and features, offers an improved experience for our customers

Positive inspection outcomes for our services

 Including Warwickshire Fire and Rescue, Youth Justice and Reablement

2019/20 represents the final year of our three year financial plan. This has required us to deliver...

£58.5 million savings over the period.

By the end of 2018/19 we delivered £37.7m of the £42.4m due by this date, this is...

89% of planned savings...

...and we continue to deliver high quality services for the people and communities of Warwickshire. We have plans in place to deliver £14.2 million in 2019/20 and a further £1.9 million in 2020/21.

Looking forward - what could Warwickshire look like in 2025?

Our analysis of data suggests the following trends and how these might impact on services.




It is estimated that there will be **579,095** residents in Warwickshire by 2025.

This represents an increase of nearly **1.4%** or just over **8,000 people** compared with 2018.

The **70+** age group will increase by around **14%**

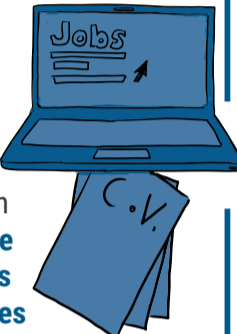
and the **85+** population will grow by around **22%**

An increasing proportion of crime will continue to be linked to or facilitated by technology, e.g. **cybercrime**.



Awareness of crimes such as cybercrime and those linked with exploitation has increased, which will increase reporting.

7,800 more jobs - an increase of **2.4%** by 2025.




The largest employment growth will be in **real estate** (12.2%), **electronics** (10.6%), **head offices and management consultancy** (10.6%) and **food and beverage** (10.2%) industries.

Unless addressed the skills available in the current resident workforce may not meet the needs of employers

Faster broadband and the pilot of **5G** across the West Midlands region will benefit business, public services and society.

Artificial intelligence, predictive analytics and robotics will become increasingly important in service delivery and improvement.




In 2025 the motor vehicle manufacturing industry is expected to be Warwickshire's most competitive and concentrated industry. Business administration and support services, retail, education, construction and the logistics sector will employ the most people.

Growth in the use of **self-driving, electric and hybrid vehicles**.

There will be more journeys on our network due to increased population

There will be more walking and cycling corridors



It is likely that by 2025 life expectancy will be around **84 years** for females and **80 years** for males.



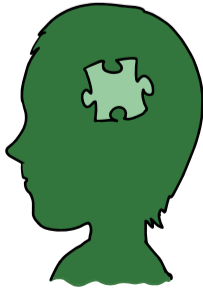
Approximately **4,300** people aged 65 and over will be living in a care home (both Local Authority and non-LA) with or without nursing - an increase of 20% from 2019 estimates.

There will also be an increase in unpaid carers



Dementia represents the biggest growing cause of disability and rates are predicted to increase by **17%** in people aged 65 and over.

Warwickshire will also see an increase in mental health issues.




The quantity of waste being managed will increase due to housing and business growth.



However, recent government strategy aims to minimise waste and maximise reuse, recycling and composting. This could radically change the way waste is managed by 2025.

Due to population growth and an estimated 19,000 new dwellings across Warwickshire, it is estimated that by 2025 the school age population will increase by approximately **9%**

We will need to provide close to an additional **6,000** school places.



Looking forward - responding to climate change

Climate change and carbon reduction

The Council has declared a climate emergency. Initially we set up a climate change adaptation task and finish group to address what we can and must do to create a sustainable environment now, and for future generations. Basing its recommendations on the Met Office's UK climate projections for 2050, the group has used this data to prioritise options and schemes that come forward for investment. A climate impact assessment for Warwickshire is being prepared.

We engaged with you directly about climate change in developing this Council Plan, and received a lot of constructive feedback. More than a third of you who responded to our survey said increasing re-use, recycling and compost rates and reducing waste are priorities.

To take this forward, the Council will establish a cross-party group to steer the work that will deliver both climate change adaptation and mitigation.

As an organisation we will embed climate change considerations into everything we do, making carbon reduction everyone's responsibility. Climate change will be considered as part of all council decision making including our capital investments and procurement processes. We will ensure we have the right information to enable us to prioritise our decision making based on understanding our own emissions and how this impacts on Warwickshire. We will look at best practice to inform our own benchmarking and target setting, helping us to prioritise and plan accordingly. We will work collaboratively with Government to provide guidance and incentives for carbon reduction.

As part of our response to climate change, we make sure our work is in-line with the UN Sustainable Development Goals



Looking forward - our action on climate change

Emissions the Council has direct control over including own transport, gas and bought electricity. By 2030, or sooner...

- ➔ We will ensure our staff, contractors, customers and visitors are clear how they contribute to minimising the council's carbon impact.
- ➔ We will reduce our energy consumption by improving the energy efficiency of our buildings and make our corporate buildings carbon neutral.
- ➔ We will substantially increase our renewable energy generation, continue to purchase 100% green electricity and make the council's transport fleet carbon neutral.
- ➔ We will partner with our communities to plant a tree for every Warwickshire resident.

Emissions the Council has indirect control over i.e. emissions from purchased goods and services, waste management, business travel, employee commuting and investments

- ➔ We will reduce, recycle and compost more of our office and household waste, and reduce our use of paper and single use plastic.
- ➔ We will develop and implement a new joint waste strategy for Warwickshire and work with partners to review the carbon impact of our investments.
- ➔ We will embrace and embed improved ICT to reduce energy consumption, printing and business travel, including commuting.
- ➔ We will provide zero carbon pool vehicles and encourage their use among staff. We will also provide improved shower and storage facilities to promote and encourage active travel.
- ➔ We will develop our plans to reduce carbon emissions from our third-party contracts for highways, property and social services and investigate carbon reductions in non-corporate buildings.

Across Warwickshire – Emissions from all households and businesses including all burnt fossil fuels and energy used for power, heating and transport. The Council has some influence over these emissions. By 2030, or sooner...

- ➔ We will review and agree the new local transport plan and area transport strategies to encourage healthy lifestyles and more sustainable transport, including cycling.
- ➔ We will develop smart transport targets to reduce carbon and improve air quality, especially in built-up areas.
- ➔ We will let a contract for and provide charging points for electric vehicles.
- ➔ We will work with local businesses and communities to help them reduce their carbon emissions and become more sustainable
- ➔ We will seek to achieve net gain for habitat, benefiting climate change mitigation and adaptation.

Our progress so far

Through implementation of a Carbon Management Action Plan, the Council has reduced its carbon dioxide emissions from electricity consumption by 43% and gas consumption by 1% in its operational properties between 2015/16 and 2018/19. Without these actions and changes in staff behaviour the Council's emissions would have increased by 0.7% year on year to 2033.

Petrol and diesel carbon dioxide emissions consumed within Warwickshire for council owned vehicles has reduced by 21% between 2013/14 and 2018/19.

Across Warwickshire carbon dioxide emissions from general waste disposal, per head of population, has reduced by 4% from 2013/14 to 2018/19, through householders' efforts to reduce waste and recycle more.

Since 2011/12, a combination of part-night lighting and LED lantern installation saw the Council's carbon dioxide emissions for street lighting reduce by 76%.

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Looking forward - transforming the Council through our change programme

The Council performs well in most areas and is financially stable, but demand for our services continues to increase, Warwickshire's population have increased by 5% in the past decade, with a further 5% projected increase over the next. This, combined with changes in how local government is financed, means that we must get fit for the future. We need to transform how we do things in order to deliver great services that are both affordable and sustainable into the future.

We have adopted a commissioning-led approach, meaning that we are reducing the cost of delivering services and designing them specifically to address local need. This will release staff capacity, reduce costs and improve productivity. We will increase our commercial activity to enhance delivery of our outcomes, deliver a positive return and sustain our finances.

The Council has adopted a new operating model in order to deliver its outcomes and objectives successfully as a high performance council. It will focus the whole organisation on a single strategic direction. It will address the projected growth in demand for our services and efficient service delivery based on need.

Our new operating model will increase the proportion of time spent on service delivery

rather than its management. It will support us by removing duplicated and fragmented systems and processes. We will take a clear and consistent approach to data, so that decisions are more robust and based on local need.

We will adopt a new approach to demand for our services and placing digital at the heart of our relationship with our customers. We will reshape the services we provide by having new ways for customers to interact with us and ensure no customers are disadvantaged.

All of this amounts to a major transformation of the Council, which has led us into a programme of continuous change in the way we do things, backed up with a total focus on high performance.

“We have adopted a commissioning led approach meaning that we are reducing the cost to deliver services and designing them to specifically address local need.”

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Looking forward - funding and investment

Ensuring a sustainable financial future

Local authorities are required by law to have a balanced budget. For us this means a sustainable balanced budget based on sound assumptions, which shows how income will equal spend over the short and medium term i.e. the five years of the 2020-25 Council Plan.

The Council produces a rolling five-year Medium-Term Financial Strategy. This helps us to plan ahead, so we are able to meet our spending requirements, taking into account both government grants and council tax income. The Financial Strategy helps us do this in a planned and careful way so we are able to provide good quality services for our residents. Where appropriate, we will invest in physical assets to benefit those who live in, work, and visit the county.

Warwickshire County Council is becoming more commercially minded in running its services. This change reflects one of the key drivers of our change programme and will help us make better use of our resources to deliver the outcomes our residents have helped prioritise.

The Medium-Term Financial Strategy will require regular reviews in order to remain dynamic, robust, ambitious, and deliverable, and will be updated at least annually.

We use reserves to manage financial risk and promote financial sustainability. Any reserves not needed to manage financial risk are used for time-limited investment to support the delivery of the Council's objectives or to deliver savings and reduce demand in future years. This will ensure the Medium-Term Financial Strategy for 2020 to 25 will be fully balanced on an ongoing basis.

	2020-21 total £'000	2021-22 total £'000	2022-23 total £'000	2023-24 total £'000	2024-25 total £'000
Funding					
Government grants	71,729	39,346	39,346	39,346	39,346
Use of reserves	899	1,116	1,976	2,366	1,455
Business rates	71,199	95,877	97,795	99,750	101,746
Council tax	313,619	326,272	339,445	353,154	367,420
Total Resources	457,446	462,611	478,562	489,884	509,967
Spending on council services	413,639	439,554	455,998	473,572	490,616
Cost of inflation	11,678	11,001	11,409	11,633	11,941
Spending on new services	38,338	17,623	18,462	15,542	15,508
Less savings from efficiencies and transformation	(6,209)	(5,567)	(7,307)	(6,131)	(8,098)
Total Spending	457,446	462,611	478,562	494,616	509,967

“The Financial Strategy helps us do this in a planned and careful way so we are able to provide good quality services for our residents”

Looking forward - delivering on your feedback

In developing this plan, it was important for us to know what is important to you. In autumn 2019 we ran a series of drop-in roadshows for people across Warwickshire and hosted an online questionnaire to capture your thoughts and priorities.

We asked you what you thought we should focus on as a Council over the coming five years. Based on our engagement with the people of Warwickshire, we are confident that our outcomes and objectives support your priorities.

Over 1,000 people responded. You told us that our key priorities should be to:

- support vulnerable children and adults;
- ensure access to high quality education settings and opportunities;
- make sure we have a good transport network including highways, public transport and active travel (walking and cycling);
- respond to climate change and your environmental concerns including recycling and reducing waste;
- support public health and wellbeing; and
- manage our resources efficiently and sustainably.

Feedback from you has enabled us to ensure that our outcomes meet your priorities. Of the responses received, your top three priorities were:

- support vulnerable children and adults;
- make sure we have a good transport network including highways, public transport and active travel (walking and cycling); and
- respond to climate change and your environmental concerns including recycling and reducing waste.

We have recently adopted a commissioning approach to the delivery of our services, which has resulted in a complete review of our Performance Framework. We have identified new performance measures, which provide a sharpened focus on performance, linked to the organisation's priorities.

It is important that we measure and share our performance with you through regular performance updates.

These priorities currently account for 76% of our budget.



Support our most vulnerable and disadvantaged children, providing early support, before situations become complex

- 

We will support families to give children the best start in life and focus on their strengths. We will build trusted and connected relationships with children and families that will lead to better outcomes.
- 

We will ensure that families, communities and partner organisations know how to access high quality information and advice.
- 


We will build local partnerships around our Children and Family Centres, so that families can drop in, attend courses and access support from the Council and partner organisations. We will ensure that the most vulnerable children and young people are protected from harm and exploitation. It is a shared responsibility of families, communities, the Council and partner organisations to ensure children are protected from abuse and neglect.
- 

We will help children to live in safe and supportive families. We will ensure that families receive as much support as possible to achieve this.
- 

We will ensure children in care are supported to achieve stability and build positive relationships with their families and carers. Our foster carers are vital and we will work to increase recruitment and provide support for them.
- 

We will remain focused on preventing young people from offending and re-offending.
- 

We will encourage all children to participate in learning and improve achievements for all.
- 

We will help young people to develop life skills and be ready for work.
- 

In 2021 we will open a new special educational needs school, based in Exhall, which will provide places for 80 children.

What this will mean for you:

- More children will live safely at home with their families.**
- There will be more safe and fun places to go for family time.**
- We will have sufficient, high quality foster care and residential placements to meet the needs of our children in care.**
- Fewer children and young people will enter the criminal justice system.**
- You will be able to access new technologies in non-educational environments.**
- Provision of year round access to learning and educational opportunities.**
- Children and young people will have access to the support they need to maintain their emotional health.**



Support the most vulnerable and disadvantaged adults in Warwickshire to enjoy life, achieve and live independently

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- ➔ We will work with our partner organisations to ensure people have access to the support and information they need and, where possible, are able to manage their own support.
- ➔ People with care and support needs will be treated with respect, dignity and sensitivity to their individual circumstances.
- ➔ Focusing on strengths and maintaining independence is our goal. People with care and support needs will be able to find employment, maintain a family life, contribute to community life and avoid loneliness or isolation. They will receive the care and support they need in the most appropriate place – often at home.
- ➔ Communities will know what choices are available to them locally, what they are entitled to and who to contact when they need help.
- ➔ Carers will be supported to maintain a good quality of life and will be respected as equal partners.
- ➔ We will work together with partner organisations so that people and their carers are less dependent on intensive services.

What this will mean for you:

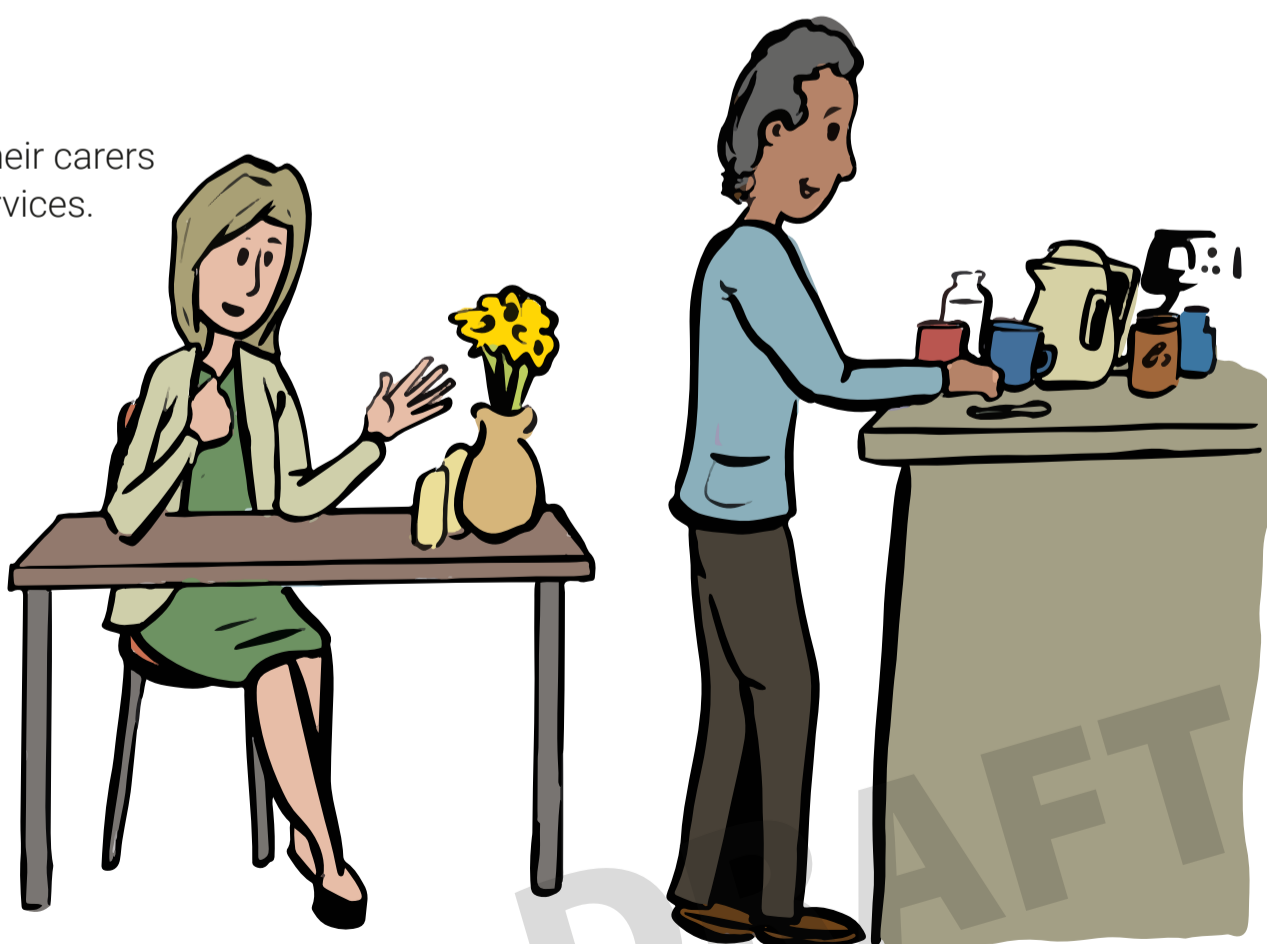
You will have easy access to accurate information to enable them to maintain their independence.

When we talk to you, we will focus on what matters to you, your personal networks, your strengths and the things available to you in your community.

You will be connected to the things available to you in your community, (both formal and informal) through information and advice and social prescribing.

Your needs as a carer will be listened to, as well as the needs of those you care for.

You will see the County Council and NHS working together to help prevent your needs increasing.



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Support Warwickshire residents to take responsibility for their own health and wellbeing and reduce the need for hospital or long-term health care

- ➔ We will prioritise promoting healthy lifestyles to improve quality of life, life expectancy and healthy life expectancy.
- ➔ We will tackle the causes of health-related problems to reduce the impact of ill health and inequalities on people's lives, their families and communities.
- ➔ We will focus on the mental health and wellbeing of people of all ages living in Warwickshire, in particular those who are lonely or isolated, have mental illness or dementia.
- ➔ We will support people with long-term health conditions such as diabetes, cancer and heart disease to manage their conditions, maintain quality of life and to receive high quality end of life care where needed.
- ➔ Where people need support in hospital we will help them to return home safely and as quickly as possible with the support they need.
- ➔ We will support people to live in high quality, sustainable environments. Working with partner organisations, we will create healthy and safer places to live by focusing on housing, planning and transport; accident reduction; how we respond to outbreaks and pandemics; and reducing domestic abuse.
- ➔ We will work together with communities and partner organisations to design services that take account of the complexity of people's lives and their overlapping health and social care needs. We will focus on the best way to achieve good outcomes for people.

What this will mean for you:

- You will be supported to take responsibility for your own health, and you will see an increase your healthy life expectancy.**
- You will see evidence that the health inequalities gap is reducing across Warwickshire.**
- There will be a noticeable improvement in mental health and well-being, and you will be able to access community support if you have mental health issues, dementia or are feeling lonely.**
- If you are living with long-term conditions, you will be able to self-care and self-manage your conditions, reducing your reliance on secondary care.**
- You will not have to stay in hospital longer than you need to, because support will be available to you, at home, sooner.**
- You will live in a safe environment that is connected to your community, with good air quality and opportunities for physical activity.**
- You will receive seamless health and care support.**



Work with communities to promote safety, prevent harm and reduce crime and disorder across Warwickshire



Our priority is to reduce the fear of crime, and support communities and businesses to be safer and more resilient. Our emphasis is on protecting those in our community who most need our support, including vulnerable children and young people, elderly people and victims of domestic violence.



Our Fire and Rescue service will use data and information to understand all risks and how we manage them to deliver fire prevention, protection and response services.



We will develop our use of technology, for example real-time video footage, drones and GPS tracking systems at emergency incidents.



Our Fire and Rescue service will ensure increased efficiency and effectiveness through enhanced building inspections, improved diversity and recruitment, and robust contract management, ensuring best value for money.



Our Trading Standards service will support businesses to achieve compliance and protect consumers. We will take strong action against rogue traders and provide information to help people avoid them.



We will work closely with partner organisations to deliver intelligence-led initiatives such as fire prevention, preventing cyber crime and protecting vulnerable people from hate crime, radicalisation, and organised crime including county lines, exploitation, modern slavery and human trafficking.



Working within the Youth Justice Partnership, we will ensure that young people understand and take responsibility for their behaviour. We will identify and manage risks in the community and ensure the voices of victims are heard and responded to. By improving the quality of young people's lives we will seek to ensure that they are diverted from the criminal justice system.

What this will mean for you:

You will live and work in buildings that are better protected from fire through a well-informed and targeted inspection, prevention and intervention approach.

Your Fire and Rescue service will better reflect the diversity of the community you live in.

Consistent and correct information and advice at the first point of contact (will be available) for people requesting Fire and Rescue Safe and Well checks and other services.

You will be supported in understanding how to keep yourself, your family, your home and workplace safe.

You will see a decrease in youth crime, and young people will have the opportunity to take responsibility for their behaviour whilst being supported into constructive and positive lives.

As a consumer you will be protected and informed by your Trading Standards service.



Support communities and businesses to develop the digital skills and tools they need in an increasingly digital economy



We will invest in and supporting the digital skills of our communities, businesses and young people so that Warwickshire is in a strong position in an increasingly digital economy.



We will continue to support the development of vital computer programming skills in Warwickshire's primary and secondary schools to ensure that our young people have the necessary skills for the future.



We will ensure libraries and our one stop shop staff have knowledge to support customers to access digital resources. Our front-line customer service centre will be able to support customers who choose to interact with us digitally.



By engaging with businesses we will better understand their digital skills needs and can work with training providers to shape future provision. We will also offer or signpost to digital skills guidance.



We will continue to support the roll-out of a faster broadband service and 5G to all communities, which will support residents and businesses in both rural and urban areas.

What this will mean for you:

You will have easy access to computers and new technology within our libraries and one stop shops.

Skilled staff will be available within libraries and one stop shops to support you to get the best out of technology.

Skilled staff will be available within the customer service centre to support you to interact digitally.

Our young people will have improved programming and digital skills and are better prepared for future work.

Businesses and residents have access to training opportunities and guidance around digital skills.

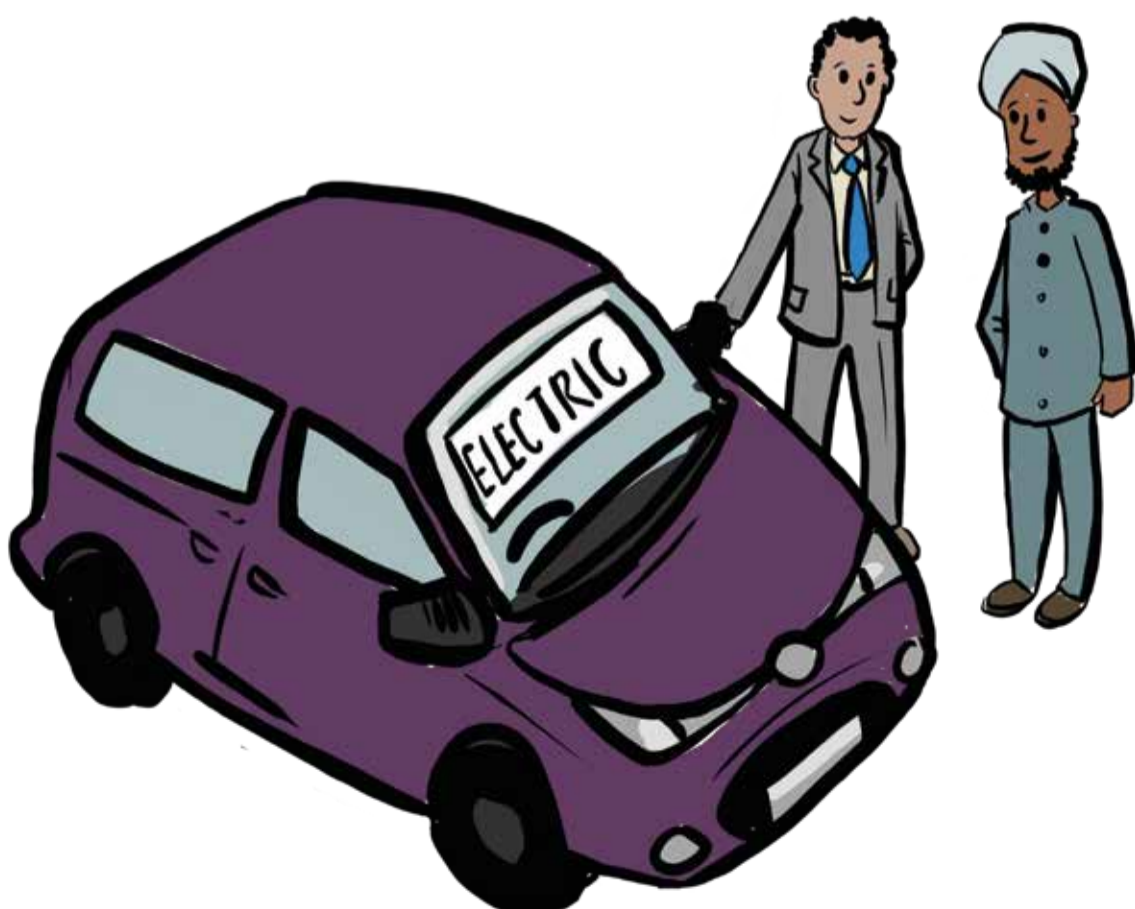
You will be able to access technology and training to support you in gaining the digital skills and tools you need.

You will have access to 5G whether you live in the countryside or town.



Attract economic investment and maximise the rate of employment, business growth and skill levels in Warwickshire




- ➔ We will encourage, support and help our existing businesses to prosper and grow.
- ➔ We will attract new businesses to Warwickshire, focusing on those sectors where we have particular strengths, including automotive technology, advanced manufacturing, creative digital (such as gaming), and tourism.
- ➔ To support this growth we will work with local planning authorities to bring forward a greater and more diverse supply of employment land that meets the needs of our growing economy. With government, we will shape and influence the new funding streams that will replace EU structural funding after EU exit.
- ➔ We will work with town centre business communities to adapt to changing consumer behaviours. In rural areas, we will support the development of tourism, and the local food and drink sectors.
- ➔ Our Fire and Rescue service will advise business owners on fire safety, and when required ensure that an emergency response is provided to protect life and minimise economic loss.
- ➔ Through the implementation of our careers strategy and our skills for employment programme we will work with businesses and partners to enable help young people move from education to employment. We will also help adult to gain new and different skills, so that they are able to meet the needs of a changing economy. This will ensure Warwickshire has a suitably equipped workforce.
- ➔ A new Heritage and Culture Strategy has been developed to ensure that Warwickshire continues to have a vibrant cultural offer. Through this we will enhance Warwickshire's reputation, expanding the county's heritage and culture sector and growing our visitor economy, with a strong focus on improving the health and wellbeing of our people. We also will maximise the benefits to Warwickshire of major events including Coventry City of Culture 2021 and the Commonwealth Games 2022.



What this will mean for you:

- There will be more businesses in the county, giving you more employment opportunities.**
- There will be more high quality jobs paying good salaries.**
- We will provide the support, space and tools that businesses need to grow and succeed in Warwickshire.**
- You will have the skills you need to find the work that you want within the county.**
- You will see a vibrant cultural offer across Warwickshire that is accessible and relevant to everyone. This will attract more visitors to the county, support economic growth and improve health and wellbeing.**

Increase reuse, recycling and composting rates and reduce waste across Warwickshire

-  Through increased home composting we will reduce the amount of waste we generate each year and improved waste collection will create a better environment for our communities across Warwickshire.
-  We will increase recycling and composting at our household waste recycling centres, and work with our district and borough councils to improve kerbside collections, including for food waste.
-  We will focus on and influence the new National Waste Strategy to make sure we are in line with the way we deliver, develop and improve our vital waste management services. By doing this we will achieve cost savings and performance improvements.
-  In order to protect the environment and further reduce costs we will also limit the amount of waste that goes into landfill and maximise energy recovery.

What this will mean for you:

We will reduce the amount of your waste that needs to be disposed of in landfill.


We will increase the reuse, composting and recycling rate by at least 1% each year to achieve an overall rate of 55% of all domestic waste by 2025.


We will provide a waste management service that is efficient and effective, and fully supports the national strategy to reduce waste and improve reuse, composting and recycling.





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Manage and maintain Warwickshire's transport network in a safe, sustainable and integrated way


 By making sure our transport network is safe and well designed, with infrastructure that works together, we will encourage people to use forms of transport that are good for the environment and limit congestion levels across the county.


 Our focus will be on improving connectivity, especially for public transport users, cyclists and pedestrians, and on supporting economic growth by linking communities to important employment, leisure, health and education destinations.

 We will work with partner organisations to tackle climate change and reduce carbon emissions by investing in public transport, walking and cycling infrastructures. We will support the use of electric vehicles and move Warwickshire towards sustainable transport choices.

 We will also deliver education and communications initiatives with a focus on road safety and reducing carbon emissions.

 We will improve journey times and the dependability of our highway network.

 We will develop prevention initiatives, based on evidence, to reduce road casualties in Warwickshire.

 We will continue to maintain our roads and footways to a good standard. We will use a data-led approach to identify assets in need of preventative maintenance in order to avoid the high costs associated with reactive maintenance.

What this will mean for you:

A transport network that is fit for purpose, in a good condition and safe for users.

It will be easier for you to make more sustainable journeys (cycling, walking, using public transport) by providing a better connected and more efficient transport network and helping to reduce congestion.

An improved network allowing for the additional housing and population growth predicted for future years.



Support and enable children and young people to access a place in a high quality education setting and achieve their full potential

- ➔ Children and young people should have the best information and support to make successful progression into further education, higher education, apprenticeships and the world of work.
- ➔ Students will have access to apprenticeships and we will be introducing T-levels – the new two-year courses that prepare students for work.
- ➔ We will remove barriers to accessing high quality learning and raise education aspirations across the county, in particular for children in care and care leavers. We will do this by developing local solutions, which will also help to secure quality provision and positive outcomes for learners.
- ➔ We will support parents by helping them provide language-rich learning at home. We will secure sufficient childcare and check that safeguarding arrangements are robust.

- ➔ We will ensure there is full support for children with Special Educational Needs and Disability (SEND) and their families, and continue to increase the number of high quality places in special and mainstream schools for children with SEND. Wherever possible we will ensure specialist education provision is delivered closer to where people live. This means that not only will we improve attainment but we will also reduce the associated transport costs and inconvenience.
- ➔ For those children and young people who find conventional schooling difficult, we will support them to achieve their potential.
- ➔ We will ensure that all children and young people benefit from sufficient high quality education provision in early years and school sectors.
- ➔ We will also ensure that the right number of school places are available, the schools have robust safeguarding arrangements in place and that good practice is shared.



What this will mean for you:

- More of our 16 and 17 year olds will be in education, employment or training.**
- There will be more school places to meet growing demand in Warwickshire, including for learners with SEND.**
- All schools and settings in the more economically disadvantaged areas of Warwickshire will all be judged as good or outstanding.**
- There will be more supported routes into employment for our more vulnerable learners, with an increase in supported internships.**
- There will be better understanding of behaviours in schools, leading to a reduction in the number of fixed-term exclusions for children in care and care leavers.**

Put our resources in the right place to support the organisation's priorities and balance the books

Develop our workforce so that it has the right skills and capabilities to get the job done

Pursue leadership excellence and high performance at all levels

-  To meet the changing needs and expectations of our customers and deliver the Council's priorities in the most efficient way, we will invest in our workforce and find smarter ways of working. We will identify collaborative, modern and cost-effective work spaces, saving money and improving our offer to staff.
-  We will develop our business intelligence, data and predictive analytics capability, systems and processes to help us to make decisions that improve outcomes and are fit for the future.
-  We will deliver value for money for Warwickshire residents, make better and more strategic use of the Council's assets and continue to improve the way in which we manage external contracts.
-  We will design and deliver a carbon reduction programme across the Council to play our part in tackling climate change.
-  We will work with communities to capitalise on individual and community strengths to develop new ways of doing things.
-  We will optimise the investments we make into Warwickshire by developing a robust pipeline of projects and initiatives within the framework of our refreshed capital and commercial strategies.
-  We will identify opportunities for the Fire and Rescue service to collaborate with other blue light services to enhance efficiency, effectiveness and public safety, through the most efficient use of assets such as fire stations, fire control and training facilities.

What this will mean for you:

You will experience trained, skilled and knowledgeable staff at the first point of contact.

You will have a positive customer experience.

You will have opportunities to volunteer and make a difference in your community.

Your Council will reduce its carbon footprint and its impact on the environment.

Your feedback will influence and impact on improved service delivery.

You will continue to see a well-run and managed Council that makes the best use of its resources.



Reduce demand and reduce cost through innovative service design and focussed prevention interventions

- ➔ Prevention and intervention will underpin the overall approach that we take to public health, social care, health and communities in Warwickshire.
- ➔ Our focus will be on developing our communities' strengths, resilience and cohesion by supporting the third sector, proactive volunteer groups and individuals to help people and protect infrastructure at times of pressure or emergency.
- ➔ We will do this by developing an approach to prevention across Warwickshire, using valuable community resources, skills and strong prevention messages, to reduce demand and duplication of effort and improve results for communities.
- ➔ We will encourage the use of assistive technology and other solutions to support people's wellbeing and reduce their need for social care. We will also increase our use of data analysis and Joint Strategic Needs Assessments to design services that better fit residents' needs.

What this will mean for you:

You will have easily accessible online advice and guidance to enable self-help and resilience.

As customers you will have correct information and advice at the first point of contact, signposting to other sources as appropriate.

You will get the information you need at the first point of contact and the information you do receive will help you to stay healthy and live better lives.



Make it easy for customers to access our information and services so they have a positive experience of our services



Continuous improvement and simplifying and speeding up our processes will allow us to provide positive customer experiences. We will work with partner organisations to ensure people and communities receive the right information and advice first time.



Through our new digital approach we will provide more convenient customer-facing services, including advice and simpler information, which will be supported by more personalised face-to-face customer contact for those who need it.



We will encourage and build strong, resilient, self-supporting communities through the voluntary and community sector. We will develop a web directory of third, community and voluntary sector services that help build on individual and community strengths.



We will increase the number of council services that are available online so that people and communities are able to access them conveniently and quickly.

What this will mean for you:

You will have access to information 24/7, enabling you to support yourself.

You will be able to research community resources within your area.

You will be provided with consistent and accurate information no matter how you access services or contact the Council.

Self-assessment tools will be available for you to use at your convenience.

Where required you will have the help you need to access services.

Services will be available via digital technology, improving the effectiveness and efficiency of service delivery.



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Council

18 February 2020

2020/21 Budget and 2020-25 Medium Term Financial Strategy

Recommendation

That Council agrees the 2020/21 Budget and authorises work to continue on ensuring the 2020-25 Medium Term Financial Strategy is aligned with and supports the delivery of the Council's ambitions as set out in the Council Plan 2025.

1. Key issues

- 1.1. Cabinet received reports on the options for the 2020/21 budget at their meeting on 18 December 2019 and a further update at their meeting on 30 January 2020. Cabinet were requested to use this information to issue their 2020/21 revenue and capital budget proposals. These form part of the agenda papers for this meeting and the statement from the Strategic Director for Resources that accompanies the resolutions comments on the robustness of the proposals.
- 1.2. Members are reminded when making decisions of the need to take into account their equality duties and consider any relevant equality impact assessments when formulating proposals.

2. Dedicated Schools Grant Deficits

- 2.1. On Friday 31 January 2020 the DfE published the outcome of the consultation on clarifying the Dedicated Schools Grant (DSG) ringfence. In this response the DfE stated:

“The effect of these provisions is that local authorities will not be permitted to fund any part of the deficit from sources other than DSG (and any specific grants whose conditions allow them to be applied to the

schools budget) without the authorisation of the Secretary of State. If a local authority wished to use other sources, it must apply to the Secretary of State for authorisation to disregard the new arrangements. We would not wish to place barriers in the way of local authorities that have used other sources to supplement the DSG for particular reasons such as PFI costs; or of local authorities who want voluntarily to use small annual sums in support of their high needs budgets.”

