Cabinet

Date: Thursday 28 January 2021
Time: 1.45 pm
Venue: Microsoft Teams

Membership
Councillor Izzi Seccombe (Chair)
Councillor Peter Butlin
Councillor Les Caborn
Councillor Jeff Clarke
Councillor Andy Crump
Councillor Colin Hayfield
Councillor Kam Kaur
Councillor Jeff Morgan
Councillor Heather Timms

Items on the agenda: -

1. General

(1) Apologies

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

(3) Minutes of the Previous Meeting 7 - 16

To approve the minutes of the meeting held on 10 December 2020.

(4) Public Speaking

To note any requests to speak on any items that are on the agenda in accordance with the Council's Public Speaking Scheme (see footnote to this agenda).

2. 2020/21 Quarter 3 Budget Monitoring Report 17 - 102

A report that provides and update for Cabinet on the financial position of the Council for the period to December 2020.

Cabinet Portfolio Holder – Councillor Peter Butlin

3. 2021/22 Budget and 2021/25 Medium Term Financial Strategy - Updated Information

Ahead of the Council meeting to be held on 8 February 2021 this report updates Cabinet on the emerging budget and the Medium Term Financial Strategy.

Cabinet Portfolio Holder – Councillor Peter Butlin

4. Council's COVID-19 Recovery Plan

This report provides an update for Cabinet on progress with the delivery of the Covid-19 Recovery Plan.

Cabinet Portfolio Holder – Councillor Izzi Seccombe

5. Treasury Management Strategy and Investment Strategy

Prior to consideration at Council on 8 February 2021 this report sets out the Treasury Management Strategy and Investment Strategy for Cabinet endorsement.

Cabinet Portfolio Holder – Councillor Peter Butlin

6. Capital Investment Fund 2020/21 Q4

Through this report cabinet is requested to approve a series of schemes for funding via the CIF.

Cabinet Portfolio Holder – Councillor Peter Butlin

7. Revenue Investment Funds 2020/21 December Report

This report seeks Cabinet approval for the assignment of funds from the Revenue Investment Funds.

Cabinet Portfolio Holder – Councillor Peter Butlin

8. Civil Parking Enforcement Contract 2021

Current arrangements for civil parking enforcement come to an end in 2021. This report seeks Cabinet approval to commence the process for the procurement of a new contract.

Cabinet Portfolio Holder – Councillor Jeff Clarke

9. Bermuda Connectivity

This report concerns the funding for the Bermuda Connectivity project and also seeks Cabinet approval to award the contract for it's construction.

Cabinet Portfolio Holder – Councillor Jeff Clarke

17. (Exempt) Council Property Company

337 - 504

An exempt report concerning the establishment of a Council property company.

Cabinet Portfolio Holder – Councillor Peter Butlin

Monica Fogarty
Chief Executive
Warwickshire County Council
Shire Hall, Warwick

To download papers for this meeting scan here with your camera

Disclaimers

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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Cabinet

Thursday 10 December 2020

Minutes

Attendance

Committee Members
Councillor Izzi Seccombe (Chair)
Councillor Peter Butlin
Councillor Les Caborn
Councillor Jeff Clarke
Councillor Andy Crump
Councillor Colin Hayfield
Councillor Kam Kaur
Councillor Jeff Morgan
Councillor Heather Timms

Others Present

Councillors Helen Adkins, Judy Falp, John Holland, Keith Kondakor, Dave Parsons and Jerry Roodhouse

1. General

(1) Apologies

An apology was received from Councillor Clare Golby who had planned to attend the meeting to assist in presenting agenda item 8.

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

No declarations of interest were made at the meeting.

(3) Minutes of the Previous Meeting

The minutes of the meeting held on 12 November 2020 were agreed as an accurate record of the meeting.

(4) Public Speaking

There were no public speakers at the meeting.

2. 2021/22 Budget and 2021-26 Medium Term Financial Strategy - Background Information and Proposals from Corporate Board

Councillor Peter Butlin introduced this item explaining that the report is the annual statement of Corporate Board that will inform and support the budget setting in February of 2021. The report was written prior to the announcement of the 2020 Spending Review. As a result, the report contained gaps in information. Cabinet was informed that the Covid-19 Pandemic had forced a review of the Medium-Term Financial Strategy. In addition, Cabinet was requested to note that the result of the local government settlement is waited. Councillor Butlin cautioned that in the light of current pressures there may be a need to choose between increases in taxation or the imposition of more savings on services.

The report was welcomed by Councillor Jerry Roodhouse (Leader of the Liberal Democrat Group) who thanked officers for their hard work on the report.

Councillor Keith Kondakor referred to challenges presented by the EU Transition. He asked whether calculations had taken account of a possible fall in the value of the pound as a result of leaving the EU. In response, Councillor Kondakor was informed that the calculations and conclusions had taken account of many factors of which the EU Transition was one.

Councillor Dave Parsons (Deputy Leader of the Labour Group) expressed reservations over increases to Council Taxes adding that these should be limited in the future. In response to Councillor Parsons, Councillor Izzi Seccombe (Leader of the Council and Chair of Cabinet) observed that the precept to supplement funding for social care is a tax that was introduced to fill a gap. She added that Council Tax raised in Warwickshire should be spent in the County and that the government should work to establish the long term future of social care and how it will be funded.

Resolved:

That Cabinet agrees to:

(1) Develop their draft 2021/22 Budget and 2021-26 Medium Term Financial Strategy proposals, taking into account the information presented in this report and the views of Corporate Board on that information;

(2) Authorise Corporate Board to begin any preparatory work necessary to deliver the budget proposals, prior to the final decision on the budget on 8 February 2021; and

(3) Ask Corporate Board to continue work to identify further invest-to-save opportunities that improve the efficiency and effectiveness of the Authority, minimise the service reductions needed and release some of the reserves being used to balance the Medium Term Financial Strategy to deliver the ambitions of the Council Plan.

3. Warwickshire County Council and Homes England Land Development Scheme(s) Pilot Working Arrangement

In introducing this item Councillor Peter Butlin explained the importance of the proposed property company to the Covid-19 Recovery Strategy. The role of Homes England in assisting with this pilot was emphasised.

Councillor Izzi Seccombe thanked officers for their hard work on the project. The experience they had brought to it was invaluable. Councillor Seccombe added that the property company will help to ensure that the right homes are built in the right locations.

Councillor Keith Kondakor commended the references to sustainability in the report adding that new developments should be based on the concept of the “walkable neighbourhood” with schools, GP surgeries and shops within easy walking distance. In addition, such facilities should be available early on in the life of the development. Nuneaton was cited where major housing development is being undertaken but services have yet to be provided.

Councillor Jerry Roodhouse welcomed the report observing that it is unusual for Homes England to work with a local authority in this way. He noted the proposal for the development of solar farms on small holdings and emphasised the need for robust project management to reduce the risks.

Councillor Jeff Clarke (Portfolio Holder for Transport and Planning) welcomed the project and the opportunities it will present to the Transforming Nuneaton initiative. Members’ attention was drawn to paragraph 3.5 and the stated aims of Homes England in working with the Council.

Councillor Kam Kaur (Portfolio Holder for Customer and Transformation) emphasised the need for strong governance to reduce risks. Each scheme will be assessed on its merits. Cost/benefit should not be established solely in financial terms but also in social terms.

Councillor Helen Adkins (Leader of the Labour Group) stressed the need to develop amenities and services as well as housing and called for every effort to be made to avoid the development of sub-standard housing.

Councillor Dave Parsons reminded Cabinet that mainstream developers have a responsibility to provide affordable and social housing. The County Council initiative should not be regarded by them as a means of avoiding those responsibilities. To this Councillor Izzi Seccombe agreed but she did remind members that affordable housing allocations are the responsibility of the district and borough councils.

Councillor John Holland observed that as well as building developments on the edge of towns people should be encouraged to move back into town centres.

In closing Councillor Peter Butlin noted that when, in the past, the Council had disposed of property for development it had relinquished control over it. The property company will allow the Council to retain some control to ensure the right development is undertaken. He agreed that good governance will be essential and that people should be encourage to live in and use town centres more.

Resolved:

That Cabinet:

1) Approves Warwickshire County Council entering into a pilot arrangement on the basis set out in this paper ahead of a potential future collaboration agreement with Homes England.

2) Authorises the Strategic Director for Resources to enter into the pilot arrangement on terms and conditions considered acceptable to him.

4. Education (Schools) Capital Programme 2020/21

Councillor Colin Hayfield (Portfolio Holder for Education and Learning) explained that the report before Cabinet was one of a regular series of such reports. The principal points of focus of this report were Stratford High School and Etone College in Nuneaton. It was acknowledged that more school places will be required at Etone College and confirmed that plans are being developed for a new school at Top Farm, Nuneaton.

Councillor Jeff Clarke, whose division Etone College falls within, asked that before any new development is undertaken residents be consulted.

Councillor Keith Kondakor agreed that consultation in relation to development at Etone College should be undertaken with residents. Councillor Kondakor expressed the need for air quality monitoring around Nuneaton. In addition he expressed concern over the wave funding approach adopted by government. This, he stated, leads to uncertainty and increases the chances of school capacity being provided which will become redundant as new schools come on line. Three classrooms are required at Etone College but only one is to be built under current proposals. As new provision is made to the north of the town so traffic will increase as pupils are transported past Etone to the new school.

Councillor Jonathan Chilvers welcomed that the report included a section on environmental implications. He was, however concerned that environmentally friendly installations such as eco-heating would only be used if considered to be economically viable. Gas central heating, he added, will be banned in a few years so there seemed little point in installing it now. Councillor Izzi Seccombe agreed that there is a need for robust environmental assessments in drafting reports.

In closing Councillor Colin Hayfield agreed that consultation with residents would be undertaken in connection with developments at Etone College. Regarding environmental considerations Councillor Hayfield agreed that these should be given due consideration. The longer term aspiration is for Warwickshire to be a beacon for eco-schools. Regarding school sufficiency he assured Cabinet that there is a good understanding of current and future demand for school places in the County. An offer was made to provide further briefings for members on how school sufficiency is maintained.

Resolved:

That Cabinet:

1. Recommends that Council approves the addition of £16.594 million to the capital programme to deliver the schemes outlined in Section 3.

2. Authorises, subject to Council agreeing to add the schemes to the capital programme, the Strategic Director for Communities to invite tenders and enter into the appropriate contracts on terms and conditions acceptable to the Strategic Director for Resources, or (where the scheme is school-led) to make the necessary funding arrangements for these schemes.

5. Annual Infrastructure Statement 2019/20

Councillor Peter Butlin explained that the County Council is obliged to provide the information set out in the report on an annual basis. Efforts had been made to make the information clearer.

Councillor Keith Kondakor agreed with the principle of providing the information on what services are provided. He did, however, consider that the information di not provide a fully comprehensive picture. As an example, he cited bus services in Weddington, Nuneaton. These are good, he said, but in one location there is a bus stop on only one side of the road.

Referencing page 7 of appendix 2, Councillor Kondakor noted that at Callendar Farm in Nuneaton funding had been made available but there had been a delay in providing the proposed school. There is, he suggested, a need to have timescales associated with schemes. In response to the comment regarding Callendar Farm, Cabinet was informed that schools cannot readily be built until there are sufficient children in the area to fill them.

Councillor Dave Parsons welcomed efforts to make S106 funding and CIL easier to understand. It is important that residents can see where the money is coming from and going to.

Councillor Peter Butlin concluded by stating that the transparency that the report provides assists officers in achieving results.

That Cabinet:

1) Approves the Annual Infrastructure Statement and supports its publication on the WCC website prior to 31st December 2020, as required by Regulation 121A of the Community Infrastructure Levy Regulations.

2) Endorses the approach laid out in this paper to the subsequent preparation and publication of further detail to support readers of the Annual Infrastructure Statement in future years.

6. Revenue Investment Funds 2020/21 November Report

Councillor Peter Butlin introduced the report by summarising the salient points.

Councillor Les Caborn (Portfolio Holder for Adult Social Care and Health) commended the Integrated Care Record Project and work on improving mental health and wellbeing. Of particular interest was that focusing on suicide and support. Councillor Peter Butlin observed that the incidence of suicide had increased during the Pandemic. More investment, he suggested, should be made in this area.

Councillor Heather Timms (Portfolio Holder for Environment and Heritage & Culture) commended the Solar Together Project adding that the future of energy generation lay in renewable resources.

Resolved:

That Cabinet:

1) Supports the progress made on the Climate Change strategy with a new Solar Panel project approved by Corporate Board under the under the authorisation delegated to Chief Executive at a cost of £0.094m.

2) Approves the bids as detailed in section 2, amounting to £1.413m from the Sustaining Prevention Fund and £0.385m from the Commercial Fund.

3) Approves the bid as detailed in section 3.1 amounting to £0.250m from the Capital Investment Fund and agree to add this to the capital programme.

4) Notes the approval of Corporate Board for the remainder of the funding requested in bids detailed in Section 3 from the Covid-19 government grant funding.

5) Authorises the Strategic Directors to procure and enter any agreements to give effect to the above proposals on terms and conditions acceptable to the Strategic Director for Resources.

7. Review of Warwickshire County Council's Environmental Management System

Councillor Heather Timms explained that she had been very keen to bring this report forward. Warwickshire County Council is one of a handful of County Councils that employs a certified EMS to help manage its environmental performance. The information is used to ensure that the correct projects are being brought forward.

The report and work to which is relates were commended by Councillors. Councillor Jonathan Chilvers observed that the evaluation of key risks and challenges was particularly strong. He added that efforts should be made to reduce the negative impact of major housing development in the county. In addition, the economy needs to be managed in such as way that CO_2 emissions are reduced.

Councillor Keith Kondakor observed that an environmentally sound organisation can save money. The work set out in the report should extend to highways and transport and also the consideration of planning applications. In response Councillor Timms agreed to consider for future reports transport, green schools and construction projects.

Resolved:

That Cabinet:

1) Endorse the continuation of WCC's certified environmental management system to ISO 14001:2015 following an appraisal of the work undertaken in the previous year.

2) Note the environmental risks and objectives noted in this report and confirm that they are suitable.

8. School Road Safety Education Task and Finish Review - Report of the Communities Overview and Scrutiny Committee

Councillor Andy Crump (Portfolio Holder for Resources and Fire & Rescue) introduced the item explaining that the report was that of the Communities Overview and Scrutiny Committee. Councillor Crump explained that Councillor Clare Golby (Chair of the Communities Overview and Scrutiny Committee) had been due to present the report but had had to give her apologies. He read out a statement from Councillor Golby in which the report and its recommendations were commended. Councillor Crump proceeded to summarise the key findings of the Task and Finish Group as set out in the report.

Councillor Izzi Seccombe thanked the Task and Finish Group for its work and added that road safety for children is a theme frequently raised at parish council meetings.

Other members expressed their support for the report and recommendations adding that road safety is an issue that is frequently raised wit them.

Councillor Helen Adkins observed that the Safer Routes to School initiative had ended and whilst most primary schools requiring attention had received it, some senior schools had yet to be addressed.

Councillor Kam Kaur reminded members that they each have a delegated budget which can be used on road safety schemes related to schools.

Councillor Andy Crump closed by informing the meeting that work is being undertaken with schools to provide secure cycle and scooter storage. In addition, online school assemblies are empathising road safety messages. The key, Councillor Crump suggested, is to achieve long term behavioural change.

Resolved:

That Cabinet:

1. Support the internal and external bids for two School Travel Plan Officer roles for a two-year period, which will be separately assessed through the appropriate funding processes.

BUT

If either of the bids are not successful, make a decision whether this growth bid should be added to the MTFS pressures in the budget proposals to be recommended to Council in February 2021.

2. Encourages all County Councillors to actively assist the School Safety Team in their work with schools, including promoting the SAFER project and any school champion work.

3. Asks that the School Safety Team provides support to School Champions and County Councillors when needed.

9. West Midlands Rail Limited Governance Evolution

Councillor Jeff Clarke explained the need to revise the governance arrangements for West Midlands Rail Limited. The key elements of the report were summarised for Cabinet.

The meeting was informed that Councillor Peter Butlin is currently the Chair of West Midlands Rail Limited. This will cease in 2021.

Councillor Keith Kondakor observed that Nuneaton sees a number of cross-country trains which do not fall under the control of West Midlands Rail Limited. It will be important to ensure that service provision is coordinated. In addition there continue to be capacity issues at Birmingham New Street Station. This, it was suggested, needs urgent attention.

Councillor Peter Butlin submitted that the proposal before Cabinet will be good for Warwickshire. It will be good to have the Mayor as a non-voting Chair.

Resolved:

That Cabinet supports the proposed changes to the governance arrangements for West Midlands Rail Limited as set out in the report.

10. How We Work Programme - Agile Working Offer and Online Protocols

Councillor Kam Kaur explained that prior to the Pandemic the County Council had been examining the way in which its staff operate. The introduction of M365 and new devices had gone a long way to enabling a new approach. The first Pandemic lockdown had seen over 4500 staff move overnight to a new approach involving home working.

Cabinet was informed that a new agile working approach is to be introduced to staff. It is considered to be an exciting new development that has already seen a reduction in staff sickness.

Councillor Helen Adkins welcomed the introduction of flexible working but suggested that staff should be given the choice of whether they adopt it. The cost of working at home need to be taken account of with staff being paid for heating and lighting their own homes.

Councillor Jerry Roodhouse noted that the report used the terms “flexible working” and “agile working” in the same way. He noted that they are two separate concepts and suggested they should be used in a way distinct from each other.

Councillor Keith Kondakor noted that despite home working appearing to be less stressful, people can “burn out” at home as easily as in an office environment. Some staff would benefit from enhancements to their broadband connection; an enhancement that might cost relatively little to the Council. Finally, Councillor Kondakor stressed the need for people to leave their houses for fresh air and a break during the working day.

Councillor Les Caborn considered that the proposals before Cabinet would provide a good work/life balance to staff. He did, however, acknowledge that it would not suit everybody.

Councillor Jeff Morgan (Portfolio Holder for Children’s Services) added that it is good for people to be together as it helps develop an esprit de corps.

Resolved:

That Cabinet:

1. Supports the adoption of the Agile Working Offer and Online Protocols as part of the How We Work programme as set out in Appendices 1 and 2.

2. Notes the overall progress of the How We Work Programme and the future work to complete the Programme as set out in Appendix 3.

11. Exclusion of the Press and Public

Agreed.

12. (Exempt) Minutes of the Meeting held on 12 November 2020

The exempt minutes of the meeting of Cabinet held on 12 November 2020 were agreed.

13. (Exempt) Estate Master Planning

The recommendations were agreed as set out in the published exempt report.

14. (Exempt) - Establishment of a WCC Ofsted Registered Children's Home

The recommendations were agreed as set out in the published exempt report.