- 2.2. The changes look set to involve statutory backing through amendments to the School and Early Years Finance Regulations 2020 (which come into force in February 2020).
- 2.3. This outcome is welcome – so long as it comes with the extra funding required to relieve the deficit. If there is no additional funding then it is simply an unsatisfied debt which is unsustainable. At this stage we have no indication of further sufficient funding and it is therefore the view of the Strategic Director for Resources (as the Authority’s s151 officer) that it would be inappropriate and irresponsible to provide for a deficit to continue to accumulate without assurance of funds to re-pay this deficit.
- 2.4. It is the recommendation of the Strategic Director for Resources that the Budget/Medium Term Financial Strategy (MTFS) should make provision for the projected high needs overspends by:
 - Ensuring that there is sufficient funding to pay for the statutory services which the council has a duty to deliver and any deficit on DSG is set to be earmarked on the balance sheet at the year-end; and
 - The Budget/MTFS providing for an equal and opposite provision to offset the projected deficit.
- 2.5. In this way the Council is able to offset any deficit but should the DfE provide the appropriate level of additional funds then the Council can re-claim the offsetting provision and invest the provision to support the Council Plan 2025. The Council is therefore not funding the DSG deficit at this point (and indeed would be unable to do so without the authorisation of the Secretary of State) but is funding provision for the possibility that it may need to in the future in line with good accounting practice.

3. Timescales associated with the decision/next steps

- 3.1. Following this meeting the formal 2020/21 precept notifications will be sent, under seal, to the district/borough councils to allow them to prepare consolidated council tax bills for households across Warwickshire.

- 3.2. Services will complete their work on how they intend to use the resources allocated in the budget resolution to deliver the objectives and outcomes agreed in the Council Plan 2025. Work is also continuing to finalise service redesigns and apply transformation savings to service budgets. This is likely to result in some further transfers of resources between services or the use of reserves to phase in any changes. Any changes will be reported to Cabinet in March 2020, as part seeking their agreement to the detail of the proposed use of resources. The agreed use of resources will then form the basis of budget monitoring reports to Members during 2020/21.

4. Financial Implications

- 4.1. The 2020/21 revenue and capital budget resolutions that are part of the agenda papers for this Council meeting will, once approved, form part of the Council's budget and policy framework for 2020/21. All financial decisions made during 2020/21 will be in accordance with these resolutions, unless otherwise agreed by a subsequent Council meeting.

5. Environmental Implications

- 5.1. There are no immediate environmental implications for the Authority from this report. There will be environmental implications that flow from the individual allocations and proposals agreed as part of the Council's approved budget and these should be considered by Members as part of reaching their decisions.

6. Background Information

- 6.1. None.

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This report was not circulated to members prior to publication.

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2020/21 Revenue Budget Resolution

Conservative Recommendations to County Council

The County Council is recommended to plan its budget framework for 2020/21 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. 2020/21 is the first year of our 2020-25 Medium Term Financial Strategy. It provides, over a rolling five-year period a financial strategy that will underpin the delivery of the outcomes and objectives we have set out in our Council Plan 2025. A key challenge in setting this year's budget is the lack of a multi-year settlement from central government, which is expected to arrive in 2020/21. This will provide greater certainty about our medium-term financial outlook, as will policy decisions about the Fair Funding Review, business rates and funding for adult social care.
- 1.3. We will remain robust, ambitious and prudent in setting both next year's budget and our Medium Term Financial Strategy, with a focus on outcomes and social value. Given that current economic uncertainties remain we will continue to look for efficiencies to drive better value for money for our taxpayers. We will invest our resources to ensure Warwickshire's communities and individuals are supported to be safe, healthy and independent and Warwickshire's economy is vibrant and supported by the right jobs, training, skills and infrastructure.
- 1.4. We will redouble our efforts to bring inward investment and private and public sector businesses into the County for the benefit of employment and prosperity of our residents and the future of their children.
- 1.5. To ensure the finances of the Council are robust and sustainable we will:
 - Directly invest £8.4 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;

- Invest a further £3.8 million into our Children's Transformation Fund to bring forward initiatives to reduce demand for children's social care over the medium term and improve the school readiness of children across Warwickshire. We require a report on the intended benefits of the programme across the three themes of early help, children in care and care leavers and cultural change aligned to the outcomes and objectives of the Council Plan 2025 to be brought to Cabinet in April;
- Invest £14.4 million to protect our elderly citizens and vulnerable adults to fund additional demand and manage winter pressures whilst continuing to make progress on our vision of greater integration between health and social care;
- Invest £1.6 million to continue to support children and young people with disabilities placements and to ensure they can access appropriate support within their communities;
- Invest £2.0 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 £0.5 million to support victims of domestic abuse;
- Invest £0.3 million in the Waste Management service to meet the increased demand as a result of housing growth; and
- Invest £0.3 million to maintain the Fire and Rescue Service control room in Warwickshire, enabling the control room to take a leading role in supporting the Service's wider transformation programme.

1.6. We are beginning to see real positive impacts from our time-limited investment over recent years. We will therefore continue our investment in school improvement, skills for employment and flood risk management on a permanent basis.

1.7. We intend to continue and extend the approach adopted last year to investing our short-term resources to support the priorities of the Council Plan 2025 and to invest in Warwickshire's future. We will create four additional Investment Funds to help drive forward the Council's objectives, amplify the impact of capital investments, ensure investments are supported by robust business cases and realise benefits and help address long-term issues such as climate change. In doing this 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. Allocations to

individual projects will require business cases that are evaluated against criteria that will be agreed by Cabinet in March 2020.

- 1.8. Our Investment Funds will initially contain £20m revenue funding which may be topped up during the five-year period as our finances allow. We are proposing indicative allocations to each Fund. These indicative allocations are deliberately flexible and may be varied as bids emerge and are prioritised, subject to Cabinet consideration and approval.
- 1.9. Our Investment Funds and the key projects that we expect to see come forward for approvals as part of the first tranche of allocations are:
 - Sustaining Prevention Fund
An indicative allocation of £7 million to pump prime up-front investment in demand management and early intervention initiatives prior to financial benefits accruing. We expect proposals to be brought forward to expand our investment in homelessness projects across the county in the near future and to pilot initiatives to support vulnerable people at risk as a result of drugs and alcohol misuse, gambling, mental health and male suicide.
 - Climate Change Fund
An indicative allocation of £4 million to invest in coordinating and pump priming work across the revenue and capital budget to implement the priorities flowing from the Climate Change Task and Finish Groups and Council Plan 2025 that protect our residents and the County's environment for future generations. An initial priority will be putting in place the organisational infrastructure needed to develop and manage the programme of work.
 - Commercial Fund
An indicative allocation of £4 million to deliver commercial investment in outcomes for Warwickshire arising from the commercial strategy. Projects are likely to include work to scope the potential creation of a property company to enhance the delivery of Council Plan 2025 priorities and provide for effective use of our land assets by delivering housing, smallholdings, business support and other property infrastructure in line with our priorities.
 - Place Shaping and Capital Investment Feasibility Fund
An indicative allocation of £5 million to support strategic investment in Warwickshire's economy and improving quality of life for residents and communities. Projects we expect to be brought forward for consideration include the development of a 'place-shaping plan' for the county of Warwickshire, investment in 5G, the rationalisation of the County's estate, including the fire estate, to meet the changing demographics and needs of our communities and the cost-effective delivery of services.

- 1.10. In addition to the Investment Funds we intend to use our remaining short-term resource 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. We will invest:
- £3.7 million over three years to increase state-funded specialist education provision in Warwickshire to deliver better use of resources by education young people with special educational needs and disabilities in-county;
 - £0.3 million over two years to continue the joint investment in the homelessness project with Rugby Borough Council;
 - £0.6 million to manage the Council's engagement with and response to the independent inquiry into child sexual abuse; and
 - £0.6m over two years to restructure the Fire Protection team to meet the increasing demand for statutory inspections with a view to rolling out a wider offer to local businesses in future which should make the activity sustainable over the medium term.
- 1.11. 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, sustainable now and for the future. As well as identifying where we want to invest in services, we have also focussed on identifying where services to residents can be broadly maintained albeit delivered in a more cost-effective way in the future. We will re-focus our transformation funds to look at ways to be more efficient and effective in maximising outcomes from local and national taxpayers' money. As invest-to save funds we expect the investments to have targets for financial return and pay-back periods and deliver budget reductions in future years that we can reinvest in services. We expect these investments to include the transformation of the Fire and Rescue Service through organisational development, investment in estates and digital transformation.
- 1.12. We will deliver £6.2 million of budget reductions in 2020/21, increasing to £33.3 million by 2025, through better procurement, improvements in efficiency, increased income and delivering reductions in demand. We are all consumers of the services the County Council provides. We also represent and will deliver value for money for the tax payers of Warwickshire.
- 1.13. 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 1.99% on the council tax for all other services too. In total, this 3.99% council tax increase is equivalent of an increase of £1.10 per week for a Band D dwelling.

2. Adult Social Care

- 2.1. Adult social care is our highest spending service. In December 2019 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 intend to take the additional 2% levy for adult social care in 2020/21 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 the funding allocated in this resolution, including the additional funding provided by the Government through the Better Care Fund to meet demographic, statutory and inflationary pressures. 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. This decision will protect Warwickshire adult services at a time of long-life expectancies.

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 to allocate resources to schools and other educational settings in accordance with the National Funding Formula for schools and early years.
- 3.2. We recognise that meeting our policy aspirations in relation to high needs services and support can only be achieved over the medium term; given the nationally growing demand for services and the lack of capacity in the system. We have applied to the Secretary of State to transfer 0.5% (£1.748m) of DSG funding for schools to support high needs services in 2020/21 and we are investing in building capacity locally, for example through the acquisition of the Pears Centre in Exhall. But, with the Government now requiring all schools and early years services to be provided within the level of DSG allocated we recognise more needs to be done to ensure the budget for these services is robust and sustainable.

- 3.3. We require that a report is brought to Cabinet by July 2020 for approval that sets out how the DSG will be brought back into balance following consultation with partners across the sector.
- 3.4. Whilst this plan is developed and implemented, or the Government brings forward proposals for funding DSG deficits at a national level, we will ensure the Authority's overall financial resilience is maintained. We will set aside sufficient funding in reserves to create an equal and opposite position to offset the projected deficit until a sustainable solution is in place.

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 £50.016 million.
- 4.2. We will provide £11.678 million for the estimated cost of pay and price inflation in 2020/21, 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 £38.338 million to meet additional spending need, of which £16.915 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 £0.997 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. Over recent years we have taken the decisions necessary so we can continue to provide services to the residents and communities of Warwickshire whilst continuing to innovate and invest in ensuring our services are fit for the future. We are financially resilient and hold reserves to manage financial risk and promote financial sustainability. However, we recognise the need to control the amount of scarce resources held in reserves and refine our approach to managing reserves to maintain a proportionate, sustainable, flexible and risk-based approach.
- 5.2. Our approach to the effective use of reserves is set out in **Appendix C**. It provides for increased transparency and accountability around reserves and ensures the framework is in place to align decision-making around the use of reserves with the Council Plan. We will continue to consider the advice and recommendations of our Strategic Resources for Director (s151 Officer) bi-annually as part of budget setting and after closing our accounts. We will look to utilise our reserves prudently whilst also recognising that this is taxpayers' money and we will look to use our balance sheet strength to drive the Council's investment needs to deliver infrastructure and service investment needs for our residents.
- 5.3. We will provide sufficient resources to ensure the level of General Reserves is at least consistent with that stated by the Strategic Director for Resources as the minimum level of general reserves given the financial risks facing the authority. We will release £20 million now to deliver our investment proposals over the period of the 2020-25 Medium Term Financial Strategy and will undertake a further review at the end of each financial year to identify where there is scope to release further resources to support our investment proposals.
- 5.4. Our plan for budget reductions will generate £6.209 million in 2020/21 and a further £27.103 million over the period of the 2020-25 Medium Term Financial Strategy. Approval is given to the plans for the delivery of these savings detailed in **Appendix D**. If during 2020/21 any of the budget reductions do not materialise to the degree shown, the Assistant Director in conjunction with their Strategic Director and Portfolio Holder should identify alternative proposals to ensure the required levels of reduced spend are delivered and report this as part of quarterly monitoring.
- 5.5. Just under a third of the Authority's spending each year is on staffing. The proposals to deliver budget reductions 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 £9.1

million Redundancy 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 for Resources.

- 5.6. 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.
- 5.7. We will use business rates funding of £71.199 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 Business Rates Volatility Reserve during 2020/21.
- 5.8. We will use the £0.104 million surplus from the collection of council tax to support the budget on a one-off basis.
- 5.9. **The council tax will increase by 3.99%.** With the other funding resources identified, this will fund the proposals contained within this resolution.

6. Medium Term Financial Strategy

- 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. This has served us well as we have steered the Authority through some undoubtedly challenging financial times. Looking forward we will be operating in an environment of uncertainty over funding as it strives to deliver on the objectives and outcomes as set out in the Council Plan 2025. We recognise that changes to the system of local government finance as a result of the increasing moves towards self-sufficiency and means our financial planning processes will need to change as the level of income from local taxation will become increasingly variable and unpredictable. Technological developments, changing national and international economic relationships, the opportunities for commercial investment and the long-term challenge of climate change also mean our plans need to be flexible and adapt to change at pace whilst retaining a focus on our longer-term goals and ambitions.
- 6.2. With this in mind, we intend to move to a rolling five-year MTFS where we can 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 for the benefit of the residents and businesses of Warwickshire.

- 6.3. Our Council Plan 2025 sets out our ambitions and the new operating model provides the framework. We ask Corporate Board to develop commissioning strategies, action plans, key business measures and performance management requirements aligned and consistent with the available resources of the authority.
- 6.4. The indicative future spending allocations and planned reductions we have set out deliver a balanced MTF5 over the period of the 2025 Council Plan with a 1.99% annual increase in the council tax in future years. We accept that without this level of increase in council tax, or if future spending needs exceeds the indicative levels, further budget reductions will need to be identified and delivered to ensure the budget remains sustainable.
- 6.5. We therefore expect the focus of change to be on invest-to-save projects that will release the resources needed to invest in our ambitions. Investment decisions should be based on a more commercial approach, aligned with the recently approved commercial strategy. This work should drive the options for further budget reductions over the period of the MTF5.
- 6.6. The MTF5 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.
- 6.7. We expect the MTF5 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;
 - The transformation programme being able to deliver the extent of change required to meet high priority targets and deliver strategic priorities; and
 - Our readiness to take advantage of the Spending Review opportunities for the benefit of Warwickshire.
- 6.8. We recognise this means significant challenges for the organisation, including the changing way in which people want to access services. Our proposals recognise that

this will take time and investment and a broad engagement with all those affected, both inside and outside the organisation.

7. Strategic Director for Resources: Statement

7.1. The following statement from the Strategic Director for Resources 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).*

The uncertainties of the economic environment, the fact we are awaiting a multi-year Spending Review settlement, the scale of the expenditure reductions required and the growing demands on services, mean that 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 Planned Budget Reductions

The planned budget reductions need to be fully implemented to ensure the Council’s 2020/21 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 the planned budget reductions are delivered to the required timetable;*
- *If the planned budget reductions are not delivered, Assistant Directors, Strategic Directors, the Chief Executive and Portfolio Holders are required to identify alternative ways of balancing the Service and/or Directorate budgets; and*

- *Monitoring of the delivery of the planned budget reductions will be extended to include the monitoring of project delivery milestones to ensure decisions are taken in a timely manner and implementation timescales are met.*

Risk 2 – Uncertainty of the National Funding Position

There is uncertainty around the national funding position for local government as a result of the lack of a three-year Comprehensive Spending Review, wider economic uncertainty given the EU exit and international trade disputes. This means we need to have a higher level of general reserves, and may face more significant revenue pressures until the multi-year spending review which we expect to receive later this year.

Risk 3 – Dedicated Schools Grant Deficits

There is a financial risk to the Authority as a result of the new provisions that local authorities will not be permitted to fund any part of the DSG deficit from sources without the authorisation of the Secretary of State, if the outcome does not come with the extra funding required to resource any deficit. This has been mitigated by an equal and opposite provision in reserves to offset the projected deficit, but this does not provide a long-term solution or remove the need to identify options for bringing spending into line with the level of DSG received.

Risk 4 – Business Rates Retention Scheme and Local Government Funding Reform

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 5 – 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 6 - 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 7 – Repayment of Overspends

Arrangements will need to be put in place as part of the financial outturn report to Cabinet and this budget resolution to stabilise the financial position of those services overspending. If overspends occur in future years, services will need to deliver additional budget reductions to repay overspends as well as delivering the planned budget reductions in 2020/21. The flexibility to manage this through reserves is reduced as a result of the use of reserves proposed in this resolution.

Risk 8 – Impact on the Medium Term Financial Strategy

The Medium Term Financial Strategy (MTFS) outlines the significant additional financial challenge to the authority in future years. The indicative future spending allocations and planned reductions deliver a balanced MTFS over the period of the 2025 Council Plan with a 1.99% annual increase in the council tax in future years. Without this level of increase in council tax, or if future spending needs exceeds the indicative levels, further budget reductions will need to be identified and delivered to ensure the budget remains sustainable. Given this challenge Members are advised it is important that decisions taken in agreeing the 2020/21 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; and*
- *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 in an uncertain environment and that as such 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 £21.2 million in general reserves in 2020/21. 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 shown below, which will be finalised for the service estimates to be presented to Cabinet in March of:

	Base Budget	Additional Investment	Funding Sources	Total
	£	£	£	£
Education Services	107,894,949	5,567,000	(279,000)	113,182,949
Environment Services	25,159,550	960,000	(200,000)	25,919,550
Fire and Rescue Service	20,054,288	1,078,000	-	21,132,288
Strategic Commissioning - Communities	19,606,907	2,189,000	-	21,795,907
Adult Social Care	144,055,813	14,350,000	(400,000)	158,005,813
Children and Families	51,151,035	8,376,000	(194,000)	59,333,035
Strategic Commissioner - People	31,846,719	2,088,000	-	33,934,719
Business and Customer Services	17,908,021	373,000	(1,140,000)	17,141,021
Commissioning Support Unit	3,679,997	79,000	(405,000)	3,353,997
Enabling Services	20,824,847	3,477,000	(774,000)	23,527,847
Finance	4,343,199	103,000	-	4,446,199
Governance and Policy	1,870,114	360,000	(40,000)	2,190,114
Other Services - spending	44,768,853	11,016,000	(2,777,000)	53,007,853
Other Services - schools and funding	(79,525,280)	-	(142,928,000)	(222,453,280)
	413,639,012	50,016,000	(149,137,000)	314,518,012
<u>Contributions to/(from) reserves:</u>				
- Service Reserves	(977,000)	-	-	(977,000)
- General Reserves	-	-	181,944	181,944
Budget Requirement	412,662,012	50,016,000	(148,955,056)	313,722,956

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 2021 as follows:

	£
Budget Requirement	313,722,955.70
Less Council Tax Surplus on Collection	(104,311.83)
Council Tax Requirement for the year ended 31 March 2021	313,618,643.87
Divided by aggregate Council Tax Base for the County Area	210,642.06
Basic Amount of Council Tax (Band D)	1,488.87

10. Council Tax

- 10.1. The council tax for 2020/21 is increasing by 3.99%. Therefore, approval is given to Council Tax amounts for each category of property as follows:

	£
Band A	992.5800
Band B	1,158.0100
Band C	1,323.4400
Band D	1,488.8700
Band E	1,819.7300
Band F	2,150.5900
Band G	2,481.4500
Band H	2,977.7400

11. Precepts

- 11.1. The Chief Executive is authorised to issue the 2020/21 precepts on the Warwickshire billing authorities, as follows:

	£
North Warwickshire Borough Council	31,318,291.12
Nuneaton and Bedworth Borough Council	57,197,025.47
Rugby Borough Council	57,671,736.78
Stratford-on-Avon District Council	84,276,161.25
Warwick District Council	83,155,429.25

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 for 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 planned net

reductions and funding strategies contained in this resolution and the accompanying capital budget resolution.

- 12.4. The Chief Executive and Strategic Director for 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 for Resources are authorised to draw down from reserves and vire money between reserves where these adjustments are as a direct consequence of the specific spending allocations, delivery of the planned budget reductions (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) and funding strategies contained in this resolution and the accompanying capital budget resolution.
- 12.6. The Chief Executive and Strategic Director for 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 E** and the County Council agrees the application of these remuneration policies for the financial year 2020/21. It also sets out our proposed approach to the payment of exit payments in Section 9.

2020-25 Proposed Permanent Allocations

Purpose of the Allocation by Service	Allocation	Indicative Additional Future Allocation			
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Education Services					
Inflation - An allocation to meet the cost of inflation across the Service.	621	630	643	655	669
Home to school transport - An allocation to meet the demand for home to school transport for pupils and students; thereby ensuring that eligible children have a seat to get to and from school.	2,037	1,517	1,288	1,453	1,400
Direct payments for children with disabilities - An allocation to continue to support the children and young people with disabilities who already receive a direct payment and to reflect the continuing growth in overall numbers. The increase will enable children and young people to access the appropriate support within their own community; promoting learning, inclusion, social opportunities, independence and skills for life.	316	0	0	0	0
Placements for children with disabilities - An allocation to continue to support current placements and to meet the expected demand for future placements. This will ensure looked after children are in appropriate specialist places to meet their need.	1,311	0	0	0	0
School improvement - An allocation to fund the service on a permanent basis and so ensure system leadership and school to school support continues.	248	0	0	0	0
Total Education Services	4,533	2,147	1,931	2,108	2,069
Environment Services					
Inflation - An allocation to meet the cost of inflation across the Service, including the cost of highways maintenance contract inflation above the level of general provision for service inflation.	760	768	778	788	798
Flood risk management - An allocation to continue to meet the demand for input to planning applications now the time limited funding allocated by Council has finished.	200	0	0	0	0
Total Environment Services	960	768	778	788	798

2020-25 Proposed Permanent Allocations

Purpose of the Allocation by Service	Allocation 2020/21 £'000	Indicative Additional Future Allocation			
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Fire and Rescue					
Inflation - An allocation to meet the cost of inflation across the Service.	403	408	416	424	433
Staffing Capacity - An allocation to increase the senior management staffing capacity in the service as a result of the service redesign	75	0	0	0	0
Non-delivery of control room savings - An allocation to reflect the decision to not proceed with the collaboration with West Midlands on control room operations which means the planned savings cannot be delivered. Instead control room staffing will be maintained and Fire Control will take on a key role in supporting the Service's wider transformation programme.	300	0	0	0	0
Total Fire and Rescue	778	408	416	424	433
Strategic Commissioning for Communities					
Inflation - An allocation to meet the cost of inflation across the Service, including the cost of waste management contract inflation above the level of general provision for service inflation.	928	714	733	662	671
Waste management - An allocation to address the increased waste management costs being incurred as a result of housing and population growth within the county and as set out in the District and Borough Council Local Plans.	300	300	300	300	300
Skills for employment - An allocation to continue the skills for employment scheme on a permanent basis as part of the delivery of the Council's new Careers Strategy. The allocation will help our schools provide enhanced careers and employability support to their pupils and enable increased employer engagements by young people to help make them make more informed careers decisions.	250	0	0	0	0
Total Strategic Commissioning for Communities	1,478	1,014	1,033	962	971

2020-25 Proposed Permanent Allocations

Purpose of the Allocation by Service	Allocation	Indicative Additional Future Allocation			
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Adult Social Care					
Inflation - An allocation to meet the cost of inflation across the Service, including the increased cost of care provider inflation to an average of 3% through the period of the MTFs and the impact of the National Living Wage on contract costs.	5,567	4,942	5,116	5,185	5,249
Care demand for adults - An allocation to meet the cost of increase in demand for adult social care due to population growth, the increased length of support and intensity of care need as a result of increased life expectancy and the estimated reduction in people who can fund their own care over time.	3,149	3,354	3,680	4,000	4,000
Liberty Protection Safeguards - An allocation to meet the estimated cost of implementing the new legislative requirements around Liberty Protection Standards from 1 October 2020.	250	250	0	0	0
Total Adult Social Care	8,966	8,546	8,796	9,185	9,249
Children and Families					
Inflation - An allocation to meet the cost of inflation across the Service, including the cost of waste management contract inflation above the level of general provision for service inflation.	1,126	1,101	1,123	1,146	1,169
Mother and baby placements - An allocation to meet the cost of fostering placements for mothers and babies aligning the budget provision with current levels of spend.	129	0	0	0	0
Child allowances - An allocation to meet the costs of increased demand for Special Guardianship Orders, Residential Orders and Child Arrangements Orders to support children to leave or avoid care through allowances for extended family members caring for children.	351	336	357	360	360
S17 children - An allocation to meet the costs associated with support for parents and children to remain together at home, providing support for families who are destitute.	53	0	0	0	0
Looked after children's transport - An allocation to meet the increased transport costs as a result of growth in the number of children looked after.	186	0	0	0	0

2020-25 Proposed Permanent Allocations

Purpose of the Allocation by Service	Allocation 2020/21 £'000	Indicative Additional Future Allocation			
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Children and Families continued					
Children leaving care supported accommodation - An allocation to fund the increased cost of supported accommodation for those aged 16 plus, particularly care leavers.	402	0	0	0	0
Children's placements (exc. children with disabilities) - An allocation to meet the impact of fostering/placements framework contracts and changes to the placement mix on costs.	5,606	301	314	320	326
Priority families - An indicative allocation to continue to fund Family Support Workers and data officers which provides early help provision and payment by results. The need for this allocation will be reviewed once there is clarity about the level of any future Government funding.	0	712	0	0	0
Family intervention service - An allocation to place the Family Intervention Service on a sustainable financial footing helping to increase early help/prevention.	221	0	0	0	0
Family group conferencing - An allocation to place the Family Group Conferencing team on a sustainable financial footing to continue their work to reduce the need for Council involvement with families and enable families to establish their own plan of support.	152	0	0	0	0
Children and Families capacity - An allocation to increase the staffing capacity in the service as part of the Council restructuring	150	0	0	0	0
Total Children and Families	8,376	2,450	1,794	1,826	1,855
Strategic Commissioning for People					
Inflation - An allocation to meet the cost of inflation across the Service.	646	666	679	693	707
Domestic abuse strategy - An allocation to meet the cost of new arrangements to support victims of domestic abuse in line with expected national standards.	500	0	0	0	0
Public health capacity - An allocation to increase the staffing capacity in the public health service as part of the Council restructuring	192	0	0	0	0
Total Strategic Commissioning for People	1,338	666	679	693	707

2020-25 Proposed Permanent Allocations

Purpose of the Allocation by Service	Allocation 2020/21 £'000	Indicative Additional Future Allocation			
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Business and Customer Support					
Inflation - An allocation to meet the cost of inflation across the Service.	373	373	381	388	396
Total Business and Customer Support	373	373	381	388	396
Commissioning Support Unit					
Inflation - An allocation to meet the cost of inflation across the Service.	79	61	62	63	65
Total Commissioning Support Unit	79	61	62	63	65
Enabling Services					
Inflation - An allocation to meet the cost of inflation across the Service.	481	473	483	492	502
Buildings insurance - An allocation to meet the cost of buildings insurance ensuring the protection of the Council's assets.	295	0	0	0	0
Licence and cloud costs - An allocation to meet the additional licence and cloud costs as a result of the new approach to the delivery of ICT, including as a result of the move from Google to Microsoft.	1,589	240	300	0	0
Devices - An allocation to meet the additional costs of moving to a three-year rolling lease for laptops and mobiles.	193	0	0	0	0
Total Enabling Services	2,558	713	783	492	502
Finance Service					
Inflation - An allocation to meet the cost of inflation across the Service.	103	95	97	99	101
Total Finance Service	103	95	97	99	101

2020-25 Proposed Permanent Allocations

Purpose of the Allocation by Service	Allocation 2020/21 £'000	Indicative Additional Future Allocation			
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Governance and Policy					
Inflation - An allocation to meet the cost of inflation across the Service.	67	62	63	64	65
Policy capacity - An allocation to increase the staffing capacity to support policy development and communications service as part of the Council restructuring	293	0	0	0	0
Total Governance and Policy	360	62	63	64	65
Corporate Services					
Inflation - An allocation to meet the cost of inflation across the Service.	524	708	835	974	1,116
Capital financing costs - An allocation to meet the interest and principal costs of new borrowing required to finance the capital programme. It will provide capacity to ensure the resources are available to deliver of the ambitions of the capital strategy.	0	0	3,233	1,109	1,122
Contingency - A provision for future, currently unknown and unquantified, spending need, including future pay costs. The provision will mitigate future potential costs as part of ensuring the Council's services are sustainable over the medium term.	2,675	4,000	4,000	4,000	4,000
Total Corporate Services	3,199	4,708	8,068	6,083	6,238
Total Annual Permanent Spending Allocations	33,101	22,011	24,881	23,175	23,449
Total Cumulative Permanent Spending Allocations	33,101	55,112	79,993	103,168	126,617

Time-limited Investment Proposals

Purpose of the Allocation by Service	Allocation	Indicative Additional Future Allocation				
	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Education Services						
Specialist Provision in Nuneaton and Bedworth (Pears) - A time-limited allocation to increase state-funded specialist education provision in Warwickshire to meet population growth. This provides for short-term funding for the Dedicated Schools Grant place funding lag. Together with the allocation below for the property costs, the project will result in the better use of resources by educating young people with SEND in provision in-County.	1,034	1,252	740	0	0	3,026
Total Allocation - Education Services	1,034	1,252	740	0	0	3,026
Fire and Rescue						
Fire Protection - A two-year allocation to restructure Fire Protection team in anticipation of the conclusion of the Hackitt review and meet the increasing level of demand for statutory inspections. Once the team is fully developed they will be in a position to roll out a wider offer to local businesses which should generate income and make the activity sustainable.	300	300	0	0	0	600
Total Allocation - Fire and Rescue	300	300	0	0	0	600

Time-limited Investment Proposals

Purpose of the Allocation by Service	Allocation	Indicative Additional Future Allocation				
	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Strategic Commissioning for Communities						
LEP Growth Hub - A two-year allocation to continue to provide funding as Warwickshire County Council's investment in the Coventry and Warwickshire wide Growth Hub. The allocation supports a simplified, co-ordinated and coherent approach to business support across the Coventry & Warwickshire area, making it easier and more likely that businesses will access support to help them grow.	128	128	0	0	0	256
HS2 - A two-year allocation to continue work to mitigate the impacts of HS2 on Warwickshire residents and communities.	133	133	0	0	0	266
City of Culture - A three-year allocation to continue investment on the City of Culture to deliver economic benefits to Warwickshire's communities and businesses.	250	250	250	0	0	750
Cycle-racing - A two-year allocation to continue to provide funding to support the cycling events for a further two years	200	200	0	0	0	400
Total Allocation - Strategic Commissioning for Communities	711	711	250	0	0	1,672

Time-limited Investment Proposals

Purpose of the Allocation by Service	Allocation	Indicative Additional Future Allocation				
	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care						
Winter Pressures - A one-off allocation to the service to meet the terms of the grant allocation. Detailed spending plans will need to be agreed with the Clinical Commissioning Groups.	2,235	0	0	0	0	2,235
Improved Better Care Fund - A one-off allocation to the service to meet the terms of the grant allocation. Detailed spending plans will need to be agreed with the Clinical Commissioning Groups.	3,149	0	0	0	0	3,149
Total Allocation - Adult Social Care	5,384	0	0	0	0	5,384
Strategic Commissioning for People						
Homelessness - A two-year allocation to continue the three-year joint investment project with Rugby Borough Council	150	150	0	0	0	300
Independent Inquiry into Child Sexual Abuse - A one-off allocation to deal with legal costs beyond those already in the budget; to employ staff on fixed term contracts to manage the response to the inquiry (or backfill those who have to do this) and to put in place any measures where we identify gaps in provision.	600	0	0	0	0	600
Total Allocation - Strategic Commissioning for People	750	150	0	0	0	900

Time-limited Investment Proposals

Purpose of the Allocation by Service	Allocation	Indicative Additional Future Allocation				
	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Enabling Services						
Old Shire Hall - A two-year allocation to provide a provision for a subsidy to the facility as it transfers to a commercial operating basis.	200	200	0	0	0	400
Specialist Provision in Nuneaton and Bedworth (Pears) - A one-off allocation to provide for the operational costs of running the property until it transfers to service providers/school.	719	0	0	0	0	719
Total Allocation - Enabling Services	919	200	0	0	0	1,119
Corporate Services						
Children's Transformation Programme - A one-off allocation to extend the programme of investment in children's social care. A report on the Children's Transformation programme outlining how the funding is to be used, the expected benefits from the delivery of the programme and the governance arrangements will be brought to Cabinet in April. This will include the proposed use of funding leveraged from the Department for Education and the balance of any reserve set aside for children's transformation in previous years.	3,817	0	0	0	0	3,817

Time-limited Investment Proposals

Purpose of the Allocation by Service	Allocation	Indicative Additional Future Allocation				
	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Services (continued)						
Sustaining Prevention Fund - A fund to pump-prime up-front investment in demand management and early intervention initiatives prior to financial benefits accruing. A report outlining how investments will be prioritised and the governance arrangements will be brought to Cabinet in March. The funding is shown allocated across the five years of the MTFS, but the phasing between years will be flexible depending on the strength of investment proposals coming forward for consideration.	1,400	1,400	1,400	1,400	1,400	7,000
Climate Change Fund - A fund to invest in priorities flowing from the Climate Change Task and Finish Groups and Council Plan 2025. A report outlining how investments will be prioritised and the governance arrangements will be brought to Cabinet in March. The funding is shown allocated across the five years of the MTFS, but the phasing between years will be flexible depending on the strength of investment proposals coming forward for consideration.	800	800	800	800	800	4,000

Time-limited Investment Proposals

Purpose of the Allocation by Service	Allocation	Indicative Additional Future Allocation				
	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Services (continued)						
Commercial Fund - A fund to deliver commercial investment in outcomes for Warwickshire arising from the commercial strategy. A report outlining how investments will be prioritised and the governance arrangements will be brought to Cabinet in March. The funding is shown allocated across the five years of the MTFs, but the phasing between years will be flexible depending on the strength of investment proposals coming forward for consideration.	800	800	800	800	800	4,000
Place Shaping and Capital Investment Feasibility Fund - A fund to support capital feasibility work, investment in place and to improve delivery. A report outlining how investments will be prioritised and the governance arrangements will be brought to Cabinet in March. The funding is shown allocated across the five years of the MTFs, but the phasing between years will be flexible depending on the strength of investment proposals coming forward for consideration.	1,000	1,000	1,000	1,000	1,000	5,000
Total Allocation - Corporate Services	7,817	4,000	4,000	4,000	4,000	23,817
Total Time-Limited Allocations	16,915	6,613	4,990	4,000	4,000	36,518

Reserves Strategy 2020-25

Introduction



Councillor Peter Butlin
Deputy Leader and Portfolio
Holder for Finance and
Property

I am delighted to be able to endorse this reserves strategy. It provides a clear framework for making sure the ‘rainy-day’ money we hold is effectively managed to meet the financial risks and uncertainties we face whilst enabling us to hold less overall and providing capacity for investing in the delivery of the Council Plan.

It faces head-on Members’ concerns about the number of reserves, the amount of money tied up and the lack of clarity about how specific financial risks are being managed. Most importantly it supports the building of a common understanding that balances ensuring we remain a financially resilient authority with identifying whether resources could be released for investment in the objectives we are working towards.



Rob Powell
Strategic Director for
Resources

Part of my role, as Strategic Director for Resources and the Council’s s151 officer, is to report on the adequacy of the Authority’s financial reserves and that they are sufficient to ensure the Authority remains financially sustainable and resilient over the medium-term.

This reserves strategy sets out why effective management of reserves is important, how we make decisions about the level of reserves to hold and how our approach enables us to deliver on this.

Our approach will be a success if across the Council it is understood that the money we have in reserves is proportionate to the risks and uncertainties we face, promotes financial resilience and is actively managed to identify where one-off resources that can be invested in support of our outcomes and key objectives.

Section 1: The Purpose of our Reserves Strategy

What are Reserves?

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

What is a Reserves Strategy?

A reserves strategy sets out the choices we make in relation to the level and purposes for which we hold the reserves we have accumulated. It is made up of three key elements:

1. Our strategic intent – what we are seeking to achieve through holding reserves;
2. Our programme – the level of reserves we hold and our plans for their use over the period of the 2020-25 Medium Term Financial Strategy (MTFS); and
3. Our framework – the way we will determine the level of reserves we need, manage those reserves and plan for their use in line with best practice and statutory requirements.

Together these elements set out our ambition for reserves, the nature of that ambition and how we provide assurance.

Why do we need a Reserves Strategy?

We plan over the short term and medium term how we will use the resources we are allocated and raise to deliver services for and to the residents and communities of Warwickshire. As a large, complex organisation there will always be variations between our actual spending/income and our plans due to variations in demand, demographic change, changes in costs and funding decisions of third parties as well as needing to deliver projects and investments spanning more than one financial year.

To ensure we can manage these financial risks whilst being able to maintain services requires that the Authority holds funds in reserve to meet these costs as and when they arrive. A reserves strategy enables us to do this in a planned way.

How does it fit with our other strategies?

The reserves strategy is part of a suite of supporting strategies that supplement the 2020-25 Council Plan and MTFS. All the supporting strategies are aligned to the Council Plan and MTFS and provide an additional level of granularity that help create a bridge between the high-level over-arching plan and operational delivery. As such it forms part of a collective accountability framework for the management of the Authority's financial resources.

Maintaining the current high standards of financial management across the organisation is critical to the successful delivery of the 2020-25 Council Plan and MTFS. Any weakening of financial management has a direct impact on the level of reserves needed to offset the risk of services overspending and/or the non-delivery of savings targets. The central role in the management of the Authority's reserves lies with Strategic Directors, both individually and collectively, with support and advice from Finance.

Section 3: Our Reserves

Our drivers for holding reserves are to:

- a) Manage financial risk so that the risk materialising does not undermine the Authority’s overall financial position or impact on service delivery;
- b) Plan for the effective use of project resources over time;
- c) Ensure we meet funding conditions in our use of any available resources; and
- d) Retain any other accumulated underspends prior to decisions on their use.

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

Our reserves are forecast to be £161.2 million at the end of 2019/20. We are holding the £161.2m for the following reasons:

- a) £87.0 million to manage financial risk, including volatility;
- b) £35.1 million for investment in projects to drive forward the delivery of the Council’s objectives;
- c) £18.5 million to meet externally set funding conditions; and
- d) £20.6 million available for investing to pump-prime the delivery of the Council’s key objectives



Key	
Not available for use	
To be reviewed on an annual basis	
Available for investment	

Section 4: Our Reserves Framework

The Reserves Framework sets out our accountability and governance arrangements around the retention and use of reserves. In doing so it balances speed of decision-making with Member oversight and accountability for decisions about the effective use of the Council's resources.

Guiding principles for managing and using Reserves

Our guiding principles for managing and using reserves are:

- The primary purpose is to manage financial risk and promote financial sustainability.
- Subject to meeting this requirement we will:
 - Maximise the ability to use reserves flexibly to deliver the organisation's priorities;
 - Control the amount of scarce resources held in reserves; and
 - Hold reserves at a corporate/directorate level unless there is a business/technical reason for not doing so.
- The planned use of reserves will be agreed as part of the annual budget setting and medium-term financial planning process. Other than in exceptional circumstances the planned use of reserves is only expected to change in year as a result of:
 - Change projects approved by Corporate Board/Members; and
 - Adjustments to reflect the impact of the previous year's outturn that were not known at the time the budget for the year was agreed.
- Service risk reserves will be held at Directorate level to manage in-year financial risk and to cover any over/underspends across the Directorate at the end of the year.
- All reserves will be subject to a year-end review to ensure the reason for holding the reserve and the plans for its use aligns with the MTFS and this strategy.
- Reporting on each reserve and seeking approval for any variations or to create a new reserve will form part of the quarterly monitoring report to Corporate Board and Cabinet.

Year-end review of reserves

All reserves will be subject to a year-end review by the relevant Strategic Directors with in conjunction with the Assistant Director of Finance. At the end of each financial year for each reserve a delivery plan will be prepared that sets out:

- Plans for use of the reserve including sunset clauses/closure dates
- Benefits to be delivered from the investment
- Without an approved delivery plan in place a reserve cannot be accessed

The outcome of this review will be a report to Cabinet in June each year seeking approval for further use of reserves in the current financial year and to identify where there are additional reserves to support the MTFS roll-forward.



2020-25 Budget Balancing Plan

What the change entails	Reduction	Indicative Additional Future Reduction			
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Education Services					
Home to school transport eligibility - Risk assessment and review of eligibility within the home to school transport policy. The first year of this new approach has demonstrated avoided costs, mainly due to reassessment of single-occupancy taxis to multi-occupancy taxis.	(209)	(151)	0	0	0
Education transport route optimisation - Using route optimisation software to map the most efficient way to transport groups of learners to school will reduce home to school transport costs.	(58)	(42)	0	0	0
Review of provision of passenger transport assistants - Reduced cost of passenger assistants as a result of their withdrawal from routes except for cases where a learner has an Education and Health Care Plan.	(12)	(8)	0	0	0
Special Educational Needs transport savings - Learners grouped into fewer multi-occupancy vehicles travelling a shorter distance to school will deliver savings. The impact will be avoided SEN transport costs (comparative to placements in independent specialist provision).	0	(94)	(220)	(137)	(42)
Total Reductions - Education Services	(279)	(295)	(220)	(137)	(42)

2020-25 Budget Balancing Plan

What the change entails	Reduction	Indicative Additional Future Reduction			
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Environment Services					
Capitalisation of flood prevention works - Contributions to flood prevention schemes to be funded from capital resources as they are about infrastructure investments that are capital in nature and this aligns with the capital funding received from partner organisations as matched funding.	(200)	0	0	0	0
Drainage maintenance review - The use of new technology to move the gulley cleansing programme onto a 'risk based' approach with the expectation that the technological approach will reduce the need for cleansing by being able to target activity more effectively.	0	0	(100)	0	0
Expansion of traded services re County Fleet Management (CFM) and Archaeology - Improving efficiencies and increasing income from external contracts, new future external contracts and MOT sales to public.	0	(100)	(100)	0	0
Total Reductions - Environment Services	(200)	(100)	(200)	0	0

2020-25 Budget Balancing Plan

What the change entails	Reduction	Indicative Additional Future Reduction			
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Strategic Commissioning for Communities					
Countywide integrated waste collection and disposal service - The development of a joint service delivery model for waste management across the county, linked to the new national waste strategy for England expected to be published in 2020/21. A joint model is expected to be more efficient, and changes in collection schedules should reduce residual waste.	0	0	(1,000)	(800)	0
Increased income from new services in the business centres portfolio - The introduction of conferencing facilities at Eliot Park Business Centre, and the introduction of virtual office space so that businesses can use the mail/phone/meeting space functions at the Business Centres but not physically rent a unit. A greater range of facilities and options at business centres, that would be beneficial to local businesses and wider partners.	0	0	(100)	0	0
Further changes to parking permits schemes and on-street parking arrangements - A review of arrangements for residents and visitors parking permits and on-street parking arrangements in line with our local transport policy, the challenge of climate change and to ensure parking is not used as a competitive tool between Warwickshire towns.	0	0	(463)	0	(1,057)
Implementation of business parking permits - The introduction of two business parking permits per organisation in areas where there are already on-street parking permits in residential permit scheme zones.	0	(445)	0	0	0
Review of staffing as a result of further service redesign and reviews - A restructuring of teams across Communities (Strategy & Commissioning) will create a flatter and more agile service areas, and enable us to focus our resources better on key priority areas and exploit opportunities to lever in external funding.	0	0	0	(285)	0
Total Reductions - Strategic Commissioning for Communities	0	(445)	(1,563)	(1,085)	(1,057)

2020-25 Budget Balancing Plan

What the change entails	Reduction	Indicative Additional Future Reduction			
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Adult Social Care					
Commissioning approach for younger adults - Redesign the commissioning approach for younger adults to ensure a more efficient arrangement and an improved brokerage function.	0	(200)	(300)	0	0
Housing with support for older people - Further develop the housing with support offer to reduce reliance on residential provision for all ages; including consideration of capital investment to secure revenue savings.	0	(200)	(500)	(500)	(500)
Integrated commissioning and delivery arrangements with NHS partners - Arrangements will form part of the Coventry and Warwickshire Integrated Health and Care Partnership and associated System Plan.	0	0	0	0	(667)
Suppressing demand in older people services - Implementing multiple activities that are already in projects across adult social care. These include an improved early intervention and prevention offer, further refinement of the in-house Reablement offer and further development of Assistive Technology.	(250)	(250)	(500)	(500)	(540)
Prevention and self-care - Develop and implement a prevention and self care strategy and invest in programmes, projects and services that reduce people's reliance on paid care and support.	0	0	0	(167)	(167)
Business support and direct payments - Reduced cost of business support as part of the wider organisation review of support functions and the introduction of the new payments system.	(150)	(300)	0	0	0
Total Reductions - Adult Social Care	(400)	(950)	(1,300)	(1,167)	(1,874)

2020-25 Budget Balancing Plan

What the change entails	Reduction	Indicative Additional Future Reduction			
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Children and Families					
House project - Further investment and expansion of the House Project countywide to provide accommodation for care leavers.	0	0	0	(200)	0
Development of effective local provision of children's placements - Facilitate the market to develop local provision that more effectively meets needs through the improved efficiency and effectiveness of the Placement Hub.	0	0	0	(500)	(500)
Integrated commissioning and delivery arrangements with NHS partners - Arrangements will form part of the Coventry and Warwickshire Integrated Health and Care Partnership and associated System Plan.	0	0	0	0	(667)
Restorative practice and early help - Through restorative practice and an improved early help offer the impact will be to reduce demand on children's social care.	0	0	(250)	(250)	(500)
Prevention and self-care - Develop and implement a prevention and self care strategy and invest in programmes, projects and services that reduce people's reliance on paid care and support.	0	0	0	(167)	(167)
Business support - Reduced cost of business support as part of the wider organisation review of support functions	(194)	0	0	0	0
Customer Support - Reduced cost of customer support as part of the wider organisation review of support functions.	0	(30)	0	0	0
Total Reductions - Children and Families	(194)	(30)	(250)	(1,117)	(1,834)

2020-25 Budget Balancing Plan

What the change entails	Reduction	Indicative Additional Future Reduction			
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Strategic Commissioning for People					
Integrated commissioning and delivery arrangements with NHS partners - Arrangements will form part of the Coventry and Warwickshire Integrated Health and Care Partnership and associated System Plan.	0	0	0	0	(666)
Third party funding for commissioning and delivery - Increased income as a result of securing third party funding for commissioning and service delivery activity.	0	0	(100)	0	0
Prevention and self-care - Develop and implement a prevention and self care strategy and invest in programmes, projects and services that reduce people's reliance on paid care and support.	0	0	0	(166)	(166)
Total Reductions - Strategic Commissioning for People	0	0	(100)	(166)	(832)
Business and Customer Support					
Business support - Service wide restructure of business support, including delayering of the entire model and reductions in levels of agency spend.	(880)	0	0	0	0
Customer support - Review and rationalisation of the organisation's approach to customer support.	(260)	(300)	(210)	0	0
Printing and stationery - Future reductions in spend on printing and stationery predicated on other work, such as the digital mail room, being completed.	0	0	(657)	0	0
Total Reductions - Business and Customer Support	(1,140)	(300)	(867)	0	0

2020-25 Budget Balancing Plan

What the change entails	Reduction	Indicative Additional Future Reduction			
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Commissioning Support Unit					
Project and programme management - Organisation-wide restructure of programme and project support.	(395)	0	0	0	0
Business intelligence - Future reductions in the cost of delivering business intelligence across the organisation following the introduction of new technology and refinement of information requirements.	0	0	(640)	0	0
Procurement - Service restructure of procurement as part of the organisation-wide service redesign.	(10)	0	0	0	0
Total Reductions - Commissioning Support Unit	(405)	0	(640)	0	0
Enabling Services					
Digital and ICT service redesign - Service restructure as part of the organisation-wide service redesign.	0	(900)	0	0	0
Applications rationalisation - Rationalisation of the ICT applications used to deliver the Council's activities to provide economies of scale and the delivery of enhanced support.	(250)	0	0	0	0
Device savings - Reduction in the cost of lap-tops, mobiles and other devices and part of the delivery of the ICT Strategy.	(524)	0	0	0	0
ICT and Enabling Services - Additional savings including cloud migration and disaster recovery savings.	0	(1,000)	0	0	0
Total Reductions - Enabling Services	(774)	(1,900)	0	0	0

2020-25 Budget Balancing Plan

What the change entails	Reduction	Indicative Additional Future Reduction			
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Governance and Policy					
Legal Services additional surplus - Additional surplus from external trading with other local authorities and public sector bodies	(30)	(30)	(40)	(50)	(50)
Electronic record keeping - Reduced storage requirements as a result of the move to electronic record keeping.	(10)	(10)	(10)	(10)	(10)
Paper free meetings - Reduction in the cost of printing as a result of moving to paper free meetings	0	0	(10)	0	0
Total Reductions - Governance and Policy	(40)	(40)	(60)	(60)	(60)
Corporate Services					
Treasury management investment returns - A target to increase returns on investment by 10 basis points based on a more pro-active approach to treasury management. <i>(Delivery will be the responsibility of the Assistant Director - Finance.)</i>	0	(175)	(175)	0	0
Reinvestment of capital receipts - Material receipts are forecast from the sale of strategic sites. Reinvestment of the capital receipts will reduce the Council's need to borrow for capital investment in the future. If the land is sold and the capital receipts are used as per this savings proposal, the funding will not be available to invest in the delivery of the capital strategy. <i>(Delivery will be the responsibility of the Assistant Director - Governance and Policy.)</i>	(2,523)	(460)	(733)	(914)	(914)
Contract Management - Reduction in the cost of contracted services and third party spend through improved contract management at all stages of the procurement process. <i>(Delivery will be the responsibility of the Assistant Director - Commissioning Support Unit.)</i>	(500)	(1,250)	(1,500)	(1,650)	(1,650)

2020-25 Budget Balancing Plan

What the change entails	Reduction	Indicative Additional Future Reduction			
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Corporate Services (continued)					
Senior Management Restructure - Reduction in the total cost of senior management across the organisation as part of the move to the new operating model. <i>(Delivery will be the responsibility of the Assistant Director - Finance.)</i>	(69)	0	0	0	0
Optimism bias - Provision for a 10% optimism bias for the benefits from the transformation programme. This is included to mitigate the risk to the sustainability of the MTFS. Any provision not required as the level of savings are confirmed will be released back into the MTFS for allocation in future years. <i>(Delivery will be the responsibility of the Strategic Director for Resources.)</i>	315	378	301	165	165
Total Reductions - Corporate Services	(2,777)	(1,507)	(2,107)	(2,399)	(2,399)
Total Annual Reductions	(6,209)	(5,567)	(7,307)	(6,131)	(8,098)
Total Cumulative Reductions	(6,209)	(11,776)	(19,083)	(25,214)	(33,312)

Warwickshire County Council – Pay Policy Statement 2020/21

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; and
 - 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 involved an anticipated reduction of 317 posts. Further staffing reductions may result as the Council determines its Council Plan for 2020 and beyond.
- 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 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.
- 2.7 It is the Council's policy to pay a temporary and reviewable 'market supplement' to salary levels within the NJC pay framework where there is clear and demonstrable evidence that the salary level otherwise attached to the post creates substantial recruitment, retention or 'market uncompetitiveness' difficulties.
- 2.8 Other groups of employees are paid in accordance with salaries or salary scales agreed by the relevant national negotiating bodies. These groups include uniformed fire and rescue staff, youth workers, craft workers and those falling within the ambit of the Soulbury Committee or School Teachers' Pay and Conditions agreements.
- 2.9 For all groups of staff paid in accordance with pay frameworks agreed by the national negotiating bodies, the Council's policy is to implement such salary increases as are agreed by those bodies without further local negotiation. Staff and Pensions Committee will consider pay and remuneration which falls outside of the recognised national frameworks and recommendations.
- 2.10 The only exception to the Council's policy of determining remuneration in accordance with national pay agreements, relates to senior professional or managerial employees whose posts are either at Tier 4A or are evaluated at more than 760 points under the NJC job evaluation scheme (see paragraph 2.6 above) and that meet the requirements of the Hay Grading scheme.

(The relationship between posts covered by the NJC pay framework and this group of employees was supported by the Staff & Pensions Committee on 27 May 2010).

- 2.11 The policy of the Council is to pay this group of employees, which includes the Chief Executive, Strategic Directors, Assistant Directors and Tier 3 management roles, 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. Each post is evaluated using a proprietary job evaluation scheme devised by Hay Management Consultants and used widely in the public and private sectors both in the UK and abroad.
- 2.12 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 £189,500.
- 2.13 The above policies apply save in cases where the operation of the Transfer of Undertakings (Protection of Employment) Regulations, or other statutory provision, dictate otherwise.
- 2.14 Where a person is appointed under a 'contract for service', rather than as an employee, the Council's Contract Standing Orders are followed to ensure that maximum value for money is secured.
- 2.15 **The County Council will apply the remuneration policies set out above for the financial year 2020/21.**

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 p.a., 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 1:10.6 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 (£26,999 pa) and that of the Chief Executive and Strategic Directors are 1:6.8 and 1:5.4 respectively.

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

- 4.1 The Chief Executive is paid on a four-point incremental scale (£174,500 – £189,500). Progression within the scale is determined by a performance management framework. 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 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 2.11 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 2.12 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 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; and

- 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 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 2.10 and 2.13 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.

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2020/21 Capital Budget Resolution

Conservative Recommendations to County Council

1. Financial Direction of Travel

- 1.1. The value of our assets is £1.1 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, and deliver the Council's vision to make Warwickshire the best it can be, sustainable now and for future generations, and strategic objectives as set out in the draft Council Plan 2025. This investment forms the basis of our capital programme and maximising value for money for our residents and the taxpayer pound.
- 1.2. Our Capital Strategy (**Appendix A**) has been developed alongside the 2020-25 Council Plan and Medium-Term Financial Strategy. It sets out how we aim to use our capital resources and deliver our priorities by providing:
 - The funded plans to deliver the Council's aspirations of our capital investment, defining the outcomes we are seeking to achieve;
 - The programmes and projects to be funded to deliver these plans; and
 - The way in which we will manage capital spend and the capital programme to deliver these outcomes at the pace expected by our residents

Much of the detail is included in the technical annex to the Capital Strategy. It provides the structure of the capital-programme, outlines how we determine the content and finance of our capital programme and provides an overview of how our capital programme is managed to deliver on the Council's outcomes and measure our performance. This meets the requirements of the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Authorities and is aligned to the Treasury Management and Investment Strategies.

- 1.3. We will create a more strategic and commercial focus to our approach to capital and investment aligned to the medium and longer-term place-shaping of Warwickshire, whilst still delivering our shorter-term programmes, such as our investment in the purchase of Pears.

- 1.4. We will continue with our 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 capital investments, a strong business case and the deliverability of the project to ensure benefits for those who live, work and visit Warwickshire.
- 1.5. We will supplement our externally leveraged capital resource with £25 million a year of borrowing. We will consider invest-to-save and commercial investments in excess of this where the investment will deliver revenue savings or create additional resource for investment. We will continue with the separation of maintenance and investment programmes that has brought benefits by reducing bureaucracy.
- 1.6. We will use our capital resources to deliver capital schemes that support the vision and objectives set out in the Council Plan 2025. As a priority, over the next 12 months, we expect investment proposals for the following to have been brought forward for decision:

<p>Supporting people</p>	<ul style="list-style-type: none"> • Investment in new school places, and in particular special educational needs provision within the county, including in the south of the county, similar combined provision to the new school/social care facility in Exhall for special educational needs and children’s social care. • Assistive technology to support health, care and well-being.
<p>Shaping places</p>	<ul style="list-style-type: none"> • Investments in accident hot spots to save lives • Further developing our network of cycle paths • Investment in 5G/broadband to connect our residents and support businesses across Warwickshire • Investments in place through ambitious schemes to shape Warwickshire and individual parts of it in line with commercial strategy priorities • Redoubling our efforts to attract inward investment • Bringing employers to Warwickshire as part of our place shaping to help our residents’ prosperity
<p>Maximising income and reducing expenditure</p>	<ul style="list-style-type: none"> • Helping new start-up business centres • Developing proposals to help meet the county’s future needs by investing in housing, land and property (residential, business and housing, including affordable), for example through a county property company • Waste management improvements across Warwickshire • Reducing the Council’s office footprint

	<ul style="list-style-type: none"> • Investment in developing the Fire and Rescue Service's estate • Investment in digital technology to improve the quality and efficiency of service provision
Climate Change	<ul style="list-style-type: none"> • Defending Warwickshire against flooding • Greening our fleet and electric charging points • Investment to reduce the Council's carbon footprint

- 1.7. Our revenue recommendations include the creation of a Place Shaping and Capital Feasibility Fund that will support the development of robust proposals that will enable us to bring forward creative and innovative investments to deliver on the ambitions of our Council Plan and supporting creation of a strong pipeline of future projects.
- 1.8. We will add £0.200 million a year to the maintenance programme for flood defence activity.
- 1.9. We require £3.000 million of the schools' capital grant to form a contribution towards the cost of maintenance of the school estate, with the balance of the grant to be used to meet the growing demand for school places, alongside contributions from developers.

2. 2020/21 Capital Programme

- 2.1. Approval is given to a capital programme of £494.738 million. Of this £210.981 million is for 2020/21 and £283.757 million for future years. There is £131.588 million in the Capital Investment Fund that will be allocated to specific schemes, in line with our priorities, as bids are created and considered over the five year of the 2020-25 Medium Term Financial Strategy.
- 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	2020/21	2021/22	2022/23 and later years	Total
	£'000	£'000	£'000	£'000
Education Services	41,411	7,175	14,730	63,317
Environment Services	86,875	32,724	46,188	165,788
Fire and Rescue Service	5,742	120	360	6,222
Strategic Commissioning - Communities	25,475	16,416	17,047	58,937
Children and Families	232	175	375	782
Business and Customer Services	168	500	1,274	1,942
Enabling Services	16,664	12,313	33,263	62,239
Governance and Policy	2,499	356	1,068	3,923
Total Allocations	179,067	69,779	114,305	363,150
Capital Investment Fund	31,914	24,918	74,755	131,588
Total Programme	210,981	94,697	189,060	494,738

Note: Table may not sum due to roundings.

- 2.3. In addition, we approve the addition of £26.776 million to the A46 Stoneleigh Junction Improvements scheme in the capital programme funded from third-party contributions. This approval is subject to the award of Department for Transport funding for the scheme.

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				
	2020/21	2021/22	2022/23 and later years	Total
	£'000	£'000	£'000	£'000
Capital Grants	58,742	23,404	63,418	145,564
Third Party Contributions	59,329	7,633	7,481	74,443
Capital Receipts	25,242	6,048	39,698	70,988
Revenue	1,300	0	0	1,300
Borrowing	66,368	57,612	78,463	202,443
Total Financing	210,981	94,697	180,060	494,738

Note: The borrowing figure is greater in 2020/21 as it includes the funding of capital spend financed by borrowing that was originally planned for in 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 2020/21 and the subsequent years as detailed in **Appendix C**.

5. Strategic Director for Resources: Statement

- 5.1. The following statement from the Strategic Director for Resources is noted:

“As “Chief Finance Officer” the Local Government Act 2003 requires me 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 based on realistic assumptions about risk and affordability and that it represents a robust and realistic 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 quarterly 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; and
 - Approve individual projects within the allocations made by Council.
- 6.2. In addition, the Strategic Director for Resources is authorised to vire capital projects between Services where such virements are as a direct consequence of a restructuring within the County Council.
- 6.3. The Strategic Director for Resources, in consultation with the Leader, is 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, which reviews whether all uncommitted capital spend at the end of the financial year remains 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 for 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 Financial Monitoring Report.
- 7.8. Strategic Directors, the Chief Fire Officer and Heads of Service, with approval from the Strategic Director for 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 via the quarterly Financial Monitoring 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 Strategy (MTFS) and Capital Strategy. Within those allocations, detailed budget management is delegated to the responsible

Assistant Director, in line with the agreed criteria and prioritisation approved by Council in the MTFS 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 relatively small in number. 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.

Investing in Warwickshire- Capital Strategy 2020-30



Introduction



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Cllr Peter Butlin

Deputy Leader and Portfolio
Holder for Finance and Property



Rob Powell

Strategic Director for
Resources
Warwickshire County Council

Investing in Warwickshire is a fundamental part of our role as a County Council. We want Warwickshire to be the best it can be, sustainable now and for future generations.

As a county, we boast a broad range of strengths that make Warwickshire a great place to be. We benefit from a buoyant economy, significant business and housing growth, considerable community capital, much valued natural environment and town centres that are a vital part of local life. But looking ahead, we also face significant challenges, including demographic pressures and the impact of climate change.

As an organisation, we are equally well placed but face uncertainty over future funding levels and our ability to meet growing demand for the services we provide.

Together, these factors influence our approach to capital investment. To respond effectively, we need to take a strategic and holistic approach to the use of our capital fund and assets to deliver our key priorities.

Our refreshed Capital Strategy 2020-30 aims to optimise the way in which we generate, manage and allocate the capital funds at our disposal. It

forms a critical part of our policy and financial planning process. It is an integral part of the Medium-Term Financial Strategy to help deliver our Council Plan 2025.

Our new approach aims to maximise the use of capital resources to continue to make Warwickshire an attractive place to live, work, visit and do business, ensuring good stewardship of our assets and maximising opportunities for sound investment when they arise.

This capital strategy has been developed to ensure that our long-term approach to investment takes proper account of prudence, value for money, risk, sustainability and affordability. It is supported by a robust delivery and governance framework to guide expenditure and investment decisions; performance will be monitored at overall, programme and project levels to track progress and achievements against priorities. Together these ensure compliance with the CIPFA Prudential code.

We recognise the lasting impact and legacy of good, evidence-based capital investment and the Capital Strategy 2020-30 sets out our approach to making this happen in and for Warwickshire.

1.

Purpose of our Capital Strategy

What is Capital?

Within Local government, capital is funding which is used to purchase or upgrade specific assets such as buildings, machinery, equipment, ICT, vehicles or intangible assets.

Unlike for revenue funding, these are investments that last a number of years and deliver long term benefit to the community, place and council.

Such capital Investment is funded by borrowing, grants, capital receipts, developer contributions, council contributions etc.

The costs are charged to revenue for depreciation and amortisation.

What is a Capital Strategy?

A capital strategy sets out the choices we make in relation to the amount and nature of the capital investment we spend. It is made up of three key elements:

1. **Strategic intent** – Sets out the aspiration and direction for our capital investment, defining the outcomes we are seeking to achieve through investment (Why).
2. **Programme** – Sets out the activity, programmes and projects that are funded by our capital investment (What).
3. **Framework** – Sets out the way we will plan and prioritise investments; manage capital spend and the capital programme in line with best practice and statutory requirements; execute the delivery of projects; manage risks and measure performance (How).

Together these elements set out the ambition for investment, the nature of that investment and the assurance of delivery.

2.

Why do we need a capital strategy?

Our Capital strategy sets out the direction, nature and focus of the capital programme and the framework which we operate to.

As a public body, we have a statutory duty to produce a capital strategy. An effective Capital Strategy helps ensure that the Council's capital and revenue expenditure on the asset portfolio is directed to deliver our key priorities. The Council Plan 2025 has a clear vision to make **Warwickshire the best it can be, sustainable now and for future generations.**

Our capital investment will be aimed at delivering our priority outcomes using the draft investment criteria below:

Warwickshire's communities and individuals are supported to be safe, healthy and independent (Supporting people) - invest to:

- **manage long-term demand through innovation**, sustainable service redesign, new technology and digital solutions;
- **strengthen community assets and community resilience** by investing in community capacity, self-help and capability, supporting local actions and priorities like climate change;
- **keep communities, including children, safe** by investing in safety, providing early support, preventing harm and helping to reduce crime;
- **meet future demand** through early intervention and timely provision of capital assets to support vulnerable people to live well (school places, independent living accommodation).

Warwickshire's economy is vibrant and supported by the right jobs, training, skills and infrastructure (Shaping places) - invest to:

- make Warwickshire sustainable now and for the future through actions to secure carbon reduction, mitigate against climate change, increasing recycling, reducing waste, using products from sustainable sources and encouraging community actions;
- help economic growth by reducing unemployment, improving skills, improving education provision, supporting business growth and local industries and attracting investment to Warwickshire;
- enable infrastructure improvement to improve connectivity, enable modal shifts in travel, maintain networks etc;
- support local economic resilience through local area regeneration, sustaining town centres;
- enhance Warwickshire as a place to live and visit improving Warwickshire's attractiveness, public spaces, natural parks, visitor assets and community places.

Making the best use of our resources (Maximising our resources) - invest to:

- **generate income** through investments that generate tax revenue, grow revenue streams or deliver enhanced capital receipts;
- **create social value** through our procurement, commissioning, service delivery and estate management to produce wider social, economic or environmental benefits for our communities and
- **ensure good stewardship of Council assets** through timely maintenance, appropriate use of technology and energy efficiency.

Strengthening
our strategic
focus

Matching
our
programme to
our ambition

Optimising
Delivery

Our enhanced approach is to adopt:

- a portfolio view;
- a holistic and outward looking focus;
- investment to transform services;
- a streamlined approach and
- a medium/long term perspective.

Benefits of an effective capital strategy

- look to the long term future;
- influence the decisions and choices we make;
- create opportunities and influence agendas;
- focus on our place-shaping role and working with partners and
- create consistency and coherence to our investment.

How does this fit with other strategies?

The capital strategy is a key part of our strategic framework and a critical element of our Medium Term Financial Strategy (MTFS), which is in turn aligned to the Council Plan 2025.

Whilst the MTFS covers the period 2020-2025, the capital strategy reflects the long-term nature and benefit of capital investment and is written over a longer timeframe, stretching to 2030.

Our approach to capital investment is both informed by and informs our:

- Risk management strategy;
- Commercial strategy;
- Reserves strategy; and
- Treasury management strategy.

This suite of strategies builds a holistic approach to investment. It recognises the revenue cost of borrowing capital (similar to a mortgage), ensuring that we are clear about what we need. They will inform our work and influence over wider agendas and partnership working such as Health and Wellbeing, The West Midlands Combined Authority, Coventry and Warwickshire Local Enterprise Partnership, City of culture, the Commonwealth Games and other local authorities.

3.

Drivers for Capital Investment

Local and national factors that will shape the need for capital investment during the next 10 years include:

Supporting People

- Warwickshire continues to be an attractive place to live, work and visit, which will experience significant population and housing growth over the next 20 years. Population growth is forecast to increase by at least 7.2% by 2041 and may well exceed this in view of housing development trends.
- The main growth will be in older age groups: those aged 70 and over are projected to increase by almost 50% by 2041 and those aged 85 plus will more than double.
- A growing ageing population is likely to see increases in those living with disabilities and other long-term health conditions, leading to additional demand pressures on public services including health, social care and fire to protect, prevent and support vulnerable people.
- The number of Children Looked After by the Council is projected to continue to rise, reflecting population increases and national trends.
- There will be significant pressures on our social care budgets as a result of the rise in the numbers of elderly people, those with disabilities, in ill-health and children looked after by the Council. This will require us to work differently; to invest in early interventions, demand management encourage service innovation, reduce costly care packages and enable more self-help and resilience in our communities.
- Our School age population is projected to increase by 3% by 2025 but this will then slow down by 2041. There is an estimated need for an additional 8,000 school places by 2025.
- The growth in population and households will mean a need for additional infrastructure requirements, particularly transport, waste and school places including special education needs.

Shaping Warwickshire

Shaping Warwickshire as a place to live, work and visit

- The Council has declared a climate change emergency and is developing an action plan in response and in recognition of its role as community leader, service provider and estate manager.
- The number of households is projected to increase by 13% to 271,497 by 2041. In addition, Neighbourhood Plans include proposals for an additional 56,000 households by 2033, with each of the 5 District /Borough areas projecting growth in households of 10,000 or more.
- Managing and maintaining Warwickshire's transport network poses several challenges which include: the need for new infrastructure, improving connectivity, how to secure a modal shift away from cars, dealing with the impacts of increasingly car dominated and congested town centres and improving road safety.
- The Council's commitment to make Warwickshire the best it can be is informed by an emerging place-based planning which helps identify specific opportunities and needs to be addressed in the context of the Council Plan using revenue and capital resources.

- Warwickshire has a strong growing economy which outperforms most parts of the Midlands but lags the best performing areas of the South East; our productivity still lags below the national average.
- Employment growth in Warwickshire is expected to increase by 2.4% (7,800 + jobs) between 2017 and 2025 (LEFM, 2017).
- The West Midlands has been selected as the preferred partner for the government's Urban Connected Communities project which will develop a large-scale, 5G pilot across the region, with a hub in Coventry. 5G mobile connectivity is expected to revolutionise the digital environment, with benefits to business, public services and society; attracting investment and talent to the region. It will also provide opportunities for locally based businesses to contribute to the innovation ecosystem and improve connectivity to support small and social enterprises particularly the digital and creative and SME sectors.
- Strong partnership efforts and investment will be needed to sustain the role of our town centres in the face of changing consumer habits and emerging opportunities to enhance our visitor offers.

Warwickshire County Council drivers

- Population growth helps increase the Council tax base and positively impacts on our ability to borrow for capital investment.
- We need to work in different and innovative ways to reduce costs and optimise use of our assets. This will aid our sustainability in the face of growing demand and an uncertain financial climate for local authorities.
- There are opportunities and challenges to leverage external contributions (grants, developer contributions etc) for our capital programme.
- We need to optimise our commercial approach and activities to generate income and make better use of resources in a way that delivers wider outcomes for Warwickshire.
- Technological advances and changes in the way customers interact with service providers, will lead us to maximise the use of digital and other technologies across our services.
- Our asset management strategies and estate modernisation plans will help sustain our core assets, (council and fire) support modern flexible ways of working, our climate change commitment and our people strategy.

4.

Guiding principles for our Capital investments.

Approach

This capital strategy represents a step change in our approach to capital investment, and is guided by these three key principles:

1. Strengthening our strategic focus

and role as a shaper of place for Warwickshire by applying a holistic, forward looking and externally focused approach to our capital investment

2. Matching our programme to our ambition

Right sizing the capital programme to ensure it reflects the broad range of our ambition and outcomes

3. Optimising Delivery

Strengthening our performance in relation to capital projects, adopting commercial principles and practices which enhance evidence-based decision making and robust benefit realisation

The key principles of our Capital Strategy are:

Page

11

7

Strengthening our strategic focus

Focusing on our core purpose and supporting the Council's priority outcomes:

The capital strategy exists to deliver the Council's Corporate Plan priority outcomes, strategic objectives and to help implement our key strategies. It will take a holistic, balanced and joined up view on investment across the full spectrum of Council objectives as set out in the Council Plan 2025.

Matching the programme content to our ambition

Taking a holistic view and ensuring strategic fit: The capital strategy will drive the right prioritisation of capital investment in an integrated approach across the Council and with our transformation programme to drive innovation and creative solutions for managing demand, improving productivity and reducing cost. It will support good investments, maximise returns and exploit opportunities. Our capital plan will make the best use of resources to meet current needs, deliver a sustainable future for the next generation and be affordable.

Being risk aware: We will be risk aware, ensuring compliance with our statutory duties and providing proportionate and appropriate scrutiny to drive improvement. We will operate within agreed tolerances for risk, reading across the entire capital programme and learning from the delivery of individual projects.

Optimising delivery

Building a commercial and business-like approach to investment: The capital strategy is critical to embedding a more strategic, business-like and risk-aware approach, as encapsulated by our new commercial strategy. It will be informed by a long term pipeline of investment and external funding opportunities. All capital investments will be supported by a robust business case, setting out the requirement, objectives of the capital expenditure, intended outcomes and benefits, the costs and the risks.

Assurance: The capital strategy must drive a capital delivery programme which maximises the return (social value and financial benefits) from our capital investment. It will be supported by the right capabilities, plans and delivery management to minimise slippage, accelerate benefits realisation and achieve value for money.

5.

Capital Programme

The Council maintains an approved capital programme, that covers a 5 year period, which is subject to an annual update as part of the budget process and Medium Term Financial Plan. The capital programme incorporates:

- the roll forward of existing approved capital projects;
- an annual 'rightsizing' of approved capital budgets to ensure optimal allocation of corporate resources;
- allocations for rolling, annual maintenance programmes; and
- a single investment pot to fund new priorities.

The effect of investment priorities is reflected in both the Medium-Term Financial Strategy and Treasury Management Strategy.

Capital Programme approval process

The capital programme is developed in line with the Medium-Term Financial Strategy and approved as part of the Capital Budget Resolution by Full Council in February each year.

The Corporate Board will review the draft future capital programme, consider its affordability and make recommendations to the Cabinet.

The Cabinet is responsible for considering the capital programme, along with recommendations on how it should be financed as a whole, its affordability and priorities, and will recommend a revenue budget and a capital programme to the Full Council for approval.

Project approval

Capital projects will be brought to Members for approval throughout the year. Capital approval rules allow for this, meaning that the capital programme evolves throughout the year.

Assessment of bids for investment will take place through the new capital governance process. Once a need for a new asset/project has been identified, it will be developed in line with the Council's project management framework and standards (available on the Council's Intranet). This will involve preparing an outline business case to enable an assessment of the desirability and affordability of the project.

If approved, a full business case is developed and submitted for approval through our Gateway

process. The full business case will include an options appraisal and will ensure that the full implications of every proposal are clearly understood to enable decisions on whether to proceed with the project and to prioritise the application of capital against our investment criteria. It will also ensure that capacity to deliver the project, risks associated with the project, and value for money have all been considered.

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Once approved, these will be added to the Capital Programme.

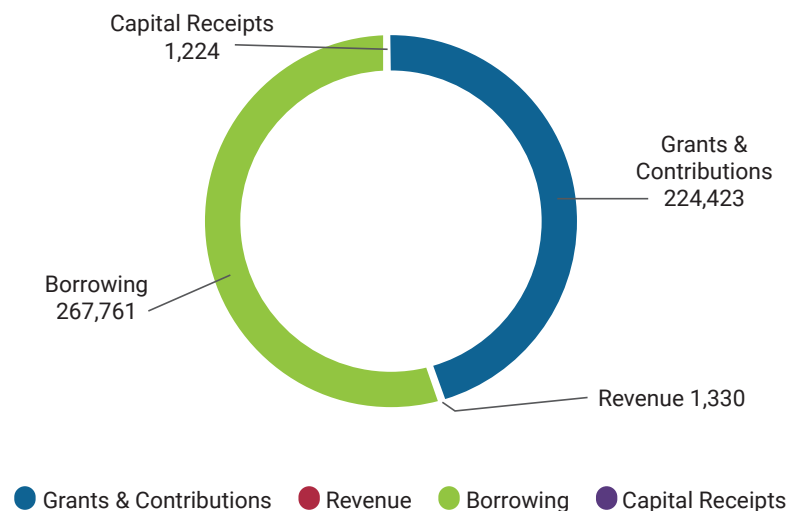
Financial Monitoring

The technical appendix sets out how the capital programme is monitored to ensure that our capital spending is effectively managed to deliver value for money, together with the capital governance framework.