The meeting rose at 15:50

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Chair

Agenda Item 2

Cabinet

28 January 2020

2020/21 Quarter 3 Budget Monitoring Report

Recommendations

Cabinet are recommended to:

a) Note the forecast underspend of £9.271m for the 2020/21 financial year on the Council's revenue budget, and the expected impact of £11,526m this will have on the Council's un-ringfenced reserves.

b) Note there is a forecast shortfall in delivery of the 2020/21 savings requirement with a value of £2.581m.

c) Note the decreases to the approved 2020/21 capital programme of £29.378m since the programme was last reported in Quarter 2.

d) Approve the carry forward of the reprofiled spend on the capital programme of £31.996m in 2020/21 into future years.

e) Approve the request to create a new earmarked reserve to recognise the impact on WCC of funding school deficits resulting from forced academisation; as noted in paragraph 2.5.9.

f) Acknowledge that at the date of writing this report, the national and local response to Covid-19 is an ever-charging landscape. As such, it is important to note the inevitability of significant changes to the forecast position. This will be driven by changes to Covid-related income and expenditure pressures and also Covid funding changes.

1. Purpose of the Report

1.1 This report outlines the forecast financial position of the organisation at the end of 2020/21 based on the information known at the end of the third quarter. It provides an analysis based on best estimates and assumptions now. It should be noted that there remains significant uncertainty and potential volatility due to Covid which may lead to future movements in the forecast. The current analysis includes:

- Revenue and capital financial performance;

- Explanations and, where developed, mitigating actions for variations and the impact on service delivery; and
- An indication of those areas where the current forecasts carry a risk of change during the year due to demand volatility and assumptions that could change over the course of the financial year.

2. Graphical Summary

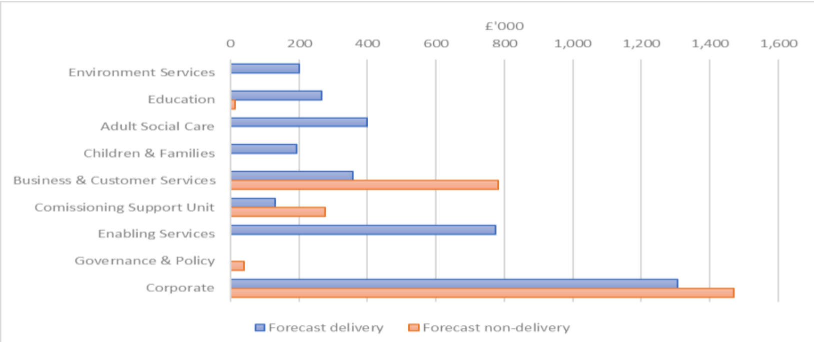
2.1 Revenue Forecast 2020/21

2020/21 Financial Year	£m
Approved Budget	£298.176
Forecast exc. Covid income	£346.278
Over/Underspend	£48.101
Government Covid funding	(£57.372)
Net over/(underspend)	**(£9.271)**
of which	
Covid funding above Covid pressures	(£1.001)
Non-Covid underspend against core budget	(£8.269)

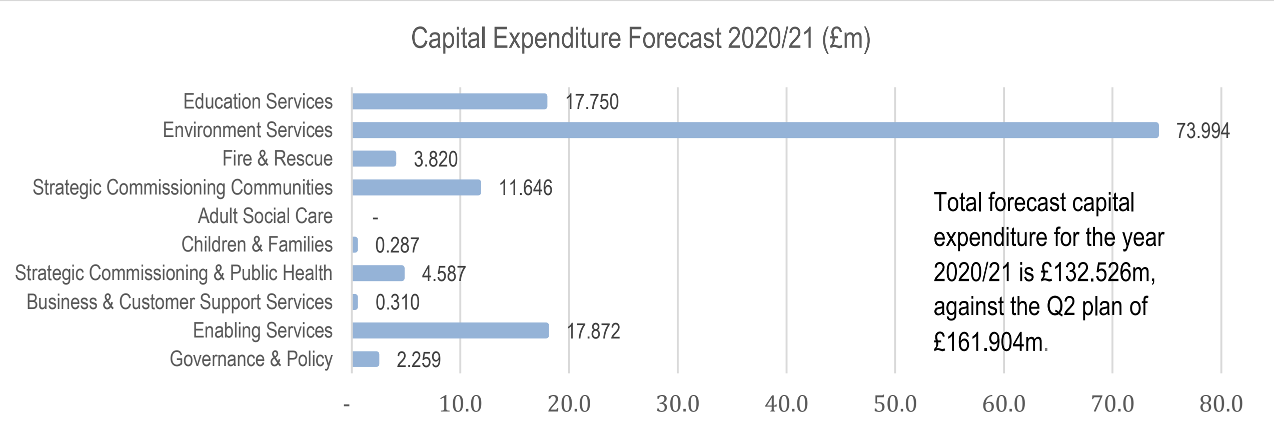
Estimate of 2020/21 outturn adjustments	£m
Non-Covid underspend	(£8.269)
Remove DSG deficit	(£7.647)
Contributions to earmarked reserves	£3.918
Anticipated carry forward requests	£1.567
Contributions from reserves	(£1.095)
Non-Covid underspend at outturn	**(£11.526)**

2.2 Savings Achievement

The savings plan for 2020/21 requires the delivery of £6.2m of savings from 19 individual savings initiatives. £3.6m (58%) are forecast to be delivered in line with the plan with £2.6m remaining unachieved mainly due to Covid.

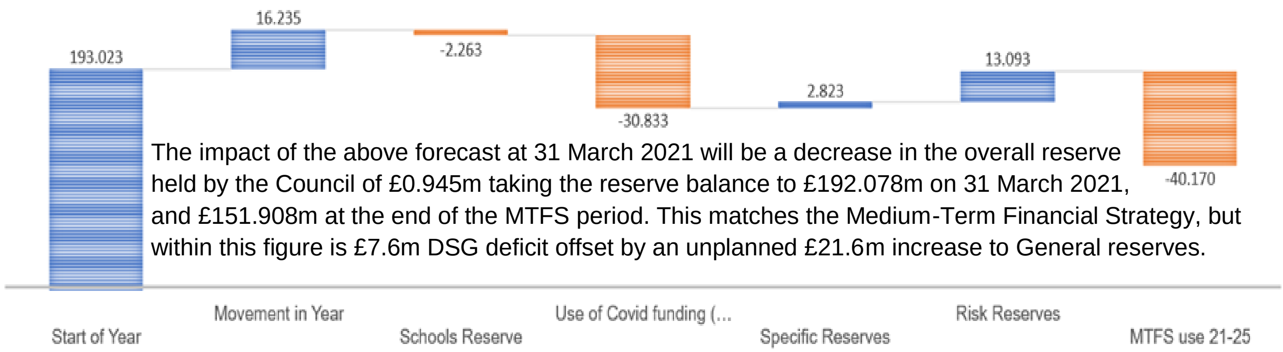


2.3 Capital Expenditure Forecast 2020/21



Total forecast capital expenditure for the year 2020/21 is £132.526m, against the Q2 plan of £161.904m.

2.4 Reserves Summary



The impact of the above forecast at 31 March 2021 will be a decrease in the overall reserve held by the Council of £0.945m taking the reserve balance to £192.078m on 31 March 2021, and £151.908m at the end of the MTFS period. This matches the Medium-Term Financial Strategy, but within this figure is £7.6m DSG deficit offset by an unplanned £21.6m increase to General reserves.

2.5 Key Risks – Revenue

Covid-19

2.5.1 Covid expenditure and income pressure forecasts for 2020/21 currently total £56.371m (£36.838m at Q2).

2.5.2 Covid related Government grants and NHS funding totals £57.372m, which offsets the identified £56.371m Covid response pressures, leaving £1.001m to be allocated to Covid related activity.

2.5.3 The increase in Covid related grants from the previous Quarter 2 report to Cabinet is due to grant announcements or further grant information received since the Quarter 2 report was collated. Appendix C provides further details of Covid related grant funding and the changes in funding since the Q2 report. Further grant announcements, information or adjustments will result in further changes to the forecast Covid position.

2.5.4 In order to present the gross Covid pressures, the net underspend or overspend for each service area does not include specific grants that Services will receive that offset Covid pressures in their areas. The total of these grants is within the £57.372m that is presented as being available to offset Covid pressures. Where grant funding is received but "passported" directly to third parties or providers/suppliers, and there is a net zero impact on WCC for acting as an 'agent', this is not included in the Covid gross pressure and funding figures.

2.5.5 Appendix C also provides an indication of where Covid funding is likely to be carried forward into the next financial year to enable continued Covid recovery and response.

Key variances

2.5.6 £19.089m of currently forecast underspends relate to reduced spend against the delivery of services, primarily due to short term reductions in demand or paused services over Spring 2020, both due to Covid, and there is a risk that demand and consequently the cost of delivery may accelerate again through the remainder of this financial year, effectively reducing the current forecast underspends if this occurs.

2.5.7 After notionally removing the Covid related pressures within the revenue forecasts, the largest variances not mitigated within the service are below and details of the variances are provided in Appendix D:

Overspends
- Dedicated Schools Grant, High Needs Block: £10.716m
- Children with Disabilities Care Placements: £3.914m
- Children and Families Placements: £4.422

Underspends
- Adult Social Care £8.000m
- Corporate Services £4.801m
- Enabling Services £3.076m

Changes from Quarter 2

2.5.8 The forecast outturn position has reduced by 1.5% (£4.487m) since quarter 2, predominantly as a result of increased Covid grant funding from Government and reduced DSG overspend against in year, and continuing growth in demand and cost for child placements in Education and Children and Families services.

Financial Impact of Academisation

2.5.9 Where schools are forced to academise and have a deficit at the point of forced academisation, there is a financial impact on WCC as a result of funding the deficit. In order to recognise this financial impact, Members are asked to approve the creation of a new reserve to enable the funding of these liabilities. This reserve is separate to the existing Schools in Financial Difficulty reserve which is to fund additional resource and capacity to help the financial projections of schools in financial difficulty though school improvements.

2.5.10 It is currently estimated that the required reserve value will be £2.137m for the duration of the refreshed MTFS period up to and including 2025/26. The actual value will be confirmed as part of the 2020/21 year end report to Cabinet and both the value and the required period of time the reserve is required for will be reviewed regularly as part of annual reserve reviews.

3. Revenue Outturn

Revenue forecast by service

Service Area	2020/21 Approved Budget £m	2020/21 Quarter 3 Forecast £m	2020/21 (Under)/ Over spend £m	Change from Quarter 2 Forecast £m	Covid-19 Pressures £m	Non-Covid-19 Pressures £m
Communities						
Education Services - Non-DSG	34.818	40.631	5.813	(1.600)	3.915	1.898
Environment Services	26.559	28.136	1.577	(0.089)	3.051	(1.474)
Fire & Rescue	21.557	21.832	0.275	(0.265)	0.277	(0.002)
Strategic Commissioner for Communities	22.573	29.188	6.615	2.509	6.889	(0.274)
Subtotal Communities	**105.507**	**119.787**	**14.280**	**0.555**	**14.132**	**0.148**
People						
Adult Social Care	155.068	160.769	5.701	3.041	13.701	(8.000)
Children & Families	64.061	68.697	4.636	0.887	3.559	1.077
Strategic Commissioner for People	34.880	38.230	3.350	4.725	4.084	(0.734)
Subtotal People	**254.009**	**267.696**	**13.687**	**8.653**	**21.344**	**(7.657)**
Resources						
Business and Customer Services	17.732	22.616	4.884	2.059	5.419	(0.535)
Commissioning Support Unit	6.520	13.815	7.295	5.321	7.288	0.007
Enabling Services	26.171	24.343	(1.828)	(1.052)	1.248	(3.076)
Finance	6.346	6.646	0.300	0.410	0.673	(0.373)
Governance & Policy	2.770	3.767	0.997	0.239	0.428	0.569
Subtotal Resources	**59.539**	**71.187**	**11.647**	**6.977**	**15.056**	**(3.409)**
Corporate Services and Resourcing	(120.879)	(120.039)	0.840	(2.534)	5.641	(4.801)
DSG expenditure	235.162	242.809	7.647	(2.243)	0.198	7.449
DSG income	(235.162)	(235.162)	0.000	0.000	0.000	0.000
Subtotal Corporate Services and DSG	**(120.879)**	**(112.392)**	**8.487**	**(4.777)**	**5.839**	**2.648**
Sub-total	**298.176**	**346.278**	**48.101**	**11.407**	**56.371**	**(8.269)**
Covid-19 related grants (including NHS funding)		(57.372)	(57.372)	(15.894)	(57.372)	0.000
Total	**298.176**	**288.906**	**(9.271)**	**(4.487)**	**(1.001)**	**(8.269)**
Remove DSG deficit						(£7.647)
Contributions to/from earmarked reserves						2.823
Anticipated carry forward requests						1.567
Adjusted Non-Covid Underspend at Outturn						**(£11.526)**

3.1 The table above shows the approved budget against the forecasts, including gross Covid pressures, to show the pressure before Covid related Government funding is applied. This gives a forecast overspend of £48.101m against the approved budget. This variance is then separated into costs relating to Covid response and those relating to non-Covid pressures. Covid funding from government grants and NHS discharge claims offsets £57.372m of this overspend, leaving £1.001m forecast Covid-19 funding for ongoing Covid pressures in the current and future years alongside a £8.269m non-Covid underspend.

3.2 After allocating the Covid grant funding, the position is balanced, but within this are services with material overspends: Education Services (both DSG and non-DSG funded) and Children & Families, offset by services with material underspends: Adult Social Care, Enabling Services and Corporate Services and Resourcing. Further details of the causes of the variation and mitigating actions are listed by service in Appendices A and C.

3.3 Several variations in the services shown in the table above impact on specific ringfenced reserves, either underspends transferred to these reserves (£3.918m) or overspends funded from them (£1.095m). Although the net £2.823m does impact on the overall reserve position of the Council, the reserves are held for this specific purpose and it does not impact on the funds available for general use within the General Reserve. See Section 4.

3.4 The Dedicated Schools Grant (DSG) has a pressure of £7.647m forecast over the period April 2020 to March 2021. This pressure cannot be funded by Council funds outside of the DSG grant, and the DSG blocks cannot fund each other. The pressure on the High Needs Block must be mitigated by future years' underspend in the High Needs Block. Plans to start to reduce the structural deficit have been approved by Cabinet and investment funds allocated to begin work to bring this into effect.

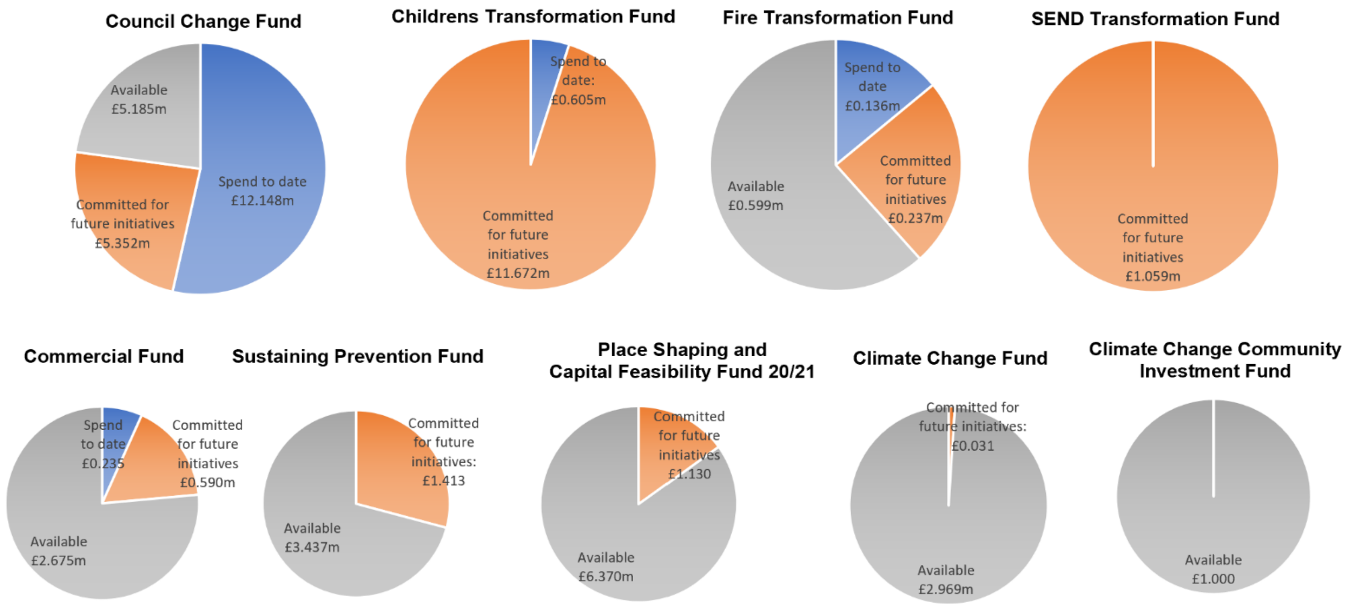
DSG deficit forecast to be carried into 2021/22	£m
Central Block	(0.034)
Early Years Block	(0.583)
High Needs Block	10.716
Schools Block	(2.452)
Total Impact	**7.647**

3.5 There is an £11.526m forecast net underspend across the services which will increase the amount of available funds in the General Reserves. This is made up of £19.381m pressures and £31.189m underspends and will be discussed at Directorate Leadership Team meetings throughout the year. The largest of these are:

- £3.914m overspend in Education, related to Children with Disabilities in Care Placements, with increased numbers and complexity (affecting average unit cost);

- £3.323m overspend in Children & Families due to placements driven by increased demand;
- £3.508m underspend in Other Services due to borrowing cost of projects not yet delivered.
- £8.000m underspend in Adult Social Care due to various factors (see Appendix A for detailed breakdown)

Corporate Change Funds



3.6 £4.954m has already been allocated from the funds for projects covering all four areas of focus, including scoping the Warwickshire Property and Development Company, supporting the Dedicated Schools Grant recovery, developing Integrated Care Records across the care sector and a number of projects to support high streets and businesses through the pandemic. The use of the investment funds is strongly influenced by any recommendations accepted by Cabinet from the Cross Party Covid Recovery working groups.

3.7 Cabinet has agreed to the allocation of £1.0m from the Climate Change Fund to a new Community Climate Change Investment Fund. The aim of the new fund is to progress the Council's objectives on climate change mitigation included in its adopted Council Plan 2025, in response to declaring a climate emergency in July 2019. The new Fund has just completed its engagement with stakeholders in the community with 178 responses received. They will be evaluated during the scheme design phase before the Fund is launched in Spring 2021.