The funding of capital expenditure and funding principles

Our main capital resources are service specific grants, third-party contributions, capital receipts,

contributions from revenue and borrowing. 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. We aim to optimise the use of all other available sources before using borrowing to fund our capital programme. The funding of the capital programme is outlined in the chart below:



Based on current estimates, WCC is expecting to spend £494.7m over the next 5 years. A breakdown of the capital programme is attached to the capital budget resolution and analysis of the allocations is included in the technical appendix. Future capital priorities not yet included in the capital programme are included in Annex D to the technical appendix.

The Council's strategy for its borrowing is set out in the Treasury Management Strategy Statement and takes account of factors such as interest rates and the spreading of loan repayment dates to reduce risk. The technical appendix outlines the approach taken to assessing sustainability and affordability of the capital programme and illustrates the effect of borrowing decisions on the revenue budget. Prudential indicators will be approved as part of the capital budget resolution.

Our current assumptions, subject to Member approval for the delivery of the overall capital programme are:

- £35.600 million new borrowing annually, funded as part of the revenue budget proposals for 2020-25 Medium Term Financial Strategy.
 - £10.682 million of maintenance allocations are funded from a top slice of this borrowing and are strictly cash limited.
 - The balance of the £35.600 million annual borrowing (£24.918 million a year) will be allocated to the Capital Investment Fund where services will be invited to submit business cases to bid for funding throughout the year.
- 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 disposal profile of capital receipts will be used to inform the MTFs and revenue savings targets by offsetting the cost of new borrowing.
 - 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. £3.000 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 maximised and applied to appropriate schemes ahead of Council resources whenever possible.

CIPFA Prudential Code

The 2017 edition of the CIPFA Prudential Code for Capital Finance in Local Authorities introduced the requirement for authorities to produce a capital strategy. The purpose of the capital strategy is to place decisions about borrowing in the context of the overall longer-term financial position of the authority and to provide improved links between the revenue and capital budgets. The guidance is not prescriptive and allows the capital strategy to be tailored to the individual authority's circumstances. The Council has adhered to this guidance in this Capital Strategy.

6.

Capital Framework

Our Capital Framework covers:

- how we plan for capital investment, identifying priorities, inter-relationships and a long- term pipeline;
- the selection of projects, sub-programme priorities and the total capital programme;
- governance, including decision-making, risk management, assurance and control;
- the planning and execution of projects (using PMO, Prince2 & RIBA standards); and
- performance measurement using KPIs (financial, technical, economic, environmental & social metrics) to track progress at different stages, delivery, benefits/ achievements, reporting and lessons learnt.

The capital framework will include a methodology to classify and define stages/phases of the way we deliver our capital investments, which will be based on recognised industry standards e.g. PRINCE2 and RIBA Plan of work, along with other best practice.

We will be providing a clear definition about what performance is, and how it will be measured so that we can assess whether our projects and investments are on track, KPIs and benchmarking will be used to capture our position and how well we are doing.

A robust monitoring approach will provide early warnings for the management of risks before they become issues. Our framework will have a clear definition and understanding of the quality of Capital Programme delivery to help us learn and drive improvements.

These will be used in conjunction with the overall performance framework of the council and with the MTFs.

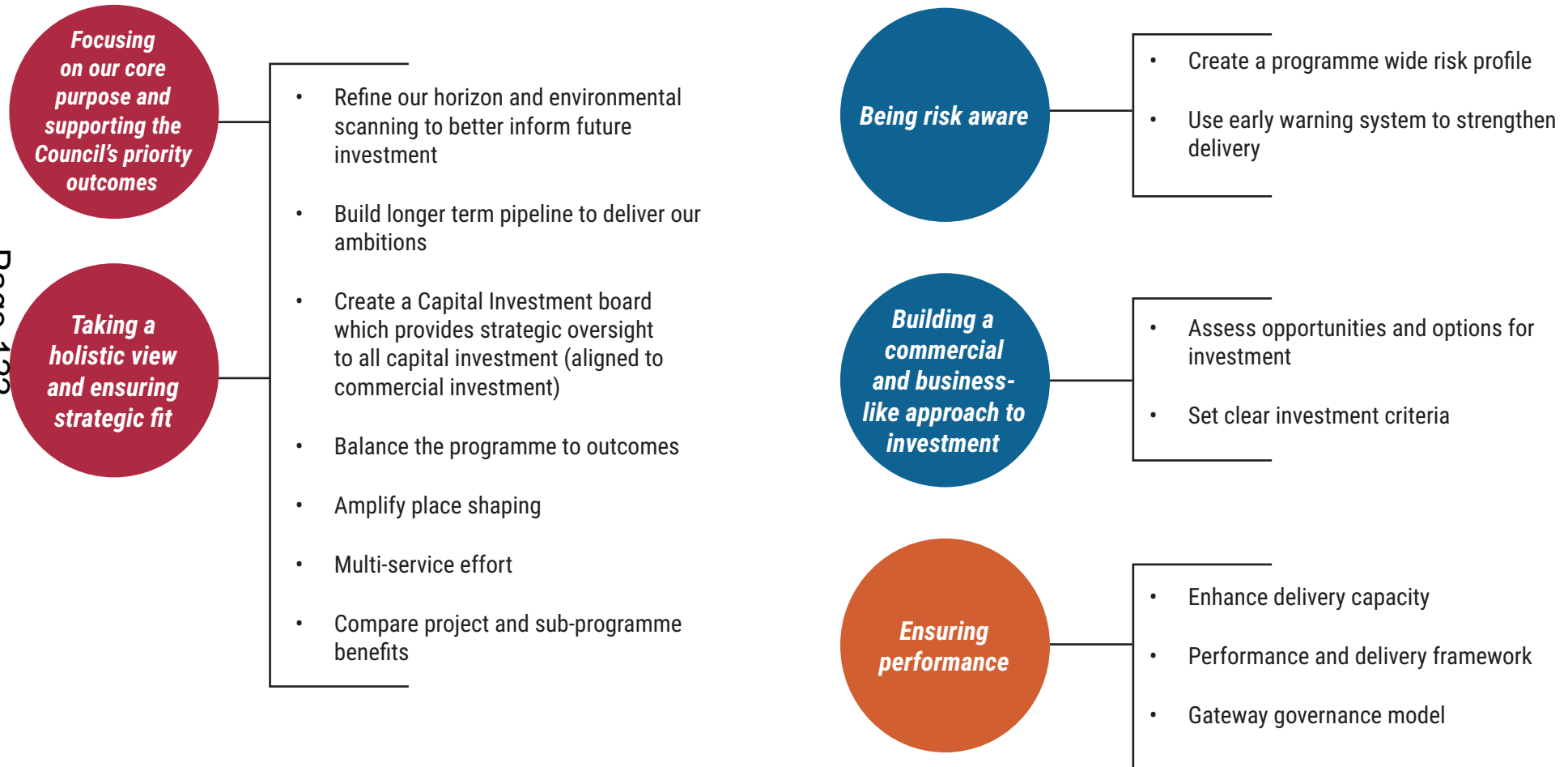
We will be creating definitions and processes relevant to the work of Warwickshire County Council around; why projects change and how that change is managed through structured change control; how we validate variations within our capital projects and how we plan ahead and account for change e.g. use of financing contingency, financing risk and identifying optimism bias.

7.

Making it happen

The following are some key actions that will help the delivery of the strategy over the next 12 months.

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Our Capital strategy will be reviewed annually alongside the annual refresh of the Capital Programme

The enhanced assurance framework will ensure that the programme and framework are constantly reviewed and relevant.

Performance will be reported quarterly to Cabinet.

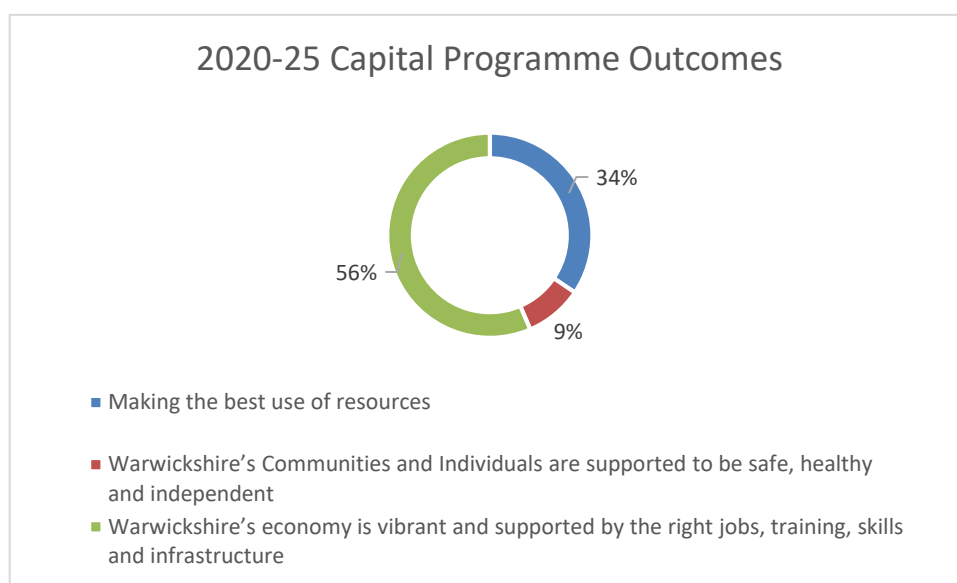
December 2019

Investing in Warwickshire

Capital Strategy 2020-2030 – Technical Appendix

Why do we need a Capital Strategy?

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. Our capital investment is aimed at delivering our priority outcomes for which the current gearing of our capital programme is as follows:



This technical appendix to the Capital Strategy provides 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 and how we deliver the above outcomes.

What is Capital?

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 the 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.

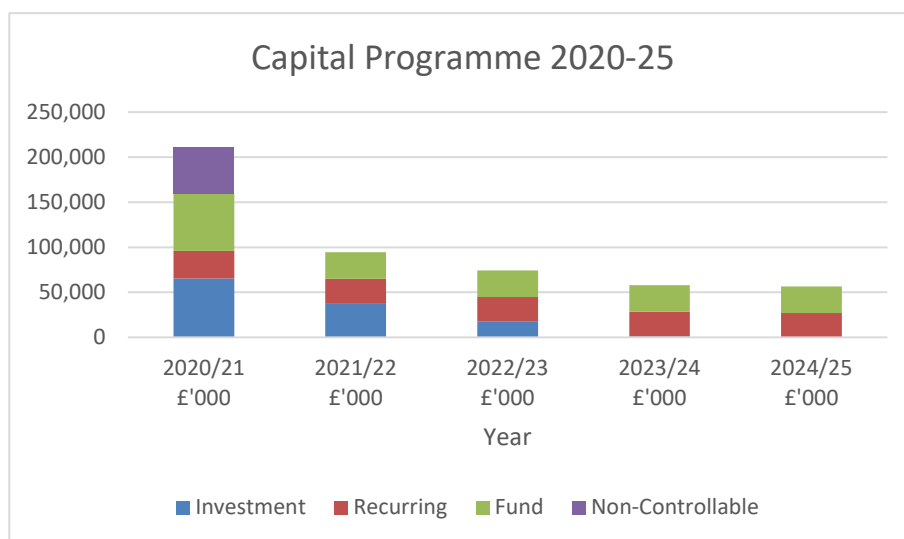
Some of our spending allocations are to either purchase or improve an asset belonging to another organisation or individual; in these circumstances, we include the expenditure in the capital programme for budget setting and monitoring processes, but follow the CIPFA Code requirements for accounting treatment 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.

Our Capital Programme

There are four broad strands to our capital programme, each programme has a number of strands that ensure a clear focus on the purpose of capital spending and the prioritisation of proposals:

- A recurring maintenance programme that ensures our assets continue to be fit for purpose and able to support the delivery of services;
- Non-controllable projects, generally funded from developer contributions and not wholly within the Council's control;
- An investment programme that creates and develops new assets through individual projects, and;
- Corporately held investment funds for allocation as business cases are submitted and approved.



*Future non-controllable spend cannot yet be predicted so 2021/22 is not comparable with 2020/21.

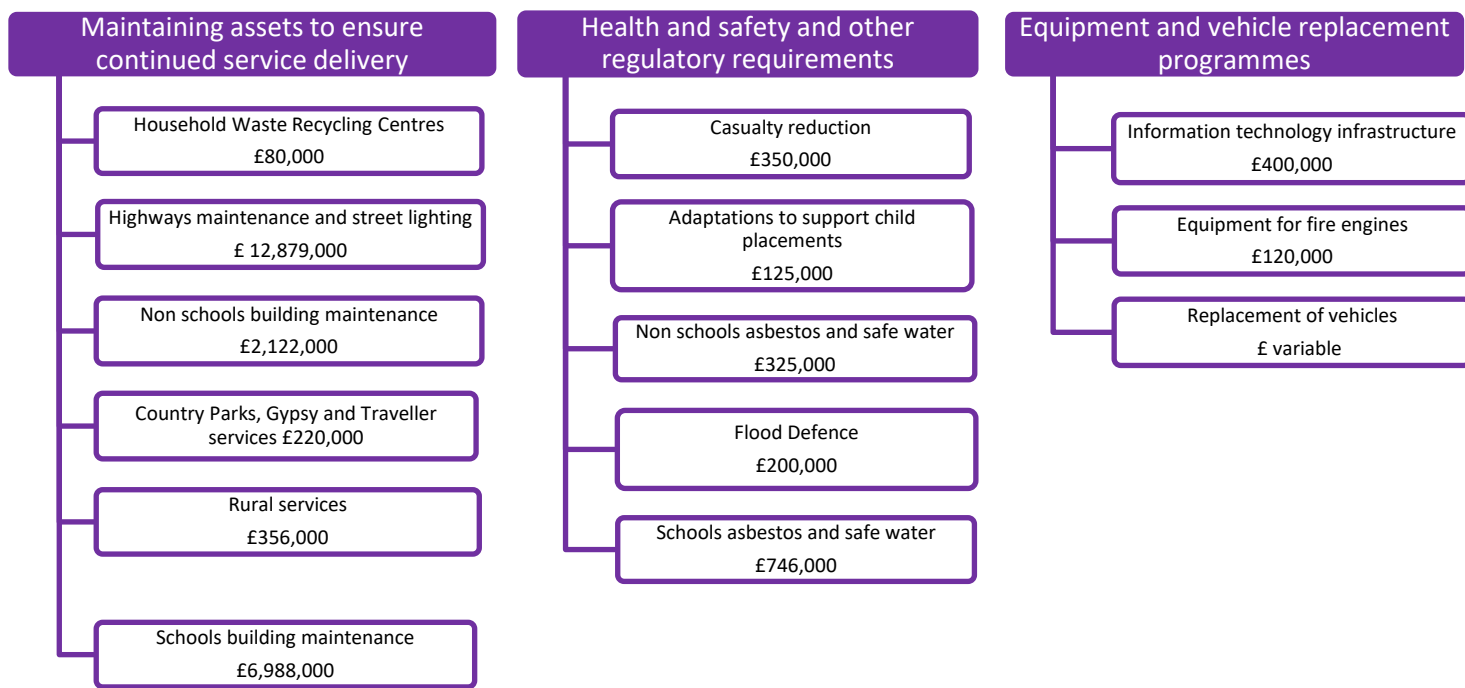
Guiding principles for our Capital Maintenance

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; or
- Annual cost of equipment and/or vehicle replacement programmes

Our annual maintenance programme is £10.682 million a year funded from borrowing (plus a £3.000 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 C summarises the prioritisation methodology that will be used through to 2025 for each of the elements of the rolling maintenance programme.

Guiding principles for our Capital Investments

Capital Investment: Non-Schools

Any capital spending not included in the recurring 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.

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.

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. Any scheme costing above £2 million requires the approval of Full Council, regardless of funding source or expenditure type.

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](#). In response to the climate change emergency, the evaluation criteria specifically require that every new investment scheme explains how it will contribute to addressing climate change (where applicable).

[Annex B](#) 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 2020/21 maintenance programme. It also includes a 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. [Annex B](#) includes the prioritisation of future investment programmes.

Currently the Council generally does not choose to make investments in the commercial property market purely for the purpose of generating a financial return, however with the Council moving towards taking a more commercial approach this could possibly be revised in future as part of the Commercial Strategy approved by Cabinet in October 2019, the capital strategy will be updated to reflect such changes in direction. 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.

Capital Investment: Schools and Educational Facilities

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 in a period of significant growth, with large scale housing development proposed across the county over the next 10 years and beyond. It is expected this will require additional education provision Warwickshire children. As development progresses across the county there will be a 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 D](#) for link.

Guiding principles for our Capital Funding

Capital Receipts

Through our approach to asset management planning (see [Annex D](#)), 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:

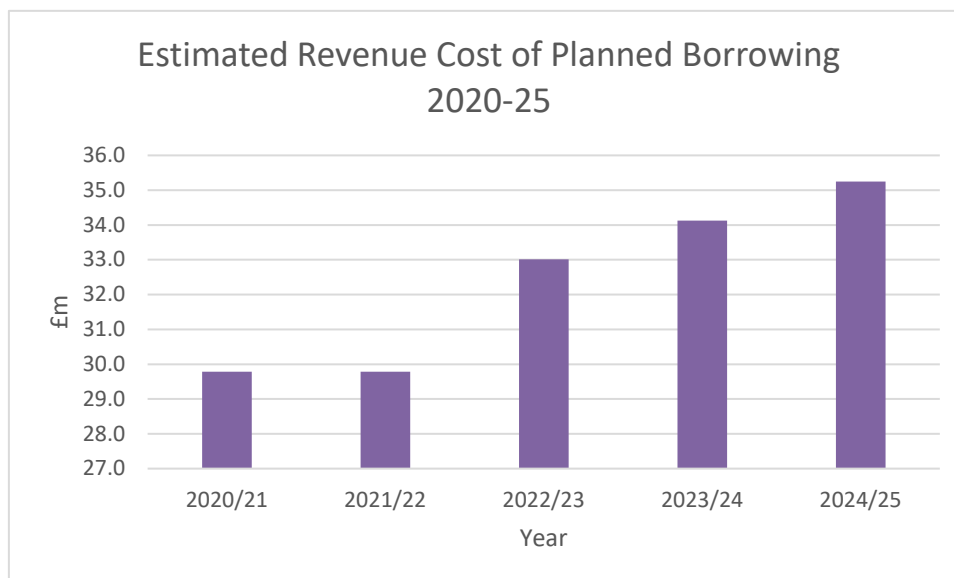
- Whether assets are surplus to requirements in the short, medium and long term;
- Whether assets are achieving their financial or service delivery performance targets;
- The level of any potential financial return;
- Any legal obligations; and
- The impact on corporate policies and the promotion of key strategic policies.

All capital receipts, with the exception of school receipts which are reinvested, are used to repay debt, with 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 £35.600 million borrowing each year is affordable within the 2020-25 Medium Term Financial Strategy 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 £29.781 million in 2020/21, £29.781 million in 2021/22, £33.014m in 2022/23, £34.123m in 2023/24 and £35.245m in 2024/25.



Provision for these costs is included as part of our 2020/21 budget and medium term financial strategy. 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 D). 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 2020-25 Medium Term Financial Strategy 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.

Capital Investment Fund

The 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, through the agreed capital framework. 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.

Making It Happen

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.

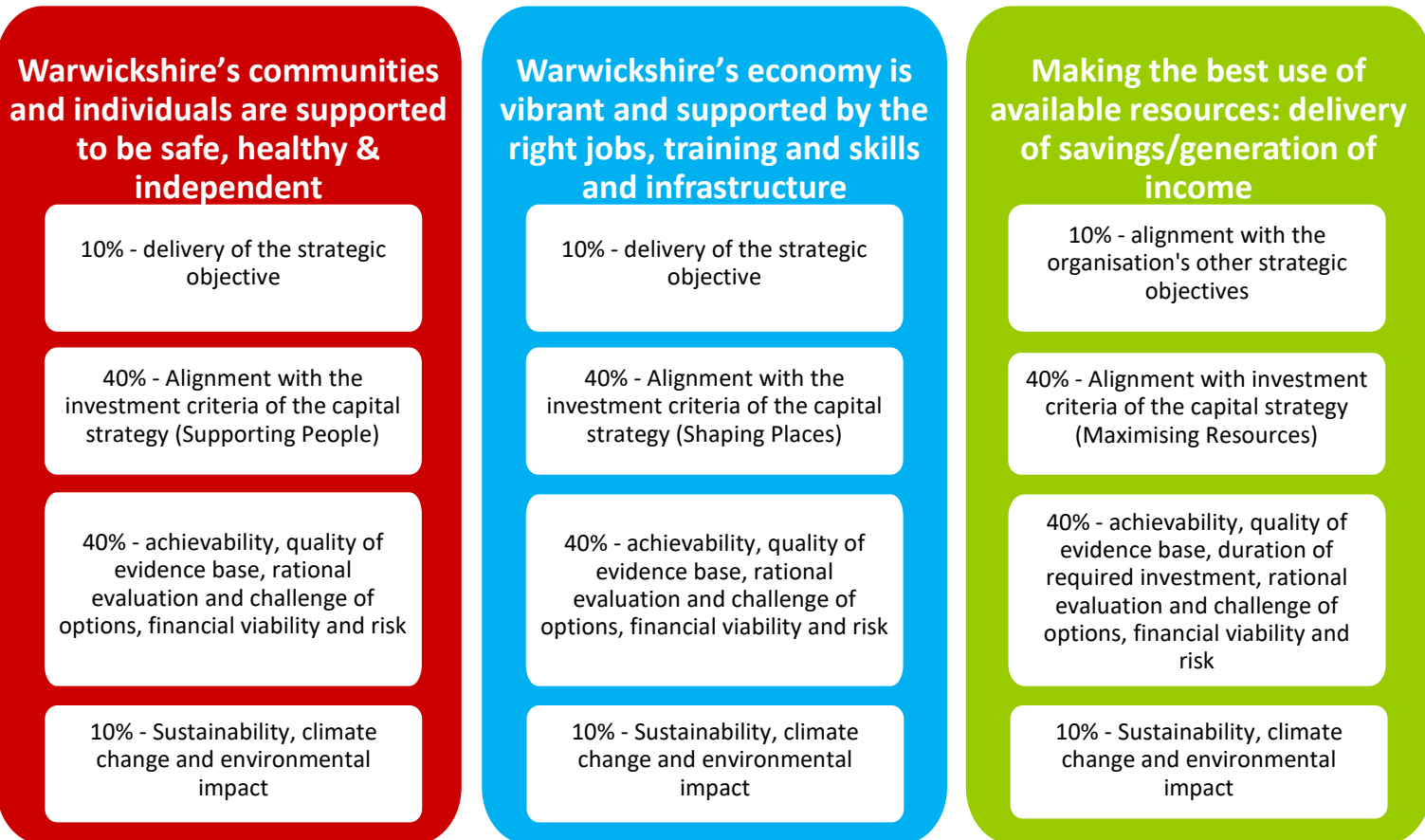
In order to ensure WCC staff are equipped with the right training and knowledge to deliver the capital programme, a suite of e-learning materials and guidance notes are made available to all project managers and finance staff explaining the rules and principles underpinning capital expenditure and financing. Guidance on monitoring and approval processes for capital expenditure is made available to all staff on our intranet.

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; and
- 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.

Capital projects will now be approved through a new capital gateway process and be more closely monitored through the capital framework which will rely on a methodology to classify and define stages/phases of delivery for our capital investments. The framework will have a clear definition and understanding of the quality of Capital Programme delivery to help us learn and drive improvements.

Summary of Capital Investment Fund 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 Priority Outcomes

The table below shows the connection between the Council's capital investment plans, the organisation's key objectives and the Capital Strategy's focus for investment. Business cases are still to be completed to confirm final funding allocations and formal addition to the council's capital programme. Locations are provided for information where not clear from scheme title; where not shown, schemes may be at multiple sites or county-wide.

Pillars	Capital Investment Priorities
Supporting people	<ul style="list-style-type: none"> - Investment in quality and accessible education spaces for all school children in Warwickshire - Investment in social care services, supported accommodation and accommodation with support - Capital investment to support delivery of Public Health services
Shaping places	<ul style="list-style-type: none"> - Improvements to the Fire & Rescue Service estate - Investments in Place - To invest in ambitious schemes to shape Warwickshire and individual parts of it in line with commercial strategy priorities - Economic Development - Sustainable Transport
Maximising our resources	<ul style="list-style-type: none"> - Investment in better ways of delivering services such as libraries and heritage/culture - Investment in Digital and ICT - Investment to maximise the effectiveness of our property estate
Climate Change	<ul style="list-style-type: none"> - Climate Change Mitigation - Carbon Footprint

*Priorities will be included as part of the 2020/21 Conservative Budget Resolution

Prioritisation of the Annual Maintenance Programme

Given the announcement of a climate change emergency, all annual maintenance programmes are expected to consider how the programme of works can contribute towards addressing climate change.

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.); and
- 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 3' and, therefore, achieving the highest 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); and
- 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; and
- 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; and
- 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.

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

- 2020-25 Council Plan
- Commercial Strategy
- Risk Management Strategy
- Reserves Strategy

2020/21 Capital Programme - by Outcome and Service

Service	Scheme Title	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Investment Programme							
Warwickshire's Communities and Individuals are supported to be safe, healthy and independent							
Children and Families	Children and families property adaptations, purchases and vehicles	107	50	0	0	0	157
Strategic Commissioning for Communities	A426 Gateway Rugby to Rugby Town Centre Cycle Scheme	265	0	0	0	0	265
	A439 Southern Casualty Reduction	500	0	0	0	0	500
	Average Speed Cameras	1,764	0	0	0	0	1,764
	Barford Junction Safety and Capacity Improvement Works (s106)	170	0	0	0	0	170
	Bermuda Connectivity	4,705	0	1,000	700	0	6,405
	Green Man Coleshill Signalised Junction	500	0	0	0	0	500
	Hinckley to Nuneaton cycle route	260	163	0	0	0	423
	Home to School Routes	792	0	0	0	0	792
	Kenilworth Station	880	0	0	0	0	880
	Nuneaton to Coventry cycle route	300	692	0	0	0	992
	Bus shelters, Narrow Hall Meadow nr GP Surgery Chase Meadow (s106)	20	0	0	0	0	20
	School Safety Zones	127	0	0	0	0	127
	Small Business Grants	361	183	17	0	0	561
	Southbound bus stop on A426 Leicester Road Rugby	0	41	0	0	0	41
	Temple Hill / Lutterworth Road Wolvey Casualty Reduction Scheme	1,000	0	0	0	0	1,000
	Transforming Nuneaton	3,170	0	0	0	0	3,170
	Upgrade existing shared pedestrian/cycle path, Bermuda	11	0	0	0	0	11
Weddington Road , Nuneaton implement toucan crossing	101	0	0	0	0	101	
Education Services	Pears Centre	500	0	0	0	0	500
Environment Services	Install CCTV on Emscote Road Warwick (Tesco Stores)	9	0	0	0	0	9
Fire and Rescue Services	Fire Emergency Services Network (ESN) preparedness	732	0	0	0	0	732
	Fire and Rescue Training Programme	1,874	0	0	0	0	1,874
	Fire and Rescue HQ Leamington Spa	2,236	0	0	0	0	2,236
	Training Centre - new build	700	0	0	0	0	700
Total for Warwickshire's Communities and Individuals are supported to be safe, healthy and independent		21,084	1,129	1,017	700	0	23,930

2020/21 Capital Programme - by Outcome and Service

Service	Scheme Title	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Warwickshire's economy is vibrant and supported by the right jobs, training, skills and infrastructure							
Strategic Commissioning for Communities	Transforming Nuneaton (Library and Business Centre)	771	12,133	6,054	233	0	19,192
	Duplex Fund	992	168	87	53	0	1,300
	Capital Growth Fund Business Loans and Grants	195	206	137	275	0	812
Education Services	All Saints Primary, Nuneaton, replace temporary classrooms	59	0	0	0	0	59
	Campion Phase 1 (incl sports hall refurbishment)	2,267	0	0	0	0	2,267
	Eastlands Primary temporary classroom	60	0	0	0	0	60
	High Meadow Infant School - new classrooms, group rooms and toilets	1,590	0	0	0	0	1,590
	Kineton High refurbishment - phase 1	125	0	0	0	0	125
	New School, The Gateway, Rugby	2,750	2,265	0	0	0	5,015
	Newdigate Primary School - expansion and internal refurbishment	1,326	0	0	0	0	1,326
	Ridgeway School - reconfiguration of classrooms	60	0	0	0	0	60
	Round Oak School - reconfiguration of classrooms	190	0	0	0	0	190
	The Ferncumbe Primary temporary classroom	20	0	0	0	0	20
	Welcombe Hills vehicle access alterations	442	0	0	0	0	442
	Investment in school adaptations to reflect pupils access needs	400	400	400	400	400	2,000
Provision of additional school places	31,623	4,510	4,510	4,510	4,510	49,663	
Enabling Services	Development of Rural Broadband	5,007	1,732	1,521	0	0	8,260
	Renewable energy	995	0	0	0	0	995
Environment Services	A3400 Birmingham Road Stratford corridor improvements	3,393	0	0	0	0	3,393
	A422 Alcester Road access to development and relocation of crossing	6	0	0	0	0	6
	A422 Banbury Road Ettington Ghost Island right turn lane	10	0	0	0	0	10
	A426/A4071 Avon Mill Roundabout Rugby improvement scheme	1,123	0	0	0	0	1,123
	A426 Southam Rd Southam access to quarry at Griffins Farm	10	0	0	0	0	10
	A428 Lawford Road Rugby right turn lane and access to development site	50	0	0	0	0	50
	A429 Ettington Rd Wellesbourne new roundabout and puffin crossing	10	0	0	0	0	10
	A444 corridor improvements - phase 2	662	3,796	0	0	0	4,458
A452 Europa Way, Olympus Avenue to Heathcote Lane roundabout	0	0	7,481	0	0	7,481	

2020/21 Capital Programme - by Outcome and Service

Service	Scheme Title	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Environment Services	A452 Europa Way Warwick traffic signals	191	0	0	0	0	191
	A452 M40 spur west of Banbury Road	0	7,591	0	0	0	7,591
	A46 Stanks Island, Warwick	4,248	0	0	0	0	4,248
	A46 Stoneleigh junction improvements	0	4,881	0	0	0	4,881
	A47 Hinckley Road corridor	2,862	0	0	0	0	2,862
	A47 Hinkley Road Nuneaton puffin crossing	10	0	0	0	0	10
	A47 The Long Shoot Nuneaton refuge island and right turn lane	16	0	0	0	0	16
	B439 Salford Road Bidford - access and puffin crossing	75	0	0	0	0	75
	B4429 Ashlawn Rd Rugby new puffin crossing	10	0	0	0	0	10
	Bridleways improvements Brownsover Rugby	6	0	0	0	0	6
	Butlers Leap Link Road - traffic signal improvements	300	0	0	0	0	300
	C98 Loxley Rd , Tiddington - site accesses and improved footways	500	0	0	0	0	500
	Warwick Town Centre transport package	4,046	0	0	0	0	4,046
	Cycle routes - Kenilworth to Leamington	2,519	2,230	0	0	0	4,749
	D7050 Common Lane Kenilworth traffic signal junction	500	0	0	0	0	500
	MOVA operation on traffic signal junctions Emscote Road Warwick	75	0	0	0	0	75
	Install traffic signals junction Colliery Lane / Back Lane Exhall	45	0	0	0	0	45
	Install variable message signs A444	82	0	0	0	0	82
	Lawford Road / Addison Road casualty reduction	736	0	0	0	0	736
	M40 Junction 12	57	30	0	0	0	87
	Minor bridge maintenance schemes	400	0	0	0	0	400
	Portobello Bridge	200	1,296	10	0	0	1,506
	Rugby Gyrotory improvement scheme	25	0	0	0	0	25
Rugby, Hunters Lane - through route New Tech Drive To Newbold Rd	329	0	0	0	0	329	
S106 Rights of Way scheme at Long Shoot development Nuneaton	6	0	0	0	0	6	
Total for Warwickshire's economy is vibrant and supported by the right jobs, training, skills and infrastructure		71,373	41,239	20,200	5,472	4,910	143,193

2020/21 Capital Programme - by Outcome and Service

Service	Scheme Title	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Making the best use of resources							
Business and Customer Services	Improving the customer experience/one-front-door improvements	168	500	1,274	0	0	1,942
Strategic Commissioning for Communities	Design Services area delegated funding	11	0	0	0	0	11
	Land at Crick Road Rugby (Rugby Parkway)	2,487	0	0	0	0	2,487
	Nuneaton and Bedworth town centre - Queens Rd West improvements	50	0	0	0	0	50
	Area Delegated Funding	4,736	2,000	2,000	2,000	2,000	12,736
Governance and Policy	Maintaining the smallholdings land bank	844	0	0	0	0	844
	Strategic site planning applications	1,300	0	0	0	0	1,300
Total for Making the best use of resources		9,596	2,500	3,274	2,000	2,000	19,370
Capital Investment Fund							
Corporate	Capital Investment Programme - Existing	6,996	0	0	0	0	6,996
	Capital Investment Fund - New	24,918	24,918	24,918	24,918	24,918	124,592
Total for Capital Investment Fund		31,914	24,918	24,918	24,918	24,918	131,588
TOTAL INVESTMENT PROGRAMME		133,967	69,787	49,409	33,090	31,828	318,081

2020/21 Capital Programme - by Outcome and Service

Service	Scheme Title	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Maintenance Programme							
Warwickshire's Communities and Individuals are supported to be safe, healthy and independent							
Children and Families	Investment to support carers	125	125	125	125	125	625
Fire and Rescue Services	Operational equipment	200	120	120	120	120	680
	Total for Warwickshire's Communities and Individuals are supported to be safe, healthy and independent	325	245	245	245	245	1,305
Warwickshire's economy is vibrant and supported by the right jobs, training, skills and infrastructure							
Strategic Commissioning for Communities	Casualty reduction schemes	669	350	350	350	350	2,069
	Household Waste Recycling Centre maintenance	104	80	80	80	80	424
Enabling Services	Schools asbestos and safe water remedials	746	746	746	746	746	3,728
	Schools planned building, mechanical and electrical backlog	6,988	6,988	6,988	6,988	6,988	34,940
Environment Services	Highways maintenance	12,995	12,879	12,879	12,879	12,879	64,511
	Total for Warwickshire's economy is vibrant and supported by the right jobs, training, skills and infrastructure	21,502	21,043	21,043	21,043	21,043	105,672
Making the best use of resources							
Strategic Commissioning for Communities	Countryside Rural Services capital maintenance	334	200	200	200	200	1,134
	Flood defence	200	200	200	200	200	1,000
Enabling Services	Non-schools - planned building, mechanical and electrical backlog	2,122	2,122	2,122	2,122	2,122	10,610
	Non-schools asbestos and safe water remedials	325	325	325	325	325	1,625
	ICT purchases	481	400	400	400	400	2,081
Environment Services	Gypsy and Traveller site maintenance	20	20	20	20	20	100
Governance and Policy	Rural services capital maintenance	356	356	356	356	356	1,780
	Total for Making the best use of resources	3,838	3,623	3,623	3,623	3,623	18,330
TOTAL MAINTENANCE PROGRAMME		25,665	24,911	24,911	24,911	24,911	125,307

2020/21 Capital Programme - by Outcome and Service

Service	Scheme Title	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Developer Funded Programme							
Warwickshire's economy is vibrant and supported by the right jobs, training, skills and infrastructure							
Environment Services	s.278 developer funded schemes	51,349	0	0	0	0	51,349
TOTAL DEVELOPER FUNDED PROGRAMME		51,349	0	0	0	0	51,349
TOTAL CAPITAL PROGRAMME		210,981	94,697	74,320	58,001	56,739	494,738

PRUDENTIAL INDICATORS	2018/19 actual	2019/20 forecast	2020/21 estimate	2021/22 estimate	2022/23 estimate
Capital Expenditure	£'000 84,077	£'000 146,555	£'000 210,981	£'000 94,697	£'000 74,319
Ratio of financing costs to net revenue stream	% 6.99	% 6.78	% 6.60	% 7.22	% 7.67
Gross borrowing requirement	£'000	£'000	£'000	£'000	£'000
Gross Debt	362,274	352,274	332,274	332,275	332,275
Capital Financing Requirement as at 31 March	301,581	304,499	358,877	402,325	416,489
Under/(Over) Borrowing	(60,693)	(47,775)	26,603	70,050	84,214
In year Capital Financing Requirement	£'000 (12,367)	£'000 2,918	£'000 54,378	£'000 43,448	£'000 14,164
Capital Financing Requirement as at 31 March	£'000 301,581	£'000 304,499	£'000 358,877	£'000 402,325	£'000 416,489
Authorised limit for external debt -	£'000	£'000	£'000	£'000	£'000
Borrowing	516,818	438,231	515,485	543,623	560,620
Other long term liabilities	12,000	12,000	12,000	12,000	12,000
TOTAL	528,818	450,231	527,485	555,623	572,620
Operational boundary for external debt -	£'000	£'000	£'000	£'000	£'000
Borrowing	430,681	365,192	429,570	453,019	467,183
Other long term liabilities	10,000	10,000	10,000	10,000	10,000
TOTAL	440,681	375,192	439,570	463,019	477,183
Upper limit for fixed interest rate exposure					
Net principal re fixed rate borrowing / investment	100%	100%	100%	100%	100%
Upper limit for variable rate exposure					
Net principal re variable rate borrowing / investment	25%	25%	25%	25%	25%
Upper limit for total principal sums invested for over 364 days (per maturity date)	£'000 60,000	£'000 60,000	£'000 60,000	£'000 60,000	£'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 2020. 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.

APPENDIX A1 - 2020/21 Revenue Budget

Resolution Conservative Recommendations to

County Council

The County Council is recommended to plan its budget framework for 2020/21 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. 2020/21 is the first year of our 2020-25 Medium Term Financial Strategy. It provides, over a rolling five-year period a financial strategy that will underpin the delivery of the outcomes and objectives we have set out in our Council Plan 2025. A key challenge in setting this year's budget is the lack of a multi-year settlement from central government, which is expected to arrive in 2020/21. This will provide greater certainty about our medium-term financial outlook, as will policy decisions about the Fair Funding Review, business rates and funding for adult social care.
- 1.3. We will remain robust, ambitious and prudent in setting both next year's budget and our Medium Term Financial Strategy, with a focus on outcomes and social value. Given that current economic uncertainties remain we will continue to look for efficiencies to drive better value for money for our taxpayers. We will invest our resources to ensure Warwickshire's communities and individuals are supported to be safe, healthy and independent and Warwickshire's economy is vibrant and supported by the right jobs, training, skills and infrastructure.
- 1.4. We will redouble our efforts to bring inward investment and private and public sector businesses into the County for the benefit of employment and prosperity of our residents and the future of their children.
- 1.5. To ensure the finances of the Council are robust and sustainable we will:
 - Directly invest £8.4 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;

- Invest a further £3.8 million into our Children's Transformation Fund to bring forward initiatives to reduce demand for children's social care over the medium term and improve the school readiness of children across Warwickshire. We require a report on the intended benefits of the programme across the three themes of early help, children in care and care leavers and cultural change aligned to the outcomes and objectives of the Council Plan 2025 to be brought to Cabinet in April;
- Invest £14.4 million to protect our elderly citizens and vulnerable adults to fund additional demand and manage winter pressures whilst continuing to make progress on our vision of greater integration between health and social care;
- Invest £1.6 million to continue to support children and young people with disabilities placements and to ensure they can access appropriate support within their communities;
- Invest £2.0 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 £0.5 million to support victims of domestic abuse;
- Invest £0.3 million in the Waste Management service to meet the increased demand as a result of housing growth; and
- Invest £0.3 million to maintain the Fire and Rescue Service control room in Warwickshire, enabling the control room to take a leading role in supporting the Service's wider transformation programme.

1.6. We are beginning to see real positive impacts from our time-limited investment over recent years. We will therefore continue our investment in school improvement, skills for employment and flood risk management on a permanent basis.

1.7. We intend to continue and extend the approach adopted last year to investing our short-term resources to support the priorities of the Council Plan 2025 and to invest in Warwickshire's future. We will create four additional Investment Funds to help drive forward the Council's objectives, amplify the impact of capital investments, ensure investments are supported by robust business cases and realise benefits and help address long-term issues such as climate change. In doing this 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. Allocations to

individual projects will require business cases that are evaluated against criteria that will be agreed by Cabinet in March 2020.

- 1.8. Our Investment Funds will initially contain £20m revenue funding which may be topped up during the five-year period as our finances allow. We are proposing indicative allocations to each Fund. These indicative allocations are deliberately flexible and may be varied as bids emerge and are prioritised, subject to Cabinet consideration and approval.
- 1.9. Our Investment Funds and the key projects that we expect to see come forward for approvals as part of the first tranche of allocations are:
 - Sustaining Prevention Fund
An indicative allocation of £7 million to pump prime up-front investment in demand management and early intervention initiatives prior to financial benefits accruing. We expect proposals to be brought forward to expand our investment in homelessness projects across the county in the near future and to pilot initiatives to support vulnerable people at risk as a result of drugs and alcohol misuse, gambling, mental health and male suicide.
 - Climate Change Fund
An indicative allocation of £4 million to invest in coordinating and pump priming work across the revenue and capital budget to implement the priorities flowing from the Climate Change Task and Finish Groups and Council Plan 2025 that protect our residents and the County's environment for future generations. An initial priority will be putting in place the organisational infrastructure needed to develop and manage the programme of work.
 - Commercial Fund
An indicative allocation of £4 million to deliver commercial investment in outcomes for Warwickshire arising from the commercial strategy. Projects are likely to include work to scope the potential creation of a property company to enhance the delivery of Council Plan 2025 priorities and provide for effective use of our land assets by delivering housing, smallholdings, business support and other property infrastructure in line with our priorities.
 - Place Shaping and Capital Investment Feasibility Fund
An indicative allocation of £5 million to support strategic investment in Warwickshire's economy and improving quality of life for residents and communities. Projects we expect to be brought forward for consideration include the development of a 'place-shaping plan' for the county of Warwickshire, investment in 5G, the rationalisation of the County's estate, including the fire estate, to meet the changing demographics and needs of our communities and the cost-effective delivery of services.

- 1.10. In addition to the Investment Funds we intend to use our remaining short-term resource 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. We will invest:
- £3.7 million over three years to increase state-funded specialist education provision in Warwickshire to deliver better use of resources by education young people with special educational needs and disabilities in-county;
 - £0.3 million over two years to continue the joint investment in the homelessness project with Rugby Borough Council;
 - £0.6 million to manage the Council's engagement with and response to the independent inquiry into child sexual abuse; and
 - £0.6m over two years to restructure the Fire Protection team to meet the increasing demand for statutory inspections with a view to rolling out a wider offer to local businesses in future which should make the activity sustainable over the medium term.
- 1.11. 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, sustainable now and for the future. As well as identifying where we want to invest in services, we have also focussed on identifying where services to residents can be broadly maintained albeit delivered in a more cost-effective way in the future. We will re-focus our transformation funds to look at ways to be more efficient and effective in maximising outcomes from local and national taxpayers' money. As invest-to save funds we expect the investments to have targets for financial return and pay-back periods and deliver budget reductions in future years that we can reinvest in services. We expect these investments to include the transformation of the Fire and Rescue Service through organisational development, investment in estates and digital transformation.
- 1.12. We will deliver £6.2 million of budget reductions in 2020/21, increasing to £33.3 million by 2025, through better procurement, improvements in efficiency, increased income and delivering reductions in demand. We are all consumers of the services the County Council provides. We also represent and will deliver value for money for the tax payers of Warwickshire.
- 1.13. 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 1.99% on the council tax for all other services too. In total, this 3.99% council tax increase is equivalent of an increase of £1.10 per week for a Band D dwelling.

2. Adult Social Care

- 2.1. Adult social care is our highest spending service. In December 2019 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 intend to take the additional 2% levy for adult social care in 2020/21 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 the funding allocated in this resolution, including the additional funding provided by the Government through the Better Care Fund to meet demographic, statutory and inflationary pressures. 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. This decision will protect Warwickshire adult services at a time of long-life expectancies.

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 to allocate resources to schools and other educational settings in accordance with the National Funding Formula for schools and early years.
- 3.2. We recognise that meeting our policy aspirations in relation to high needs services and support can only be achieved over the medium term; given the nationally growing demand for services and the lack of capacity in the system. We have applied to the Secretary of State to transfer 0.5% (£1.748m) of DSG funding for schools to support high needs services in 2020/21 and we are investing in building capacity locally, for example through the acquisition of the Pears Centre in Exhall. But, with the Government now requiring all schools and early years services to be provided within the level of DSG allocated we recognise more needs to be done to ensure the budget for these services is robust and sustainable.

- 3.3. We require that a report is brought to Cabinet by July 2020 for approval that sets out how the DSG will be brought back into balance following consultation with partners across the sector.
- 3.4. Whilst this plan is developed and implemented, or the Government brings forward proposals for funding DSG deficits at a national level, we will ensure the Authority's overall financial resilience is maintained. We will set aside sufficient funding in reserves to create an equal and opposite position to offset the projected deficit until a sustainable solution is in place.

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 £50.016 million.
- 4.2. We will provide £11.678 million for the estimated cost of pay and price inflation in 2020/21, 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 £38.338 million to meet additional spending need, of which £16.915 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 £0.997 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. Over recent years we have taken the decisions necessary so we can continue to provide services to the residents and communities of Warwickshire whilst continuing to innovate and invest in ensuring our services are fit for the future. We are financially resilient and hold reserves to manage financial risk and promote financial sustainability. However, we recognise the need to control the amount of scarce resources held in reserves and refine our approach to managing reserves to maintain a proportionate, sustainable, flexible and risk-based approach.
- 5.2. Our approach to the effective use of reserves is set out in **Appendix C**. It provides for increased transparency and accountability around reserves and ensures the framework is in place to align decision-making around the use of reserves with the Council Plan. We will continue to consider the advice and recommendations of our Strategic Resources for Director (s151 Officer) bi-annually as part of budget setting and after closing our accounts. We will look to utilise our reserves prudently whilst also recognising that this is taxpayers' money and we will look to use our balance sheet strength to drive the Council's investment needs to deliver infrastructure and service investment needs for our residents.
- 5.3. We will provide sufficient resources to ensure the level of General Reserves is at least consistent with that stated by the Strategic Director for Resources as the minimum level of general reserves given the financial risks facing the authority. We will release £20 million now to deliver our investment proposals over the period of the 2020-25 Medium Term Financial Strategy and will undertake a further review at the end of each financial year to identify where there is scope to release further resources to support our investment proposals.
- 5.4. Our plan for budget reductions will generate £6.209 million in 2020/21 and a further £27.103 million over the period of the 2020-25 Medium Term Financial Strategy. Approval is given to the plans for the delivery of these savings detailed in **Appendix D**. If during 2020/21 any of the budget reductions do not materialise to the degree shown, the Assistant Director in conjunction with their Strategic Director and Portfolio Holder should identify alternative proposals to ensure the required levels of reduced spend are delivered and report this as part of quarterly monitoring.
- 5.5. Just under a third of the Authority's spending each year is on staffing. The proposals to deliver budget reductions 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 £9.1

million Redundancy 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 for Resources.

- 5.6. 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.
- 5.7. We will use business rates funding of £71.199 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 Business Rates Volatility Reserve during 2020/21.
- 5.8. We will use the £0.104 million surplus from the collection of council tax to support the budget on a one-off basis.
- 5.9. **The council tax will increase by 3.99%.** With the other funding resources identified, this will fund the proposals contained within this resolution.

6. Medium Term Financial Strategy

- 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. This has served us well as we have steered the Authority through some undoubtedly challenging financial times. Looking forward we will be operating in an environment of uncertainty over funding as it strives to deliver on the objectives and outcomes as set out in the Council Plan 2025. We recognise that changes to the system of local government finance as a result of the increasing moves towards self-sufficiency and means our financial planning processes will need to change as the level of income from local taxation will become increasingly variable and unpredictable. Technological developments, changing national and international economic relationships, the opportunities for commercial investment and the long-term challenge of climate change also mean our plans need to be flexible and adapt to change at pace whilst retaining a focus on our longer-term goals and ambitions.
- 6.2. With this in mind, we intend to move to a rolling five-year MTFS where we can 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 for the benefit of the residents and businesses of Warwickshire.

- 6.3. Our Council Plan 2025 sets out our ambitions and the new operating model provides the framework. We ask Corporate Board to develop commissioning strategies, action plans, key business measures and performance management requirements aligned and consistent with the available resources of the authority.
- 6.4. The indicative future spending allocations and planned reductions we have set out deliver a balanced MTFs over the period of the 2025 Council Plan with a 1.99% annual increase in the council tax in future years. We accept that without this level of increase in council tax, or if future spending needs exceeds the indicative levels, further budget reductions will need to be identified and delivered to ensure the budget remains sustainable.
- 6.5. We therefore expect the focus of change to be on invest-to-save projects that will release the resources needed to invest in our ambitions. Investment decisions should be based on a more commercial approach, aligned with the recently approved commercial strategy. This work should drive the options for further budget reductions over the period of the MTFs.
- 6.6. The MTFs 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.
- 6.7. We expect the MTFs 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;
 - The transformation programme being able to deliver the extent of change required to meet high priority targets and deliver strategic priorities; and
 - Our readiness to take advantage of the Spending Review opportunities for the benefit of Warwickshire.
- 6.8. We recognise this means significant challenges for the organisation, including the changing way in which people want to access services. Our proposals recognise that

this will take time and investment and a broad engagement with all those affected, both inside and outside the organisation.

7. Strategic Director for Resources: Statement

7.1. The following statement from the Strategic Director for Resources 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).*

The uncertainties of the economic environment, the fact we are awaiting a multi-year Spending Review settlement, the scale of the expenditure reductions required and the growing demands on services, mean that 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 Planned Budget Reductions

The planned budget reductions need to be fully implemented to ensure the Council’s 2020/21 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 the planned budget reductions are delivered to the required timetable;*
- *If the planned budget reductions are not delivered, Assistant Directors, Strategic Directors, the Chief Executive and Portfolio Holders are required to identify alternative ways of balancing the Service and/or Directorate budgets; and*

- *Monitoring of the delivery of the planned budget reductions will be extended to include the monitoring of project delivery milestones to ensure decisions are taken in a timely manner and implementation timescales are met.*

Risk 2 – Uncertainty of the National Funding Position

There is uncertainty around the national funding position for local government as a result of the lack of a three-year Comprehensive Spending Review, wider economic uncertainty given the EU exit and international trade disputes. This means we need to have a higher level of general reserves, and may face more significant revenue pressures until the multi-year spending review which we expect to receive later this year.

Risk 3 – Dedicated Schools Grant Deficits

There is a financial risk to the Authority as a result of the new provisions that local authorities will not be permitted to fund any part of the DSG deficit from sources without the authorisation of the Secretary of State, if the outcome does not come with the extra funding required to resource any deficit. This has been mitigated by an equal and opposite provision in reserves to offset the projected deficit, but this does not provide a long-term solution or remove the need to identify options for bringing spending into line with the level of DSG received.

Risk 4 – Business Rates Retention Scheme and Local Government Funding Reform

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 5 – 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 6 - 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 7 – Repayment of Overspends

Arrangements will need to be put in place as part of the financial outturn report to Cabinet and this budget resolution to stabilise the financial position of those services overspending. If overspends occur in future years, services will need to deliver additional budget reductions to repay overspends as well as delivering the planned budget reductions in 2020/21. The flexibility to manage this through reserves is reduced as a result of the use of reserves proposed in this resolution.

Risk 8 – Impact on the Medium Term Financial Strategy

The Medium Term Financial Strategy (MTFS) outlines the significant additional financial challenge to the authority in future years. The indicative future spending allocations and planned reductions deliver a balanced MTFS over the period of the 2025 Council Plan with a 1.99% annual increase in the council tax in future years. Without this level of increase in council tax, or if future spending needs exceeds the indicative levels, further budget reductions will need to be identified and delivered to ensure the budget remains sustainable. Given this challenge Members are advised it is important that decisions taken in agreeing the 2020/21 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; and*
- *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 in an uncertain environment and that as such 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 £21.2 million in general reserves in 2020/21. 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 shown below, which will be finalised for the service estimates to be presented to Cabinet in March of:

	Base Budget	Additional Investment	Funding Sources	Total
	£	£	£	£
Education Services	107,894,949	5,567,000	(279,000)	113,182,949
Environment Services	25,159,550	960,000	(200,000)	25,919,550
Fire and Rescue Service	20,054,288	1,078,000	-	21,132,288
Strategic Commissioning - Communities	19,606,907	2,189,000	-	21,795,907
Adult Social Care	144,055,813	14,350,000	(400,000)	158,005,813
Children and Families	51,151,035	8,376,000	(194,000)	59,333,035
Strategic Commissioner - People	31,846,719	2,088,000	-	33,934,719
Business and Customer Services	17,908,021	373,000	(1,140,000)	17,141,021
Commissioning Support Unit	3,679,997	79,000	(405,000)	3,353,997
Enabling Services	20,824,847	3,477,000	(774,000)	23,527,847
Finance	4,343,199	103,000	-	4,446,199
Governance and Policy	1,870,114	360,000	(40,000)	2,190,114
Other Services - spending	44,768,853	11,016,000	(2,777,000)	53,007,853
Other Services - schools and funding	(79,525,280)	-	(142,928,000)	(222,453,280)
	413,639,012	50,016,000	(149,137,000)	314,518,012
<u>Contributions to/(from) reserves:</u>				
- Service Reserves	(977,000)	-	-	(977,000)
- General Reserves	-	-	181,944	181,944
Budget Requirement	412,662,012	50,016,000	(148,955,056)	313,722,956

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 2021 as follows:

	£
Budget Requirement	313,722,955.70
Less Council Tax Surplus on Collection	(104,311.83)
Council Tax Requirement for the year ended 31 March 2021	313,618,643.87
Divided by aggregate Council Tax Base for the County Area	210,642.06
Basic Amount of Council Tax (Band D)	1,488.87

10. Council Tax

- 10.1. The council tax for 2020/21 is increasing by 3.99%. Therefore, approval is given to Council Tax amounts for each category of property as follows:

	£
Band A	992.5800
Band B	1,158.0100
Band C	1,323.4400
Band D	1,488.8700
Band E	1,819.7300
Band F	2,150.5900
Band G	2,481.4500
Band H	2,977.7400

11. Precepts

- 11.1. The Chief Executive is authorised to issue the 2020/21 precepts on the Warwickshire billing authorities, as follows:

	£
North Warwickshire Borough Council	31,318,291.12
Nuneaton and Bedworth Borough Council	57,197,025.47
Rugby Borough Council	57,671,736.78
Stratford-on-Avon District Council	84,276,161.25
Warwick District Council	83,155,429.25

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 for 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 planned net

reductions and funding strategies contained in this resolution and the accompanying capital budget resolution.

- 12.4. The Chief Executive and Strategic Director for 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 for Resources are authorised to draw down from reserves and vire money between reserves where these adjustments are as a direct consequence of the specific spending allocations, delivery of the planned budget reductions (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) and funding strategies contained in this resolution and the accompanying capital budget resolution.
- 12.6. The Chief Executive and Strategic Director for 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 E** and the County Council agrees the application of these remuneration policies for the financial year 2020/21. It also sets out our proposed approach to the payment of exit payments in Section 9.

2020-25 Proposed Permanent Allocations

Purpose of the Allocation by Service	Allocation	Indicative Additional Future Allocation			
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Education Services					
Inflation - An allocation to meet the cost of inflation across the Service.	621	630	643	655	669
Home to school transport - An allocation to meet the demand for home to school transport for pupils and students; thereby ensuring that eligible children have a seat to get to and from school.	2,037	1,517	1,288	1,453	1,400
Direct payments for children with disabilities - An allocation to continue to support the children and young people with disabilities who already receive a direct payment and to reflect the continuing growth in overall numbers. The increase will enable children and young people to access the appropriate support within their own community; promoting learning, inclusion, social opportunities, independence and skills for life.	316	0	0	0	0
Placements for children with disabilities - An allocation to continue to support current placements and to meet the expected demand for future placements. This will ensure looked after children are in appropriate specialist places to meet their need.	1,311	0	0	0	0
School improvement - An allocation to fund the service on a permanent basis and so ensure system leadership and school to school support continues.	248	0	0	0	0
Total Education Services	4,533	2,147	1,931	2,108	2,069
Environment Services					
Inflation - An allocation to meet the cost of inflation across the Service, including the cost of highways maintenance contract inflation above the level of general provision for service inflation.	760	768	778	788	798
Flood risk management - An allocation to continue to meet the demand for input to planning applications now the time limited funding allocated by Council has finished.	200	0	0	0	0
Total Environment Services	960	768	778	788	798

2020-25 Proposed Permanent Allocations

Purpose of the Allocation by Service	Allocation	Indicative Additional Future Allocation			
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Fire and Rescue					
Inflation - An allocation to meet the cost of inflation across the Service.	403	408	416	424	433
Staffing Capacity - An allocation to increase the senior management staffing capacity in the service as a result of the service redesign	75	0	0	0	0
Non-delivery of control room savings - An allocation to reflect the decision to not proceed with the collaboration with West Midlands on control room operations which means the planned savings cannot be delivered. Instead control room staffing will be maintained and Fire Control will take on a key role in supporting the Service's wider transformation programme.	300	0	0	0	0
Total Fire and Rescue	778	408	416	424	433
Strategic Commissioning for Communities					
Inflation - An allocation to meet the cost of inflation across the Service, including the cost of waste management contract inflation above the level of general provision for service inflation.	928	714	733	662	671
Waste management - An allocation to address the increased waste management costs being incurred as a result of housing and population growth within the county and as set out in the District and Borough Council Local Plans.	300	300	300	300	300
Skills for employment - An allocation to continue the skills for employment scheme on a permanent basis as part of the delivery of the Council's new Careers Strategy. The allocation will help our schools provide enhanced careers and employability support to their pupils and enable increased employer engagements by young people to help make them make more informed careers decisions.	250	0	0	0	0
Total Strategic Commissioning for Communities	1,478	1,014	1,033	962	971

2020-25 Proposed Permanent Allocations

Purpose of the Allocation by Service	Allocation	Indicative Additional Future Allocation			
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Adult Social Care					
Inflation - An allocation to meet the cost of inflation across the Service, including the increased cost of care provider inflation to an average of 3% through the period of the MTFs and the impact of the National Living Wage on contract costs.	5,567	4,942	5,116	5,185	5,249
Care demand for adults - An allocation to meet the cost of increase in demand for adult social care due to population growth, the increased length of support and intensity of care need as a result of increased life expectancy and the estimated reduction in people who can fund their own care over time.	3,149	3,354	3,680	4,000	4,000
Liberty Protection Safeguards - An allocation to meet the estimated cost of implementing the new legislative requirements around Liberty Protection Standards from 1 October 2020.	250	250	0	0	0
Total Adult Social Care	8,966	8,546	8,796	9,185	9,249
Children and Families					
Inflation - An allocation to meet the cost of inflation across the Service, including the cost of waste management contract inflation above the level of general provision for service inflation.	1,126	1,101	1,123	1,146	1,169
Mother and baby placements - An allocation to meet the cost of fostering placements for mothers and babies aligning the budget provision with current levels of spend.	129	0	0	0	0
Child allowances - An allocation to meet the costs of increased demand for Special Guardianship Orders, Residential Orders and Child Arrangements Orders to support children to leave or avoid care through allowances for extended family members caring for children.	351	336	357	360	360
S17 children - An allocation to meet the costs associated with support for parents and children to remain together at home, providing support for families who are destitute.	53	0	0	0	0
Looked after children's transport - An allocation to meet the increased transport costs as a result of growth in the number of children looked after.	186	0	0	0	0

2020-25 Proposed Permanent Allocations

Purpose of the Allocation by Service	Allocation 2020/21 £'000	Indicative Additional Future Allocation			
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Children and Families continued					
Children leaving care supported accommodation - An allocation to fund the increased cost of supported accommodation for those aged 16 plus, particularly care leavers.	402	0	0	0	0
Children's placements (exc. children with disabilities) - An allocation to meet the impact of fostering/placements framework contracts and changes to the placement mix on costs.	5,606	301	314	320	326
Priority families - An indicative allocation to continue to fund Family Support Workers and data officers which provides early help provision and payment by results. The need for this allocation will be reviewed once there is clarity about the level of any future Government funding.	0	712	0	0	0
Family intervention service - An allocation to place the Family Intervention Service on a sustainable financial footing helping to increase early help/prevention.	221	0	0	0	0
Family group conferencing - An allocation to place the Family Group Conferencing team on a sustainable financial footing to continue their work to reduce the need for Council involvement with families and enable families to establish their own plan of support.	152	0	0	0	0
Children and Families capacity - An allocation to increase the staffing capacity in the service as part of the Council restructuring	150	0	0	0	0
Total Children and Families	8,376	2,450	1,794	1,826	1,855
Strategic Commissioning for People					
Inflation - An allocation to meet the cost of inflation across the Service.	646	666	679	693	707
Domestic abuse strategy - An allocation to meet the cost of new arrangements to support victims of domestic abuse in line with expected national standards.	500	0	0	0	0
Public health capacity - An allocation to increase the staffing capacity in the public health service as part of the Council restructuring	192	0	0	0	0
Total Strategic Commissioning for People	1,338	666	679	693	707

2020-25 Proposed Permanent Allocations

Purpose of the Allocation by Service	Allocation 2020/21 £'000	Indicative Additional Future Allocation			
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Business and Customer Support					
Inflation - An allocation to meet the cost of inflation across the Service.	373	373	381	388	396
Total Business and Customer Support	373	373	381	388	396
Commissioning Support Unit					
Inflation - An allocation to meet the cost of inflation across the Service.	79	61	62	63	65
Total Commissioning Support Unit	79	61	62	63	65
Enabling Services					
Inflation - An allocation to meet the cost of inflation across the Service.	481	473	483	492	502
Buildings insurance - An allocation to meet the cost of buildings insurance ensuring the protection of the Council's assets.	295	0	0	0	0
Licence and cloud costs - An allocation to meet the additional licence and cloud costs as a result of the new approach to the delivery of ICT, including as a result of the move from Google to Microsoft.	1,589	240	300	0	0
Devices - An allocation to meet the additional costs of moving to a three-year rolling lease for laptops and mobiles.	193	0	0	0	0
Total Enabling Services	2,558	713	783	492	502
Finance Service					
Inflation - An allocation to meet the cost of inflation across the Service.	103	95	97	99	101
Total Finance Service	103	95	97	99	101

2020-25 Proposed Permanent Allocations

Purpose of the Allocation by Service	Allocation 2020/21 £'000	Indicative Additional Future Allocation			
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Governance and Policy					
Inflation - An allocation to meet the cost of inflation across the Service.	67	62	63	64	65
Policy capacity - An allocation to increase the staffing capacity to support policy development and communications service as part of the Council restructuring	293	0	0	0	0
Total Governance and Policy	360	62	63	64	65
Corporate Services					
Inflation - An allocation to meet the cost of inflation across the Service.	524	708	835	974	1,116
Capital financing costs - An allocation to meet the interest and principal costs of new borrowing required to finance the capital programme. It will provide capacity to ensure the resources are available to deliver of the ambitions of the capital strategy.	0	0	3,233	1,109	1,122
Contingency - A provision for future, currently unknown and unquantified, spending need, including future pay costs. The provision will mitigate future potential costs as part of ensuring the Council's services are sustainable over the medium term.	2,675	4,000	4,000	4,000	4,000
Total Corporate Services	3,199	4,708	8,068	6,083	6,238
Total Annual Permanent Spending Allocations	33,101	22,011	24,881	23,175	23,449
Total Cumulative Permanent Spending Allocations	33,101	55,112	79,993	103,168	126,617

Time-limited Investment Proposals

Purpose of the Allocation by Service	Allocation	Indicative Additional Future Allocation				
	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Education Services						
Specialist Provision in Nuneaton and Bedworth (Pears) - A time-limited allocation to increase state-funded specialist education provision in Warwickshire to meet population growth. This provides for short-term funding for the Dedicated Schools Grant place funding lag. Together with the allocation below for the property costs, the project will result in the better use of resources by educating young people with SEND in provision in-County.	1,034	1,252	740	0	0	3,026
Total Allocation - Education Services	1,034	1,252	740	0	0	3,026
Fire and Rescue						
Fire Protection - A two-year allocation to restructure Fire Protection team in anticipation of the conclusion of the Hackitt review and meet the increasing level of demand for statutory inspections. Once the team is fully developed they will be in a position to roll out a wider offer to local businesses which should generate income and make the activity sustainable.	300	300	0	0	0	600
Total Allocation - Fire and Rescue	300	300	0	0	0	600

Time-limited Investment Proposals

Purpose of the Allocation by Service	Allocation	Indicative Additional Future Allocation				
	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Strategic Commissioning for Communities						
LEP Growth Hub - A two-year allocation to continue to provide funding as Warwickshire County Council's investment in the Coventry and Warwickshire wide Growth Hub. The allocation supports a simplified, co-ordinated and coherent approach to business support across the Coventry & Warwickshire area, making it easier and more likely that businesses will access support to help them grow.	128	128	0	0	0	256
HS2 - A two-year allocation to continue work to mitigate the impacts of HS2 on Warwickshire residents and communities.	133	133	0	0	0	266
City of Culture - A three-year allocation to continue investment on the City of Culture to deliver economic benefits to Warwickshire's communities and businesses.	250	250	250	0	0	750
Cycle-racing - A two-year allocation to continue to provide funding to support the cycling events for a further two years	200	200	0	0	0	400
Total Allocation - Strategic Commissioning for Communities	711	711	250	0	0	1,672

Time-limited Investment Proposals

Purpose of the Allocation by Service	Allocation	Indicative Additional Future Allocation				
	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care						
Winter Pressures - A one-off allocation to the service to meet the terms of the grant allocation. Detailed spending plans will need to be agreed with the Clinical Commissioning Groups.	2,235	0	0	0	0	2,235
Improved Better Care Fund - A one-off allocation to the service to meet the terms of the grant allocation. Detailed spending plans will need to be agreed with the Clinical Commissioning Groups.	3,149	0	0	0	0	3,149
Total Allocation - Adult Social Care	5,384	0	0	0	0	5,384
Strategic Commissioning for People						
Homelessness - A two-year allocation to continue the three-year joint investment project with Rugby Borough Council	150	150	0	0	0	300
Independent Inquiry into Child Sexual Abuse - A one-off allocation to deal with legal costs beyond those already in the budget; to employ staff on fixed term contracts to manage the response to the inquiry (or backfill those who have to do this) and to put in place any measures where we identify gaps in provision.	600	0	0	0	0	600
Total Allocation - Strategic Commissioning for People	750	150	0	0	0	900

Time-limited Investment Proposals

Purpose of the Allocation by Service	Allocation	Indicative Additional Future Allocation				
	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Enabling Services						
Old Shire Hall - A two-year allocation to provide a provision for a subsidy to the facility as it transfers to a commercial operating basis.	200	200	0	0	0	400
Specialist Provision in Nuneaton and Bedworth (Pears) - A one-off allocation to provide for the operational costs of running the property until it transfers to service providers/school.	719	0	0	0	0	719
Total Allocation - Enabling Services	919	200	0	0	0	1,119
Corporate Services						
Children's Transformation Programme - A one-off allocation to extend the programme of investment in children's social care. A report on the Children's Transformation programme outlining how the funding is to be used, the expected benefits from the delivery of the programme and the governance arrangements will be brought to Cabinet in April. This will include the proposed use of funding leveraged from the Department for Education and the balance of any reserve set aside for children's transformation in previous years.	3,817	0	0	0	0	3,817

Time-limited Investment Proposals

Purpose of the Allocation by Service	Allocation	Indicative Additional Future Allocation				
	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Services (continued)						
Sustaining Prevention Fund - A fund to pump-prime up-front investment in demand management and early intervention initiatives prior to financial benefits accruing. A report outlining how investments will be prioritised and the governance arrangements will be brought to Cabinet in March. The funding is shown allocated across the five years of the MTFS, but the phasing between years will be flexible depending on the strength of investment proposals coming forward for consideration.	1,400	1,400	1,400	1,400	1,400	7,000
Climate Change Fund - A fund to invest in priorities flowing from the Climate Change Task and Finish Groups and Council Plan 2025. A report outlining how investments will be prioritised and the governance arrangements will be brought to Cabinet in March. The funding is shown allocated across the five years of the MTFS, but the phasing between years will be flexible depending on the strength of investment proposals coming forward for consideration.	800	800	800	800	800	4,000

Time-limited Investment Proposals

Purpose of the Allocation by Service	Allocation	Indicative Additional Future Allocation				
	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Services (continued)						
Commercial Fund - A fund to deliver commercial investment in outcomes for Warwickshire arising from the commercial strategy. A report outlining how investments will be prioritised and the governance arrangements will be brought to Cabinet in March. The funding is shown allocated across the five years of the MTFs, but the phasing between years will be flexible depending on the strength of investment proposals coming forward for consideration.	800	800	800	800	800	4,000
Place Shaping and Capital Investment Feasibility Fund - A fund to support capital feasibility work, investment in place and to improve delivery. A report outlining how investments will be prioritised and the governance arrangements will be brought to Cabinet in March. The funding is shown allocated across the five years of the MTFs, but the phasing between years will be flexible depending on the strength of investment proposals coming forward for consideration.	1,000	1,000	1,000	1,000	1,000	5,000
Total Allocation - Corporate Services	7,817	4,000	4,000	4,000	4,000	23,817
Total Time-Limited Allocations	16,915	6,613	4,990	4,000	4,000	36,518

Reserves Strategy 2020-25

Introduction



Councillor Peter Butlin
Deputy Leader and Portfolio
Holder for Finance and
Property

I am delighted to be able to endorse this reserves strategy. It provides a clear framework for making sure the ‘rainy-day’ money we hold is effectively managed to meet the financial risks and uncertainties we face whilst enabling us to hold less overall and providing capacity for investing in the delivery of the Council Plan.

It faces head-on Members’ concerns about the number of reserves, the amount of money tied up and the lack of clarity about how specific financial risks are being managed. Most importantly it supports the building of a common understanding that balances ensuring we remain a financially resilient authority with identifying whether resources could be released for investment in the objectives we are working towards.



Rob Powell
Strategic Director for
Resources

Part of my role, as Strategic Director for Resources and the Council’s s151 officer, is to report on the adequacy of the Authority’s financial reserves and that they are sufficient to ensure the Authority remains financially sustainable and resilient over the medium-term.

This reserves strategy sets out why effective management of reserves is important, how we make decisions about the level of reserves to hold and how our approach enables us to deliver on this.

Our approach will be a success if across the Council it is understood that the money we have in reserves is proportionate to the risks and uncertainties we face, promotes financial resilience and is actively managed to identify where one-off resources that can be invested in support of our outcomes and key objectives.

Section 1: The Purpose of our Reserves Strategy

What are Reserves?

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

What is a Reserves Strategy?

A reserves strategy sets out the choices we make in relation to the level and purposes for which we hold the reserves we have accumulated. It is made up of three key elements:

1. Our strategic intent – what we are seeking to achieve through holding reserves;
2. Our programme – the level of reserves we hold and our plans for their use over the period of the 2020-25 Medium Term Financial Strategy (MTFS); and
3. Our framework – the way we will determine the level of reserves we need, manage those reserves and plan for their use in line with best practice and statutory requirements.

Together these elements set out our ambition for reserves, the nature of that ambition and how we provide assurance.

Why do we need a Reserves Strategy?

We plan over the short term and medium term how we will use the resources we are allocated and raise to deliver services for and to the residents and communities of Warwickshire. As a large, complex organisation there will always be variations between our actual spending/income and our plans due to variations in demand, demographic change, changes in costs and funding decisions of third parties as well as needing to deliver projects and investments spanning more than one financial year.

To ensure we can manage these financial risks whilst being able to maintain services requires that the Authority holds funds in reserve to meet these costs as and when they arrive. A reserves strategy enables us to do this in a planned way.

How does it fit with our other strategies?

The reserves strategy is part of a suite of supporting strategies that supplement the 2020-25 Council Plan and MTFS. All the supporting strategies are aligned to the Council Plan and MTFS and provide an additional level of granularity that help create a bridge between the high-level over-arching plan and operational delivery. As such it forms part of a collective accountability framework for the management of the Authority's financial resources.

Maintaining the current high standards of financial management across the organisation is critical to the successful delivery of the 2020-25 Council Plan and MTFS. Any weakening of financial management has a direct impact on the level of reserves needed to offset the risk of services overspending and/or the non-delivery of savings targets. The central role in the management of the Authority's reserves lies with Strategic Directors, both individually and collectively, with support and advice from Finance.

Section 3: Our Reserves

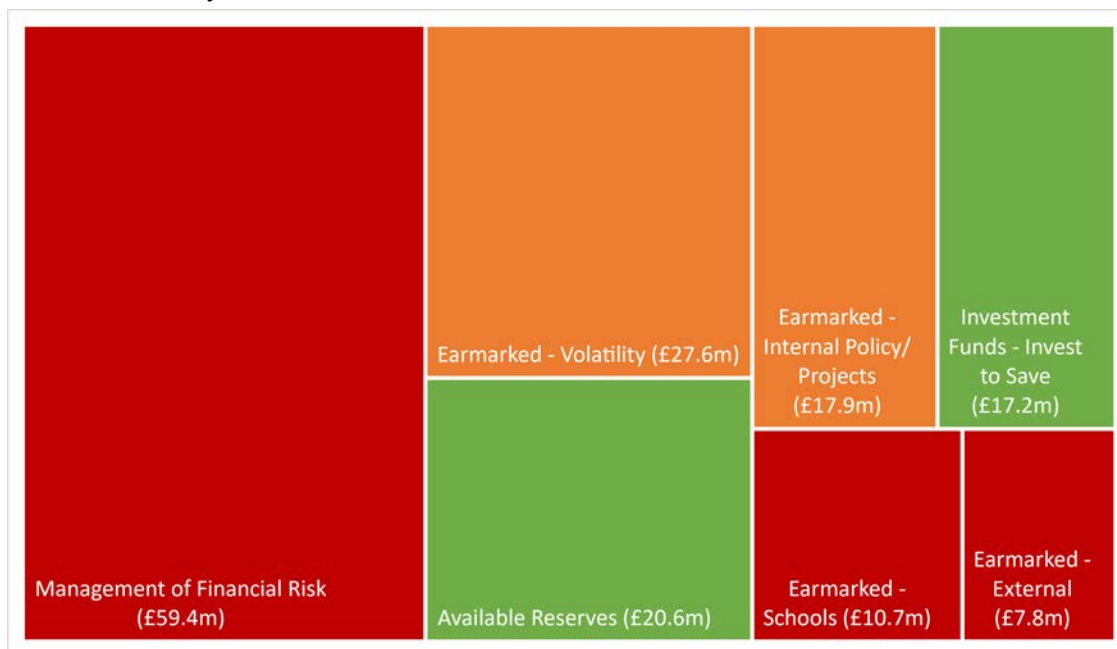
Our drivers for holding reserves are to:

- a) Manage financial risk so that the risk materialising does not undermine the Authority’s overall financial position or impact on service delivery;
- b) Plan for the effective use of project resources over time;
- c) Ensure we meet funding conditions in our use of any available resources; and
- d) Retain any other accumulated underspends prior to decisions on their use.