Savings Performance

3.8 Performance against individual savings targets are listed in Annexes A to M.

2020/21	No. of Savings Options	Saving Delivered £m	Savings Not Delivered £m
Savings target achieved/overachieved	11	2.174	0
Savings target partially achieved	3	1.454	2.344
No saving delivered against target	5	0	0.237
Total	**19**	**3.628**	**2.581**

3.9 Below are details of those savings which are highlighting forecast under-achievement:

Description	Target £m	Forecast £m	Reason for variance and associated management action
Corporate Services and Resourcing - Material receipts from the sale of strategic sites. Reinvestment of the capital receipts will reduce the Council's borrowing costs.	2.523	1.237	Delays on the sale of two sites as a result of preferred bidders withdrawing offers at the start of the Covid lockdown has impacted on the ability to reduce borrowing costs in line with targets.
Business support - Service wide restructure of business support, including delayering of the entire model and reductions in levels of agency spend.	0.880	0.097	The delay in implementing the Business Support FOM has impacted the Service's ability to deliver the savings this year. A request has been made to reprofile the savings pending the re-engineering of Business Support Service processes coupled with the implementation of digital solutions as appropriate.
Project and programme management - Organisation-wide restructure of programme and project support.	0.395	0.120	The PMO operating model is based on the ability to recharge for a large proportion of project resources deployed, and this was increased by £275k when it was restructured. The impact of Covid has meant that significant project resources have been deployed on pandemic response projects and not rechargeable projects. As a result of this reprioritisation it is unlikely that the recharging target will be met. The situation may improve to some lesser extent during Q4.
Contract Management - Reduction in the cost of contracted services and third party spend through improved	0.500	-	Delays in implementation due to impact of Covid response. This saving plan has been reprofiled to future years; this means the under delivery

contract management at all stages of the procurement process.			in 20/21 will be mitigated from reserves funding.
Legal Services additional surplus - Additional surplus from external trading with other local authorities and public sector bodies	0.030	-	Unlikely at this stage due to current pressures on income.
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.	0.012	-	Demand has outstripped the budget leading to an overspend and prohibiting the delivery of the saving target.
Electronic record keeping - Reduced storage requirements as a result of the move to electronic record keeping.	0.010	-	Project delayed due to Covid – work will be recommencing shortly but may delay full recovery in year 1.
Optimism bias - Provision for a 10% optimism bias for the benefits from the transformation programme.	(0.315)	-	Partially offsetting savings not delivered this year.
Total	**4.035**	**1.454**	

Medium Term Implications

3.10 Levels of income and suppressed demand through Covid create one-off relief, while growth in demand and cost for child placements in Education and Children & Families services has an ongoing impact. The impact of these and other pressures and reductions flagged in budget monitoring will be modelled and the need to adjust future years' budgets evaluated as part of the ongoing MTFS refresh.

3.11 The impact of the current forecast at 31 March 2021 will be a decrease in the overall reserves held by the Council of £0.945m, taking the reserve balance to £192.078m on 31 March 2021, and £151.908m at the end of the MTFS period. The impact on the general and risk reserves, however, is an increase of £21.623m. All but £3m of this increase has already been factored into the MTFS proposals currently being considered.

3.12 Alongside the one-off underspend, one-off funding and ongoing pressures, the MTFS will be modelling the impact on the tax-base of the delays in development, the potential rise in unemployment and reduction of interest rates which are all anticipated as a medium term impact of the Covid response.

4. Reserves position

£m	Start of Year 20/21	Movement up to Q3	Effect of Outturn	Closing Balance	21-25 Planned Use	Remaining
Schools Reserves	12.142	0.000	(2.263)	9.879	(29.949)	(20.070)
Earmarked Reserves	111.225	(10.058)	2.823	103.990	0.000	103.990
Covid Funding	14.071	17.763	(30.833)	1.001	(1.001)	0.000
Risk and General Reserves	55.585	8.530	13.093	77.208	(9.220)	67.988
Total	193.023	16.235	(17.180)	192.078	(40.170)	151.908

4.1 The reserves closing balance includes all approved use of reserves so far during the year, including carry forwards from 2019/20, use of change funds and use of specific or earmarked reserves up to Quarter 3. Alongside this the Effect of Outturn shows the impact of the current forecast revenue position on the Council's funds including any anticipated carry forward requests at this point.

4.2 The longer-term impact of Covid on the Council Tax and Business Rates (estimated at £11m) is not reflected in the reserves journey above but provision to cover this anticipated impact will be built into the refreshed MTFS.

5. Capital

5.1 The latest forecast of 2020-21 capital payments is £132.526m, with a further £262.100m of payments forecast over the medium term. The 2020-21 forecast is a reduction of £29.378m on the Quarter 2 budget.

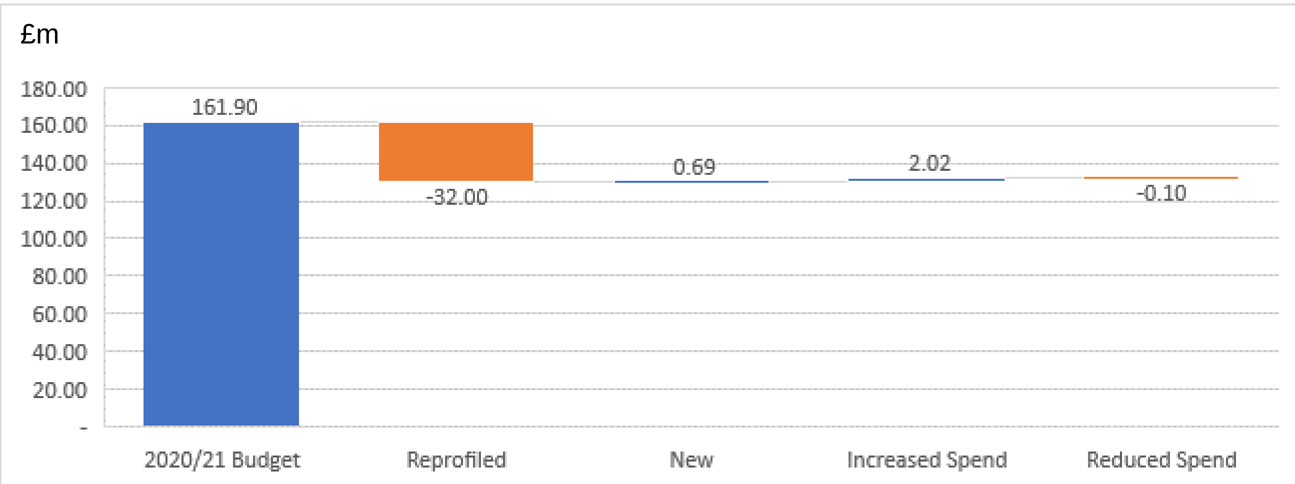
5.2 This decrease is made up of £31.996m (19.8%) of planned spend for 2020/21 now reprofiled into future years, an increase in newly approved capital schemes of £0.695m being brought into the programme and a net increase in the overall cost of capital schemes of £1.919m.

5.3 The remaining balance on the Capital Investment Fund (CIF) over the term of the MTFS of £82.465m.

Capital Forecast by Service

	2020/21 Approved Budget £m	2020/21 Forecast £m	2020/21 Variance £m	2021/22 to 2024/25 Approved Budget £m	2021/22 to 2024/25 Forecast £m	2021/22 to 2024/25 Variance £m	Total Variance £m
Education Services	18,237	17,750	- 488	21,861	40,578	18,717	18,229
Environment Services	90,397	73,994	- 16,403	93,055	112,644	19,589	3,186
Fire and Rescue	4,406	3,820	- 586	3,727	4,111	384	- 202
Strategic Commissioning Communities	20,581	11,646	- 8,936	44,063	86,291	42,228	33,293
Communities	**133,622**	**107,210**	**- 26,412**	**162,705**	**243,624**	**80,918**	**54,506**
Adult Social Care	0	-	-	313	313	-	-
Children and Families	257	287	30	172	424	252	282
Strategic Commissioning & Public Health	4,587	4,587	- 0	63	63	-	- 0
People	**4844.221**	**4,874**	**30**	**549**	**801**	**252**	**282**
Business and Customer Support Services	180	310	130	1,770	1,640	- 130	-
Enabling Services	18,756	17,872	- 884	12,907	13,786	878	- 6
Governance & Policy	4,502	2,259	- 2,243	17	2,250	2,233	- 9
Resources	**23,438**	**20,442**	**- 2,997**	**14,694**	**17,676**	**2,981**	**- 15**
Total	**161,904**	**132,526**	**- 29,378**	**177,948**	**262,100**	**84,152**	**54,773**

Capital Variance Analysis



5.4 2020/21 Budget – This is set according to the forecast spend in 2020/21 on 31st March 2020. The forecast shows the changes in capital programmes since then, made up of:

i.) Reprofiled projects – these are schemes where there has been a slip in the time scale for delivery. The project is still being delivered and with no material change in cost, but the impact is that the benefits of projects are not realised and available to the taxpayers of Warwickshire in the timeframe originally anticipated. There is £31.996m of project expenditure which has slipped into future years, and work is ongoing to make initial estimates of planned delivery more realistic to ensure slippage only occurs where uncontrollable delays occurs.

ii.) New projects – these are projects recently added to the capital programme or projects where costs have risen as a result of a substantial change in scope. These schemes have been added through formal governance, with financing made available from Capital Investment Fund or Corporate grants.

iii.) Projects with Increased Spend – these are schemes where project costs have risen above the level previously expected. This means additional funding has had to be arranged. This may be in the form of a revenue contribution to capital from a Service's revenue budget, the use of basic need funding for education projects or through the collection of additional S278 money from developers. Apart from S278 projects the impact of this is that there is less funding available for other projects/activity.

iv.) Underspent projects – these are schemes which have been delivered under budget. The impact of this is that funds are no longer required for a specific scheme. This may mean the authority will be able to recycle funds to alternative projects or will borrow less.

5.5 The additional funding available should be noted. For 2020-21, £0.695m of forecast spend has been added to the capital programme, with an additional £52.044m available in 2021-22 onwards. This is as a direct result of new funding from grants, capital investment fund borrowing and S278 contributions.

5.6 Across all years supplementary funding of an extra £2.024m has been added to capital projects where additional funding is required to deliver schemes already in progress.

5.7 Analysis of 2020/21 highlights:

- £3.655m delay on the A46 Stoneleigh due to the approval process with Highways England being protracted. The timescale around gaining Highways England approvals was a known risk at the outset of the project and as such costs associated with it have been allowed for in the risk budget. The shift in spend from 20/21 to 21/22 presented here will not result in any increased costs that cannot be managed in the available budget.
- £1.315m delay on Rugby Parkway. The submission of the planning application has been delayed due to a change in the scope. Due to land ownership issues, only part of the land has been acquired. The remainder will be acquired in the next financial year.

- £0.450m delay on Bermuda connectivity. Further programme slippage (delay to start of construction) arising due to tender prices coming back outside of tolerance levels and the need to gain member approval to award the contract and identify a source of funding for the shortfall.
- £1.328m slippage on Strategic Site Planning applications due to site conditions for one priority land asset, legal complexities around remediations, and uncertainty around plans resulting from the creation of the Warwickshire Property Development Company.
- £0.844m delay on maintaining the smallholdings land bank project due to Covid.
- £9.856m relates to S278 projects. The time frame for undertaking these is reviewed based on progress around each development.
- £1.983m of area delegated schemes have been pushed back as a result of changes to the use of these funds (see Cabinet report dated 11th June 2020)

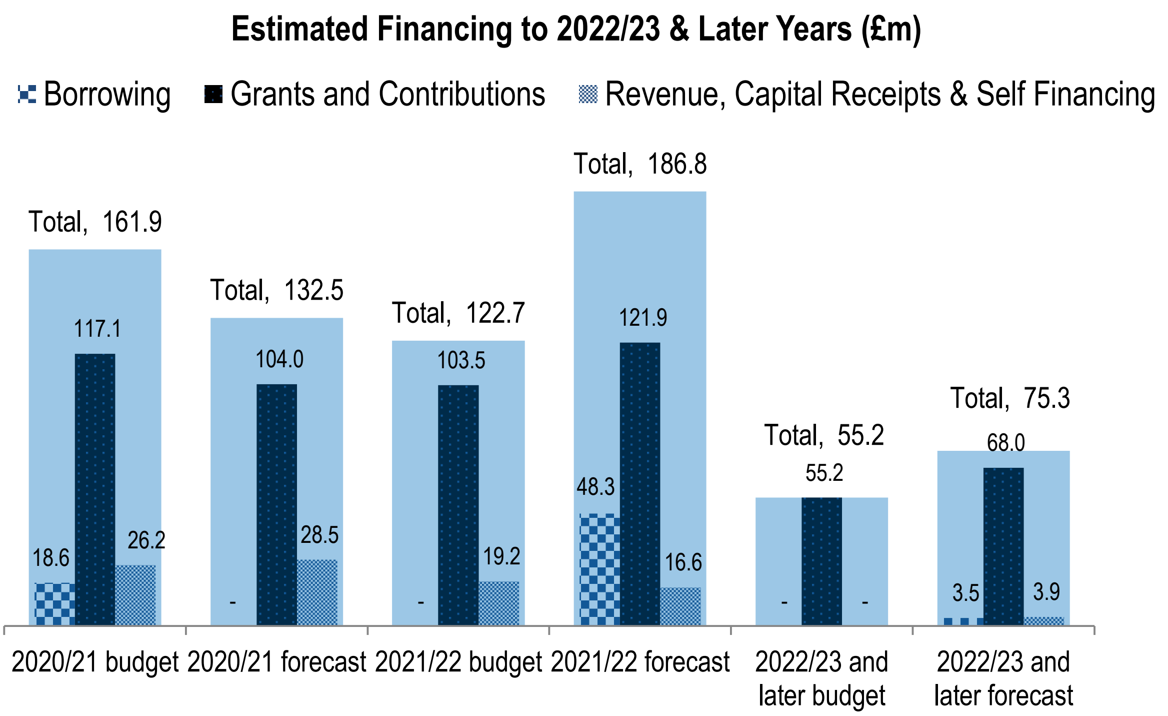
Delays in Projects – the £31.996m delays and re-profiling of projects is caused by slippage. The slippage on individual projects is detailed in Appendix B and above.

This quarter 31% of slippage has been directly attributable to issues arising from the Covid-19 Pandemic. This comprises varied issues, from the initial national lockdown to the impacts of the consequences of the Pandemic on project delivery, including social distancing and material and labour shortages.

Capital Financing

5.8 As well as approving the revised spending in the capital programme, Council must also ensure it has funding available to meet its capital payments in each financial year. The chart and table below show how the planned and forecast capital expenditure is to be financed. These figures exclude the remaining unallocated Capital Investment Fund.

	2020/21 budget £m	2020/21 forecast £m	2021/22 budget £m	2021/22 forecast £m	2022/23 and later budget £m	2022/23 and later forecast £m
Corporate Borrowing	18.614	-	-	48.252	-	3.454
Self-financed Borrowing	- 1.692	- 1.919	0.995	0.995	-	-
Grants and Contributions #	117.099	104.022	103.500	121.912	55.201	67.963
Capital Receipts	25.075	28.612	18.246	14.484	0.000	3.907
Revenue	2.808	1.811	0.005	1.133	-	-
Total	**161.904**	**132.526**	**122.747**	**186.776**	**55.202**	**75.324**



The income from grants and contributions includes grants from Government and contributions from developers and other third parties.

WCC manages cash as a whole, so even where borrowing is shown as a form of financing in this graph it does not mean new borrowing will be necessary. The borrowing figure shown is the gap between our spending and the funding available to us which is called the CFR (Capital Financing Requirement).

5.9 In addition to the forecast spend in the table the Council has additional spend commitments resulting from Education basic need grants which have been earmarked for educational provision. The grants received for previous years have been used to support other capital spending in earlier years to avoid borrowing in advance of need. These future commitments equal £16.840m and when they occur, they will increase the Council's Capital Financing Requirement (CFR). The CFR is the annual the gap between our spend and available funding for capital projects. At present the exact profile of the Education spending is unknown as it has not yet been allocated to named or approved projects. It could necessitate additional borrowing to finance the capital programme over the period of the MTFS, however the need to undertake any future borrowing would depend on cash balances at that time.

5.10 The most significant variable in financing the capital expenditure is forecasting the timing of the delivery of capital receipts. Forecasts are determined by the Council's programme of disposals and subsequent income from capital receipts is used to avoid the need to incur additional borrowing. Any shortfall in the level of expected receipts will increase the CFR and may require the Authority to borrow sooner than expected.

6. Financial Implications

6.1 The report outlines the financial performance of the authority in the year 2020/21. There are no additional financial implications to those detailed in this report.

6.2 The key financial issue remains the need for the MTFS to reflect: the need to put sustainable solutions in place for those services reporting material demand-led overspends; the need to ensure the ambitions of the capital strategy are aligned to the capacity to deliver; and that any plans developed to balance the budget going forward are robust so any decisions can be taken promptly.

7. Environmental Implications

7.1 There are no specific environmental implications as a result of the information and decisions outlined in the report.

8. Background Papers

None

9. Appendices

a. Appendix A – Commentary on service revenue forecasts
b. Appendix B – Commentary on service capital forecasts
c. Appendix C – Details of Covid grant funding
d. Appendix D – Service level narrative, reserves, savings and forecasts

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No elected members have been consulted in the preparation of this report.

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Appendix A – Commentary on Service revenue forecasts

Detailed explanation at a Team level within each Service is provided in **Appendix D - Annexes A to M.** Below is a summary of the main variations and potential ongoing impacts from these.

Communities Directorate

Education Services DSG - (£7.647m net overspend; +3%. £0.198m Covid pressures)

- The DSG overspend primarily relates to the excessive growth and demand on services within the High Needs Block of the DSG. Detailed reports on the issues and the required Recovery and Sustainability Plans were presented to Cabinet in June and July with further updates going forward.
- In the summary table in section 3.4, the overall DSG overspend includes the High Needs Block overspend of £10.716m being offset in part by an Early Years Block underspend of £0.583m (due to a forecast lower than funded uptake of Free Early Years provision and additional in year Early Years block allocation by DfE), as well as a £2.452m underspend in the Schools block (contingency/Growth fund). However, the DfE rules do not allow an actual transfer of funds between the blocks, hence the requirement of High Needs Recovery and Sustainability plans.
- The High Needs block forecasted underspend has decreased since Q2 by £0.597m, this is the result of reduced pressures on Flexible Learning, Alternative Provision as well as payments to the Independent Special settings, which reflects the objectives of the Recovery Plan.
- The Early Years block although forecasting a £0.583m underspend due to fewer anticipated hours for early years provision, this underspend has reduced from Q2 by £0.729m due revised upward numbers from the revised pupil data based on the latest census. The grant allocation will be updated based on the January 2021 census data and will be adjusted in July 2021.This will require an accrual at year end to reflect the estimated clawback as calculated at March 2021.
- Overall, the forecast underspend has decreased since Q2 by £2.243m. This is primarily the result of the underspend in the School block contingency (held within Other Services) which the School Forum usually approve to transfer to the School Growth Fund. However, the School Forum have recently supported WCC's application to the Secretary of State for "dis-application" of funding transfers between blocks. If successful, this underspend will in-part be used to contribute to the High Needs block underspend and relieve some pressure on the MTFS.

Education Services Non- DSG - (£5.813m net overspend; +17%. £3.915m Covid pressures)

- Covid Pressures consist primarily of £0.412m Early Years Hubs, £2.418m loss of Traded income pressures; £0.973m of Home to School Transport, the latter of which WCC is off-set WCC has received a specific grant for.

- Within this, the traded income pressures include over £1.735m of pressures relating to Warwickshire Attendance Service, WCC Music Service and Marle Hall. In particular the WCC Music service loss of income is significant as the service is now forecasting less buy back for a longer period of time that initially predicted.
- Of the non-Covid net overspend of £1.898m, £3.914m of this relates to the cost of placements for Children with Disabilities in residential care as well as preventative care & assistance to avoid the costs of taking children into care. This is a forecast increase of £0.426m since Q2. This is because the forecasted purchased weeks has increased by a further 6% (83 weeks) for forecast residential placements, coupled with the average unit cost of these additional packages increasing by 3%, from £3.270 per week to £3,353 per week. To avoid an even greater number of Children going into placements, preventative care and assistance expenditure is also being incurred (e.g. direct payments, specialist agency staff/home care, short breaks/respite). A report will be taken to Corporate Board on the demand, market and financial challenges facing the Children with Disabilities service in early February.
- The primary area reporting underspends include the one off budget of £0.788m that is being held for the forward funding of places and the Pears site that is not needed now until 2021/22 due to the delay in the opening date from Jan'21 to Sept'21. This underspend will need to be carried forward at year end, subject to Member approval.
- There are some one -off underspends relating to staff vacancies / delays in recruitment as well as some operational reduced expenditure i.e. travel costs, due to Covid.

<u>Environment Services - (£1.577m net overspend; +6%. £3.051m Covid pressures</u>

- The Covid related pressures are largely as previously reported and the key Covid pressures consist of:
    - Payments to Bus Operators which is offset by grant funding from the DfT totalling £1.441m.
    - Costs relating to emergency Highways maintenance and compensation payments for Highways contracts (£0.190m).
    - The reallocation of road space and works in town centres and to enable social distancing (£0.911m offset by £0.129m grant funding to give a net £0.782m).
    - Income losses within Forestry, Planning Delivery and Trading Standards and Community Safety (£0.334m).
    - The remaining Covid-related pressures (£0.106m) are as a result of additional payments being made within Transport Delivery to voluntary organisations so that operations could continue during Covid. This overspend is partially offset by an underspend in planning delivery due to staff vacancies.
- The non-Covid underspend has increased by £0.700m compared to the Q2 report, to £1.474m after the removal of Covid pressures. This is mostly due to an increase in charges being made to capital, in year staffing underspends across the service arising from delays in the implementation of the service redesign, and an underspend on budget held within the management cost centre for special projects which will not be utilised in year.

Fire and Rescue - (£0.275m net overspend; +1%. £0.277m Covid pressures)

- The £0.277m of Covid related pressures are primarily overtime.
- The position after Covid Pressures has changed largely due to the fact that funding received for the Pilot Citizenship scheme (£0.188m) during 2020/21, had previously been forecast to be spent in year. Due to delays in the programme this will no longer be the case and a carry forward request will be made at year end.
- The underspend position is further increased by underspends in budgets for legal costs and salaries.
- These underspends are offset by an overspend of £0.222m due to the roll out of uniform, cover for long term absence and the recently approved Firefighter Recruitment plan and £0.101m on Firefighter pensions, for which a draw down from specific reserves will be requested.

Strategic Commissioning for Communities – (£6.615m net overspend; +29%. £6.889m Covid pressures)

- The forecast overspend due to the Covid pressures has increased by £2.785m to £6.889m compared to the Q2 report.
- The predicted income losses have increased by £0.588m to £4.502m and is split across Parking Services (£2.726m), Waste Services (£0.910m), County Parks (£0.470m) and rental income through Business Centres (£0.396m). The main reason for the increased forecast is a review having been undertaken of the position on Waste Services and the forecast loss of income due to Covid increasing. This is largely because there have been significant reductions in the amount of trade waste and sale of recyclables.
- A further £2m of support to businesses to enable Covid recovery is forecast to be required expenditure.
- Additionally, there is expenditure of £0.280m as a result of Covid for social distance modelling and active travel monitoring and £0.106m in waste services due to increases in kerbside waste collections.
- The underspend after Covid pressures is largely made up of projects that have been delayed due to Covid, for which carry forwards will be requested at year end and are offset by overspends on other projects where revenue contributions may be required. These forecasts are subject to change as the position becomes clearer and there will be a focus on Transport and Highways to ensure that a clearer picture is presented at P9. As such these carry forward requests have not been included in the table in paragraph 2.1 of the main report.

People Directorate

Adult Social Care – (£5.701m net overspend; +4%. £13.701m Covid Expenditure)

- The impact of Covid on the forecasts is:
    - £4.467m financial support to providers to enable them to manage the impact of Covid

    - Increased package costs following hospital discharge of £8.500m. It is expected that this will be fully reimbursed from the £1.3bn Hospital Discharge Grant via SWCCG.
    - Staffing costs of £0.567m
    - £0.167m of Covid related increases in direct payments to people with disabilities; and increased Mental Health package of care costs.
- After removing the Covid related expenditure, the net variance is an £8m underspend. Caution must be taken in analysing this largely non-recurrent position for the following reasons:
    - The £8.500m income from the Hospital Discharge Grant has funded some areas of support which we otherwise would have had to pay for. This has a one-off positive impact unlikely to stretch beyond the current financial year.
    - Sadly, excess deaths during Covid have disproportionately impacted the over 65's cohort. This, in financial terms, may see expenditure in this group reduce in year. Conversely, some people have started receiving Adult Social Care sooner, due to Covid. In the short-term there has been net reduced expenditure.
    - During the Covid response period until 1 September the Clinical Commissioning Groups (CCG) have fully funded those people requiring nursing care. Under usual circumstances some of this cohort could have been funded via the Council with the CCG giving a financial contribution for the nursing funded element. This means that for this financial year the demand for this type of provision is unnaturally suppressed and is expected to increase through the rest of this year, back to normal level of demand for 2021/22 as we complete transition from the Covid response.
    - Certain areas of Social Care have seen a delay in demand as day and respite activities are impacted by Covid restrictions; while in some cases people have delayed coming to the Council for support as they are reluctant to start their support journey during these uncertain times. All of these factors have suppressed demand in a one-off, short-term way.
    - Whilst significant financial relief has supported Adult Social Care providers (current forecast £4.467m), this has in some instances replaced the expenditure that WCC would have otherwise incurred. When the Covid situation recovers, there is an expectation that demand and service delivery will return and therefore this is a one-off rather than permanent underspend. Further, the Council has been provided with funding of £13m Infection Control Grant to passport to Adult Social Care Residential and Community providers with a primary purpose of reducing transmission of Covid. This has been a significant step in supporting the market without which the support to providers funded by WCC could potentially have been significantly higher.

- Other key points to note are:
    - Mental Health is showing a pressure of £1.658m across all services, from increased client numbers, clients over 65 years of age and transitions from childrens to adult mental health services.
    - Older People is showing a pressure of £2.195m due to increased demand and unit costs for domiciliary and residential care packages as a result of

Covid, partially offset by reduced nursing care costs and additional income from client contributions due to the direct relationship of increased expenditure leading to increased client contributions. This overspend represents an upward swing from Q2 due to a reduction in the rate of income collected proportionate to expenditure as we have progressed through the year, this is owing to the hospital discharge guidelines.

- A forecast underspend in Integrated Care Services of £0.813m most of which is attributed to reduced demand for community equipment with a smaller element due to assistive technology as Covid has the impact of temporarily cessing elective surgery and the ability to start pilot schemes as planned.
- A forecast underspend in Disabilities of £1.252m due in particular to learning disability services as Covid reduced the use of and closed day opportunities, short breaks and services such as domiciliary care during the Covid pandemic, the reduced activity also means there has been a reduction in client contributions towards these activities.
- The key changes from the Q2 forecast of £3.041m is due to:
    - A reduction in the rate of client contributions relative to expenditure received by older people services as a result of Covid hospital discharge guidelines.
    - An increase in the financial support being provided to adult social care providers. The increase in driven by forecast targeted support over the final six months of the financial year.

<u>Children and Families - (£4.636m net overspend; +7%. £3.559m Covid pressures)</u>

- The major Covid pressures include the following:
    - £1.100m additional placement costs.
    - £0.957m for additional staffing costs.
    - £0.211m for Youth Justice Remand placement.
    - £0.121m for loss of income related to the 4 Youth Centres.
    - £0.516m for increased Foster care/emergency/care leaver and UASC payments.
    - £0.500m for additional costs of Legal Services due to Court delays.
    - £0.154m for Working from Home equipment and Social Distancing equipment for Family meetings.
- After removing the Covid related pressures, the net variance for Children & Families is a £1.078m overspend. This headline overspend has increased by £0.288m since quarter 2, and masks a number of ear-marked funding streams (see reserves table) which, when taken account of, result in an underlying overspend of £4.267m, an increase of £1.285m since Quarter 2.
- The major contributors to this underlying position as well as the increased overspend position since Quarter 2 are:
    - £4.422m Children in Care / Leaving Care Placements overspend mostly related to increased numbers and complexity of Residential Placements (affecting average unit cost as well as market failure). The Children's Transformation Programme, including the objective to change the placement mix, continues in order to address the overspend. The issue

of market failure is a national one which is being pursued through various national forums such as DCS's groups as well as direct with the DfE.
    - Leaving Care accommodation costs and allowances for young people continue to be an area of increasing cost/demand and despite the investment of budget this area is forecast to overspend by £0.961m which is an increase of £0.156m since Quarter 2.
    - There is increasing pressure on the service's legal budget which, excluding the effect of Covid, is forecasting £0.351m overspend. This is a direct result in the large increase in the number of referrals into the Child Social Care system and then the rising number which have to be referred to WCC Legal Services with a direct cost / charge by Legal services,
- As the result of less face to face contact due to Covid, there is an underspend on staff travel of £0.405m.

<u>Strategic Commissioner for People - (£3.350m net overspend; +10%. £4.084m Covid pressures)</u>

- The impact of Covid on the forecasts is:
    - £2.138 Test and Trace Grant funded expenditure on infection control nurses, contributions to the Districts/Boroughs for test and trace activity, communication and staffing, of which £1.385m is required to be carried forward into 2021/22.
    - £0.116m housing related and medical support to keep homeless people off the streets.
    - £0.055m contribution towards sub regional Test & Trace and a Covid testing centre in Nuneaton.
    - £0.035m overspend on the meals on wheels service.
    - £1.740m to be spent on Covid recovery projects on 'Improving Mental Health' and 'Mitigating the impact of Covid on the BAME community', the majority of which will need to be carried forward into 2021/22.
- After removing the Covid related pressures, the net variance is a £0.734m underspend.
- The major contributors to this underlying position are:
    - £0.572m underspends across a range of contracts due to reduced activity as a result of Covid including homelessness, housing support and health and wellbeing
    - £0.358m underspend on staffing, travel, conferences and training associated with Covid, the impact of which is reduced by an overspend on medically assisted drug and alcohol treatment in the community.
- The key changes from the Q2 forecast is due to revised accounting treatment of the Test and Trace Grant and approval of the Covid recovery projects.

<u>Resources Directorate</u>

<u>Business and Customer Services - (£4.884m net overspend; +28%. £5.419m Covid pressures)</u>

- The Covid related pressure of £5.419m has increased by £2.205m compared to the last report. This increase is largely attributable to forecast expenditure following receipt of specific grant funding of £2.134m for the Winter Support Grant (£1.405m), Additional Welfare Support (£0.521m) and Critically Extremely Vulnerable support (£0.208m) which has been received since the last report. Also, a new Education response team has been set up as a result of Covid (£0.052m).
- The other Covid pressures have not changed significantly from those previously reported for Shielding Hubs, the local welfare scheme, income losses and non-achievement of savings.
- The remaining non-Covid related underspend of £0.535m is made up of staff underspends due to vacancies. This is in part due to funding (£0.214m) that was allocated to undergo service redesign in customer support which has been delayed and will be requested for carry forward into 2021/22.

Commissioning Support Unit - (£7.295m net overspend; +117%. £7.288m Covid pressures)

- Within the Covid related pressures of £7.288m there is £5.989m of forecast activity following receipt of specific grant funding for Contain Outbreak Management Fund (COMF) of £4.623m, £1.140m for Community Lateral flow testing. It also includes £0.226m for PPE funded by the Infection Control Grant.
- The remaining Covid related expenditure of £1.299m consists mainly of £1.174m for central PPE supplies and £0.125m for staffing costs for team members who, due to working on Covid related projects, were unable to be recharged across WCC.
- After taking account of the Covid pressures, there is a net overspend within CSU of £0.007m which is a decrease of £0.337m compared to Q2. This reduction in forecast overspend is the result of the detailed work that was undertaken to review the work activity, funding allocations and re-charges following the final movements related to the service re-design.

Enabling Services - (£1.828m net underspend; -7%. £1.248m Covid pressures)

- Covid pressures within the service are largely the same as previously reported around making offices safe, additional cleaning, security and income losses in Catering, Maintenance and Minor Works, Recruitment and Vetting.
- The forecast underspend has increased by £1.052m to £1.828m from Q2 and excluding the Covid pressures there would be an underspend of £3.076m.
- The main reasons for the reduction in the forecast are:-
  - £0.411m reductions in salary forecasts to reflect vacancies and delays in recruitment.
  - An additional £0.185m in reduced costs for Shire Hall due to no bookings and reduced utility costs as the lockdown periods have extended.
  - £0.225m from reduced demand for consultancy whilst the service responded to the demands from Covid.
  - £0.110m one off benefit from the release of an accrual no longer required.
  - £0.081m increase in WES income.

- The underspend within the service is primarily due to the following:

    - A forecast underspend in Digital and ICT of £1.312m which has been calculated as part of the detailed zero-based budgeting exercise. These savings have mostly been incorporated into the refresh of the MTFS.
    - Facilities Management underspends of £0.479m in relation to Shire Hall as no bookings are being taken
    - Underspends of £0.493m are forecast within the Pears project and the graduate scheme which are likely to be required for carry forward into 2021/22.
    - The remaining underspend is mostly due to staff vacancies being held ahead of the new structure to be implemented in April, when these savings will be released as part of the MTFS.

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Finance Service – (£0.300m net overspend; 5%. £0.673m Covid pressures)

- The movement of £0.490m additional spending within the forecast compared to Q2 is predominately as a result of Covid pressures. In the last quarter it has become apparent that the call on schools absence insurance scheme has significantly increased in year due to Covid and has created an additional pressure of £0.630m.
- The additional spending on Covid pressures of £0.043m is a mixture of agency staffing, equipment and other charges.
- Excluding Covid the underspend of £0.373m is due to delays in populating the full structure following the Functional Operating Model and some additional Pension Fund income.

Governance and Policy – (£0.997m net overspend; +36%. £0.428m Covid pressures)

- The Covid pressures have reduced from £0.674m to £0.428m due to revisions in the forecast loss of income.
- The non-Covid forecast overspend has increased since the last quarterly report by £0.485k.
    - £240k of this increase is due to the expectation that a revenue contribution will be required to fund the Hawkes Point capital project.
    - The remaining increase relates to agency staff for maternity cover and a funding gap which is still be resolved for HROD.

Corporate Services and Resourcing - (£840m net overspend; +1%, £5,641m Covid pressures)

- A number of Covid related pressures and income are included within this budget area. These relate to:
    - Payment for Mortuary costs of £1.417m.
    - Educaterers potential costs of £0.360m.
    - Loss of income from the Oxygen Finance rebate of £0.240m.
    - Interest on treasury balances pressure of £1.721m (including increased management fees).
    - £1.238m borrowing cost savings unachievable due to cancellation of property sales (offset by capital contingency).
    - £0.500m contract management savings undeliverable during Covid response phase.

  - £0.165m increase in Coroner cost
- Non-Covid underspends are:
  - Higher than expected grant income (£1.109m), including £0.427m business rates s31 grant, £0.350m Extended rights to home to school transport grant, £0.165m Fire Pension grant, £0.097m Fire Link Grant, and £0.088m War Pension Disregard Grant.
  - £3.508m of the provision for capital financing costs not required to fund the capital programme in 2020/21 (offsetting under-achievement of saving target due to Covid and school liabilities).
  - £0.110m due to a lower top-up contribution to the Pension Fund deficit being required in the first year of the latest triennial valuation.
  - £0.321m reduction in members allowances and expenses.
  - £0.286m favourable variance on MRP.
  - £0.647 reduction in other administrative expenses.
- These are offset by reduced income from Schools using WCC insurance services (£0.521m), £2.137m schools' liability cost and a £0.350m increase in election cost.
- The reduction to the forecast variance of £1.920m is due to the reduced capital contingency forecast offset by the school's liability cost.

Risks to Forecasts

A number of forecasts carry risks, of which the key ones are listed below:

Education Services

- Although the High Needs Block (within the DSG budget) is currently showing an overspend of £10.716m this could vary if the savings in the DSG recovery plan are delayed or not achieved this year; or if demand increases more than anticipated.
- A major area of non-DSG volatility is within the Children with Disability Service where the volatility of both placement numbers and costs (low volume / high cost) within the service can impact forecasts through the year. Drivers include complexity and activity levels; market prices and share, social and economic impacts; and Covid.

Adult Social Care

- The key risk to this forecast is the impact on demand from Covid, including any further 'waves' both in the short term and long term and the continuing availability of government/NHS funding for Covid.
- There is a risk to the client contributions forecast as social care assessments continue to be carried out on customers who were discharged from hospital into a care setting.

Children and Families & Children with Disabilities

- The volatility of both placement numbers and costs within Children and Families can impact forecasts through the year – drivers include complexity and activity levels; market prices and share, social and economic impacts; and Covid.
- Financial plans for transformation funding and grants are reviewed and revised on a monthly basis and can be subject to change. With the effect of Covid, these plans are at risk of not being able to fulfil original plans in year and underspends are transferred to earmarked reserves at year end for use in future years.

Enabling Services

- ICT and Property Services – both services are currently undertaking a zero-based budgeting exercise and so it is possible that the forecast will change dependent on the findings of the exercise.

Covid related forecasts

- All Covid-related forecasts (expenditure and income pressures; and forecasts relating to grant income) are based on the best data, knowledge, national guidelines and intelligence at a given point in time. As the national and local landscape and impact of Covid evolves; and as restrictions change, it is inevitable that the forecasts will be updated and will also change. As we progress towards the end of the financial year, further reviews of actual spend/income loss compared to forecasts will be undertaken.

Appendix B – Finance Commentary on Service capital forecasts

Service	Slippage	New (or net nil)	Over budget	Under spend	Net 2020-21 change
Adult Social Care	-	-	-	-	-
Business & Customers	130	-	-	-	130
Children & Families	- 12	42	-	-	30
Communities Services	- 9,548	592	-	-	- 8,956
Education Services	- 1,260	281	595	- 101	- 485
Enabling Services	- 876	- 5	-	-	- 881
Environment Services	- 17,809	- 4	1,429	-	- 16,384
Fire	- 384	- 202	-	-	- 586
Governance & Policy	- 2,237	- 9	-	-	- 2,246
People Commissioning	-	-	-	-	-
Grand Total	**- 31,996**	**695**	**2,024**	**- 101**	**- 29,378**

Detailed explanation at a Service level is provided in **Appendix D - Annexes A to M**. The main reasons for the movement to future years in the quarter compared to the approved budget are:

<u>Business & Customers - £0.130m caused by: -</u>

- Spend on two projects for Kenilworth library and Market Hall attic from the one front door block headers has been brought forward into 2020-21.

<u>Children & Families – (£0.012m) caused by: -</u>

- Previous proposed adaptations are unlikely to commence until 21-22 due to court delays related to Covid.