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

Our reserves are forecast to be £161.2 million at the end of 2019/20. We are holding the £161.2m for the following reasons:

- a) £87.0 million to manage financial risk, including volatility;
- b) £35.1 million for investment in projects to drive forward the delivery of the Council’s objectives;
- c) £18.5 million to meet externally set funding conditions; and
- d) £20.6 million available for investing to pump-prime the delivery of the Council’s key objectives



Key	
Not available for use	
To be reviewed on an annual basis	
Available for investment	

Section 4: Our Reserves Framework

The Reserves Framework sets out our accountability and governance arrangements around the retention and use of reserves. In doing so it balances speed of decision-making with Member oversight and accountability for decisions about the effective use of the Council's resources.

Guiding principles for managing and using Reserves

Our guiding principles for managing and using reserves are:

- The primary purpose is to manage financial risk and promote financial sustainability.
- Subject to meeting this requirement we will:
 - Maximise the ability to use reserves flexibly to deliver the organisation's priorities;
 - Control the amount of scarce resources held in reserves; and
 - Hold reserves at a corporate/directorate level unless there is a business/technical reason for not doing so.
- The planned use of reserves will be agreed as part of the annual budget setting and medium-term financial planning process. Other than in exceptional circumstances the planned use of reserves is only expected to change in year as a result of:
 - Change projects approved by Corporate Board/Members; and
 - Adjustments to reflect the impact of the previous year's outturn that were not known at the time the budget for the year was agreed.
- Service risk reserves will be held at Directorate level to manage in-year financial risk and to cover any over/underspends across the Directorate at the end of the year.
- All reserves will be subject to a year-end review to ensure the reason for holding the reserve and the plans for its use aligns with the MTFS and this strategy.
- Reporting on each reserve and seeking approval for any variations or to create a new reserve will form part of the quarterly monitoring report to Corporate Board and Cabinet.

Year-end review of reserves

All reserves will be subject to a year-end review by the relevant Strategic Directors with in conjunction with the Assistant Director of Finance. At the end of each financial year for each reserve a delivery plan will be prepared that sets out:

- Plans for use of the reserve including sunset clauses/closure dates
- Benefits to be delivered from the investment
- Without an approved delivery plan in place a reserve cannot be accessed

The outcome of this review will be a report to Cabinet in June each year seeking approval for further use of reserves in the current financial year and to identify where there are additional reserves to support the MTFS roll-forward.



2020-25 Budget Balancing Plan

What the change entails	Reduction	Indicative Additional Future Reduction			
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Education Services					
Home to school transport eligibility - Risk assessment and review of eligibility within the home to school transport policy. The first year of this new approach has demonstrated avoided costs, mainly due to reassessment of single-occupancy taxis to multi-occupancy taxis.	(209)	(151)	0	0	0
Education transport route optimisation - Using route optimisation software to map the most efficient way to transport groups of learners to school will reduce home to school transport costs.	(58)	(42)	0	0	0
Review of provision of passenger transport assistants - Reduced cost of passenger assistants as a result of their withdrawal from routes except for cases where a learner has an Education and Health Care Plan.	(12)	(8)	0	0	0
Special Educational Needs transport savings - Learners grouped into fewer multi-occupancy vehicles travelling a shorter distance to school will deliver savings. The impact will be avoided SEN transport costs (comparative to placements in independent specialist provision).	0	(94)	(220)	(137)	(42)
Total Reductions - Education Services	(279)	(295)	(220)	(137)	(42)

2020-25 Budget Balancing Plan

What the change entails	Reduction	Indicative Additional Future Reduction			
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Environment Services					
Capitalisation of flood prevention works - Contributions to flood prevention schemes to be funded from capital resources as they are about infrastructure investments that are capital in nature and this aligns with the capital funding received from partner organisations as matched funding.	(200)	0	0	0	0
Drainage maintenance review - The use of new technology to move the gulley cleansing programme onto a 'risk based' approach with the expectation that the technological approach will reduce the need for cleansing by being able to target activity more effectively.	0	0	(100)	0	0
Expansion of traded services re County Fleet Management (CFM) and Archaeology - Improving efficiencies and increasing income from external contracts, new future external contracts and MOT sales to public.	0	(100)	(100)	0	0
Total Reductions - Environment Services	(200)	(100)	(200)	0	0

2020-25 Budget Balancing Plan

What the change entails	Reduction	Indicative Additional Future Reduction			
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Strategic Commissioning for Communities					
Countywide integrated waste collection and disposal service - The development of a joint service delivery model for waste management across the county, linked to the new national waste strategy for England expected to be published in 2020/21. A joint model is expected to be more efficient, and changes in collection schedules should reduce residual waste.	0	0	(1,000)	(800)	0
Increased income from new services in the business centres portfolio - The introduction of conferencing facilities at Eliot Park Business Centre, and the introduction of virtual office space so that businesses can use the mail/phone/meeting space functions at the Business Centres but not physically rent a unit. A greater range of facilities and options at business centres, that would be beneficial to local businesses and wider partners.	0	0	(100)	0	0
Further changes to parking permits schemes and on-street parking arrangements - A review of arrangements for residents and visitors parking permits and on-street parking arrangements in line with our local transport policy, the challenge of climate change and to ensure parking is not used as a competitive tool between Warwickshire towns.	0	0	(463)	0	(1,057)
Implementation of business parking permits - The introduction of two business parking permits per organisation in areas where there are already on-street parking permits in residential permit scheme zones.	0	(445)	0	0	0
Review of staffing as a result of further service redesign and reviews - A restructuring of teams across Communities (Strategy & Commissioning) will create a flatter and more agile service areas, and enable us to focus our resources better on key priority areas and exploit opportunities to lever in external funding.	0	0	0	(285)	0
Total Reductions - Strategic Commissioning for Communities	0	(445)	(1,563)	(1,085)	(1,057)

2020-25 Budget Balancing Plan

What the change entails	Reduction	Indicative Additional Future Reduction			
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Adult Social Care					
Commissioning approach for younger adults - Redesign the commissioning approach for younger adults to ensure a more efficient arrangement and an improved brokerage function.	0	(200)	(300)	0	0
Housing with support for older people - Further develop the housing with support offer to reduce reliance on residential provision for all ages; including consideration of capital investment to secure revenue savings.	0	(200)	(500)	(500)	(500)
Integrated commissioning and delivery arrangements with NHS partners - Arrangements will form part of the Coventry and Warwickshire Integrated Health and Care Partnership and associated System Plan.	0	0	0	0	(667)
Suppressing demand in older people services - Implementing multiple activities that are already in projects across adult social care. These include an improved early intervention and prevention offer, further refinement of the in-house Reablement offer and further development of Assistive Technology.	(250)	(250)	(500)	(500)	(540)
Prevention and self-care - Develop and implement a prevention and self care strategy and invest in programmes, projects and services that reduce people's reliance on paid care and support.	0	0	0	(167)	(167)
Business support and direct payments - Reduced cost of business support as part of the wider organisation review of support functions and the introduction of the new payments system.	(150)	(300)	0	0	0
Total Reductions - Adult Social Care	(400)	(950)	(1,300)	(1,167)	(1,874)

2020-25 Budget Balancing Plan

What the change entails	Reduction	Indicative Additional Future Reduction			
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Children and Families					
House project - Further investment and expansion of the House Project countywide to provide accommodation for care leavers.	0	0	0	(200)	0
Development of effective local provision of children's placements - Facilitate the market to develop local provision that more effectively meets needs through the improved efficiency and effectiveness of the Placement Hub.	0	0	0	(500)	(500)
Integrated commissioning and delivery arrangements with NHS partners - Arrangements will form part of the Coventry and Warwickshire Integrated Health and Care Partnership and associated System Plan.	0	0	0	0	(667)
Restorative practice and early help - Through restorative practice and an improved early help offer the impact will be to reduce demand on children's social care.	0	0	(250)	(250)	(500)
Prevention and self-care - Develop and implement a prevention and self care strategy and invest in programmes, projects and services that reduce people's reliance on paid care and support.	0	0	0	(167)	(167)
Business support - Reduced cost of business support as part of the wider organisation review of support functions	(194)	0	0	0	0
Customer Support - Reduced cost of customer support as part of the wider organisation review of support functions.	0	(30)	0	0	0
Total Reductions - Children and Families	(194)	(30)	(250)	(1,117)	(1,834)

2020-25 Budget Balancing Plan

What the change entails	Reduction	Indicative Additional Future Reduction			
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Strategic Commissioning for People					
Integrated commissioning and delivery arrangements with NHS partners - Arrangements will form part of the Coventry and Warwickshire Integrated Health and Care Partnership and associated System Plan.	0	0	0	0	(666)
Third party funding for commissioning and delivery - Increased income as a result of securing third party funding for commissioning and service delivery activity.	0	0	(100)	0	0
Prevention and self-care - Develop and implement a prevention and self care strategy and invest in programmes, projects and services that reduce people's reliance on paid care and support.	0	0	0	(166)	(166)
Total Reductions - Strategic Commissioning for People	0	0	(100)	(166)	(832)
Business and Customer Support					
Business support - Service wide restructure of business support, including delayering of the entire model and reductions in levels of agency spend.	(880)	0	0	0	0
Customer support - Review and rationalisation of the organisation's approach to customer support.	(260)	(300)	(210)	0	0
Printing and stationery - Future reductions in spend on printing and stationery predicated on other work, such as the digital mail room, being completed.	0	0	(657)	0	0
Total Reductions - Business and Customer Support	(1,140)	(300)	(867)	0	0

2020-25 Budget Balancing Plan

What the change entails	Reduction	Indicative Additional Future Reduction			
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Commissioning Support Unit					
Project and programme management - Organisation-wide restructure of programme and project support.	(395)	0	0	0	0
Business intelligence - Future reductions in the cost of delivering business intelligence across the organisation following the introduction of new technology and refinement of information requirements.	0	0	(640)	0	0
Procurement - Service restructure of procurement as part of the organisation-wide service redesign.	(10)	0	0	0	0
Total Reductions - Commissioning Support Unit	(405)	0	(640)	0	0
Enabling Services					
Digital and ICT service redesign - Service restructure as part of the organisation-wide service redesign.	0	(900)	0	0	0
Applications rationalisation - Rationalisation of the ICT applications used to deliver the Council's activities to provide economies of scale and the delivery of enhanced support.	(250)	0	0	0	0
Device savings - Reduction in the cost of lap-tops, mobiles and other devices and part of the delivery of the ICT Strategy.	(524)	0	0	0	0
ICT and Enabling Services - Additional savings including cloud migration and disaster recovery savings.	0	(1,000)	0	0	0
Total Reductions - Enabling Services	(774)	(1,900)	0	0	0

2020-25 Budget Balancing Plan

What the change entails	Reduction	Indicative Additional Future Reduction			
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Governance and Policy					
Legal Services additional surplus - Additional surplus from external trading with other local authorities and public sector bodies	(30)	(30)	(40)	(50)	(50)
Electronic record keeping - Reduced storage requirements as a result of the move to electronic record keeping.	(10)	(10)	(10)	(10)	(10)
Paper free meetings - Reduction in the cost of printing as a result of moving to paper free meetings	0	0	(10)	0	0
Total Reductions - Governance and Policy	(40)	(40)	(60)	(60)	(60)
Corporate Services					
Treasury management investment returns - A target to increase returns on investment by 10 basis points based on a more pro-active approach to treasury management. <i>(Delivery will be the responsibility of the Assistant Director - Finance.)</i>	0	(175)	(175)	0	0
Reinvestment of capital receipts - Material receipts are forecast from the sale of strategic sites. Reinvestment of the capital receipts will reduce the Council's need to borrow for capital investment in the future. If the land is sold and the capital receipts are used as per this savings proposal, the funding will not be available to invest in the delivery of the capital strategy. <i>(Delivery will be the responsibility of the Assistant Director - Governance and Policy.)</i>	(2,523)	(460)	(733)	(914)	(914)
Contract Management - Reduction in the cost of contracted services and third party spend through improved contract management at all stages of the procurement process. <i>(Delivery will be the responsibility of the Assistant Director - Commissioning Support Unit.)</i>	(500)	(1,250)	(1,500)	(1,650)	(1,650)

2020-25 Budget Balancing Plan

What the change entails	Reduction	Indicative Additional Future Reduction			
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Corporate Services (continued)					
Senior Management Restructure - Reduction in the total cost of senior management across the organisation as part of the move to the new operating model. <i>(Delivery will be the responsibility of the Assistant Director - Finance.)</i>	(69)	0	0	0	0
Optimism bias - Provision for a 10% optimism bias for the benefits from the transformation programme. This is included to mitigate the risk to the sustainability of the MTFS. Any provision not required as the level of savings are confirmed will be released back into the MTFS for allocation in future years. <i>(Delivery will be the responsibility of the Strategic Director for Resources.)</i>	315	378	301	165	165
Total Reductions - Corporate Services	(2,777)	(1,507)	(2,107)	(2,399)	(2,399)
Total Annual Reductions	(6,209)	(5,567)	(7,307)	(6,131)	(8,098)
Total Cumulative Reductions	(6,209)	(11,776)	(19,083)	(25,214)	(33,312)

Warwickshire County Council – Pay Policy Statement 2020/21

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; and
 - 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 involved an anticipated reduction of 317 posts. Further staffing reductions may result as the Council determines its Council Plan for 2020 and beyond.
- 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 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.
- 2.7 It is the Council's policy to pay a temporary and reviewable 'market supplement' to salary levels within the NJC pay framework where there is clear and demonstrable evidence that the salary level otherwise attached to the post creates substantial recruitment, retention or 'market uncompetitiveness' difficulties.
- 2.8 Other groups of employees are paid in accordance with salaries or salary scales agreed by the relevant national negotiating bodies. These groups include uniformed fire and rescue staff, youth workers, craft workers and those falling within the ambit of the Soulbury Committee or School Teachers' Pay and Conditions agreements.
- 2.9 For all groups of staff paid in accordance with pay frameworks agreed by the national negotiating bodies, the Council's policy is to implement such salary increases as are agreed by those bodies without further local negotiation. Staff and Pensions Committee will consider pay and remuneration which falls outside of the recognised national frameworks and recommendations.
- 2.10 The only exception to the Council's policy of determining remuneration in accordance with national pay agreements, relates to senior professional or managerial employees whose posts are either at Tier 4A or are evaluated at more than 760 points under the NJC job evaluation scheme (see paragraph 2.6 above) and that meet the requirements of the Hay Grading scheme.

(The relationship between posts covered by the NJC pay framework and this group of employees was supported by the Staff & Pensions Committee on 27 May 2010).

- 2.11 The policy of the Council is to pay this group of employees, which includes the Chief Executive, Strategic Directors, Assistant Directors and Tier 3 management roles, 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. Each post is evaluated using a proprietary job evaluation scheme devised by Hay Management Consultants and used widely in the public and private sectors both in the UK and abroad.
- 2.12 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 £189,500.
- 2.13 The above policies apply save in cases where the operation of the Transfer of Undertakings (Protection of Employment) Regulations, or other statutory provision, dictate otherwise.
- 2.14 Where a person is appointed under a 'contract for service', rather than as an employee, the Council's Contract Standing Orders are followed to ensure that maximum value for money is secured.
- 2.15 **The County Council will apply the remuneration policies set out above for the financial year 2020/21.**

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 p.a., 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 1:10.6 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 (£26,999 pa) and that of the Chief Executive and Strategic Directors are 1:6.8 and 1:5.4 respectively.

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

- 4.1 The Chief Executive is paid on a four-point incremental scale (£174,500 – £189,500). Progression within the scale is determined by a performance management framework. 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 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 2.11 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 2.12 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 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; and

- 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 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 2.10 and 2.13 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.

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APPENDIX A2 - 2020/21 Capital Budget Resolution

Conservative Recommendations to County Council

1. Financial Direction of Travel

- 1.1. The value of our assets is £1.1 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, and deliver the Council's vision to make Warwickshire the best it can be, sustainable now and for future generations, and strategic objectives as set out in the draft Council Plan 2025. This investment forms the basis of our capital programme and maximising value for money for our residents and the taxpayer pound.
- 1.2. Our Capital Strategy (**Appendix A**) has been developed alongside the 2020-25 Council Plan and Medium-Term Financial Strategy. It sets out how we aim to use our capital resources and deliver our priorities by providing:
 - The funded plans to deliver the Council's aspirations of our capital investment, defining the outcomes we are seeking to achieve;
 - The programmes and projects to be funded to deliver these plans; and
 - The way in which we will manage capital spend and the capital programme to deliver these outcomes at the pace expected by our residents

Much of the detail is included in the technical annex to the Capital Strategy. It provides the structure of the capital-programme, outlines how we determine the content and finance of our capital programme and provides an overview of how our capital programme is managed to deliver on the Council's outcomes and measure our performance. This meets the requirements of the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Authorities and is aligned to the Treasury Management and Investment Strategies.

- 1.3. We will create a more strategic and commercial focus to our approach to capital and investment aligned to the medium and longer-term place-shaping of Warwickshire, whilst still delivering our shorter-term programmes, such as our investment in the purchase of Pears.

- 1.4. We will continue with our 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 capital investments, a strong business case and the deliverability of the project to ensure benefits for those who live, work and visit Warwickshire.
- 1.5. We will supplement our externally leveraged capital resource with £25 million a year of borrowing. We will consider invest-to-save and commercial investments in excess of this where the investment will deliver revenue savings or create additional resource for investment. We will continue with the separation of maintenance and investment programmes that has brought benefits by reducing bureaucracy.
- 1.6. We will use our capital resources to deliver capital schemes that support the vision and objectives set out in the Council Plan 2025. As a priority, over the next 12 months, we expect investment proposals for the following to have been brought forward for decision:

<p>Supporting people</p>	<ul style="list-style-type: none"> • Investment in new school places, and in particular special educational needs provision within the county, including in the south of the county, similar combined provision to the new school/social care facility in Exhall for special educational needs and children’s social care. • Assistive technology to support health, care and well-being.
<p>Shaping places</p>	<ul style="list-style-type: none"> • Investments in accident hot spots to save lives • Further developing our network of cycle paths • Investment in 5G/broadband to connect our residents and support businesses across Warwickshire • Investments in place through ambitious schemes to shape Warwickshire and individual parts of it in line with commercial strategy priorities • Redoubling our efforts to attract inward investment • Bringing employers to Warwickshire as part of our place shaping to help our residents’ prosperity
<p>Maximising income and reducing expenditure</p>	<ul style="list-style-type: none"> • Helping new start-up business centres • Developing proposals to help meet the county’s future needs by investing in housing, land and property (residential, business and housing, including affordable), for example through a county property company • Waste management improvements across Warwickshire • Reducing the Council’s office footprint

	<ul style="list-style-type: none"> • Investment in developing the Fire and Rescue Service's estate • Investment in digital technology to improve the quality and efficiency of service provision
Climate Change	<ul style="list-style-type: none"> • Defending Warwickshire against flooding • Greening our fleet and electric charging points • Investment to reduce the Council's carbon footprint

- 1.7. Our revenue recommendations include the creation of a Place Shaping and Capital Feasibility Fund that will support the development of robust proposals that will to enable us to bring forward creative and innovative investments to deliver on the ambitions of our Council Plan and supporting creation of a strong pipeline of future projects.
- 1.8. We will add £0.200 million a year to the maintenance programme for flood defence activity.
- 1.9. We require £3.000 million of the schools' capital grant to form a contribution towards the cost of maintenance of the school estate, with the balance of the grant to be used to meet the growing demand for school places, alongside contributions from developers.

2. 2020/21 Capital Programme

- 2.1. Approval is given to a capital programme of £494.738 million. Of this £210.981 million is for 2020/21 and £283.757 million for future years. There is £131.588 million in the Capital Investment Fund that will be allocated to specific schemes, in line with our priorities, as bids are created and considered over the five year of the 2020-25 Medium Term Financial Strategy.
- 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	2020/21	2021/22	2022/23 and later years	Total
	£'000	£'000	£'000	£'000
Education Services	41,411	7,175	14,730	63,317
Environment Services	86,875	32,724	46,188	165,788
Fire and Rescue Service	5,742	120	360	6,222
Strategic Commissioning - Communities	25,475	16,416	17,047	58,937
Children and Families	232	175	375	782
Business and Customer Services	168	500	1,274	1,942
Enabling Services	16,664	12,313	33,263	62,239
Governance and Policy	2,499	356	1,068	3,923
Total Allocations	179,067	69,779	114,305	363,150
Capital Investment Fund	31,914	24,918	74,755	131,588
Total Programme	210,981	94,697	189,060	494,738

Note: Table may not sum due to roundings.

- 2.3. In addition, we approve the addition of £26.776 million to the A46 Stoneleigh Junction Improvements scheme in the capital programme funded from third-party contributions. This approval is subject to the award of Department for Transport funding for the scheme.

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				
	2020/21	2021/22	2022/23 and later years	Total
	£'000	£'000	£'000	£'000
Capital Grants	58,742	23,404	63,418	145,564
Third Party Contributions	59,329	7,633	7,481	74,443
Capital Receipts	25,242	6,048	39,698	70,988
Revenue	1,300	0	0	1,300
Borrowing	66,368	57,612	78,463	202,443
Total Financing	210,981	94,697	180,060	494,738

Note: The borrowing figure is greater in 2020/21 as it includes the funding of capital spend financed by borrowing that was originally planned for in 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 2020/21 and the subsequent years as detailed in **Appendix C**.

5. Strategic Director for Resources: Statement

- 5.1. The following statement from the Strategic Director for Resources is noted:

“As “Chief Finance Officer” the Local Government Act 2003 requires me 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 based on realistic assumptions about risk and affordability and that it represents a robust and realistic 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 quarterly 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; and
 - Approve individual projects within the allocations made by Council.
- 6.2. In addition, the Strategic Director for Resources is authorised to vire capital projects between Services where such virements are as a direct consequence of a restructuring within the County Council.
- 6.3. The Strategic Director for Resources, in consultation with the Leader, is 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, which reviews whether all uncommitted capital spend at the end of the financial year remains 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 for 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 Financial Monitoring Report.
- 7.8. Strategic Directors, the Chief Fire Officer and Heads of Service, with approval from the Strategic Director for 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 via the quarterly Financial Monitoring 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 Strategy (MTFS) and Capital Strategy. Within those allocations, detailed budget management is delegated to the responsible

Assistant Director, in line with the agreed criteria and prioritisation approved by Council in the MTFS 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 relatively small in number. 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.

Investing in Warwickshire- Capital Strategy 2020-30



Introduction



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Cllr Peter Butlin

Deputy Leader and Portfolio
Holder for Finance and Property



Rob Powell

Strategic Director for
Resources
Warwickshire County Council

Investing in Warwickshire is a fundamental part of our role as a County Council. We want Warwickshire to be the best it can be, sustainable now and for future generations.

As a county, we boast a broad range of strengths that make Warwickshire a great place to be. We benefit from a buoyant economy, significant business and housing growth, considerable community capital, much valued natural environment and town centres that are a vital part of local life. But looking ahead, we also face significant challenges, including demographic pressures and the impact of climate change.

As an organisation, we are equally well placed but face uncertainty over future funding levels and our ability to meet growing demand for the services we provide.

Together, these factors influence our approach to capital investment. To respond effectively, we need to take a strategic and holistic approach to the use of our capital fund and assets to deliver our key priorities.

Our refreshed Capital Strategy 2020-30 aims to optimise the way in which we generate, manage and allocate the capital funds at our disposal. It

forms a critical part of our policy and financial planning process. It is an integral part of the Medium-Term Financial Strategy to help deliver our Council Plan 2025.

Our new approach aims to maximise the use of capital resources to continue to make Warwickshire an attractive place to live, work, visit and do business, ensuring good stewardship of our assets and maximising opportunities for sound investment when they arise.

This capital strategy has been developed to ensure that our long-term approach to investment takes proper account of prudence, value for money, risk, sustainability and affordability. It is supported by a robust delivery and governance framework to guide expenditure and investment decisions; performance will be monitored at overall, programme and project levels to track progress and achievements against priorities. Together these ensure compliance with the CIPFA Prudential code.

We recognise the lasting impact and legacy of good, evidence-based capital investment and the Capital Strategy 2020-30 sets out our approach to making this happen in and for Warwickshire.

1.

Purpose of our Capital Strategy

What is Capital?

Within Local government, capital is funding which is used to purchase or upgrade specific assets such as buildings, machinery, equipment, ICT, vehicles or intangible assets.

Unlike for revenue funding, these are investments that last a number of years and deliver long term benefit to the community, place and council.

Such capital Investment is funded by borrowing, grants, capital receipts, developer contributions, council contributions etc.

The costs are charged to revenue for depreciation and amortisation.

What is a Capital Strategy?

A capital strategy sets out the choices we make in relation to the amount and nature of the capital investment we spend. It is made up of three key elements:

1. **Strategic intent** – Sets out the aspiration and direction for our capital investment, defining the outcomes we are seeking to achieve through investment (Why).
2. **Programme** – Sets out the activity, programmes and projects that are funded by our capital investment (What).
3. **Framework** – Sets out the way we will plan and prioritise investments; manage capital spend and the capital programme in line with best practice and statutory requirements; execute the delivery of projects; manage risks and measure performance (How).

Together these elements set out the ambition for investment, the nature of that investment and the assurance of delivery.

2.

Why do we need a capital strategy?

Our Capital strategy sets out the direction, nature and focus of the capital programme and the framework which we operate to.

As a public body, we have a statutory duty to produce a capital strategy. An effective Capital Strategy helps ensure that the Council's capital and revenue expenditure on the asset portfolio is directed to deliver our key priorities. The Council Plan 2025 has a clear vision to make **Warwickshire the best it can be, sustainable now and for future generations.**

Our capital investment will be aimed at delivering our priority outcomes using the draft investment criteria below:

Warwickshire's communities and individuals are supported to be safe, healthy and independent (Supporting people) - invest to:

- **manage long-term demand through innovation**, sustainable service redesign, new technology and digital solutions;
- **strengthen community assets and community resilience** by investing in community capacity, self-help and capability, supporting local actions and priorities like climate change;
- **keep communities, including children, safe** by investing in safety, providing early support, preventing harm and helping to reduce crime;
- **meet future demand** through early intervention and timely provision of capital assets to support vulnerable people to live well (school places, independent living accommodation).

Warwickshire's economy is vibrant and supported by the right jobs, training, skills and infrastructure (Shaping places) - invest to:

- make Warwickshire sustainable now and for the future through actions to secure carbon reduction, mitigate against climate change, increasing recycling, reducing waste, using products from sustainable sources and encouraging community actions;
- help economic growth by reducing unemployment, improving skills, improving education provision, supporting business growth and local industries and attracting investment to Warwickshire;
- enable infrastructure improvement to improve connectivity, enable modal shifts in travel, maintain networks etc;
- support local economic resilience through local area regeneration, sustaining town centres;
- enhance Warwickshire as a place to live and visit improving Warwickshire's attractiveness, public spaces, natural parks, visitor assets and community places.

Making the best use of our resources (Maximising our resources) - invest to:

- **generate income** through investments that generate tax revenue, grow revenue streams or deliver enhanced capital receipts;
- **create social value** through our procurement, commissioning, service delivery and estate management to produce wider social, economic or environmental benefits for our communities and
- **ensure good stewardship of Council assets** through timely maintenance, appropriate use of technology and energy efficiency.

Strengthening
our strategic
focus

Matching
our
programme to
our ambition

Optimising
Delivery

Our enhanced approach is to adopt:

- a portfolio view;
- a holistic and outward looking focus;
- investment to transform services;
- a streamlined approach and
- a medium/long term perspective.

Benefits of an effective capital strategy

- look to the long term future;
- influence the decisions and choices we make;
- create opportunities and influence agendas;
- focus on our place-shaping role and working with partners and
- create consistency and coherence to our investment.

How does this fit with other strategies?

The capital strategy is a key part of our strategic framework and a critical element of our Medium Term Financial Strategy (MTFS), which is in turn aligned to the Council Plan 2025.

Whilst the MTFS covers the period 2020-2025, the capital strategy reflects the long-term nature and benefit of capital investment and is written over a longer timeframe, stretching to 2030.

Our approach to capital investment is both informed by and informs our:

- Risk management strategy;
- Commercial strategy;
- Reserves strategy; and
- Treasury management strategy.

This suite of strategies builds a holistic approach to investment. It recognises the revenue cost of borrowing capital (similar to a mortgage), ensuring that we are clear about what we need. They will inform our work and influence over wider agendas and partnership working such as Health and Wellbeing, The West Midlands Combined Authority, Coventry and Warwickshire Local Enterprise Partnership, City of culture, the Commonwealth Games and other local authorities.

3.

Drivers for Capital Investment

Local and national factors that will shape the need for capital investment during the next 10 years include:

Supporting People

- Warwickshire continues to be an attractive place to live, work and visit, which will experience significant population and housing growth over the next 20 years. Population growth is forecast to increase by at least 7.2% by 2041 and may well exceed this in view of housing development trends.
- The main growth will be in older age groups: those aged 70 and over are projected to increase by almost 50% by 2041 and those aged 85 plus will more than double.
- A growing ageing population is likely to see increases in those living with disabilities and other long-term health conditions, leading to additional demand pressures on public services including health, social care and fire to protect, prevent and support vulnerable people.
- The number of Children Looked After by the Council is projected to continue to rise, reflecting population increases and national trends.
- There will be significant pressures on our social care budgets as a result of the rise in the numbers of elderly people, those with disabilities, in ill-health and children looked after by the Council. This will require us to work differently; to invest in early interventions, demand management encourage service innovation, reduce costly care packages and enable more self-help and resilience in our communities.
- Our School age population is projected to increase by 3% by 2025 but this will then slow down by 2041. There is an estimated need for an additional 8,000 school places by 2025.
- The growth in population and households will mean a need for additional infrastructure requirements, particularly transport, waste and school places including special education needs.

Shaping Warwickshire

Shaping Warwickshire as a place to live, work and visit

- The Council has declared a climate change emergency and is developing an action plan in response and in recognition of its role as community leader, service provider and estate manager.
- The number of households is projected to increase by 13% to 271,497 by 2041. In addition, Neighbourhood Plans include proposals for an additional 56,000 households by 2033, with each of the 5 District /Borough areas projecting growth in households of 10,000 or more.
- Managing and maintaining Warwickshire's transport network poses several challenges which include: the need for new infrastructure, improving connectivity, how to secure a modal shift away from cars, dealing with the impacts of increasingly car dominated and congested town centres and improving road safety.
- The Council's commitment to make Warwickshire the best it can be is informed by an emerging place-based planning which helps identify specific opportunities and needs to be addressed in the context of the Council Plan using revenue and capital resources.

- Warwickshire has a strong growing economy which outperforms most parts of the Midlands but lags the best performing areas of the South East; our productivity still lags below the national average.
- Employment growth in Warwickshire is expected to increase by 2.4% (7,800 + jobs) between 2017 and 2025 (LEFM, 2017).
- The West Midlands has been selected as the preferred partner for the government's Urban Connected Communities project which will develop a large-scale, 5G pilot across the region, with a hub in Coventry. 5G mobile connectivity is expected to revolutionise the digital environment, with benefits to business, public services and society; attracting investment and talent to the region. It will also provide opportunities for locally based businesses to contribute to the innovation ecosystem and improve connectivity to support small and social enterprises particularly the digital and creative and SME sectors.
- Strong partnership efforts and investment will be needed to sustain the role of our town centres in the face of changing consumer habits and emerging opportunities to enhance our visitor offers.

Warwickshire County Council drivers

- Population growth helps increase the Council tax base and positively impacts on our ability to borrow for capital investment.
- We need to work in different and innovative ways to reduce costs and optimise use of our assets. This will aid our sustainability in the face of growing demand and an uncertain financial climate for local authorities.
- There are opportunities and challenges to leverage external contributions (grants, developer contributions etc) for our capital programme.
- We need to optimise our commercial approach and activities to generate income and make better use of resources in a way that delivers wider outcomes for Warwickshire.
- Technological advances and changes in the way customers interact with service providers, will lead us to maximise the use of digital and other technologies across our services.
- Our asset management strategies and estate modernisation plans will help sustain our core assets, (council and fire) support modern flexible ways of working, our climate change commitment and our people strategy.

4.

Guiding principles for our Capital investments.

Approach

This capital strategy represents a step change in our approach to capital investment, and is guided by these three key principles:

1. Strengthening our strategic focus

and role as a shaper of place for Warwickshire by applying a holistic, forward looking and externally focused approach to our capital investment

2. Matching our programme to our ambition

Right sizing the capital programme to ensure it reflects the broad range of our ambition and outcomes

3. Optimising Delivery

Strengthening our performance in relation to capital projects, adopting commercial principles and practices which enhance evidence-based decision making and robust benefit realisation

The key principles of our Capital Strategy are:

Strengthening our strategic focus

Focusing on our core purpose and supporting the Council's priority outcomes: The capital strategy exists to deliver the Council's Corporate Plan priority outcomes, strategic objectives and to help implement our key strategies. It will take a holistic, balanced and joined up view on investment across the full spectrum of Council objectives as set out in the Council Plan 2025.

Matching the programme content to our ambition

Taking a holistic view and ensuring strategic fit: The capital strategy will drive the right prioritisation of capital investment in an integrated approach across the Council and with our transformation programme to drive innovation and creative solutions for managing demand, improving productivity and reducing cost. It will support good investments, maximise returns and exploit opportunities. Our capital plan will make the best use of resources to meet current needs, deliver a sustainable future for the next generation and be affordable.

Being risk aware: We will be risk aware, ensuring compliance with our statutory duties and providing proportionate and appropriate scrutiny to drive improvement. We will operate within agreed tolerances for risk, reading across the entire capital programme and learning from the delivery of individual projects.

Optimising delivery

Building a commercial and business-like approach to investment: The capital strategy is critical to embedding a more strategic, business-like and risk-aware approach, as encapsulated by our new commercial strategy. It will be informed by a long term pipeline of investment and external funding opportunities. All capital investments will be supported by a robust business case, setting out the requirement, objectives of the capital expenditure, intended outcomes and benefits, the costs and the risks.

Assurance: The capital strategy must drive a capital delivery programme which maximises the return (social value and financial benefits) from our capital investment. It will be supported by the right capabilities, plans and delivery management to minimise slippage, accelerate benefits realisation and achieve value for money.

5.

Capital Programme

The Council maintains an approved capital programme, that covers a 5 year period, which is subject to an annual update as part of the budget process and Medium Term Financial Plan. The capital programme incorporates:

- the roll forward of existing approved capital projects;
- an annual 'rightsizing' of approved capital budgets to ensure optimal allocation of corporate resources;
- allocations for rolling, annual maintenance programmes; and
- a single investment pot to fund new priorities.

The effect of investment priorities is reflected in both the Medium-Term Financial Strategy and Treasury Management Strategy.

Capital Programme approval process

The capital programme is developed in line with the Medium-Term Financial Strategy and approved as part of the Capital Budget Resolution by Full Council in February each year.

The Corporate Board will review the draft future capital programme, consider its affordability and make recommendations to the Cabinet.

The Cabinet is responsible for considering the capital programme, along with recommendations on how it should be financed as a whole, its affordability and priorities, and will recommend a revenue budget and a capital programme to the Full Council for approval.

Project approval

Capital projects will be brought to Members for approval throughout the year. Capital approval rules allow for this, meaning that the capital programme evolves throughout the year.

Assessment of bids for investment will take place through the new capital governance process. Once a need for a new asset/project has been identified, it will be developed in line with the Council's project management framework and standards (available on the Council's Intranet). This will involve preparing an outline business case to enable an assessment of the desirability and affordability of the project.

If approved, a full business case is developed and submitted for approval through our Gateway

process. The full business case will include an options appraisal and will ensure that the full implications of every proposal are clearly understood to enable decisions on whether to proceed with the project and to prioritise the application of capital against our investment criteria. It will also ensure that capacity to deliver the project, risks associated with the project, and value for money have all been considered.

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Once approved, these will be added to the Capital Programme.

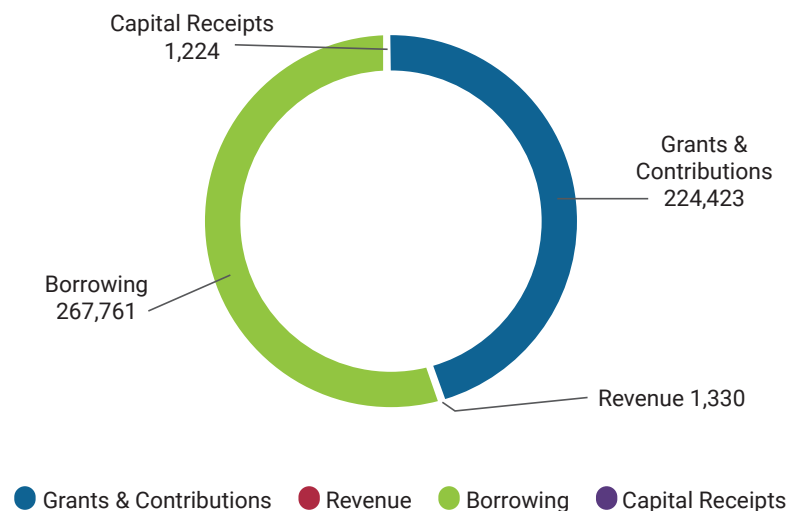
Financial Monitoring

The technical appendix sets out how the capital programme is monitored to ensure that our capital spending is effectively managed to deliver value for money, together with the capital governance framework.