<u>Communities Services – Slippage of (£9.548m) caused by: -</u>

- £1.315m delay on Rugby Parkway. The submission of the planning application has been delayed due to a change in the scope. Due to land ownership issues, only part of the land has been acquired. The remainder will be acquired in the next financial year.
- £0.495m delay in acquiring measurement equipment for air quality monitoring. Covid has placed extraordinary demands on contractors to produce a lot of equipment quickly and the full order is unlikely to be completed by the end of the 2020/21 financial year.
- £0.400m delay on the Leamington to Kenilworth cycle scheme due to negotiations and legal complexities around the land acquisition.
- £0.229m delay on the Hinckley to Nuneaton Cycle route. It is no longer possible to commence construction (site works) on this project until Q1 21/22 due to a request for design revisions, a delay to the consultation and difficulties obtaining

a road space permit due to other works in the area.
- £0.789m delay on Kenilworth station resulting from snagging and compensation finalisation with the contractor.
- £0.450m delay on Bermuda connectivity. Further programme slippage (delay to the start of construction) arising to obtain WCC Corporate Board approval to proceed with the scheme based on the preferred construction tender price.
- £1.761m delay on Average Speed Cameras scheme due to Covid.
- £1.560m delay on the Temple Hill Lutterworth project due to Covid.
- £0.470m delay on the A439 Southern reduction scheme due to Covid.
- £0.495m delay on the Green Man scheme due to traffic flow issues around the junction.
- £0.896m delay on casualty reduction schemes has been caused by finalisation of costs which has been slower than expected due to Covid.
- The remainder relates to small changes in time frames on a number of other projects, please see the annex.

Education Services – (£1.260m) caused by: -
- £0.442m delay on the Welcombe Hillls School project which is on hold due to planning issues raised by Sport England.
- £0.300m Campion School delay caused by reworking the project in order to obtain better value for money.
- £0.112m delay on Kineton High School in relation to negotiations around the refurbishment of science labs.
- £0.394m delay on Long Lawford Primary School expansion. The car parking drop off works are now planned to be carried out in 2021-22 due to negotiations around works creating delays in procurement.
- The remainder is small changes in time frames on a number of other projects, please see the annex.

Enabling Services – (£0.876m) slippage caused by: -
- £0.150m delay in IT infrastructure due to Covid.
- £0.495m delay in the execution of planned works on school's asbestos and safe water projects due to Covid.
- £0.250m delay in the execution of planned works on non-schools' asbestos and safe water projects due to Covid.

Environment Services – Slippage of (£17.809m) caused by: -
- £9.856m relates to S278 projects. The time frame for undertaking S278 projects is reviewed based on progress around each development.
- £1.983m of area delegated schemes have been slipped into later years as a result of changes to the use of these funds (see Cabinet report dated 11th June 2020)
- £3.655m delay on the A46 Stoneleigh due to the approval process with Highways England being protracted. The timescale around gaining Highways England approvals was a known risk at the outset of the project and as such

costs associated with it have been allowed for in the risk budget. The shift in spend from 20/21 to 21/22 presented here will not result in any increased costs that cannot be managed in the available budget.

- £1.036m of delays on flood alleviation projects due to additional feasibility work being undertaken along with redesigns on some of the projects. The Fenny Compton Scheme has proved to be legally complex and Pailton has been impacted by Covid.
- £0.870m delay relating to Bridge maintenance. This mostly relates to Bermuda and historic bridges. The Cole End project has moved to a later year to respond to emergency works to safeguard Bidford Bridge. Other year 1 projects have been pushed back to year 2 due to Covid, higher water levels, colder months and the discovery of protected species at some sites.
- The remainder is smaller changes in time frames on a number of other projects, please see the annex.

Fire & Rescue Service – Slippage of (£0.384m) caused by: -

- Delays to the Fire and Rescue training project at Kingsbury. A meeting with the Contractor is scheduled, after which there should be further clarification on likely fee drawdown. As a result of this some expenditure is likely to be pushed back into 2021/2022 financial year.

Governance & Policy – (£2.237m) caused by: -

- Slippage on Strategic Site Planning applications £1.328m due to site conditions for one priority land asset, legal complexities around remediations, and uncertainty around plans resulting from the creation of the WPDC.
- Slippage on the maintaining the smallholdings land bank project of £0.844m due to Covid.
- Slippage of £0.065m on rural capital maintenance caused by Covid.

The delays on projects means the expected benefits of the schemes will not be realised to the original time frame.

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Appendix C – Details of Covid related Grants

1. Below is a list of the Covid related Grants that total the £57.382m presented in the main report.

Grant	2020/21 Value £m
LA Emergency Funding (Tranche 1-4)	
Un-ringfenced Revenue Grant - Tranche 1	14.071
Un-ringfenced Revenue Grant - Tranche 2	10.611
Un-ringfenced Revenue Grant - Tranche 3	3.456
Un-ringfenced Revenue Grant - Tranche 4	3.696
Subtotal	**31.834**
Other more specific Funding	
Road space reallocation - 'Active travel'	0.129
Bus services Operators grant	1.441
Asylum	0.131
Sales, fees and charges income (estimate)	4.111
Home to School Transport	0.965
Infection Control Grant* (WCC retained element for PPE expenditure)	0.226
Contain Outbreak Management Fund (COMF) - Tier 3, Nov Lockdown	4.623
Contain Outbreak Management Fund (COMF) - For Dec	TBC
Community Testing 1	1.140
LA Emergency Assistance Funding for food and essential supplies	0.521
Clinically Extremely Vulnerable	0.208
Winter Grant Scheme	1.405
Test and Trace	2.138
Subtotal	**25.538**
Total	**57.372**

2. The Q2 report to Members identified £41.478m of Covid related grants (a difference of £15m+ compared with Q3). The key changes are as follows:

Grant	£m
Un-ringfenced Revenue Grant - Tranche 4	3.696
Increase in estimate of Hospital Discharge Grant	2.000
Contain Outbreak Management Fund (COMF) - Tier 3, Nov Lockdown	4.623
Community Testing 1	1.140
LA Emergency Assistance Funding for food and essential supplies	0.521
Clinically Extremely Vulnerable	0.208
Winter Grant Scheme	1.405
Test and Trace	0.753
Total	**£15.731**

**Note that the total Infection Control Grant received was £13.404m; but the vast majority of this is passported out to Care Homes and hence not included in the grants totals.*

3. Please note the following:
   - Corporate Board have recently approved 'Improving Mental Health' and 'Mitigating the impact of Covid on BAME' projects; and both will be funded by Covid grants. It is estimated that approximately £1.468m of Covid grant funding will need to be carried forward into 2021/22.
   - £1.385m of the Test and Trace grant funding will be required for continued test and trace activity in 2021/22.
   - Recent Contain Outbreak Management Fund (COMF) guidance has confirmed that where commitments are made from the Contain Outbreak Management Fund before the end of this financial year, the funding can be used into next financial year. Work is ongoing to identify if commitments will continue into 2021/22. The planned use of the confirmed COMF funding is detailed in the table below:

Grant	£m
Community Testing - 6 static sites to March 2021	2.140
Mobile Testing	0.263
Additional Public Health Capacity & Initiatives	0.505
Additional Backwards Contract Tracing Capacity	0.173
Community Engagement Fund for Hard to Reach	0.070
Targeted Voluntary Sector Support	0.244
Funding support for District & Borough Councils (Homelessness and extremely vulnerable residents)	1.000
County wide co-ordinated homeless support	0.170
Contingency/flex	0.058
Total	**£4.623**

APPENDIX D

Annex A Reserves - Environment Services - Scott Tompkins
Strategic Director - Mark Ryder
Portfolio Holders - Jeff Clarke

Reserve	Approved Opening Balance 01/04/2020 £'000	Movement in Year £'000	Effect of Outturn £'000	Forecast Closing Balance 31/03/2021 £'000	Transfer request (To)/From Reserves £'000	Reason for Request
Proceeds of Crime	164		(30)	134		We are funding a business crime initiative as part of our contibution to the economic recovery. We will also be funding an intelligence post for 7 months of 2020/21
S38 Developer Funding	350			350		
Domestic Homicide Reviews	88		(10)	78		There is a DHR which has just commenced, and the chair has now been appointed. The estimated costs are £10,000. Two further DHR's are in the pipeline which will have a significant impact on these reserves.
Flood Management Reserve	459			459		
Total	**1,060**	**0**	**-40**	**1,020**	**0**	

Annex A Savings - Environment Services - Scott Tompkins
Strategic Director - Mark Ryder
Portfolio Holders - Jeff Clarke

Saving Proposal	Target £'000	Actual to Date £'000	Forecast Outturn £'000	Shortfall/ (Overachievement) £'000	Reason for financial variation and any associated management action
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	200	0	Given activity to date, it is anticipated that only £100k of works will be capitalised in 2020/21. However, the full amount required will be met through other general in year savings.
Total	**200**	**0**	**200**	**0**	

Environment Services - Scott Tompkins
Strategic Director - Mark Ryder
Portfolio Holders - Jeff Clarke

2020/21 to 2022/23 Capital Programme

Project	Description	Approved Budget					Forecast					Variation		Commentary
		Earlier Years £'000	2020/21 £'000	2021/22 £'000	2022/23 onwards £'000	Total £'000	Earlier Years £'000	2020/21 £'000	2021/22 £'000	2022/23 onwards £'000	Total £'000	Variance in Year £'000	Total Variance £'000	
Major Transport Projects														
10203000	Rugby Western Relief Road	59,144	101	0	0	**59,245**	59,144	101	0	0	**59,245**	0	0	
10421000	Portobello Bridge	549	60	1,296	154	**2,060**	549	11	0	0	**560**	-49	-1,500	The forecast of £1.5m will be transferred to the Emscote Road project
11221000	M40 Junction 12	11,868	2	250	0	**12,121**	11,868	15	45	192	**12,121**	13	-0	
11272000	Rugby Gyratory Improvements	1,563	0	25	0	**1,588**	1,563	0	25	0	**1,588**	0	0	
11509000	A444 Coton Arches, Nuneaton	3,549	27	10	114	**3,700**	3,549	27	10	114	**3,700**	0	0	
11510000	A46 Stanks Island, Warwick	2,526	3,664	400	0	**6,590**	2,526	3,664	400	0	**6,590**	0	0	
11604000	A444 Corridor Improvements - Phase 2	163	300	4,117	20	**4,600**	163	200	4,046	20	**4,428**	-100	-171	Design work is on-going. Expected delays due to land acquisition. Delayed construction start now 2021/22 Q2. s106 funding not expected
11605000	A3400 Bham Road Stratford Corridor Improvements	129	305	6,115	0	**6,550**	129	305	6,115	0	**6,550**	0	0	
11649000	A46 Stoneleigh Junction Improvements	3,500	14,643	18,494	157	**36,794**	3,500	10,987	18,020	4,286	**36,794**	-3,655	-0	Main works contract award anticipated in Q2 forecast in September 2020. It was not awarded until end of Nov 2020 due to continuing delays in obtaining technical approval from Highways England (HE). Site works are therefore not progressing as forecast in Q2, resulting in spend slipping from 20/21, through into 21/22 and into 22/23. HE commuted sum also transfered from 20/21 to 22/23 as payment will only become due on scheme completion in accordance with legal S6 agreement between WCC and HE. It is not anticipated this will impact the final outturn cost as an appropriate contingency has been allowed for in the scheme budget to address risks such as this.
11669000	Lawford Road / Addison Road Casualty Reduction	59	51	736	0	**846**	59	51	736	0	**846**	0	0	
11694000	A47 Hinckley Road Corridor	566	66	1,758	1,215	**3,605**	566	66	1,758	1,215	**3,605**	0	0	
Street Lighting														
11279000	Pump Priming allocation for LED street lighting	4,452	388	0	0	**4,840**	4,452	412	0	0	**4,865**	24	24	Budget increased with an RCCO
11719000	Street Lighting base budget 19-20	631	0	0	0	**631**	631	0	0	0	**631**	0	0	
11818000	Street Lighting Base Budget for 2020 / 2021	0	1,071	0	0	**1,071**	0	1,014	57	0	**1,071**	-57	0	Budget transferred to new year
Structural Bridge Maintenance														
11382000	Minor Bridge Maintenance schemes 2015/2016	1,679	12	0	0	**1,691**	1,679	7	0	0	**1,686**	-5	-5	Design delayed due to Network Rail Interface
11457000	Minor Bridge Maintenance schemes 2016/2017	529	13	0	0	**542**	529	3	0	0	**532**	-10	-10	Actual costs less than order value thereby reducing required budget
11587000	Minor Bridge Maintenance schemes 2017/2018	2,397	113	0	0	**2,511**	2,397	100	0	0	**2,497**	-14	-14	Majority of assessment to be deferred to next financial year
11658000	Minor Bridge Maintenance schemes 2018/2019	1,373	679	0	0	**2,052**	1,373	280	400	0	**2,052**	-400	0	Unlikely to spend budget for Bermuda during 2020-21
11717000	Bridges Base Budget 2019 2020	681	298	0	0	**979**	681	238	0	0	**919**	-60	-60	Work delayed until 2021/22 due to a reallocation of resources
11816000	Bridges Base Budget 2020 2021	0	781	0	0	**781**	0	856	13	0	**869**	75	88	Accumulated deferral of various schemes due to changing priorities
11833000	Historic Bridge Maintenance	0	1,120	2,950	2,230	**6,300**	0	650	3,420	2,230	**6,300**	-470	0	Cole End moved to year 2 to respond to emergency works to safeguard Bidford Bridge, Year 1 projects pushed back to end of Year 1 and start of Year 2 due to Covid, higher water levels, colder months and discovery of protected species. There is potential for these projects to slip into a Year 4 but this will be monitored and re-profiled depending on activity over the next couple of years.
Structural Maintenance of Roads														
11361000	Highways Maintenance 16/17	15,096	0	0	0	**15,096**	15,096	0	0	0	**15,096**	0	0	
11451000	Highways Maintenance 18/19	17,618	0	0	0	**17,618**	17,618	0	0	0	**17,618**	0	0	
11720000	County Highways Base Budget 19-20	17,506	69	0	0	**17,575**	17,506	79	0	0	**17,585**	10	10	New costs allocated
11785000	County Highways Base Budget 20-21	0	22,296	0	0	**22,296**	0	22,287	0	0	**22,287**	-10	-10	Budgets transferred to 11688000
11808000	Vehicle Mitigation Barriers (Stratford upon Avon)	0	582	0	0	**582**	0	582	0	0	**582**	0	0	
11848000	Replacement bollards in Stratford, Nuneaton and Bedworth	0	86	344	0	**430**	0	60	370	0	**430**	-26	0	Work delayed to next financial year due to lack of staff resource
Traffic Signals														
11381000	Traffic Signals 2015-16	181	13	0	0	**194**	181	13	0	0	**194**	0	0	
11657000	Traffic Signals Base Budget 2018-19	291	0	0	0	**291**	291	0	0	0	**291**	0	0	
11718000	Traffic Signals Base Budget 2019-20	245	47	0	0	**291**	245	17	31	0	**293**	-30	1	Work delayed to next financial year due to lack of staff resource
11817000	Traffic Base Budget 2020 2021	0	216	0	0	**216**	0	215	0	0	**215**	-1	-1	
Flood management														
10257000	Fisher Brook Flood Alleviation	0	0	0	0	**0**	0	0	0	0	**0**	0	0	
11427000	Ladbrooke Flood Alleviation	60	4	0	0	**63**	60	4	0	0	**63**	0	0	
11514000	Grendon Property Level	72	0	0	0	**72**	72	0	0	0	**72**	0	0	
11550000	Flood modelling	98	5	0	0	**103**	98	5	0	0	**103**	0	0	
11574000	Kites Hardwick flood alleviation	103	0	0	0	**103**	103	0	0	0	**103**	0	0	
11599000	Cherrington Flood Risk Management Scheme	62	3	0	0	**65**	62	3	0	0	**65**	0	0	
11686000	Whiteacre Health Flood Alleviation	56	0	0	0	**56**	56	0	0	0	**56**	0	0	
11735000	Grendon Capital Flood Scheme	1	111	0	0	**112**	1	111	0	0	**112**	0	0	
11794000	Flood Defence Maintenance 20-21	0	200	0	0	**200**	0	200	0	0	**200**	0	0	
11801000	Flood alleviation schemes CIF - Pailton	0	173	0	0	**173**	0	100	73	0	**173**	-73	0	Some risk on delivery of PLR on site due to any further COVID restrictions. Due to start on site in early February 2021. Budget transferred to New Year
11802000	Flood alleviation schemes CIF - Fenny Compton	0	484	0	0	**484**	0	20	464	0	**484**	-464	0	Budget transferred to New Year

11803000	Flood alleviation schemes CIF - Welford on Avon	0	0	105	0	**105**	0	0	105	0	**105**	0	0	
11804000	Flood alleviation schemes CIF - Galley Common	0	154	0	0	**154**	0	0	154	0	**154**	-154	0	Budget transferred to New Year
11805000	Flood alleviation schemes CIF - Bermuda	0	230	0	0	**230**	0	0	230	0	**230**	-230	0	Budget transferred to New Year
11806000	Flood alleviation schemes CIF - Brailes	0	115	0	0	**115**	0	0	115	0	**115**	-115	0	Budget transferred to New Year
Community Safety														
11712000	Gypsy & Traveller Services 19-20	0	0	0	0	**0**	0	0	0	0	**0**	0	0	
11789000	Gypsy & Traveller Services 20-21	0	72	20	0	**93**	0	62	30	0	**93**	-10	0	Budget transferred to New Year
11855000	Development and upgrade of three WCC owned Gypsy and Traveller sites	0	0	0	0	**0**	0	0	508	152	**660**	0	660	CIF funding agreed 12th November 2020. a PMO is being sought to lead on this capital project. Costs for this are included in the CIF funding.
Transport Delivery														
11854000	Replacement of 15 bus fleet vehicles (Home to School transport)	0	0	0	0	**0**	0	0	885	0	**885**	0	885	CIF funding agreed 12th November 2020
Archaeology & Ecology														
11727000	Ford Ranger 4x4	12	0	0	0	**12**	12	0	0	0	**12**	0	0	
Area Delegated														
11276000	Rugby Area Committee	416	0	36	0	**452**	416	0	36	0	**452**	0	0	
11354000	Area Delegated Funding 17-18	21	9	283	0	**313**	21	0	290	0	**312**	-8	-1	Schemes cancelled
11398000	Design Services Area Delegated Funding	153	7	0	0	**160**	153	0	7	0	**160**	-7	0	Delayed due lack of staff resources
11452000	Area Delegated Funding 18-19	0	0	1671	0	**1,671**	0	0	1,529	0	**1,529**	0	-142	New Schemes allocated
11483000	Delegated Budget 2016-17 Traffic Signals & pedestrian cro	86	12	0	0	**97**	86	0	2	0	**88**	-12	-10	Scheme almost complete just minor item to amend following Stage 3 Road Safety Audit.
11485000	Delegated Budget 2016-17 Road Safety	501	40	0	0	**540**	501	40	0	0	**540**	0	0	
11487000	Delegated Budget 2016-17 Transport Planning	112	13	0	0	**125**	112	13	0	0	**125**	0	0	
11488000	Delegated Budget 2016-17 Casualty reduction	160	77	0	0	**237**	160	57	0	0	**217**	-20	-20	Schemes cancelled
11588000	Delegated Budget For Traffic Signals Gaf Din 2017 /2018	1	5	0	0	**6**	1	5	0	0	**6**	0	0	
11590000	Delegated Budget 2017-18 Road Safety	672	95	0	0	**767**	672	95	0	0	**767**	0	0	
11592000	Delegated 17-18 County Highways	564	30	0	0	**593**	564	30	0	0	**593**	0	0	
11593000	Delegated Budget 2017-18 Transport Planning	41	9	0	0	**50**	41	9	0	0	**50**	0	0	
11652000	Jo Edwards Delegated Schemes 2018 2019	541	500	0	0	**1,041**	541	516	0	0	**1,057**	16	16	New Schemes allocated
11653000	John Grant Delegated Schemes 2018 2019	649	177	0	0	**825**	649	71	0	0	**719**	-106	-106	Schemes cancelled
11654000	Gaf Din Delegated Schemes 2018 2019	0	0	0	0	**0**	0	0	0	0	**0**	0	0	
11656000	Nigel Whyte Delegated Schemes 2018 2019	71	2	0	0	**73**	71	2	0	0	**73**	0	0	
11721000	Traffic Signals Delegated Budget 2019 2020	0	0	0	0	**0**	0	0	0	0	**0**	0	0	
11722000	St Lighting Delegated Budget 2019 2020	0	6	0	0	**6**	0	6	0	0	**6**	0	0	
11723000	County Highways Base Delegated Budget 2019 2020	368	276	0	0	**644**	368	275	0	0	**643**	-1	-1	
11724000	Traffic Road Safety Delegated Budgets 2019 2020	259	761	0	0	**1,020**	259	765	0	0	**1,024**	4	4	Additional budget allocated
11725000	Bus Shelter Infrastructure 2019 2020 Delegated Budgets	83	84	0	0	**167**	83	84	0	0	**167**	0	0	
11799000	Area Delegated Budget 2020-21	0	0	0	0	**0**	0	0	0	0	**0**	0	0	
11835000	North Warwickshire Area Delegated	0	316	0	0	**316**	0	72	255	0	**327**	-244	11	Schemes to be completed in new year
11836000	Nuneaton & Bedworth Area Delegated	0	606	0	0	**606**	0	182	511	0	**693**	-424	87	New schemes added and carried forward into the New Year
11837000	Rugby Area Delegated	0	513	0	0	**513**	0	157	362	0	**519**	-356	6	New schemes added and carried forward into the New Year
11838000	Stratford Area Delegated	0	480	0	0	**480**	0	32	465	0	**497**	-448	17	New schemes added and carried forward into the New Year
11839000	Warwick Area Delegated	0	617	0	0	**617**	0	105	631	0	**736**	-512	119	New schemes added and carried forward into the New Year
Developer Funded Transport - s106 schemes														
11054000	Rugby, Hunters Ln - Through Route New Tech Dr To Newbold Rd	62	50	129	150	**391**	62	20	129	180	**391**	-30	0	Project is being revived. Development work progressing slower than expected - unavailable internal designer resources therefore will start next fiscal year.
11099000	Upgrade traffic signals Blackhorse Road	137	11	0	0	**148**	137	11	0	0	**148**	0	0	
11194004	Install CCTV on Emscote Road Warwick (Tesco Stores)	0	0	0	0	**0**	0	0	0	0	**0**	0	0	
11194005	Install MOVA operation on traffic signal junctions Emscote Road Warwick (Tesco Strores)	1	83	0	0	**84**	1	14	130	0	**145**	-69	61	Increased funds available to implement MOVA to the Emsote Road/Charles Street junction
11194006	Install Variable Message Signs A444 (Prologis)	0	0	82	0	**82**	0	0	82	0	**82**	0	0	
11194007	Install Traffic Signals junction Colliery lane / Back Lane Exhall (David Wilson Homes)	0	0	0	0	**0**	0	0	0	0	**0**	0	0	
11194009	Bridleways Improvements Brownsover Rugby	0	0	6	0	**6**	0	0	6	0	**6**	0	0	
11195003	S106 Rights of Way Scheme at Long Shoot Development Nuneaton	0	0	6	0	**6**	0	0	6	0	**6**	0	0	
11195009	40/50MPH SPEED LIMIT AND MINOR KERBING WORKS LONGMARSTON ROAD WELFORD ON AVON.	21	0	0	0	**21**	21	0	0	0	**21**	0	0	
11417000	A426 /A4071 Avon Mill Roundabout Rugby Improvement Scheme	429	460	679	140	**1,708**	429	460	679	140	**1,708**	0	0	Stage 2 (of 3) of the grant application to the Department of Transport is being prepared but sees delays. Detail design has commenced and will be on-going during this year.

11464000	Clifton on Dunsmore Traffic Calming S106	403	0	0	0	**403**	403	0	0	0	**403**	0	0	
11618000	B4087 Oakley Wood Road - Raised Traffic Calming Scheme	139	0	0	0	**139**	139	0	0	0	**139**	0	0	
Developer Funded Transport - Europa Way														
11580000	A452 Europa Way (Lower Heathcote Farm), Warwick. Developer – Gallagher Estates Ltd. S278	2,928	65	507	0	**3,500**	2,928	50	522	0	**3,500**	-15	0	Waiting on 4 year maintenance period to end, prior to remediations arising from RSA3
11602000	A452 Europa Way / Olympus Avenue Traffic Signal Controlled Junction S278	1,408	1,716	884	0	**4,008**	1,408	1,716	884	0	**4,008**	0	0	
11636000	A452 Myton Road And Shire Park Roundabouts S106	71	100	3,629	0	**3,800**	71	75	3,654	0	**3,800**	-25	0	Feasibility works still ongoing due to potential relocation of supermarket requiring sensitivity tests
11637000	A452 Europa South of Olympus Avenue to Heathcote Lane Roundabout S106	24	0	0	7,476	**7,500**	24	50	0	7,426	**7,500**	50	0	WPD invoicing for trial holes against existing pylon to determine road alignment
11638000	A452 M40 spur west of Banbury Road S106	12	0	0	7,588	**7,600**	12	5	0	7,583	**7,600**	5	0	early feasibility works
11814000	C9878 A452 Europa Way Dualling, The Asps S278	0	50	100	0	**150**	0	50	100	0	**150**	0	0	
Developer Funded Transport - s278 schemes														
10010001	Unallocated S278 developer funds	-46	6	1,656	0	**1,616**	-46	0	0	1,662	**1,616**	-6	0	Service has not developed plans for utilisation of this funding - due to pressures of other schermes this is not likely to get any focus until 2021-22 and therefore spend likely in 2022-23
10438000	Leamington, Junction Alterations At Former Potterton Works	4	0	0	0	**4**	4	0	0	0	**4**	0	0	
11195010	S278 DE33034 Western Rd and Bham Rd Stratford (McDonalds)	381	0	0	0	**381**	381	0	0	0	**381**	0	0	Scheme complete, can be archived.
11195011	S278 Crabtree Medical Centre Bidford - Bus Stops	27	0	0	0	**27**	27	0	0	0	**27**	0	0	
11195013	S278 Wellesbourne Distribution Park Signs	35	26	0	0	**61**	35	26	0	0	**61**	0	0	
11196001	S278 Boughton Road Environmental Weight Limit Signs	77	0	0	0	**77**	77	0	0	0	**77**	0	0	
11197000	Ford Foundry	4,697	0	0	0	**4,697**	4,697	0	0	0	**4,697**	0	0	
11305000	New Roundabout on the A444 Weddington Road, Nuneaton	641	230	0	0	**871**	641	230	0	0	**871**	0	0	
11326000	Elliots Field Retail Park	816	0	0	0	**816**	816	0	0	0	**816**	0	0	
11327000	B4113 Gipsy Lane Junction	5	199	0	0	**204**	5	199	0	0	**204**	0	0	
11328000	New Roundabout Southam Road Kineton	478	0	0	0	**478**	478	0	0	0	**478**	0	0	
11336000	Ansty Business Park Phase 3	1,521	394	1,097	0	**3,011**	1,521	394	1,097	0	**3,011**	0	0	
11337000	A426 Leicester Road, Rugby - Toucan Crossing	329	6	0	0	**335**	329	6	0	0	**335**	0	0	
11366000	B4087 Tachbrook Road Signals for Development at Woodside Farm Whitnash	431	20	0	0	**451**	431	20	0	0	**451**	0	0	
11419000	A423 Priority Junction and A425 Banbury Road Toucan Cro	504	12	0	0	**516**	504	12	0	0	**516**	0	0	
11423000	A423 Coventry Road Southam New Priority Junction S278	508	12	0	0	**520**	508	12	0	0	**520**	0	0	
11424000	Snitterfield Emergency Works	0	0	0	0	**0**	0	0	0	0	**0**	0	0	
11428000	B5000 Grendon Road Polesworth New Roundabout Section 278	868	65	32	0	**965**	868	65	32	0	**965**	0	0	
11429000	A3400 Birmingham Road, Stratford upon Avon, New right turn land S278	247	26	0	0	**273**	247	26	0	0	**273**	0	0	
11430000	A428 Rugby Radio Station Mass Site S278 Highways Work	2,639	200	0	0	**2,839**	2,639	100	100	0	**2,839**	-100	0	Changed due the expected timescale for completion of remedial works.
11435000	A3400 Birmingham Rd Stratford - Conversion of Existing Traffic Signal Junction S278	308	12	0	0	**320**	308	12	0	0	**320**	0	0	
11436000	B4087 Oakley Wood Road Bishops Tachbrook	452	52	0	0	**504**	452	52	0	0	**504**	0	0	
11437000	B4632 Campden Road /C47 Station Road - New Ghost Island & New Minor Access S278	575	4	6	0	**585**	575	4	6	0	**585**	0	0	
11438000	B4642 Coventry Rd, Site Access, Cawston - New Traffic Signal Junction S278	601	20	0	0	**621**	601	20	0	0	**621**	0	0	
11439000	B4642 Coventry Rd / Cawston Grange Drive Cawston Construction of 5th Arm at Rdbt S278	1,400	17	0	0	**1,417**	1,400	17	0	0	**1,417**	0	0	
11460000	C204 Birmingham Road, Alcester - new right turn land outside Alcester Grammar	45	163	993	0	**1,201**	45	163	993	0	**1,201**	0	0	
11461000	A47 The Long Shoot, Nuneaton , New Traffic Controlled Junction S278	1,080	108	20	0	**1,208**	1,080	108	20	0	**1,208**	0	0	
11462000	B4035 Campden Road, Shipston on Stour new right turn lane	336	14	10	0	**360**	336	14	10	0	**360**	0	0	
11463000	B4451 Kineton Road Southam New Roundabout S278	609	8	10	0	**627**	609	8	10	0	**627**	0	0	
11467000	C43 Harbury Lane, Warwick – new traffic signal controlled junction.S278	553	10	10	0	**573**	553	10	10	0	**573**	0	0	
11505000	A422 Alcester Road, Stratford upon Avon	250	6	6	0	**262**	250	6	6	0	**262**	0	0	
11506000	A426 Southam Rd Southam access to quarry at Griffins Farm	307	6	10	0	**323**	307	6	10	0	**323**	0	0	
11507000	A428 Lawford Road, Rugby	410	84	0	0	**494**	410	44	40	0	**494**	-40	0	Changed to reflect expected resolution of snagging / compensation.
11508000	B4429 Ashlawn Road, Rugby	58	54	10	0	**122**	58	54	10	0	**122**	0	0	
11511000	A429 Ettington Road, Wellesbourne	1,216	24	10	0	**1,249**	1,216	24	10	0	**1,249**	0	0	
11515000	A4254 Eastbro Way Nuneaton Traffic Signals at Junctions with Camborne Drive S278	1,979	16	0	0	**1,995**	1,979	16	0	0	**1,995**	0	0	
11516000	A444 Weddington Road Nuneaton Right Turn Lane to Site Access S278	699	10	10	0	**719**	699	10	10	0	**719**	0	0	

11517000	A47 Hinkley Road Nuneaton Puffin Crossing	116	10	10	0	**136**	116	10	10	0	**136**	0	0	
11518000	D2206 Siskin Drive Baginton Right Turn Lane S278	457	13	30	0	**500**	457	13	30	0	**500**	0	0	
11519000	D3108 Back Lane Long Lawford Traffic Signals & Junction Improvements S278	437	9	10	0	**456**	437	9	10	0	**456**	0	0	
11527000	A423 Marton Road , Long Itchington - New Footway & Site Access S278	173	10	10	0	**193**	173	10	10	0	**193**	0	0	
11528000	A444 Weddington Road, Nuneaton - new Puffin crossing.	218	47	20	0	**284**	218	47	20	0	**284**	0	0	
11529000	B4642 Coventry Road, Cawston - new right turn lane.	4	394	203	0	**601**	4	394	203	0	**601**	0	0	
11530000	C33 Stockton Road and A423 Southam Road, Long Itchington - new footway on Stockton Road and upgrade of zebra crossing to Puffin crossing on Southam Road.	298	53	25	0	**376**	298	53	25	0	**376**	0	0	
11531000	D1643 Park Road, Bedworth - new car park egress.	140	151	50	0	**341**	140	151	50	0	**341**	0	0	
11551000	A47 Long Shoot - relocation of a refuge island	35	39	16	0	**90**	35	39	16	0	**90**	0	0	
11576000	A3400 Banbury Road / Tiddington Road, Stratford upon Avon.	2	679	1,319	0	**2,000**	2	679	1,319	0	**2,000**	0	0	
11577000	A3400 Bridgefoot / Bridgeway, Stratford upon Avon	9	152	590	0	**751**	9	52	690	0	**751**	-100	0	Changed to reflect expected scheme delivery. Delays due to Developer's design impacting on progress of Technical review process.
11578000	C98 Loxley Road, Tiddington.	15	980	505	0	**1,500**	15	1,150	551	0	**1,716**	170	216	Change required due to increase in scope of works.
11579000	D7050 Common Lane Kenilworth Traffic Signal Junction	3,264	285	904	0	**4,453**	3,264	285	904	0	**4,453**	0	0	
11581000	Butlers Leap Link Road, Rugby. Developer – Urban and Civic PLC.	3,444	367	189	0	**4,000**	3,444	367	189	0	**4,000**	0	0	
11582000	Shottery Link Road, Stratford-upon-Avon. Developers – J S Bloor (Tewkesbury) Ltd and Hallam Land Management Ltd.	32	2,601	867	0	**3,500**	32	867	2,601	0	**3,500**	-1,734	0	Delays due to Developer's design impacting on progress of Technical review process.
11595000	A422 Banbury Road Ettington Ghost island	292	12	4	0	**308**	292	12	4	0	**308**	0	0	
11597000	B4451 Station Road Bishops Itchington Ghost Island Right Turn Lane S278	759	144	48	0	**950**	759	144	48	0	**950**	0	0	
11598000	A426 Leicester Road Rugby Highway Impt S278	2,712	52	17	0	**2,781**	2,712	52	17	0	**2,781**	0	0	
11603000	B439 Salford Road Bidford - Access And Puffin Crossing	19	99	33	0	**151**	19	99	33	0	**151**	0	0	
11608000	Highway Impt A446 Lichfield Road , Coleshill S278	60	67	22	0	**150**	60	67	22	0	**150**	0	0	
11609000	Highway Impt C104 Milcote Rd Welford On Avon S278	268	61	20	0	**350**	268	61	20	0	**350**	0	0	
11616000	A47 The Long Shoot (Callendar Farm) highway alterations S278	4	0	0	0	**4**	4	0	0	0	**4**	0	0	
11617000	C12 Plough Hill Road , Galley Common - installation of Puffin crossing & associated fway works	139	121	40	0	**300**	139	121	40	0	**300**	0	0	
11662000	A3400 London Road, Shipston on Stour (Orbit Homes)	14	327	109	0	**450**	14	327	109	0	**450**	0	0	
11663000	A425 Daventry Road, Southam (Taylor Wimpey)	415	980	327	0	**1,721**	415	980	327	0	**1,721**	0	0	
11664000	C8 Trinity Road, Kingsbury (St Modwen)	2,281	21	0	0	**2,302**	2,281	670	21	0	**2,972**	649	670	Changed due to expected spend.
11665000	D538 Station Road, Coleshill (Aldi Stores)	8	42	100	0	**150**	8	42	100	0	**150**	0	0	
11666000	CCTV/UTC integration scheme on A3400 Birmingham Road Stratford (Bellway Homes)	0	85	0	0	**85**	0	40	45	0	**85**	-45	0	Ongoing negotiations with Stratford District Council regarding the best way to implement scheme resulting in delays
11667000	B4642 Coventry Road, Cawston. Developer – Miller Homes. Approximate value £250k	992	8	0	0	**1,000**	992	38	20	0	**1,050**	30	50	Changed due to expected spend.
11671000	B4455 Fosse Way / B4100 Banbury Rd (Jlr) Highway Impt S278	14	146	439	0	**600**	14	46	539	0	**600**	-100	0	Changed due to expected scheme delivery. Uncertainty around whether the scheme will go ahead.
11672000	B4455 Fosse Way /A425 Southam Rd Roundabout Impt S278 (CEG)	45	342	114	0	**500**	45	142	314	0	**500**	-200	0	Changed due to expected scheme delivery. Previous developer delays leading to slippage to commencemetn of on site works.
11673000	B4455 Fosse Way /C43 Harbury Lane Impt Crossroads S278 (CEG)	0	825	275	0	**1,100**	0	125	975	0	**1,100**	-700	0	Changed due to expected scheme delivery. Previous developer delays leading to slippage to commencemetn of on site works.
11674000	B4100 Banbury Rd / Meadow Close Junction Impt S278 (CEG)	0	300	100	0	**400**	0	300	100	0	**400**	0	0	
11675000	B4100 Banbury Rd / Kingston Grange Site Access Impt S278 (CEG)	636	200	64	0	**900**	636	420	44	0	**1,100**	220	200	Changed due to increase in works costs
11676000	B4100 Banbury Rd / Site Access Lighthorne Heath Highways Impt S278 (IM Properties)	1	187	562	0	**750**	1	87	662	0	**750**	-100	0	Changed due to expected scheme delivery. Delays are due to Developer's design.
11684000	S278 Highway Impt C30 Hillmorton Lane To Houlton And The Kent Rugby	3,080	315	105	0	**3,500**	3,080	315	105	0	**3,500**	0	0	
11688000	S278 Highway Impts Rugby Free School	809	324	0	0	**1,133**	809	324	0	0	**1,133**	0	0	
11695000	A4023 Coventry Highway, Mappleborough Green.	583	2,187	729	0	**3,500**	583	3,307	159	0	**4,050**	1,120	550	Changed due to expected spend.
11696000	A428 Crick Road, Rugby. Developers	1,273	38	0	0	**1,311**	1,273	28	10	0	**1,311**	-10	0	Changed to reflect expected spend.
11697000	A428 Hillmorton Road / B4429 Ashlawn Road, Rugby. Developers	4	897	299	0	**1,200**	4	897	299	0	**1,200**	0	0	
11698000	B4632 Campden Road, Clifford Chambers. Developer	23	432	144	0	**600**	23	50	644	0	**718**	-382	118	Changed due to expected scheme delivery and COVID 19 measures.
11699000	B5000 Grendon Road, Polesworth. Developer	364	0	0	0	**364**	364	0	0	0	**364**	0	0	
11705000	A425 Banbury Road Warwick Highway Improvement S278 work for independent schools	442	40	10	0	**492**	442	45	5	0	**492**	5	0	Changed due to expected timescale to complete remedial works.
11706000	A452 Europa Way (North of Gallows Hill) Highway Improvement S278 - Galliford Try	39	311	100	0	**450**	39	311	100	0	**450**	0	0	
11707000	A47 Long Shoot Nuneaton Highways Improvement S278 Jelson Ltd	35	536	179	0	**750**	35	136	579	0	**750**	-400	0	Changed due to expected scheme delivery. Delays are due to Developer's design.
11708000	B4035 Campden Road Shipston Highway Improvement S278 - Taylor Wimpey	19	308	924	0	**1,250**	19	308	924	0	**1,250**	0	0	
11709000	C11 Highham Lane Nuneaton Highway Improvement S278 - Persimmon	28	622	350	0	**1,000**	28	622	350	0	**1,000**	0	0	