The funding of capital expenditure and funding principles

Our main capital resources are service specific grants, third-party contributions, capital receipts,

contributions from revenue and borrowing. 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. We aim to optimise the use of all other available sources before using borrowing to fund our capital programme. The funding of the capital programme is outlined in the chart below:



Based on current estimates, WCC is expecting to spend £494.7m over the next 5 years. A breakdown of the capital programme is attached to the capital budget resolution and analysis of the allocations is included in the technical appendix. Future capital priorities not yet included in the capital programme are included in Annex D to the technical appendix.

The Council's strategy for its borrowing is set out in the Treasury Management Strategy Statement and takes account of factors such as interest rates and the spreading of loan repayment dates to reduce risk. The technical appendix outlines the approach taken to assessing sustainability and affordability of the capital programme and illustrates the effect of borrowing decisions on the revenue budget. Prudential indicators will be approved as part of the capital budget resolution.

Our current assumptions, subject to Member approval for the delivery of the overall capital programme are:

- £35.600 million new borrowing annually, funded as part of the revenue budget proposals for 2020-25 Medium Term Financial Strategy.
 - £10.682 million of maintenance allocations are funded from a top slice of this borrowing and are strictly cash limited.
 - The balance of the £35.600 million annual borrowing (£24.918 million a year) will be allocated to the Capital Investment Fund where services will be invited to submit business cases to bid for funding throughout the year.
- 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 disposal profile of capital receipts will be used to inform the MTFs and revenue savings targets by offsetting the cost of new borrowing.
 - 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. £3.000 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 maximised and applied to appropriate schemes ahead of Council resources whenever possible.

CIPFA Prudential Code

The 2017 edition of the CIPFA Prudential Code for Capital Finance in Local Authorities introduced the requirement for authorities to produce a capital strategy. The purpose of the capital strategy is to place decisions about borrowing in the context of the overall longer-term financial position of the authority and to provide improved links between the revenue and capital budgets. The guidance is not prescriptive and allows the capital strategy to be tailored to the individual authority's circumstances. The Council has adhered to this guidance in this Capital Strategy.

6.

Capital Framework

Our Capital Framework covers:

- how we plan for capital investment, identifying priorities, inter-relationships and a long- term pipeline;
- the selection of projects, sub-programme priorities and the total capital programme;
- governance, including decision-making, risk management, assurance and control;
- the planning and execution of projects (using PMO, Prince2 & RIBA standards); and
- performance measurement using KPIs (financial, technical, economic, environmental & social metrics) to track progress at different stages, delivery, benefits/ achievements, reporting and lessons learnt.

The capital framework will include a methodology to classify and define stages/phases of the way we deliver our capital investments, which will be based on recognised industry standards e.g. PRINCE2 and RIBA Plan of work, along with other best practice.

We will be providing a clear definition about what performance is, and how it will be measured so that we can assess whether our projects and investments are on track, KPIs and benchmarking will be used to capture our position and how well we are doing.

A robust monitoring approach will provide early warnings for the management of risks before they become issues. Our framework will have a clear definition and understanding of the quality of Capital Programme delivery to help us learn and drive improvements.

These will be used in conjunction with the overall performance framework of the council and with the MTFS.

We will be creating definitions and processes relevant to the work of Warwickshire County Council around; why projects change and how that change is managed through structured change control; how we validate variations within our capital projects and how we plan ahead and account for change e.g. use of financing contingency, financing risk and identifying optimism bias.

7.

Making it happen

The following are some key actions that will help the delivery of the strategy over the next 12 months.

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Focusing on our core purpose and supporting the Council's priority outcomes

- Refine our horizon and environmental scanning to better inform future investment
- Build longer term pipeline to deliver our ambitions
- Create a Capital Investment board which provides strategic oversight to all capital investment (aligned to commercial investment)
- Balance the programme to outcomes
- Amplify place shaping
- Multi-service effort
- Compare project and sub-programme benefits

Taking a holistic view and ensuring strategic fit

Being risk aware

- Create a programme wide risk profile
- Use early warning system to strengthen delivery

Building a commercial and business-like approach to investment

- Assess opportunities and options for investment
- Set clear investment criteria

Ensuring performance

- Enhance delivery capacity
- Performance and delivery framework
- Gateway governance model

Our Capital strategy will be reviewed annually alongside the annual refresh of the Capital Programme

The enhanced assurance framework will ensure that the programme and framework are constantly reviewed and relevant.

Performance will be reported quarterly to Cabinet.

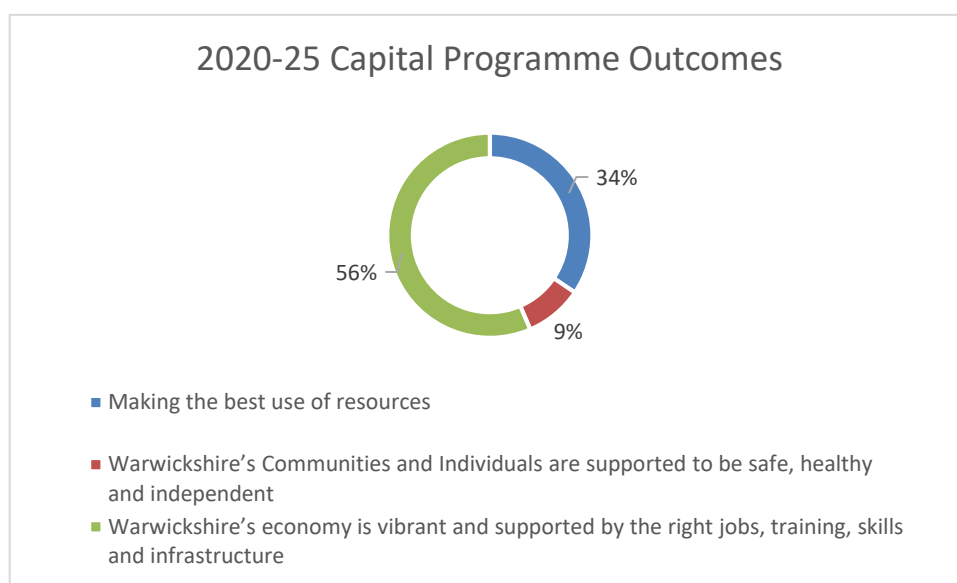
December 2019

Investing in Warwickshire

Capital Strategy 2020-2030 – Technical Appendix

Why do we need a Capital Strategy?

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. Our capital investment is aimed at delivering our priority outcomes for which the current gearing of our capital programme is as follows:



This technical appendix to the Capital Strategy provides 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 and how we deliver the above outcomes.

What is Capital?

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 the 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.

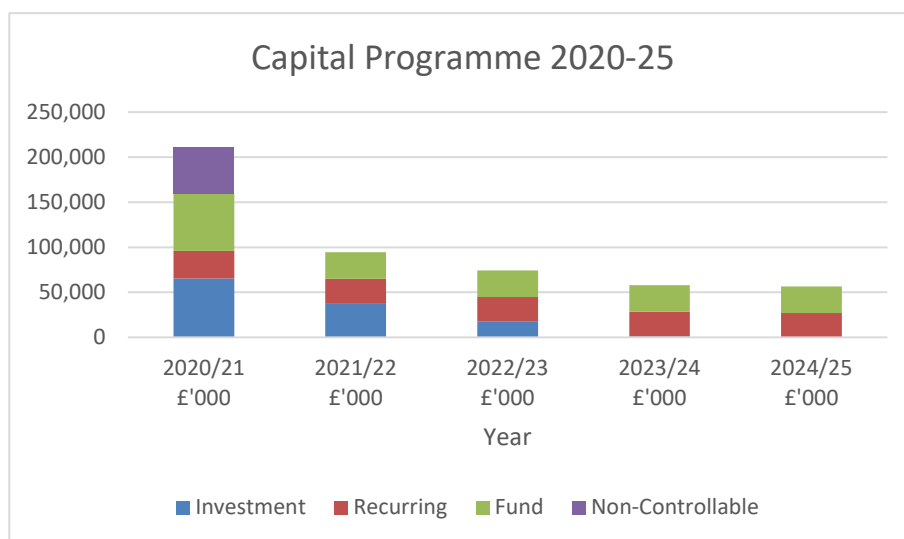
Some of our spending allocations are to either purchase or improve an asset belonging to another organisation or individual; in these circumstances, we include the expenditure in the capital programme for budget setting and monitoring processes, but follow the CIPFA Code requirements for accounting treatment 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.

Our Capital Programme

There are four broad strands to our capital programme, each programme has a number of strands that ensure a clear focus on the purpose of capital spending and the prioritisation of proposals:

- A recurring maintenance programme that ensures our assets continue to be fit for purpose and able to support the delivery of services;
- Non-controllable projects, generally funded from developer contributions and not wholly within the Council's control;
- An investment programme that creates and develops new assets through individual projects, and;
- Corporately held investment funds for allocation as business cases are submitted and approved.



*Future non-controllable spend cannot yet be predicted so 2021/22 is not comparable with 2020/21.

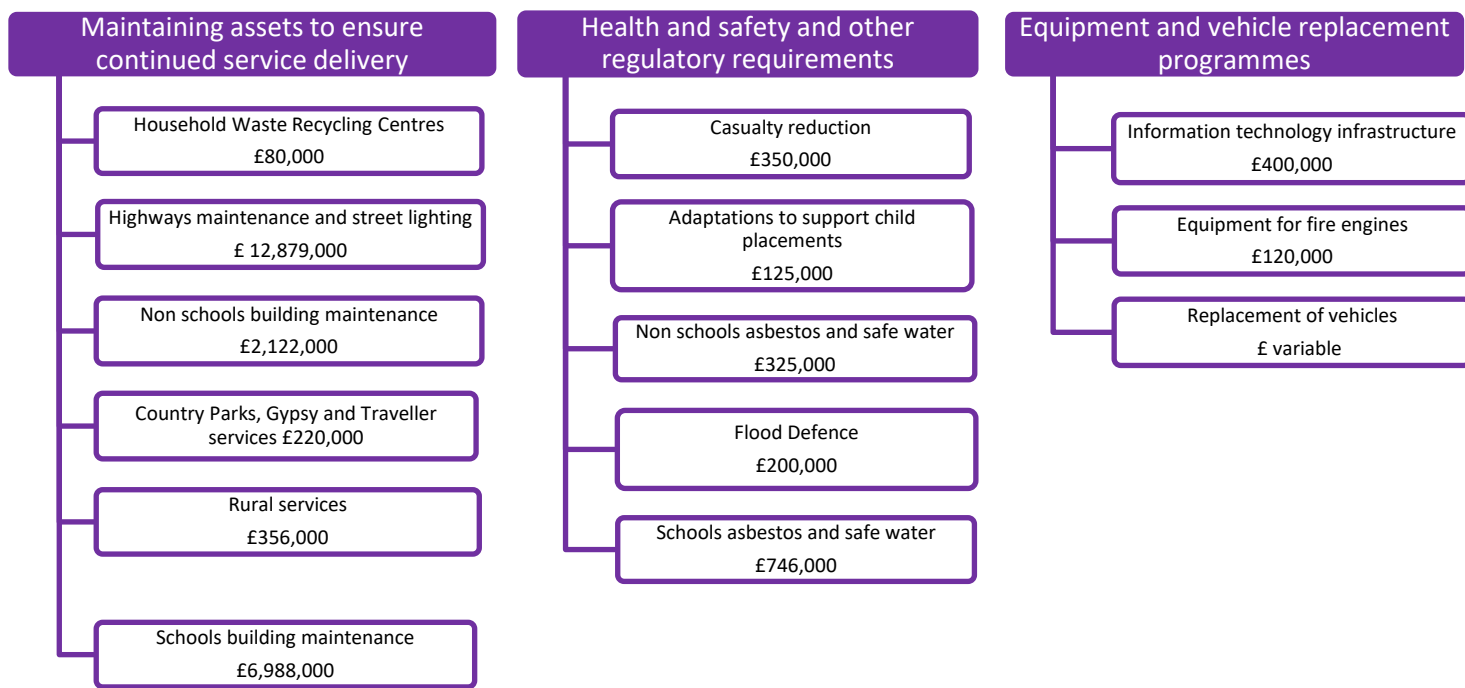
Guiding principles for our Capital Maintenance

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; or
- Annual cost of equipment and/or vehicle replacement programmes

Our annual maintenance programme is £10.682 million a year funded from borrowing (plus a £3.000 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 C summarises the prioritisation methodology that will be used through to 2025 for each of the elements of the rolling maintenance programme.

Guiding principles for our Capital Investments

Capital Investment: Non-Schools

Any capital spending not included in the recurring 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.

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.

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. Any scheme costing above £2 million requires the approval of Full Council, regardless of funding source or expenditure type.

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](#). In response to the climate change emergency, the evaluation criteria specifically require that every new investment scheme explains how it will contribute to addressing climate change (where applicable).

[Annex B](#) 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 2020/21 maintenance programme. It also includes a 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. [Annex B](#) includes the prioritisation of future investment programmes.

Currently the Council generally does not choose to make investments in the commercial property market purely for the purpose of generating a financial return, however with the Council moving towards taking a more commercial approach this could possibly be revised in future as part of the Commercial Strategy approved by Cabinet in October 2019, the capital strategy will be updated to reflect such changes in direction. 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.

Capital Investment: Schools and Educational Facilities

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 in a period of significant growth, with large scale housing development proposed across the county over the next 10 years and beyond. It is expected this will require additional education provision Warwickshire children. As development progresses across the county there will be a 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 D](#) for link.

Guiding principles for our Capital Funding

Capital Receipts

Through our approach to asset management planning (see [Annex D](#)), 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:

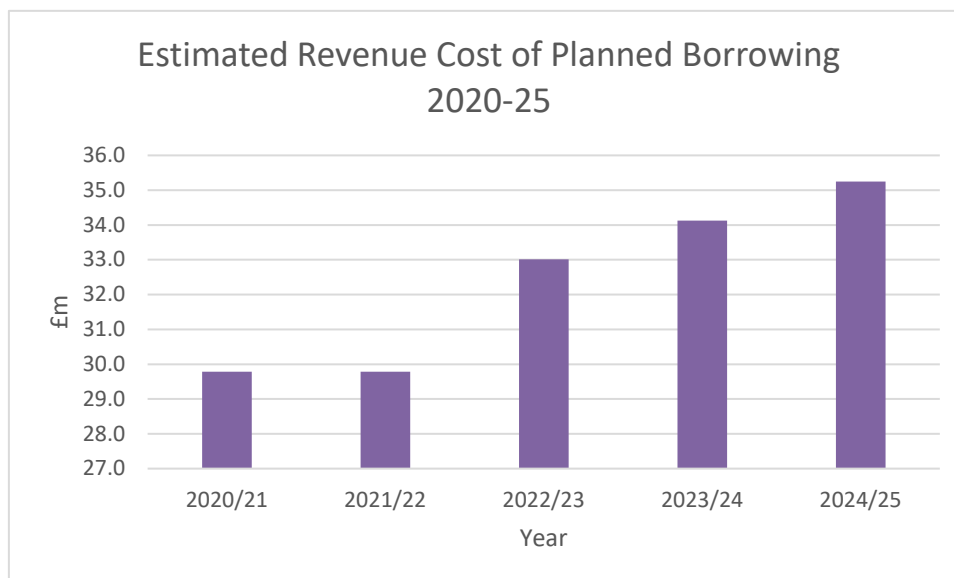
- Whether assets are surplus to requirements in the short, medium and long term;
- Whether assets are achieving their financial or service delivery performance targets;
- The level of any potential financial return;
- Any legal obligations; and
- The impact on corporate policies and the promotion of key strategic policies.

All capital receipts, with the exception of school receipts which are reinvested, are used to repay debt, with 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 £35.600 million borrowing each year is affordable within the 2020-25 Medium Term Financial Strategy 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 £29.781 million in 2020/21, £29.781 million in 2021/22, £33.014m in 2022/23, £34.123m in 2023/24 and £35.245m in 2024/25.



Provision for these costs is included as part of our 2020/21 budget and medium term financial strategy. 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 D](#)). 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 2020-25 Medium Term Financial Strategy 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.

Capital Investment Fund

The 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, through the agreed capital framework. 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.

Making It Happen

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.

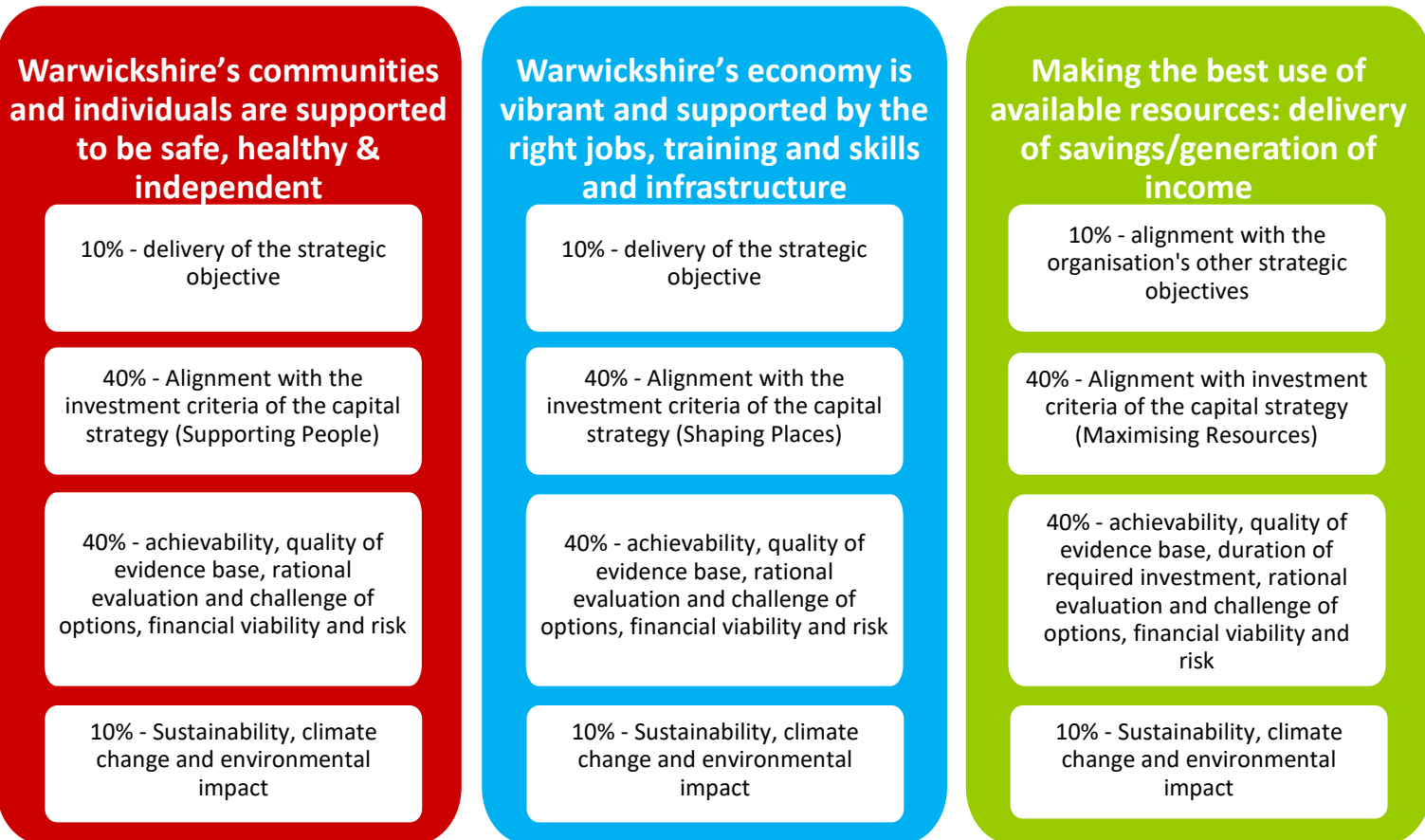
In order to ensure WCC staff are equipped with the right training and knowledge to deliver the capital programme, a suite of e-learning materials and guidance notes are made available to all project managers and finance staff explaining the rules and principles underpinning capital expenditure and financing. Guidance on monitoring and approval processes for capital expenditure is made available to all staff on our intranet.

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; and
- 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.

Capital projects will now be approved through a new capital gateway process and be more closely monitored through the capital framework which will rely on a methodology to classify and define stages/phases of delivery for our capital investments. The framework will have a clear definition and understanding of the quality of Capital Programme delivery to help us learn and drive improvements.

Summary of Capital Investment Fund 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 Priority Outcomes

The table below shows the connection between the Council's capital investment plans, the organisation's key objectives and the Capital Strategy's focus for investment. Business cases are still to be completed to confirm final funding allocations and formal addition to the council's capital programme. Locations are provided for information where not clear from scheme title; where not shown, schemes may be at multiple sites or county-wide.

Pillars	Capital Investment Priorities
Supporting people	<ul style="list-style-type: none"> - Investment in quality and accessible education spaces for all school children in Warwickshire - Investment in social care services, supported accommodation and accommodation with support - Capital investment to support delivery of Public Health services
Shaping places	<ul style="list-style-type: none"> - Improvements to the Fire & Rescue Service estate - Investments in Place - To invest in ambitious schemes to shape Warwickshire and individual parts of it in line with commercial strategy priorities - Economic Development - Sustainable Transport
Maximising our resources	<ul style="list-style-type: none"> - Investment in better ways of delivering services such as libraries and heritage/culture - Investment in Digital and ICT - Investment to maximise the effectiveness of our property estate
Climate Change	<ul style="list-style-type: none"> - Climate Change Mitigation - Carbon Footprint

*Priorities will be included as part of the 2020/21 Conservative Budget Resolution

Prioritisation of the Annual Maintenance Programme

Given the announcement of a climate change emergency, all annual maintenance programmes are expected to consider how the programme of works can contribute towards addressing climate change.

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.); and
- 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 3' and, therefore, achieving the highest 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); and
- 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; and
- 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; and
- 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.

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

- 2020-25 Council Plan
- Commercial Strategy
- Risk Management Strategy
- Reserves Strategy

2020/21 Capital Programme - by Outcome and Service

Service	Scheme Title	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Investment Programme							
Warwickshire's Communities and Individuals are supported to be safe, healthy and independent							
Children and Families	Children and families property adaptations, purchases and vehicles	107	50	0	0	0	157
Strategic Commissioning for Communities	A426 Gateway Rugby to Rugby Town Centre Cycle Scheme	265	0	0	0	0	265
	A439 Southern Casualty Reduction	500	0	0	0	0	500
	Average Speed Cameras	1,764	0	0	0	0	1,764
	Barford Junction Safety and Capacity Improvement Works (s106)	170	0	0	0	0	170
	Bermuda Connectivity	4,705	0	1,000	700	0	6,405
	Green Man Coleshill Signalised Junction	500	0	0	0	0	500
	Hinckley to Nuneaton cycle route	260	163	0	0	0	423
	Home to School Routes	792	0	0	0	0	792
	Kenilworth Station	880	0	0	0	0	880
	Nuneaton to Coventry cycle route	300	692	0	0	0	992
	Bus shelters, Narrow Hall Meadow nr GP Surgery Chase Meadow (s106)	20	0	0	0	0	20
	School Safety Zones	127	0	0	0	0	127
	Small Business Grants	361	183	17	0	0	561
	Southbound bus stop on A426 Leicester Road Rugby	0	41	0	0	0	41
	Temple Hill / Lutterworth Road Wolvey Casualty Reduction Scheme	1,000	0	0	0	0	1,000
	Transforming Nuneaton	3,170	0	0	0	0	3,170
	Upgrade existing shared pedestrian/cycle path, Bermuda	11	0	0	0	0	11
	Weddington Road , Nuneaton implement toucan crossing	101	0	0	0	0	101
Education Services	Pears Centre	500	0	0	0	0	500
Environment Services	Install CCTV on Emscote Road Warwick (Tesco Stores)	9	0	0	0	0	9
Fire and Rescue Services	Fire Emergency Services Network (ESN) preparedness	732	0	0	0	0	732
	Fire and Rescue Training Programme	1,874	0	0	0	0	1,874
	Fire and Rescue HQ Leamington Spa	2,236	0	0	0	0	2,236
	Training Centre - new build	700	0	0	0	0	700
Total for Warwickshire's Communities and Individuals are supported to be safe, healthy and independent		21,084	1,129	1,017	700	0	23,930

2020/21 Capital Programme - by Outcome and Service

Service	Scheme Title	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Warwickshire's economy is vibrant and supported by the right jobs, training, skills and infrastructure							
Strategic Commissioning for Communities	Transforming Nuneaton (Library and Business Centre)	771	12,133	6,054	233	0	19,192
	Duplex Fund	992	168	87	53	0	1,300
	Capital Growth Fund Business Loans and Grants	195	206	137	275	0	812
Education Services	All Saints Primary, Nuneaton, replace temporary classrooms	59	0	0	0	0	59
	Campion Phase 1 (incl sports hall refurbishment)	2,267	0	0	0	0	2,267
	Eastlands Primary temporary classroom	60	0	0	0	0	60
	High Meadow Infant School - new classrooms, group rooms and toilets	1,590	0	0	0	0	1,590
	Kineton High refurbishment - phase 1	125	0	0	0	0	125
	New School, The Gateway, Rugby	2,750	2,265	0	0	0	5,015
	Newdigate Primary School - expansion and internal refurbishment	1,326	0	0	0	0	1,326
	Ridgeway School - reconfiguration of classrooms	60	0	0	0	0	60
	Round Oak School - reconfiguration of classrooms	190	0	0	0	0	190
	The Ferncumbe Primary temporary classroom	20	0	0	0	0	20
	Welcombe Hills vehicle access alterations	442	0	0	0	0	442
	Investment in school adaptations to reflect pupils access needs	400	400	400	400	400	2,000
Provision of additional school places	31,623	4,510	4,510	4,510	4,510	49,663	
Enabling Services	Development of Rural Broadband	5,007	1,732	1,521	0	0	8,260
	Renewable energy	995	0	0	0	0	995
Environment Services	A3400 Birmingham Road Stratford corridor improvements	3,393	0	0	0	0	3,393
	A422 Alcester Road access to development and relocation of crossing	6	0	0	0	0	6
	A422 Banbury Road Ettington Ghost Island right turn lane	10	0	0	0	0	10
	A426/A4071 Avon Mill Roundabout Rugby improvement scheme	1,123	0	0	0	0	1,123
	A426 Southam Rd Southam access to quarry at Griffins Farm	10	0	0	0	0	10
	A428 Lawford Road Rugby right turn lane and access to development site	50	0	0	0	0	50
	A429 Ettington Rd Wellesbourne new roundabout and puffin crossing	10	0	0	0	0	10
	A444 corridor improvements - phase 2	662	3,796	0	0	0	4,458
A452 Europa Way, Olympus Avenue to Heathcote Lane roundabout	0	0	7,481	0	0	7,481	

2020/21 Capital Programme - by Outcome and Service

Service	Scheme Title	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Environment Services	A452 Europa Way Warwick traffic signals	191	0	0	0	0	191
	A452 M40 spur west of Banbury Road	0	7,591	0	0	0	7,591
	A46 Stanks Island, Warwick	4,248	0	0	0	0	4,248
	A46 Stoneleigh junction improvements	0	4,881	0	0	0	4,881
	A47 Hinckley Road corridor	2,862	0	0	0	0	2,862
	A47 Hinkley Road Nuneaton puffin crossing	10	0	0	0	0	10
	A47 The Long Shoot Nuneaton refuge island and right turn lane	16	0	0	0	0	16
	B439 Salford Road Bidford - access and puffin crossing	75	0	0	0	0	75
	B4429 Ashlawn Rd Rugby new puffin crossing	10	0	0	0	0	10
	Bridleways improvements Brownsover Rugby	6	0	0	0	0	6
	Butlers Leap Link Road - traffic signal improvements	300	0	0	0	0	300
	C98 Loxley Rd , Tiddington - site accesses and improved footways	500	0	0	0	0	500
	Warwick Town Centre transport package	4,046	0	0	0	0	4,046
	Cycle routes - Kenilworth to Leamington	2,519	2,230	0	0	0	4,749
	D7050 Common Lane Kenilworth traffic signal junction	500	0	0	0	0	500
	MOVA operation on traffic signal junctions Emscote Road Warwick	75	0	0	0	0	75
	Install traffic signals junction Colliery Lane / Back Lane Exhall	45	0	0	0	0	45
	Install variable message signs A444	82	0	0	0	0	82
	Lawford Road / Addison Road casualty reduction	736	0	0	0	0	736
	M40 Junction 12	57	30	0	0	0	87
	Minor bridge maintenance schemes	400	0	0	0	0	400
	Portobello Bridge	200	1,296	10	0	0	1,506
	Rugby Gyrotory improvement scheme	25	0	0	0	0	25
	Rugby, Hunters Lane - through route New Tech Drive To Newbold Rd	329	0	0	0	0	329
S106 Rights of Way scheme at Long Shoot development Nuneaton	6	0	0	0	0	6	
	Total for Warwickshire's economy is vibrant and supported by the right jobs, training, skills and infrastructure	71,373	41,239	20,200	5,472	4,910	143,193

2020/21 Capital Programme - by Outcome and Service

Service	Scheme Title	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Making the best use of resources							
Business and Customer Services	Improving the customer experience/one-front-door improvements	168	500	1,274	0	0	1,942
Strategic Commissioning for Communities	Design Services area delegated funding	11	0	0	0	0	11
	Land at Crick Road Rugby (Rugby Parkway)	2,487	0	0	0	0	2,487
	Nuneaton and Bedworth town centre - Queens Rd West improvements	50	0	0	0	0	50
	Area Delegated Funding	4,736	2,000	2,000	2,000	2,000	12,736
Governance and Policy	Maintaining the smallholdings land bank	844	0	0	0	0	844
	Strategic site planning applications	1,300	0	0	0	0	1,300
Total for Making the best use of resources		9,596	2,500	3,274	2,000	2,000	19,370
Capital Investment Fund							
Corporate	Capital Investment Programme - Existing	6,996	0	0	0	0	6,996
	Capital Investment Fund - New	24,918	24,918	24,918	24,918	24,918	124,592
Total for Capital Investment Fund		31,914	24,918	24,918	24,918	24,918	131,588
TOTAL INVESTMENT PROGRAMME		133,967	69,787	49,409	33,090	31,828	318,081

2020/21 Capital Programme - by Outcome and Service

Service	Scheme Title	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Maintenance Programme							
Warwickshire's Communities and Individuals are supported to be safe, healthy and independent							
Children and Families	Investment to support carers	125	125	125	125	125	625
Fire and Rescue Services	Operational equipment	200	120	120	120	120	680
	Total for Warwickshire's Communities and Individuals are supported to be safe, healthy and independent	325	245	245	245	245	1,305
Warwickshire's economy is vibrant and supported by the right jobs, training, skills and infrastructure							
Strategic Commissioning for Communities	Casualty reduction schemes	669	350	350	350	350	2,069
	Household Waste Recycling Centre maintenance	104	80	80	80	80	424
Enabling Services	Schools asbestos and safe water remedials	746	746	746	746	746	3,728
	Schools planned building, mechanical and electrical backlog	6,988	6,988	6,988	6,988	6,988	34,940
Environment Services	Highways maintenance	12,995	12,879	12,879	12,879	12,879	64,511
	Total for Warwickshire's economy is vibrant and supported by the right jobs, training, skills and infrastructure	21,502	21,043	21,043	21,043	21,043	105,672
Making the best use of resources							
Strategic Commissioning for Communities	Countryside Rural Services capital maintenance	334	200	200	200	200	1,134
	Flood defence	200	200	200	200	200	1,000
Enabling Services	Non-schools - planned building, mechanical and electrical backlog	2,122	2,122	2,122	2,122	2,122	10,610
	Non-schools asbestos and safe water remedials	325	325	325	325	325	1,625
	ICT purchases	481	400	400	400	400	2,081
Environment Services	Gypsy and Traveller site maintenance	20	20	20	20	20	100
Governance and Policy	Rural services capital maintenance	356	356	356	356	356	1,780
	Total for Making the best use of resources	3,838	3,623	3,623	3,623	3,623	18,330
TOTAL MAINTENANCE PROGRAMME		25,665	24,911	24,911	24,911	24,911	125,307

2020/21 Capital Programme - by Outcome and Service

Service	Scheme Title	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Developer Funded Programme							
Warwickshire's economy is vibrant and supported by the right jobs, training, skills and infrastructure							
Environment Services	s.278 developer funded schemes	51,349	0	0	0	0	51,349
TOTAL DEVELOPER FUNDED PROGRAMME		51,349	0	0	0	0	51,349
TOTAL CAPITAL PROGRAMME		210,981	94,697	74,320	58,001	56,739	494,738

PRUDENTIAL INDICATORS	2018/19 actual	2019/20 forecast	2020/21 estimate	2021/22 estimate	2022/23 estimate
Capital Expenditure	£'000 84,077	£'000 146,555	£'000 210,981	£'000 94,697	£'000 74,319
Ratio of financing costs to net revenue stream	% 6.99	% 6.78	% 6.60	% 7.22	% 7.67
Gross borrowing requirement	£'000	£'000	£'000	£'000	£'000
Gross Debt	362,274	352,274	332,274	332,275	332,275
Capital Financing Requirement as at 31 March	301,581	304,499	358,877	402,325	416,489
Under/(Over) Borrowing	(60,693)	(47,775)	26,603	70,050	84,214
In year Capital Financing Requirement	£'000 (12,367)	£'000 2,918	£'000 54,378	£'000 43,448	£'000 14,164
Capital Financing Requirement as at 31 March	£'000 301,581	£'000 304,499	£'000 358,877	£'000 402,325	£'000 416,489
Authorised limit for external debt -	£'000	£'000	£'000	£'000	£'000
Borrowing	516,818	438,231	515,485	543,623	560,620
Other long term liabilities	12,000	12,000	12,000	12,000	12,000
TOTAL	528,818	450,231	527,485	555,623	572,620
Operational boundary for external debt -	£'000	£'000	£'000	£'000	£'000
Borrowing	430,681	365,192	429,570	453,019	467,183
Other long term liabilities	10,000	10,000	10,000	10,000	10,000
TOTAL	440,681	375,192	439,570	463,019	477,183
Upper limit for fixed interest rate exposure					
Net principal re fixed rate borrowing / investment	100%	100%	100%	100%	100%
Upper limit for variable rate exposure					
Net principal re variable rate borrowing / investment	25%	25%	25%	25%	25%
Upper limit for total principal sums invested for over 364 days (per maturity date)	£'000 60,000	£'000 60,000	£'000 60,000	£'000 60,000	£'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 2020. 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.

This proposal represents an alternative 2020/21 Revenue Budget Proposal. The detail shows the differences compared to the Conservative proposals to aid effective debate.

APPENDIX B - 2020/21 Revenue Budget

Proposal

Labour Recommendations to County Council

The County Council is recommended to plan its budget framework for 2020/21 on the following basis:

Section 1

Delete Section 1 and replace as follows:

1. Financial Direction of Travel

- 1.1 It cannot be fair that once again Warwickshire finds itself in the position of having to make cuts to services as a result of having to make further savings of £33 million over the next five years as a result of Government's broken promise to invest in local government. And that, at a local level, we have been collecting council tax from our residents only to put it in reserves rather than spending it on the services our communities need.
- 1.2 Our budget proposal goes some way towards ameliorating the cuts proposed in the Conservative Group's budget as far as we are able by rebalancing the priorities of Warwickshire County Council. Our focus is people not council-owned property and communities not computers.
- 1.3 But we cannot go as far as we would like because of the Government's complete lack of any medium-term financing strategy for local government. Only when we have more certainty about our medium-term financial outlook, will we be able to make greater strides in rebalancing the priorities of Warwickshire. We will look to release significantly more funding from our reserves in future, ensuring the organisation has the capacity to deliver on the ambitions we have set ourselves.

1.4 In the meantime, we will continue to make sure that we address the needs of the people of Warwickshire by protecting the most vulnerable in our society and ensuring children and young people across the county have the opportunity to fulfil their potential.

1.5 We will:

- Directly invest £12.2 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 as well as investing in initiatives to reduce demand for children’s social care over the medium term and improve the school readiness of children across Warwickshire. We require a report on the intended benefits of the children’s transformation programme across the three themes of early help, children in care and care leavers and cultural change aligned to the outcomes and objectives of the Council Plan 2025 to be brought to Cabinet in April;
- Invest £14.4 million to protect our elderly citizens and vulnerable adults to fund additional demand and manage winter pressures whilst continuing to make progress on our vision of greater integration between health and social care;
- Invest £1.6 million to continue to support children and young people with disabilities placements and to ensure they can access appropriate support within their communities;
- Invest £2.4 million in home to school transport to ensure we continue to provide services in line with our policy whilst being able to respond to the increasing demands on the service and funding the reinstatement of passenger assistants on our home to school transport service;
- Invest £0.5 million to support victims of domestic abuse;
- Invest £0.3 million in the Waste Management service to meet the increased demand as a result of housing growth;
- Invest 0.3 million in school improvement enhancing the service as well as providing the funding on a permanent basis;
- Invest £0.2 million to expand the network of subsidised public transport services, with the priority for bus services to maintain and support the independence of our vulnerable residents and communities;
- Invest £0.3 million to allow local communities to decide whether to turn on the LED street lights where there are concerns about community safety; and
- Invest £1.6 million in the Fire and Rescue Service to provide for a new fire engine and the associated additional operational fire-fighters as well as maintaining the Fire and Rescue Service control room in Warwickshire to meet increased demand.

1.6 We are beginning to see real positive impacts from our time-limited investment over recent years. We will therefore continue our investment in skills for employment and flood risk management on a permanent basis.

1.7 We will create four additional Investment Funds to kickstart our programme of investment in rebalancing the Council's priorities. We will ensure investments are supported by robust business cases and realise benefits and help address long-term issues such as climate change. In doing this we are determined to make the best use of the funding we have available. We will put in place rigorous prioritisation and evaluation processes before funding allocations are confirmed. Allocations to individual projects will require business cases that are evaluated against criteria that will be agreed by Cabinet in March 2020.

1.8 Our Investment Funds will initially contain £19m revenue funding which may be topped up during the five-year period as our finances allow. We will use the £19 million time-limited resource to create four Investment Funds as follows:

- Climate Change Fund
A £7 million Fund to invest in implementing the priorities flowing from the Climate Change Task and Finish Groups. Our objective is for the County Council to be carbon free by 2025 and Warwickshire as a county by 2030. Programmes we would like to see come forward for consideration are "Plant a tree for every person in Warwickshire", improving air quality including the creation of zero emissions zones, bus infrastructure (including electric buses and retro-fitting better engines), investing in water fountains in town centres, increasing the number of charging points for electric vehicles, the introduction of eco-friendly schools, the introduction of smart transport targets and a full review of transport plans across Warwickshire.
- Education Support Fund
A £4 million Fund to invest in initiatives ensuring children and young people across the county have the opportunity to fulfil their potential. Areas where we expect proposals to come forward for consideration are the effective management of SEND waiting lists, initiatives to work through family centres to support vulnerable families and investing in the first 1,000 days of a child's life and tackling the issue of children's mental health through proposal to introduce counsellors in schools.
- Communities Fund
A £4 million Fund to invest in supporting our communities. Areas where we expect proposals to be brought forward for consideration are trading standards

initiatives to protect vulnerable people, targeted youth support aimed at changing perceptions of young people and working through the Warwickshire Waste Partnership on initiatives to tackle fly-tipping.

- Health and Well-Being Fund

A £4 million Fund to invest in sustainably improving health and well-being outcomes for residents and communities across Warwickshire. Initiatives to be brought forward include the roll-out of health scores across the county and support for vulnerable individuals in relation to drugs and alcohol, men's health, male suicide, domestic violence and loneliness.

1.9 In addition to the Investment Funds we intend to use our remaining short-term resource 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. We will invest:

- £3.7 million over three years to increase state-funded specialist education provision in Warwickshire to deliver better use of resources by education young people with special educational needs and disabilities in-county;
- £0.3 million over two years to continue the joint investment in the homelessness project with Rugby Borough Council;
- £0.6 million to manage the Council's engagement with and response to the independent inquiry into child sexual abuse; and
- £0.6m over two years to restructure the Fire Protection team to meet the increasing demand for statutory inspections with a view to rolling out a wider offer to local businesses in future which should make the activity sustainable over the medium term.

1.10 We recognise our investment proposals need to be funded and wherever possible we have protected the front-line delivery of services through the choices we have made. We will re-focus the Council's transformation funds to look at ways to be more efficient and effective in maximising outcomes from local and national taxpayers' money. As invest-to save funds we expect the investments to have targets for financial return and pay-back periods and deliver budget reductions in future years that we can reinvest in services.

1.11 We require Corporate Board to bring forward additional efficiency proposals as part of the 2021/22 budget process to enable more choice for Members about which proposed budget reductions to take forward. In particular, we would seek to reduce the reliance on charging residents for services to balance the books and to provide

choices over the level of council tax, with our priority being to remove the future plans to increase income from residents and visitors parking permits.

- 1.12 Despite our reservations about the impact on financially hard-pressed families the Government has continued to fail to provide adequate funding for local government we still need to increase council 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 1.99% on the council tax for all other services too. In total, this 3.99% council tax increase is equivalent of an increase of £1.10 per week for a Band D dwelling.

Section 4

Delete Section 4 and replace as follows:

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 £51.283 million.
- 4.2 We will provide £11.678 million for the estimated cost of pay and price inflation in 2020/21, 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 £39.605 million to meet additional spending need, of which £17.015 million is time-limited. Details of the allocations and how we expect the funding to be used are also detailed in **Appendix A as amended by Annex A** for permanent allocations and **Appendix B as amended by Annex 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 £0.997 million of service reserves to provide capacity to invest in service change and to allow space to effectively implement service redesign/reprioritisation.

Section 5

Replace paragraph 5.3 as follows:

- 5.3 We will provide sufficient resources to ensure the level of General Reserves is at least consistent with that stated by the Strategic Director for Resources as the minimum level of general reserves given the financial risks facing the authority. We will release £19 million now to deliver our investment proposals over the period of the 2020-25 Medium Term Financial Strategy and will undertake a further review at the end of each financial year to identify where there is scope to release further resources to support our investment proposals.

Replace paragraph 5.8 as follows:

- 5.8 We will use the £0.104 million surplus from the collection of council tax and £1.085 million of reserves to support the budget on a one-off basis.

Section 6

Replace paragraph 6.4 as follows:

- 6.4 The indicative future spending allocations and planned reductions we have set out deliver a balanced MTFs over the period of the 2025 Council Plan with a 1.99% annual increase in the council tax in future years. We accept that without this level of increase in council tax, or if future spending needs exceeds the indicative levels, further budget reductions will need to be identified and delivered to ensure the budget remains sustainable. We know that over the period of the MTFs we need to identify a further £7 million reserves that we can redirect to support the phasing of the spending allocations over the five years of the MTFs. We will begin this process with a further review of reserves as part of the 2019/20 outturn.

Add new paragraphs 6.7 and 6.8 and renumber the following paragraphs accordingly:

- 6.7 We require reports, with options, to be brought to Cabinet in June 2020, as the start of our planning for future years, covering the following areas:
- Increasing capacity in the care home market across all sectors
 - Extending bus services across the county, better linking of communities and improving the competitiveness of the market

- Tackling the barriers to integration with health
- Reducing the cost of home to school transport
- Expansion of our network of business centres across the county to promote and support the development of new entrants

6.8 We require a report to be brought to Cabinet in June seeking approval for how our investment in the City of Culture will be used, with prioritised projects focussed on delivering, in the absence of additional funding, lasting benefits to communities across Warwickshire.

Section 7

Delete Risk 8 – Impact on the Medium Term Financial Strategy and replace as follows:

Risk 8 – Impact on the Medium Term Financial Strategy

The Medium Term Financial Strategy (MTFS) outlines the significant additional financial challenge to the authority in future years. The indicative future spending allocations and planned reductions deliver a balanced MTFS over the period of the 2025 Council Plan with a 1.99% annual increase in the council tax in future years. Without this level of increase in council tax, or if future spending needs exceeds the indicative levels, further budget reductions will need to be identified and delivered to ensure the budget remains sustainable. The recommendations require further one-off funding being made available, including from reserves, to support the phasing of the MTFS proposals across the five years. If this is not forthcoming, then spending proposals will need to be delayed. Given the challenge this presents in addition to existing savings requirements and the as yet unknown medium term financial environment, Members are advised it is important that decisions taken in agreeing the 2020/21 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.

Section 8

Delete Section 8 and replace as follows:

8. Summary of Service Estimates

8.1 Approval be given to the individual service net revenue estimates shown below, which will be finalised for the service estimates to be presented to Cabinet in March of:

	Base Budget	Additional Investment	Funding Sources	Total
	£	£	£	£
Education Services	107,894,949	5,867,000	(279,000)	113,482,949
Environment Services	25,159,550	1,310,000	(200,000)	26,269,550
Fire and Rescue Service	20,054,288	1,895,000	-	21,949,288
Strategic Commissioning - Communities	19,606,907	2,189,000	-	21,795,907
Adult Social Care	144,055,813	14,350,000	(400,000)	158,005,813
Children and Families	51,151,035	8,376,000	(194,000)	59,333,035
Strategic Commissioning - People	31,846,719	2,088,000	-	33,934,719
Business and Customer Services	17,908,021	373,000	(1,140,000)	17,141,021
Commissioning Support Unit	3,679,997	79,000	(405,000)	3,353,997
Enabling Services	20,824,847	3,477,000	(774,000)	23,527,847
Finance	4,343,199	103,000	-	4,446,199
Governance and Policy	1,870,114	360,000	(40,000)	2,190,114
Other Services - spending	44,768,853	10,816,000	(2,777,000)	52,807,853
Other Services - schools and funding	(79,525,280)	-	(142,928,000)	(222,453,280)
	413,639,012	51,283,000	(149,137,000)	315,785,012
<u>Contributions to/(from) reserves:</u>				
- Service Reserves	(977,000)	-	-	(977,000)
- General Reserves	-	-	(1,085,056)	(1,085,056)
Budget Requirement	412,662,012	51,283,000	(150,222,056)	313,722,956

All other sections/paragraphs remain unchanged.

Changes to the 2020-25 Proposed Permanent Allocations

Purpose of the Allocation by Service	Allocation	Indicative Additional Future Allocation			
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Education Services					
Home to school transport passenger assistants - An allocation to reinstate passenger assistants on home to school transport for pupils and students; thereby investing in the safety of Warwickshire children.	200	200	0	0	0
School improvement - An additional allocation to invest in the service on a permanent basis and to build capacity to ensure system leadership and school-to-school support continues.	100	0	0	0	0
Environment Services					
Public Transport - An allocation to increase the funding for subsidised bus services across the county.	200	0	0	0	0
Street lighting - An allocation to provide funding to allow street lights to be turned back on where communities want it.	150	125	0	0	0
Fire and Rescue					
Additional fire-fighter capacity - An allocation to provide for an additional self-rostering crew consisting of 1 Watch Commander, 6 Crew Commanders and 15 Fire fighters	517	517	0	0	0
Total In-year Increase in Permanent Spending Allocations	1,167	842	0	0	0
Total Cumulative Increase in Permanent Spending Allocations	1,167	2,009	2,009	2,009	2,009

Changes to the 2020-25 Time-limited Investment Proposals

Purpose of the Allocation by Service	Allocation	Indicative Additional Future Allocation				
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Fire and Rescue						
Fire Appliance and Equipment - An allocation to purchase an additional, fully fitted fire appliance for use by the additional crew.	300	0	0	0	0	300
Corporate Services						
Sustaining Prevention Fund - Delete the allocation for the Sustaining Prevention Fund.	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(7,000)
Commercial Fund - Delete the allocation for the Commercial Fund.	(800)	(800)	(800)	(800)	(800)	(4,000)
Place Shaping and Capital Investment Feasibility Fund - Delete the allocation for the Place Shaping and Capital Feasibility Fund.	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(5,000)

Changes to the 2020-25 Time-limited Investment Proposals

Purpose of the Allocation by Service	Allocation	Indicative Additional Future Allocation				
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
<p>Climate Change Fund - Increase the allocation to the Climate Change Fund to invest in priorities flowing from the Climate Change Task and Finish Groups and Council Plan 2025. A report outlining how investments will be prioritised and the governance arrangements will be brought to Cabinet in March. The funding is shown allocated across the five years of the MTFS, but the phasing between years will be flexible depending on the strength of investment proposals coming forward for consideration.</p>	600	600	600	600	600	3,000

Changes to the 2020-25 Time-limited Investment Proposals

Purpose of the Allocation by Service	Allocation	Indicative Additional Future Allocation				
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Corporate Services (continued)						
Education Support Fund - An allocation to create an Education Support Fund to invest in initiatives ensuring children and young people across the county have the opportunity to fulfil their potential. A report outlining how investments will be prioritised and the governance arrangements will be brought to Cabinet in March. The funding is shown allocated across the five years of the MTFs, but the phasing between years will be flexible depending on the strength of investment proposals coming forward for consideration.	800	800	800	800	800	4,000
Communities Fund - An allocation to create a Communities Fund to invest in supporting our local communities. A report outlining how investments will be prioritised and the governance arrangements will be brought to Cabinet in March. The funding is shown allocated across the five years of the MTFs, but the phasing between years will be flexible depending on the strength of investment proposals coming forward for consideration.	800	800	800	800	800	4,000

Changes to the 2020-25 Time-limited Investment Proposals

Purpose of the Allocation by Service	Allocation	Indicative Additional Future Allocation				
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Corporate Services (continued)						
Health and Well-being Fund - An allocation to create a Health and Well-being Fund to invest in sustainably improving health and well-being outcomes for residents and communities across Warwickshire. A report outlining how investments will be prioritised and the governance arrangements will be brought to Cabinet in March. The funding is shown allocated across the five years of the MTFS, but the phasing between years will be flexible depending on the strength of investment proposals coming forward for consideration.	800	800	800	800	800	4,000
Total Change in Time-Limited Allocations	100	(200)	(200)	(200)	(200)	(700)

This proposal represents an alternative 2020/21 Capital Budget Proposal. The detail shows the differences compared to the Conservative proposals to aid effective debate.

2020/21 Capital Budget Proposal

Labour Recommendations to County Council

1 Financial Direction of Travel

Delete paragraphs 1.3 to 1.9 and replace as follows and updating Annex B of the capital strategy technical appendix accordingly:

- 1.3 Our capital programme provides much need investment to our town centres, it supports and promotes initiatives that directly invest in a **sustainable** infrastructure, with choices that will allow Warwickshire residents to reduce their CO2 emissions. Whilst the focus of this budget is on environmental sustainability, our towns must also address social and economic factors if they are to be successful.
- 1.4 Sustainable transport options such as cycling and walking reduce environmental impact, but they are also essential in promoting the benefits for personal health and well-being; walkable communities encourage social connection.
- 1.5 We will continue with the 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 capital investments, a strong business case and the deliverability of the project to ensure benefits for those who live, work and visit Warwickshire.
- 1.6 We will supplement our externally leveraged capital resource with £25 million a year of borrowing. We will consider invest-to-save and commercial investments in excess of this where the investment will deliver revenue savings or create additional resource for investment. We will continue with the separation of maintenance and investment programmes that has brought benefits by reducing bureaucracy.

- 1.7 We will use £22.8 million a year of the additional capital resources to provide capacity to deliver capital schemes that support and protect local communities. As a priority, by September 2020, we expect investment proposals for the following to have been brought forward for decision:
- A programme to regenerate and bring life back to our town and district centres and to re-invigorate our local community high streets and village centres;
 - A needs-based programme of improvements to footpaths and cycleways in residential areas, with priority given to schemes that have a positive impact on air quality and tackle accident hot spots;
 - The creation of a Warwickshire Community Asset Investment Fund to provide access to loan funding for community groups wishing to invest in their assets;
 - The development of a single centres across Warwickshire providing access to public services including County Council services, some health provision and services delivered by voluntary sector partners such as Age UK, CAVA, CAB and Rugby Credit Union;
 - The infrastructure provision needed to deliver the vision for children and family centres across Warwickshire; and
 - Bringing forward the roll-out of LED lighting.
- 1.8 We will double the funding allocated to the Members' area delegated budget, bringing the total to be allocated to £4 million a year.
- 1.9 We will add £0.400 million a year to the maintenance programme for flood defence activity.
- 1.10 We require £3.000 million of the schools' capital grant to form a contribution towards the cost of maintenance of the school estate, with the balance of the grant to be used to meet the growing demand for school places, alongside contributions from developers.
- 1.11 We believe the basis on which County Highways distributes its planned capital maintenance funding allocations between areas should be changed. We believe the current formula should be reviewed and a report taken to Overview and Scrutiny, by April 2020, on revised proposals that better reflect usage and whether roads are in residential areas.
- 1.12 We believe the Authority can achieve a better return on our assets and increase the resource available to drive economic prosperity for all our communities. We require a report to be brought forward looking at alternative options for the use of our land assets, for example investing land/capital receipts into a joint venture housing company. We expect a report, outlining the preferred options and how these would be implemented to be brought forward for consideration by September 2020.

2. 2020/21 Capital Programme

Delete paragraphs 2.1 and 2.2 and replace as follows and updating Appendix B (the 2020/21 Capital Programme) accordingly:

- 2.1 Approval is given to a capital programme of £494.738 million. Of this £210.981 million is for 2020/21 and £283.757 million for future years. There is £120.588 million in the Capital Investment Fund that will be allocated to specific schemes, in line with our priorities, as bids are created and considered over the five year of the 2020-25 Medium Term Financial Strategy.
- 2.2 Table 1 shows the breakdown of the programme across services, with the full detail of the capital programme attached at **Appendix B as amended by Annex A.**

Table 1: Capital Programme Summary by Service				
Service	2020/21	2021/22	2022/23 and later years	Total
	£'000	£'000	£'000	£'000
Education Services	41,411	7,175	14,730	63,317
Environment Services	89,075	34,924	52,788	176,788
Fire and Rescue Service	5,742	120	360	6,222
Strategic Commissioning - Communities	25,475	16,416	17,047	58,937
Children and Families	232	175	375	782
Business and Customer Services	168	500	1,274	1,942
Enabling Services	16,664	12,313	33,263	62,239
Governance and Policy	2,499	356	1,068	3,923
Total Allocations	181,267	71,979	120,905	374,150
Capital Investment Fund	29,714	22,718	68,155	120,588
Total Programme	210,981	94,697	189,060	494,738

Note: Table may not sum due to rounding.

All other paragraphs/sections remain unchanged.

Changes to the 2020/21 Capital Programme - by Outcome and Service

Add/amend the proposals below to those listed in Appendix B:

Service	Scheme Title	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Making the best use of resources - Investment Programme							
	Current approved programme	9,596	2,500	3,274	2,000	2,000	19,370
Environment Services	Area delegated funding - increase by £2m a year	2,000	2,000	2,000	2,000	2,000	10,000
Total for Making the best use of resources		11,596	4,500	5,274	4,000	4,000	29,370
Capital Investment Fund							
Corporate	Proposed programme	31,914	24,918	24,918	24,918	24,918	131,588
Corporate	Reduction in funding available as a result of the changes outlined elsewhere in this Annex	(2,200)	(2,200)	(2,200)	(2,200)	(2,200)	(11,000)
Total for Capital Investment Fund		29,714	22,718	22,718	22,718	22,718	120,588
Making the best use of resources - Maintenance Programme							
	Current approved programme	3,838	3,623	3,623	3,623	3,623	18,330
Environment Services	Additional allocation for flood defence	200	200	200	200	200	1,000
Total for Making the best use of resources		4,038	3,823	3,823	3,823	3,823	19,330

Note: Figures may not sum due to rounding

APPENDIX C - 2020/21 Revenue Budget Proposal

Green Party Recommendations to County Council

The County Council is recommended to plan its budget framework for 2020/21 on the following basis:

Section 1: Financial Direction of Travel

Delete paragraph 1.1 and replace as follows:

1.1 This five-year medium term financial strategy is fiscally robust and prepares Warwickshire for the future. It focuses investment in three main areas:

- Transport Transformation: With a growing population and the risks of dangerous air quality and climate change, transport ‘business-as-usual’ is not an option. Warwickshire can make it easier, safer and more enjoyable to travel for school, work and leisure. This investment will place us in prime position to gain match funding from other funding sources;
- Preparing for Climate Change: Both adapting to more extreme weather like heavy rain and improving energy efficiency of our buildings, including schools, reducing Carbon emissions and increasing trees and biodiversity; and
- Children, Families and Young People: Through investment in families with 0-3 year-olds and skills and mentoring when young people enter the job market for the first time.

Delete paragraph 1.6 and replace as follows:

1.6 We are beginning to see real positive impacts from our time-limited investment over recent years. We will therefore continue our investment in school improvement and flood risk management on a permanent basis. **We will quadruple our spending on skills for employment** and make this permanent. This will provide the opportunity to invest in training for people in new skills, particularly focussing on areas of change e.g. house building and heating systems. Working with businesses, youth services and the voluntary sector it will allow opportunities for mentoring and coaching of all Warwickshire’s young people entering the job market for the first time within five years.

Delete paragraphs 1.8 and 1.9 and replace as follows:

- 1.8 Our Investment Funds will initially contain £21m revenue funding which may be topped up during the five-year period as our finances allow. We are proposing indicative allocations to each Fund. These indicative allocations are deliberately flexible and may be varied as bids emerge and are prioritised, subject to Cabinet consideration and approval. We recognise that stability of funding is vital for successful long-term interventions. We do not want commissioners to be caught in an on-going treadmill of pilot projects when:
- We know that some schemes require longer-term financial commitments; and
 - There is a strong evidence base that already exists (e.g. smart start).

We therefore expect to see 3-5 year proposals developed in the first part of 2020/21 from the Sustaining Prevention Fund for 0-3 Early Years working with children and their families and addictions and homelessness.

- 1.9 We recognise the capital investment requires revenue funding and officer time for the design and delivery of schemes. Therefore, we are explicitly linking our revenue and capital funds to allow for joint revenue and capital approaches and bids *where appropriate*. We expect review and evaluation to be fully costed into all proposals. As an authority we need to reflect on what works better and why.

The table below summarises indicative amounts over 5 years. We will top up these funds as further resources become available.

Name of Fund	Indicative Revenue (over 5 years) £m	Linked Indicative Capital (over 5 years) £m	Prioritising
Sustaining Prevention and Supporting People	10	15	<ul style="list-style-type: none"> Families with 0-3 year-old children SEN provision Addictions
Climate Change <i>(excluding transport emissions)</i>	5	30	<ul style="list-style-type: none"> CO2 reductions and lower energy bills in buildings, including schools Defending Warwickshire from flooding Trees, habitats and ecological crisis
Transport Transformation <i>Reducing dangerous air pollution and CO2 emissions and improving the journey to school, work and leisure</i>	2	55	<ul style="list-style-type: none"> Cycling/walking Buses Electric vehicle charging Rail/light rail match-funding
Commercial	2	10	<ul style="list-style-type: none"> Property company for affordable housing delivery and best practice management of smallholdings
Place Shaping	2	20	<ul style="list-style-type: none"> Support for small and medium-size businesses Town centres Inward investment from Green technology/skills companies
Total	21	130	

Section 4

Delete Section 4 and replace as follows:

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 £51.866 million.

- 4.2 We will provide £11.678 million for the estimated cost of pay and price inflation in 2020/21, 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 £40.188 million to meet additional spending need, of which £17.615 million is time-limited. Details of the allocations and how we expect the funding to be used are also detailed in **Appendix A as amended by Annex A** for permanent allocations and **Appendix B as amended by Annex 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 £0.997 million of service reserves to provide capacity to invest in service change and to allow space to effectively implement service redesign/reprioritisation.

Section 5

Replace paragraph 5.3 as follows:

- 5.3 We will provide sufficient resources to ensure the level of General Reserves is at least consistent with that stated by the Strategic Director for Resources as the minimum level of general reserves given the financial risks facing the authority. We will release £21 million now to deliver our investment proposals over the period of the 2020-25 Medium Term Financial Strategy and will undertake a further review at the end of each financial year to identify where there is scope to release further resources to support our investment proposals.

Replace paragraph 5.8 as follows:

- 5.8 We will use the £0.104 million surplus from the collection of council tax and £1.668 million of reserves to support the budget on a one-off basis.

Section 6

Replace paragraph 6.4 as follows:

- 6.4 The indicative future spending allocations and planned reductions we have set out deliver a balanced MTFS over the period of the 2025 Council Plan with a 1.99% annual increase in the council tax in future years. We accept that without this level of increase in council tax, or if future spending needs exceeds the indicative levels, further budget reductions will need to be identified and delivered to ensure the budget remains sustainable. We know that over the period of the MTFS we need to identify a further £6 million reserves that we can redirect to support the phasing of the spending allocations over the five years of the MTFS. We will begin this process with a further review of reserves as part of the 2019/20 outturn.

Add new paragraphs 6.7 and renumber the following paragraphs accordingly:

- 6.7 We require a report to be brought to Cabinet by September outlining options for material reductions in the cost of education transport route development. These options should include bus investment funds to create commercially viable routes around schools.

Section 7

Delete Risk 8 – Impact on the Medium Term Financial Strategy and replace as follows:

Risk 8 – Impact on the Medium Term Financial Strategy

The Medium Term Financial Strategy (MTFS) outlines the significant additional financial challenge to the authority in future years. The indicative future spending allocations and planned reductions deliver a balanced MTFS over the period of the 2025 Council Plan with a 1.99% annual increase in the council tax in future years. Without this level of increase in council tax, or if future spending needs exceeds the indicative levels, further budget reductions will need to be identified and delivered to ensure the budget remains sustainable. The recommendations require further one-off funding being made available, including from reserves, to support the phasing of the MTFS proposals across the five years. If this is not forthcoming, then spending proposals will need to be delayed. Given the challenge this presents in addition to existing savings requirements and the as yet unknown medium term financial environment, Members are advised it is important that decisions taken in agreeing the 2020/21 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.

Section 8

Delete Section 8 and replace as follows:

8. Summary of Service Estimates

8.1 Approval be given to the individual service net revenue estimates shown below, which will be finalised for the service estimates to be presented to Cabinet in March of:

	Base Budget £	Additional Investment £	Funding Sources £	Total £
Education Services	107,894,949	5,567,000	(279,000)	113,182,949
Environment Services	25,159,550	1,260,000	(200,000)	26,219,550
Fire and Rescue Service	20,054,288	1,078,000	-	21,132,288
Strategic Commissioning - Communities	19,606,907	3,539,000	-	23,145,907
Adult Social Care	144,055,813	14,350,000	(400,000)	158,005,813
Children and Families	51,151,035	8,376,000	(194,000)	59,333,035
Strategic Commissioning - People	31,846,719	2,088,000	-	33,934,719
Business and Customer Services	17,908,021	373,000	(1,140,000)	17,141,021
Commissioning Support Unit	3,679,997	79,000	(405,000)	3,353,997
Enabling Services	20,824,847	3,477,000	(774,000)	23,527,847
Finance	4,343,199	103,000	-	4,446,199
Governance and Policy	1,870,114	360,000	(40,000)	2,190,114
Other Services - spending	44,768,853	11,216,000	(2,777,000)	53,207,853
Other Services - schools and funding	(79,525,280)	-	(142,928,000)	(222,453,280)
	413,639,012	51,866,000	(149,137,000)	316,368,012
<u>Contributions to/(from) reserves:</u>				
- Service Reserves	(977,000)	-	-	(977,000)
- General Reserves	-	-	(1,668,056)	(1,668,056)
Budget Requirement	412,662,012	51,866,000	(150,805,056)	313,722,956

All other sections/paragraphs remain unchanged.

Changes to the 2020-25 Proposed Permanent Allocations

Purpose of the Allocation by Service	Allocation 2020/21 £'000	Indicative Additional Future Allocation			
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Environment Services					
Public Transport - An allocation to increase the funding for subsidised bus services across the county.	100	0	0	0	0
Drainage cleaning - An allocation to increase the amount of drainage cleaning undertaken across the county on an annual basis.	100	0	0	0	0
Cycling capacity - An allocation to provide funding to support investment in the development of the cycling infrastructure across Warwickshire	100	0	0	0	0
Strategic Commissioning for Communities					
Skills for employment - An allocation to quadruple the investment in skills for employment. This will provide the opportunity to invest in training people for new skills and allow opportunities for mentoring and coaching of all Warwickshire's young people.	750	0	0	0	0
Strategic transport planning - An allocation support to make it easier, safer and more enjoyable to travel for school, work and leisure.	100	0	0	0	0
Total In-year Increase in Permanent Spending Allocations	1,150	0	0	0	0
Total Cumulative Increase in Permanent Spending Allocations	1,150	1,150	1,150	1,150	1,150

Changes to the 2020-25 Time-limited Investment Proposals

Purpose of the Allocation by Service	Allocation	Indicative Additional Future Allocation				
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Strategic Commissioning for Communities						
Waste investment - An allocation to invest in innovative solutions with districts and boroughs to reduce waste.	500	0	0	0	0	500
Corporate Services						
Sustaining Prevention and Supporting People Fund - Rename the Fund and increase the allocation to £10m over the period of the MTFS to invest in initiatives to support families with children aged 0-3, support for those with special educational needs and those with addictions. A report outlining how investments will be prioritised and the governance arrangements will be brought to Cabinet in March. The funding is shown allocated across the five years of the MTFS, but the phasing between years will be flexible depending on the strength of investment proposals coming forward for consideration.	600	600	600	600	600	3,000
Commercial Fund - Reduce the allocation to the Commercial Fund to £2m over the period of the MTFS.	(400)	(400)	(400)	(400)	(400)	(2,000)
Place Shaping Fund - Rename the Fund and reduce the allocation to £2m over the period of the MTFS.	(600)	(600)	(600)	(600)	(600)	(3,000)

Changes to the 2020-25 Time-limited Investment Proposals

Purpose of the Allocation by Service	Allocation	Indicative Additional Future Allocation				
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Climate Change Fund - Increase the allocation to the Climate Change Fund by £1m over the period of the MTFS	200	200	200	200	200	1,000

Changes to the 2020-25 Time-limited Investment Proposals

Purpose of the Allocation by Service	Allocation	Indicative Additional Future Allocation				
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Corporate Services (continued)						
Transport Transformation Fund - An allocation to create a Transport Transformation Fund to make it easier, safer and more enjoyable to travel for work, school or leisure across Warwickshire. A report outlining how investments will be prioritised and the governance arrangements will be brought to Cabinet in March. The funding is shown allocated across the five years of the MTFs, but the phasing between years will be flexible depending on the strength of investment proposals coming forward for consideration.	400	400	400	400	400	2,000
Total Change in Time-Limited Allocations	700	200	200	200	200	1,500

2020/21 Capital Budget Proposal

Green Party Recommendations to County Council

1 Financial Direction of Travel

Insert new paragraph 1.2 and renumber the following paragraphs accordingly:

1.2 Our capital programme focuses investment in 3 main areas:

- Transport Transformation
With a growing population and the risks of dangerous air quality and climate change, transport 'business-as-usual' is not an option. Warwickshire can make it easier, safer and more enjoyable to travel for school, work and leisure. This investment will place us in a prime position to gain match funding from other funding sources.
- Preparing for Climate Change
Both adapting to more extreme weather like heavy rain and improving the energy efficiency of our buildings, including schools, reducing Carbon emissions and increasing trees and biodiversity.
- School places and special needs provision
We will invest in special needs provision and social care for young people so that children with complex needs can attend school closer to home.

Delete paragraph 1.6, replace as follows and amend the capital strategy at Appendix A accordingly

1.6 This Council recognises that capital projects require revenue support for good decisions, design and delivery. In the past inadequate revenue resources have sometimes prevented timely development of capital projects. Therefore, we are explicitly linking our revenue and capital funds to allow for joint revenue/capital approaches and bids *where appropriate* as set out below. We expect review and evaluation to be fully costed into all proposals. As an authority we need to better reflect on what works and why.

We will also ensure the prioritisation of maintenance programmes are in accordance with these priorities by amending the Capital Strategy (Appendix A) as set out in **Annex A to Appendix A, Annex C.**

Name of Fund	Indicative Revenue (over 5 years) £m	Linked Indicative Capital (over 5 years) £m	Prioritising
Sustaining Prevention and Supporting People	10	15	<ul style="list-style-type: none"> Families with 0-3 year-old children SEN provision Addictions
Climate Change <i>(excluding transport emissions)</i>	5	30	<ul style="list-style-type: none"> CO2 reductions and lower energy bills in buildings, including schools Defending Warwickshire from flooding Trees, habitats and ecological crisis
Transport Transformation <i>Reducing dangerous air pollution and CO2 emissions and improving the journey to school, work and leisure</i>	2	55	<ul style="list-style-type: none"> Cycling/walking (£30m) Buses (£10m) Electric vehicle charging (£5m) Rail/light rail match-funding (£10m)
Commercial	2	10	<ul style="list-style-type: none"> Property company for affordable housing delivery and best practice management of smallholdings
Place Shaping	2	20	<ul style="list-style-type: none"> Support for small and medium-size businesses Town centres Inward investment from Green technology/skills companies
Total	21	130	

2. 2020/21 Capital Programme

Delete Section 2 and replace as follows and updating Appendix B (the 2020/21 Capital Programme) accordingly:

2.1 Approval is given to a capital programme of £494.738 million. Of this £210.981 million is for 2020/21 and £283.757 million for future years. There is £141.374 million in the Capital Investment Fund that will be allocated to specific schemes, in line with our priorities, as bids are created and considered over the five year of the 2020-25 Medium Term Financial Strategy.

2.2 Table 1 shows the breakdown of the programme across services, with the full detail of the capital programme attached at **Appendix B as amended by Annex A**.

Table 1: Capital Programme Summary by Service				
Service	2020/21	2021/22	2022/23 and later years	Total
	£'000	£'000	£'000	£'000
Education Services	41,411	7,175	14,730	63,317
Environment Services	86,875	27,843	46,188	160,906
Fire and Rescue Service	5,742	120	360	6,222
Strategic Commissioning - Communities	22,270	16,416	15,347	54,033
Children and Families	232	175	375	782
Business and Customer Services	168	500	1,274	1,942
Enabling Services	16,664	12,313	33,263	62,239
Governance and Policy	2,499	356	1,068	3,923
Total Allocations	175,862	64,898	112,605	353,364
Capital Investment Fund	35,119	29,799	76,455	141,374
Total Programme	210,981	94,697	189,060	494,738

Note: Table may not sum due to rounding.

2.3 We will renegotiate £26.776 million funded from third party contributions for the A46 Stoneleigh junction and invest these contributions in more appropriate schemes such as the extension of very light rail between Coventry, the University of Warwick, Kenilworth and Leamington. We will also remove the £4.881 million already in the capital programme for this scheme. Alongside the transport transformation fund these allocations will mean an indicative additional £87 million over five years into transport transformation in Warwickshire. This will also help us leverage in additional funds from other sources.

2.4 We will also review other road schemes that have not started where the cost is over £1.5 million in the capital programme to see if a stronger cost-benefit can be achieved with changes or reallocation in line with addressing dangerous air quality and reducing CO2 emissions. This will include parts of schemes around Europa Way.

6 Delegations

Add a new paragraph 6.4 to the Delegations section as follows:

- 6.4 That the review of delegations in the constitution that is due to be considered by Council in May includes consideration of a reduction from £2m to £1m in the delegated power to the Leader, or person(s) or body nominated by her, to authorise the addition to the capital programme of projects which are fully funded from external grants, developer contributions or revenue.

All other paragraphs/sections remain unchanged.

Capital Strategy Technical Appendix

Delete Prioritisation Methodology for Schools and Non-Schools Building Maintenance in Annex C of the Technical Appendix to the Capital Strategy (page 12) and replace as follows:

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.

When emergency and planned work occurs in schools and other buildings prudent long-term decisions will be made that will reduce the carbon footprint and energy bills of the school. Where such work requires additional revenue or capital investment the support will sought from the capital and revenue investment funds created as part of this budget proposal.

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.

Changes to the 2020/21 Capital Programme - by Outcome and Service

Add/amend the proposals below to those listed in Appendix B:

Service	Scheme Title	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Warwickshire's Communities and Individuals are supported to be safe, healthy and independent - Investment Programme							
	Current approved programme	21,084	1,129	1,017	700	0	23,930
Strategic Commissioning for Communities	Bermuda Connectivity - reduce scope of proposals	(3,205)	0	(1,000)	(700)	0	(4,905)
	Total for Warwickshire's Communities and Individuals are supported to be healthy, safe and independent	17,879	1,129	17	0	0	19,025
Warwickshire's economy is vibrant and supported by the right jobs, training, skills and infrastructure - Investment Programme							
	Current approved programme	71,373	41,239	20,200	5,472	4,910	143,193
Environment Services	Remove A46 Stoneleigh junction improvements scheme from the programme	0	(4,881)	0	0	0	(4,881)
	Total for Warwickshire's economy is vibrant and supported by the right jobs, training, skills and infrastructure	71,373	36,358	20,200	5,472	4,910	138,312

Changes to the 2020/21 Capital Programme - by Outcome and Service

Add/amend the proposals below to those listed in Appendix B:

Service	Scheme Title	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Capital Investment Fund							
Corporate	Proposed programme	31,914	24,918	24,918	24,918	24,918	131,588
Corporate	Increased Capital Investment Fund as a result of the changes proposed elsewhere in this capital programme	3,205	4,881	1,000	700	0	9,786
	Reallocate the Capital investment Fund to separate funds	(30,328)	(24,918)	(24,918)	(24,918)	(24,918)	(130,000)
	Sustaining Prevention of Supporting People Fund	3,000	3,000	3,000	3,000	3,000	15,000
	Climate Change Fund	6,000	6,000	6,000	6,000	6,000	30,000
	Commercial Fund	2,000	2,000	2,000	2,000	2,000	10,000
	Place Shaping Fund	4,000	4,000	4,000	4,000	4,000	20,000
	Transport Transformation Fund	15,328	9,918	9,918	9,918	9,918	55,000
Total for Capital Investment Fund		35,119	29,799	25,918	25,618	24,918	141,374

Note: Figures may not sum due to rounding

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