11732000	B4086 Wk Rd Kineton S278 Site Access Morris Homes C9389	24	476	500	0	**1,000**	24	776	200	0	**1,000**	300	0	Changed due to expected scheme delivery.
11733000	B4089 Arden Rd S278 Site Access Alcester Estates C9558	78	147	25	0	**250**	78	147	25	0	**250**	0	0	
11734000	B4100 Temple Herdewyke Highways Impt S278 Dio C9618	35	765	700	0	**1,500**	35	765	700	0	**1,500**	0	0	
11743000	Junction Impt A3400 Shipston Rd SoA C8950 St Mowdens S278	0	1,875	625	0	**2,500**	0	400	2,500	0	**2,900**	-1,475	400	Changed due to expected scheme delivery, increase in scope of works and COVID 19 measures.
11744000	Highways Impt A426 Rugby Rd C9401 David Wilson S278	90	2,557	852	0	**3,500**	90	2,557	852	0	**3,500**	0	0	
11745000	Highways Impt Gallows Hill C9042 Galllagher S278	42	2,594	865	0	**3,500**	42	594	2,865	0	**3,500**	-2,000	0	Previous developer delays leading to delay in commencement of on site works.
11747000	C12 Tunnel Rd Highway Impt S278 Countryside Prop (C9836)	1	187	62	0	**250**	1	187	62	0	**250**	0	0	
11748000	C88 Alwyn Road Rugby Highway Impt S278 Miller Homes (C9712)	2	48	200	0	**250**	2	48	200	0	**250**	0	0	
11749000	C93 Bishopton Lane SOA S278 Miller & T.Wimpey (C9163)	23	394	1,182	0	**1,600**	23	394	1,182	0	**1,600**	0	0	
11751000	A428 Coventry Rd Long Lawford Junction IMPT C9593 Bloor	2	823	274	0	**1,100**	2	123	974	0	**1,100**	-700	0	Changed due to expected scheme delivery. Planning issues still to be resolved.
11752000	B4100 Banbury Rd Lighthorne Heath Highway IMPT C9830 Ceg	16	813	371	0	**1,200**	16	813	371	0	**1,200**	0	0	
11753000	B4100 Banbury Rd / Kingsway Rdbt Highway IMPT C9829 Ceg	20	810	270	0	**1,100**	20	810	270	0	**1,100**	0	0	
11754000	C33 Stockton Rd Long Itchington Highway IMPT C9631 Barratt	5	45	200	0	**250**	5	65	250	0	**320**	20	70	Changed due to increase in scope of works.
11755000	C12 Plough Hill Rd , Nuneaton Highway IMPT C9746 Countryside	8	169	323	0	**500**	8	169	323	0	**500**	0	0	
11757000	A425 Banbury Road and A452 Europa Way	1	50	3,450	0	**3,501**	1	50	3,450	0	**3,501**	0	0	
11758000	B4632 Campden Road, Long Marston	19	1,807	674	0	**2,500**	19	400	2,800	0	**3,219**	-1,407	719	Changed due to expected scheme delivery, increase scope of work, night-time delivery and COVID 19 measures.
11759000	Birmingham Road, A4177 , Hatton.	0	100	500	0	**600**	0	50	550	0	**600**	-50	0	Changed due to expected scheme delivery. Delays due to Developer's submission for technical review.
11760000	SOUTHAM By-pass A423 , Southam.	1	799	1,000	0	**1,800**	1	99	1,700	0	**1,800**	-700	0	Changed due to expected scheme delivery. Delays due to Developer's submission for technical review.
11767000	A45 Stonebridge Highway / D2201 Rowley Road, Baginton	246	265	88	0	**600**	246	265	88	0	**600**	0	0	
11768000	B4029 Severn Road, Bulkington	3	373	124	0	**500**	3	61	540	0	**604**	-312	104	Changed due to expected delivery and additional scope of works. Delays due to planning issues still to be resolved.
11769000	B4632 Campden Road, Quinton	2	375	1,124	0	**1,500**	2	375	1,124	0	**1,500**	0	0	
11770000	C33 Bubbenhall Road, Baginton (Gateway South)	46	416	139	0	**600**	46	416	139	0	**600**	0	0	
11771000	D6216 Upper Henley Street, Stratford-upon-Avon	17	31	2	0	**50**	17	31	2	0	**50**	0	0	
11772000	M6 Junction 1 /A426 Leicester Road , Rugby	29	166	55	0	**250**	29	166	55	0	**250**	0	0	
11774000	C32 Birmingham Road (Farmers Market Roundabout C9670	1	50	200	0	**251**	1	20	230	0	**251**	-30	0	Changed due to expected scheme delivery. Technical review fees not yet paid causing delay to start.
11815000	C9802 A46 Stoneleigh Rd (Whitley South) S278	2	70	28	0	**100**	2	70	28	0	**100**	0	0	
11823000	C9962 - A46 Alcester Road, Stratford-upon-Avon	0	50	0	0	**50**	0	50	0	0	**50**	0	0	
11824000	C9964 - B4632 Campden Rd (Freshfields Nursery), Clifford Chambers	0	50	0	0	**50**	0	50	0	0	**50**	0	0	
11825000	C9946 - C43 Gallows Hill (Strawberry Fields), Warwick	0	50	0	0	**50**	0	20	30	0	**50**	-30	0	Changed due to expected scheme delivery. Delays due to Developer's submission for technical review.
11826000	C9973 - D7069 Glasshouse Lane, Kenilworth	0	50	0	0	**50**	0	20	30	0	**50**	-30	0	Changed due to expected scheme delivery. Delays due to Developer's submission for technical review.
11827000	D1020 - A46/A428 Rugby Road, Binley Woods	0	50	0	0	**50**	0	50	0	0	**50**	0	0	Changed due to expected scheme delivery.
11828000	C9990 - A426 Rugby Road/D3616 The Square (Dun Cow Crossroads), Dunchurch	0	200	300	0	**500**	0	60	540	0	**600**	-140	100	Changed to reflect expected scheme delivery and increase in scope of works. Previous developer delays leading to slippage to commencement of on site works. Additional budget is due to go to the DL for approval.
11829000	C9991 - A426 Dunchurch Rd/NB4429 Ashlawn Rd (Cock Robin Island), Rugby	0	50	150	0	**200**	0	35	215	0	**250**	-15	50	Changed to reflect expected delivery and increase in scope of works. Previous developer delays leading to slippage to commencement of on site works. Additional budget is due to go to the DL for approval.
11830000	C9992 - B4429 Ashlawn Rd/D3394 Barby Rd, Dunchurch	0	50	550	0	**600**	0	50	550	0	**600**	0	0	
11831000	C9983 - C93 Bishopton Lane (canal bridge traffic signals), Stratford-upon-Avon	0	100	500	0	**600**	0	100	500	0	**600**	0	0	
11832000	C9981 - D3948 Falkland Place, Temple Herdewyke	0	200	100	0	**300**	0	100	200	0	**300**	-100	0	Changed to reflect expected delivery. Delays due to Developer's design impacting on progress of technical review.
Grand Total		**206,847**	**90,397**	**73,810**	**19,245**	**390,299**	**206,847**	**73,994**	**87,444**	**25,200**	**393,486**	**-16,403**	**3,186**	

Annex B1 DSG Revenue - Education Services - Ian Budd
Strategic Director - Mark Ryder
Portfolio Holders - Councillor Hayfield (Education & Learning)

20/21 DSG Revenue Budget

Service	Gross Expenditure Agreed Budget £'000	Gross Expenditure Forecast £'000	Gross Expenditure Variation Over/ (Under) £'000	Gross Income Agreed Budget £'000	Gross Income Forecast £'000	Gross Income Variation Over/ (Under) £'000	Net Agreed Budget £'000	Net Forecast £'000	Net Variation Over/ (Under) £'000	Reason for Net Variation and Management Action
Assistant Director - Education Services	(446)	1,754	**2,200**	(58)	(58)	**0**	(504)	1,696	**2,200**	This forecast has significantly reduced from Q2 due to: 1) The c/f high Needs deficit from 2019/20 being removed from the budget as it no longer needs to be held on the revenue ledger and can, in line with recent statotory instrument, be held on the balance sheet. 2) The deficit balance for this financial year has been taken to the services to which they relate within SEND and Inclusion. This has left: •£2.281m overspend on the High Needs Block for which work is progressing to identify new saving/interventions to bridge the gap identified over the life of the MTFS. •£0.082m reduction in forecast due to less DBS checks due to COVID.
Education & Early Years (Commissioning & Strategy)	34,199	33,561	**(638)**	(86)	(111)	**(25)**	34,113	33,450	**(663)**	•£0.554m underspend in Nursery funding due to predicted hours. Underspends in this area will be taken to the Early years reserve and may be adjusted as part of the final DSG allocation in July 21. •£0.034m underspend due to reduced and few costs from COVID •£0.085m underspend due to a delay in a proposed new staffing structure not going into effect until 21/22 •£0.010m overspend due to missed invoices not accrued from 2019/20
SEND & Inclusion (Commissioning & Strategy)	53,040	61,420	**8,380**	(1,849)	(1,692)	**157**	51,191	59,728	**8,537**	•£7.843m overspend on the High Needs Block for which there are future years saving/intervention identified over the life of the MTFS •£1.003m overspend on top up funding for School settings (mainstream and speacial) and Post 16 •£0.197m losses in income for Flex learning, EMTAS, IDS Early Years and Senory Complex PD •£0.507m underspend on EMTAS, Flex learning, Alternative Provision, Independednt and OLA Special Schools and STS Links, transitions and exlusions.
Net Education Service Spending	**86,793**	**96,735**	**9,942**	**(1,993)**	**(1,861)**	**132**	**84,800**	**94,874**	**10,074**	
DSG People Strategy & Commissioning	150	150	**0**	0	0	**0**	150	150	**0**	Contribution for the Schools Support part of the CAHMS contract with RISE
DSG funding provided to maintained schools - Individual Schools Budget (ISB)	143,547	143,547	**0**	0	0	**0**	143,547	143,547	**0**	DSG Funding transferred as part of the monthly advances to maintained schools
DSG Central Control	3,367	940	**(2,427)**	0	0	**0**	3,367	940	**(2,427)**	£2.344m underspend Schools Block contingency £0.083m underspend Early Years Block contingency
DSG Overheads	3,298	3,298	**0**	0	0	**0**	3,298	3,298	**0**	£2.509m contribution to Resources Services funded by DSG (CEC's on DSG Services) £0.790m Central Services Block spend held in Other Services (formerly funded by Education Support Grant now mainstreamed into DSG funding)
Net DSG Spending	**237,155**	**244,670**	**7,515**	**(1,993)**	**(1,861)**	**132**	**235,162**	**242,809**	**7,647**	

Impact on specific service reserves (from Reserves tab)	**7,647**
Impact on risk/general reserves	**0**

Annex B Reserves - Education Services - Ian Budd
Strategic Director - Mark Ryder
Portfolio Holders - Councillor Hayfield (Education & Learning)

Reserve	Approved Opening Balance 01/04/2020 £'000	Movement in Year £'000	Effect of Outturn £'000	Forecast Closing Balance 31/03/2021 £'000	Transfer request (To)/From Reserves £'000	Reason for Request
DSG Reserve - Central Block	241		34	275		
DSG Reserve - Early Years Block	1,848		583	2,431		
DSG Reserve - HIgh Needs Block	(5,240)		(10,716)	(15,956)		
DSG Reserve - Schools Block (Growth Fund)	383			383		
DSG Reserve - Schools Block (other)	(189)		2,452	2,263		
Total	**(2,958)**	**0**	**(7,647)**	**(10,605)**	**0**	

Annex B2 Non-DSG Revenue - Education Services - Ian Budd
Strategic Director - Mark Ryder
Portfolio Holders - Councillor Hayfield (Education & Learning)

20/21 Non-DSG Revenue Budget

Service	Gross Expenditure			Gross Income			Net			Reason for Net Variation and Management Action
	Agreed Budget	Forecast	Variation Over/ (Under)	Agreed Budget	Forecast	Variation Over/ (Under)	Agreed Budget	Forecast	Variation Over/ (Under)	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Assistant Director - Education Services	3,579	2,591	**(988)**	(882)	(882)	**0**	2,697	1,709	**(988)**	The reported under-spend is primarily the result of temporary budget of £0.788m that is being held for the forward funding of places and the pears site that are not needed till 2021/22 due to the delay in the opening date from Jan'21 to Sept'21. There are also underspends that relate to budget held to cover Gross Surplus targets on Education traded services and from FOM changes that have not happened of £0.350m. Overspends that were reported at Q2 have also been drastically reduced due to work that has taken place on staffing and transformation and additional income that has been received for PRC /Schools Pension. This has all resulted in a reduction in forecast of £1.483m since the Q2 forecast.
Education & Early Years (Commissioning & Strategy)	12,306	13,952	**1,646**	(3,340)	(3,955)	**(615)**	8,966	9,997	**1,031**	The reported over-spend is primarily the result of additional COVID related expenditure and losses in income •£0.412m for the provision of COVID Key Workers for the Early Years Hubs. •£0.300m refunds for School Bus Passes due to COVID and £0.673m of additional costs for Taxi's, busses and bus passes etc. due to COVID •£0.079 other COVID Costs (Safeguarding and Intervention, and Statutory Assessments) •£0.095m Losses in income due to COVID •£0.048m underspend on Virtual School to be carried forward into 2021/22 •£0.028m overspend due to the child protection traded service ceasing. This overspend should be offset by the GST underspends held in Education services management. •£0.350m underspend due to savings on staffing for the early years strategy work and other savings due to COVID (travel, room hire, staffing etc). •£0.034 underspend due to additional pupil premium income
SEND & Inclusion (Commissioning & Strategy)	27,748	33,004	**5,256**	(5,572)	(6,039)	**(467)**	22,176	26,965	**4,789**	This reported over-spend is primarily the result of additional COVID related expenditure as well as on-going pressure on Children with Disabilities (CwD) budgets around CiC placement and SEN Transport. •£0.481m Loss of income due to COVID •£0.093m additional COVID costs (this is mainly for Alternative provision and post 16 Funding) •£3.943m overspend for CwD primarily related to high cost of CiC Placements (this is an increase of £0.476m since the previously reported period) •£0.084m overspend on SEN transport •£0.070m overspend on Alternative provision •£0.118m additional overspends relating to IDS early years, EMTAS, SEND Disability, Education Psychology and STS links, transitions and exclusions)
Education Service Delivery	6,846	6,357	**(489)**	(5,867)	(4,397)	**1,470**	979	1,960	**981**	This reported over-spend is primarily the result of losses in income for traded services as a result of COVID. •£1.735m Losses of income due to COVID (Marle Hall, Warwickshire Music, Warwickshire Attendance Service, community Learning, School Governance development and Adult Community learning.) •£0.018m Additional COVID costs •£0.771m underspends due to reduced expenditure due to COVID (staff vacancies, travel, room hire etc.) This has been a huge significant change since Q2 as the COVID situation become clearer throughout the year.
Net Service Spending (excluding DSG)	**50,479**	**55,904**	**5,425**	**(15,661)**	**(15,273)**	**388**	**34,818**	**40,631**	**5,813**	

Impact on specific service reserves (from Reserves tab)	**(45)**
Impact on risk/general reserves	**5,858**

Annex B Savings - Education Services - Ian Budd
Strategic Director - Mark Ryder
Portfolio Holders - Councillor Hayfield (Education & Learning)

Saving Proposal	Target £'000	Actual to Date £'000	Forecast Outturn £'000	Shortfall/ (Overachievement) £'000	Reason for financial variation and any associated management action
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	209	209	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	58	58	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	0	0	(12)	
Total	**279**	**267**	**267**	**(12)**	

Annex B Reserves - Education Services - Ian Budd
Strategic Director - Mark Ryder
Portfolio Holders - Councillor Hayfield (Education & Learning)

Reserve	Approved Opening Balance 01/04/2020 £'000	Movement in Year £'000	Effect of Outturn £'000	Forecast Closing Balance 31/03/2021 £'000	Transfer request (To)/From Reserves £'000	Reason for Request
School Improvement Monitoring & Brokering Reserve	645	(211)	0	434		
Virtual School for children looked after	93	(40)	45	98		
Education management information system	44	0	0	44		
Total	**782**	**(251)**	**45**	**576**	**0**	

Education Services - Ian Budd
Strategic Director - Mark Ryder
Portfolio Holders - Councillor Hayfield (Education & Learning)

2020/21 to 2022/23 Capital Programme

Project	Description	Approved Budget					Forecast					Variation		Commentary
		Earlier Years £'000	2020/21 £'000	2021/22 £'000	2022/23 onwards £'000	Total £'000	Earlier Years £'000	2020/21 £'000	2021/22 £'000	2022/23 onwards £'000	Total £'000	Variance in Year £'000	Total Variance £'000	
Learning - Devolved														
10554000	Devolved/School Level Budgets 2010/11 (Self-financed)	0	2,484	0	0	**2,484**	0	2,484	0	0	**2,484**	0	0	
Learning - Non Schools														
10008000	Education - S106 Financing	1	0	0	0	**1**	1	0	0	0	**1**	0	0	
11399000	CMS Musical Instruments 2015/16-2017-18	102	15	0	0	**117**	102	15	0	0	**117**	0	0	
11583000	Early Years Capital Fund / Dunchurch Infants	132	0	10	0	**142**	132	0	10	0	**142**	0	0	
11715000	Marle Hall refurbishment works	35	0	0	0	**35**	35	0	0	0	**35**	0	0	
11750000	Pears Centre	10,609	1,203	0	0	**11,812**	10,609	1,203	0	0	**11,812**	0	0	
Learning - Other														
11393000	Minor Works Block Header 2015/16	663	0	0	0	**663**	663	0	0	0	**663**	0	0	
11476000	Nursery & pre school provision minor works	53	0	0	0	**53**	53	0	0	0	**53**	-0	-0	
11499000	Bidford Primary & Willow Tree Nursery separation works	26	11	0	0	**37**	26	11	0	0	**37**	0	0	
11573000	Planning & Development block header 17/18	41	60	33	66	**200**	41	60	33	66	**200**	0	0	
11621000	High Meadow Infant School - New Classrooms, group rooms and Toilets	508	1,827	0	0	**2,335**	508	1,794	33	0	**2,335**	-33	0	Slippage for the removal of the temporary classrooms after completion of the main works to build new classrooms
11630000	Minor Works 18/19	326	2	0	0	**328**	326	4	0	0	**330**	1	1	Final Account balances
11678000	Seedlings Nursery HRI Wellesbourne	119	2	0	0	**120**	119	2	0	0	**120**	0	0	
11682000	Temporary classroom removal	95	95	0	0	**190**	95	85	0	0	**180**	-10	-10	Update for incorrect project fee costs that were previously forecast
11683000	Healthy Pupil Capital Fund	0	0	0	0	**0**	0	0	0	0	**0**	0	0	
11741000	High Meadow - additional works	0	0	0	0	**0**	0	0	0	0	**0**	0	0	
11807000	Maintained Nursery Schools Capital Funding to Ensure Access for Children with SEND & Inclusion	0	184	0	0	**184**	0	184	0	0	**184**	0	0	
11852000	Early Years - Wincks	0	0	0	0	**0**	0	100	0	0	**100**	100	100	Budget £100,000 approved by Cabinet held 9th July 2020 funded by specialist provision fund
Primary - expansion														
11073000	All Saints Junior Extension (Pupil Places) Warwick	932	0	0	0	**932**	932	0	0	0	**932**	0	0	
11102000	Newdigate Primary (Pupil Places) Bedworth	878	0	0	0	**878**	878	0	0	0	**878**	0	0	
11255000	Paddox School extension - targeted basic need	2,710	0	0	0	**2,710**	2,710	0	0	0	**2,710**	0	0	
11263000	g	753	0	0	0	**753**	753	0	0	0	**753**	0	0	
11386000	Long Lawford Primary permanent expansion	2,647	494	0	0	**3,141**	2,647	100	394	0	**3,141**	-394	0	Slippage into 2021/22 as car-parking drop-off works are now planned to be carried out in 2021/22.
11389000	All Saints Primary, Nuneaton, replace temporary classrooms with new extension	692	0	0	0	**692**	692	0	0	0	**692**	0	0	
11468000	Oakfield Primary expansion (Academy)	451	0	0	0	**451**	451	0	0	0	**451**	0	0	
11471000	The Ferncumbe Primary School	100	20	0	0	**120**	100	0	20	0	**120**	-20	0	Slippage from 2020/21 to 2021/22 as temporary classroom is planned to be removed from school site in 2021/22.
11493000	Coleshill Church of England Primary School - contribution to additional classroom for bulge class	270	5	0	0	**275**	270	5	0	0	**275**	0	0	
11497000	Acorns Primary School, Long Compton - new temporary classroom	229	31	0	0	**260**	229	31	0	0	**260**	0	0	
11500000	Northlands Primary School - bulge class additional toilets & security door relocation	74	0	0	0	**74**	74	0	0	0	**74**	0	0	
11566000	The Ferncumbe Primary School	493	37	0	0	**530**	493	37	0	0	**530**	0	0	
11568000	Welford on Avon Primary School	1,910	13	0	0	**1,923**	1,910	13	0	0	**1,923**	0	0	
11570000	Coten End Kitchen Extension	168	0	0	0	**168**	168	0	0	0	**168**	0	0	
11620000	Newdigate Primary School - Expansion and Internal refurb	335	1,405	0	0	**1,740**	335	1,405	0	0	**1,740**	0	0	
11627000	Wellesbourne Primary School - new small hall and servery to the annex site	847	168	0	0	**1,015**	847	188	0	0	**1,035**	21	21	Additional spend as original contractor went into liquidation so new contractor was appointed to complete the works at short notice ready for start of academic year.
11628000	Michael Drayton Primary - Expansion	2,429	56	0	0	**2,484**	2,429	56	0	0	**2,484**	0	0	
11646000	Barford St Peters Primary	235	17	0	0	**252**	235	17	0	0	**252**	0	0	
11647000	Coleshill Primary	252	0	0	0	**252**	252	0	0	0	**252**	0	0	
11677000	Harbury Primary School - Internal Alterations	0	93	0	0	**93**	0	93	0	0	**93**	0	0	
11738000	Harbury Primary, Internal redevelopment and reconfiguration	60	0	0	0	**60**	60	0	0	0	**60**	0	0	
11739000	Harbury Pre School, Reconfiguration	23	0	0	0	**23**	23	0	0	0	**23**	0	0	
11740000	Bidford Bright Stars Nursery, External Equipment	0	58	0	0	**58**	0	58	0	0	**58**	0	0	
11777000	Heathcote Primary Expansion	89	2,605	0	0	**2,694**	89	2,605	0	0	**2,694**	0	0	
11779000	Whitnash Primary School expansion	0	60	940	0	**1,000**	0	226	940	0	**1,166**	166	166	3rd Quarter Start Projection and contribution for library lease agreed
11780000	St Gabriel's CofE Academy internal alterations	0	130	0	0	**130**	0	130	0	0	**130**	0	0	
11781000	Brailes CofE Primary School classroom extension	0	150	0	0	**150**	0	150	0	0	**150**	0	0	
11843000	Long Lawford Studio Hall	0	0	635	0	**635**	0	34	602	0	**635**	34	0	Slippage back to 2020/21 as internal design fees have commenced earlier than budgeted.
11851000	Burton Green CofE academy	0	0	0	0	**0**	0	0	290	0	**290**	0	290	Budget £290,000 was approved by Cabinet held 9th July 2020 (£129,410 Basic Need, £130,590 S106 and £30K other funding).

11862000	Coughton CofE Primary School - bulge class	0	0	0	0	**0**	0	0	85	0	**85**	0	85	Added to the capital programme 10th December and 15th December 2020
11863000	Lighthorne Heath Primary School - relocation design	0	0	0	0	**0**	0	0	146	0	**146**	0	146	Added to the capital programme 10th December and 15th December 2020
Primary - new													
11313000	Aylesford Primary School - new primary provision at Aylesford school	3,006	0	0	0	**3,006**	3,006	0	0	0	**3,006**	0	0	
11384000	New School, The Gateway, Rugby	270	50	2,730	2,365	**5,416**	270	20	2,760	2,365	**5,416**	-30	0	Slippage in 2020/21 Forecast as the site transfer from housing developer to WCC has been delayed by insufficent new homes completed for the land transfer trigger.
11391000	New school, South Warwick (Heathcote Farm site)	3,806	83	0	0	**3,890**	3,806	98	0	0	**3,905**	15	15	Additional design and construction works on 11391001 relating to subsequent project 11777001 at same school site.
11480000	Water Orton Primary School (re HS2 Conditional)	6,160	2	0	0	**6,162**	6,160	2	0	0	**6,162**	0	0	
Primary - other													
11319000	Eastlands Primary Temporary Classroom	107	95	0	0	**202**	107	95	0	0	**202**	0	0	
11321000	Long Lawford Pri temporary classroom	385	22	0	0	**407**	385	44	0	0	**429**	22	22	Additional costs incurred as temporary classroom rental hire extended for remainder of 2020/21 then to be removed before commencement of Studio Hall project at same school site.
11847000	Kingsway Primary relocation of nursery and children's centre	0	0	3,119	2,046	**5,165**	0	0	3,119	2,046	**5,165**	0	0	
11861000	Bridgetown primary SEN provision	0	0	0	0	**0**	0	0	38	0	**38**	0	38	Added to the capital programme 10th December and 15th December 2020
School access													
11629000	DDA Blockheader 18/19	712	5	0	0	**717**	712	-1	0	0	**711**	-6	-6	Final account figures reduce the balances and take £1K back to basic need
11728000	DDA Blockheader 19/20	408	13	0	0	**421**	408	-29	0	0	**379**	-42	-42	Final account figures reduce the balances and take £29K back to basic need
11800000	Schools Access - Investment in school adaptations to reflect pupils access needs	0	688	0	0	**688**	0	640	0	0	**640**	-47	-47	Update on project estimates for final account values estimate on IDs Furniture and Equipment
Secondary - expansion													
11472000	Kineton High School	3,178	114	0	0	**3,291**	3,178	2	112	0	**3,291**	-112	0	Slippage for future possible refurbishment of science laboratories to be carried out in 2021/22.
11619000	Campion Phase 1 (incl Sports Hall Refurb)	5,124	2,443	0	0	**7,567**	5,124	2,826	0	0	**7,950**	383	383	Additional costs incurred resulting from the requirement to obtain planning permission and to carry-out and complete the construction works during Covid-19 lockdown.
11645000	Coleshill Secondary School	2,981	251	0	0	**3,232**	2,981	419	0	0	**3,400**	168	168	Additional spend as works were delayed during Covid-19 lockdown then the original contractor went into liquidation so new contractor was appointed to complete the works at short notice ready for start of academic year.
11681000	Polesworth PSBP2	0	200	0	0	**200**	0	200	0	0	**200**	0	0	
11742000	The Avon Valley School, Alternative Provision Accommodation	28	0	0	0	**28**	28	0	0	0	**28**	0	0	
11776000	Campion School Expansion Phase 2	1	641	5,485	2,852	**8,979**	1	341	5,785	2,852	**8,979**	-300	0	Slippage as procurement deivery route has been changed to achieve better value for money but has resulted in delay to commencing the construction works.
11842000	Stratford Upon Avon School - Dining Facilities	0	131	1,179	0	**1,310**	0	131	1,179	0	**1,310**	0	0	
11859000	Stratford Upon Avon School - 2fe expansion	0	0	0	0	**0**	0	0	5,787	5,787	**11,573**	0	11,573	Added to the capital programme 10th December and 15th December 2020
11860000	Etone College - 1fe expansion	0	0	0	0	**0**	0	0	2,377	2,377	**4,753**	0	4,753	Added to the capital programme 10th December and 15th December 2020
Secondary - new													
11730000	New School Leamington	100	100	150	0	**350**	100	100	150	0	**350**	0	0	
Secondary - other													
11498000	Etone Secondary School grounds resurfacing & expansion enabling works	41	0	0	0	**41**	41	0	0	0	**41**	0	0	
SEN - other													
11180000	Welcombe Hills vehicle access alterations	8	442	0	0	**450**	8	0	442	0	**450**	-442	0	Slippage from 2020/21 to 2021/22 as project on-hold due to pre-planning issues previously raised by Sport England.
11495000	Stockingford Primary School new SISG module building	357	8	0	0	**365**	357	8	0	0	**365**	0	0	
11569000	Paddox Primary SISG	186	510	0	0	**697**	186	510	0	0	**697**	0	0	
11589000	SEND facilities block	58	193	0	0	**250**	58	193	0	0	**250**	0	0	
11631000	Specialist Nurture Provision at Special School	0	200	0	0	**200**	0	200	0	0	**200**	0	0	
11729000	Oakwood Special School - Conversion of ICT Room	64	21	0	0	**85**	64	21	0	0	**85**	0	0	
11850000	Henley in Arden Resourced Provision	0	0	0	0	**0**	0	0	573	0	**573**	0	573	Budget £572,666 was added to Capital Programme by Cabinet 08.10.20
SEN - expansion													
11257000	Welcombe Hills school extension Targeted Basic Need	1,026	2	0	0	**1,028**	1,026	2	0	0	**1,028**	0	0	
11623000	Ridgeway School - Reconfiguration of classrooms	0	0	60	0	**60**	0	0	0	0	**0**	0	-60	Removal of capital project - funds to be combined into 11624000 as part of the school merging to become Evergreen
11624000	Evergreen School (was Round Oak reconfiguration)	0	0	190	0	**190**	0	38	212	0	**250**	38	60	Slippage back to 2020/21 for refurbishment works carried out earlier than budget.
11641000	Keeping SEND children local	0	190	0	0	**190**	0	190	0	0	**190**	0	0	
11680000	Exhall Grange Modular Pod	981	3	0	0	**984**	981	4	0	0	**985**	0	0	Minor increase in expected final account value
11819000	Arden Fields, Food Tech Rooms	5	0	0	0	**5**	5	0	0	0	**5**	0	0	
SEN - new													

11350000	New AEN School McIntyre Discovery Academy (Former Manor Park)	6,004	5	0	0	**6,008**	6,004	5	0	0	**6,008**	0	0	
11644000	Water Orton Evergreen Unit	583	65	0	0	**648**	583	65	0	0	**648**	0	0	
11736000	Weddington Primary School - Bulge Class	4	146	0	0	**150**	4	146	0	0	**150**	0	0	
11737000	Southam Primary/Pre School, Pre School relocation	33	392	0	0	**424**	33	392	0	0	**424**	0	0	
Grand Total		**64,903**	**18,237**	**14,531**	**7,330**	**105,001**	**64,903**	**17,750**	**25,085**	**15,493**	**123,230**	**-488**	**18,229**	

Local Finance Sign Off	
Head of Service Sign Off	BB

Annex C Revenue - Fire & Rescue Service - Kieran Amos
Strategic Director - Mark Ryder
Portfolio Holders - Councillor Crump (Fire and Community Safety)

20/21 Revenue Budget

Service	Gross Expenditure Agreed Budget	Gross Expenditure Forecast	Gross Expenditure Variation Over/ (Under)	Gross Income Agreed Budget	Gross Income Forecast	Gross Income Variation Over/ (Under)	Net Agreed Budget	Net Forecast	Net Variation Over/ (Under)	Reason for Net Variation and Management Action
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Brigade Management	920	914	**(6)**	0	0	**0**	920	914	**(6)**	
Service Delivery - Operational Response, Prevention, Protection, Control	15,028	14,858	**(170)**	(634)	(658)	**(24)**	14,394	14,200	**(194)**	There is an overspend in Response through crewing pool (overtime) payments which is being masked by a large underspend in on-call payments due to the fact that there has been restricted attendance on training courses as a result of COVID19 restrictions. Much work has taken place to reduce the impact of overtime. For example; WFRS have just recruited 9 personnel to be transferred into the service and are also embarking on the appointment of W/T Firefighters to the 'virtual fire station' meaning that we will have more individuals recruited to use flexibly to fill gaps at flat rate instead of having to use overtime. The retirement of some long term sick personnel has contributed to the reduction of crewing pool payments since the Quarter 2 commentary. All of this will help, and will be needed for when the on-call budget gets utilised more frequently once on-call training courses get up and running again. There is also an underspend relateing to the Fire Protection part of the budget, we are utilising the Grenfell Grant initially, but will need to carry forward the Fire Transformation funding to the next financial year.
Service Support - Training & Technical	4,133	4,459	**326**	(113)	(135)	**(22)**	4,020	4,324	**304**	This overspend is a combination of issues; National Workwear Project, initial uniform roll-out £60k, additional staffing to cover long term absence £45k, purchase of Smoke Hoods £30k (following Grenfell enquiry) and Operational Training £88k. This is all planned expenditure and the Service had established reserves to fund this, however, these reserves have now been placed into the Directorate Risk Reserve. The Service will continue to monitor the financial position as the year progresses, but would like to identify again at this stage that there may be some dependency upon reserves. In addition to this the Training Delivery Service has forecast a loss of income (£53k) from course cancellations due to COVID. Some of this can be off-set by savings from reduced activity which presents a net loss of £32k.
Service Improvement - Business Transformation & Projects	731	820	**89**	(25)	(25)	**0**	706	795	**89**	There is an overspend in this area due to the additional costs of COVID £245k, including BBCT People Manager, Fire Marshalling work, tier 3 support (lateral testing). There are also underspends within this area (£156k) relating to staff vacancies due to a delay in recruitment which is presenting a net overspend of £89k. Any underspend against projects relating to Fire Transformation funding will need to be carried forward into 2021/22 to support the continuation of projects.
Service Support - HR, IT, Finance & Pensions	1,517	1,599	**82**	0	0	**0**	1,517	1,599	**82**	Included within this forecast is the cost associated with 1 confirmed and 2 potential ill-health retirements, an increase to the budget provision of 2. In addition to this the Service is now required to fund the cost of the Fire Pension Scheme Administration, a cost previously funded form the LGPS. The Service does hold a specific reserve to support such costs, however funding the ongoing administration costs will need further consideration.
Net Service Spending	**22,329**	**22,650**	**321**	**(772)**	**(818)**	**(46)**	**21,557**	**21,832**	**275**	

Impact on specific service reserves (from Reserves tab)	**106**
Impact on risk/general reserves	**169**

Local Finance Sign Off	
Head of Service Sign Off	BB

Annex C Reserves - Fire & Rescue Service - Kieran Amos
Strategic Director - Mark Ryder
Portfolio Holders - Councillor Crump (Fire and Community Safety)

Reserve	Approved Opening Balance 01/04/2020 £'000	Movement in Year £'000	Effect of Outturn £'000	Forecast Closing Balance 31/03/2021 £'000	Transfer request (To)/From Reserves £'000	Reason for Request
Emergency Service Network	765			765		
Pensions Reserve	333		(101)	232		
Vulnerable People Earmarked Reserve	84		(5)	79		
Total	**1,182**	**0**	**(106)**	**1,076**	**0**	

Chief Fire Officer - Kieran Amos
Strategic Director - Mark Ryder
Portfolio Holders - Councillor Crump (Fire and Community Safety)

2020/21 to 2022/23 Capital Programme

Project	Description	Approved Budget					Forecast					Variation		Commentary
		Earlier Years £'000	2020/21 £'000	2021/22 £'000	2022/23 onwards £'000	Total £'000	Earlier Years £'000	2020/21 £'000	2021/22 £'000	2022/23 onwards £'000	Total £'000	Variance in Year £'000	Total Variance £'000	
11726000	Vehicle Replacement Programme 2019/20	933	0	0	0	**933**	933	0	0	0	**933**	0	0	
11798000	Vehicle Replacement Programme 2020/21	0	1,194	0	0	**1,194**	0	992	0	0	**992**	-202	-202	Both the Small Fires Unit and the Command Support Vehicle have been delayed due to manufactures capacity in relation to COVID-19.
Sub Total - F&R Self Financing Projects		**933**	**1,194**	**0**	**0**	**2,127**	**933**	**992**	**0**	**0**	**1,925**	**-202**	**-202**	
11544000	Equipment for new Fire Appliances 2019/20	169	0	0	0	**169**	169	0	0	0	**169**	0	0	
11797000	Equipment for new Fire Appliances 2020/21	0	157	50	0	**207**	0	125	82	0	**207**	-32	0	g
Sub Total - Projects Funded from Corporate Resources		**169**	**157**	**50**	**0**	**376**	**169**	**125**	**82**	**0**	**376**	**-32**	**0**	
11601000	Fire & Rescue HQ Leamington Spa	57	49	2,187	0	**2,293**	57	49	2,187	0	**2,293**	0	0	
Sub Total - F&R Future Estate Project		**57**	**49**	**2,187**	**0**	**2,293**	**57**	**49**	**2,187**	**0**	**2,293**	**0**	**0**	
11374000	Training Centre - New Build	1,414	700	0	0	**2,114**	1,414	700	0	0	**2,114**	0	0	
11600000	WFRS Water Training Facility	0	0	0	0	**0**	0	0	0	0	**0**	0	0	
11700000	F&R Training Programme: Lea Marston	99	200	720	0	**1,019**	99	200	720	0	**1,019**	0	0	This project will now be reviewed at the February 2021 Committee meeting as requested by North Warwickshire BC. A more accurate expenditure profile will be presented following a meeting with the professional services consultant in Jan 2021. In the meantime further consultancy appointments has been delayed to save on fees.
11701000	F&R Training Programme: Stratford	44	320	0	0	**364**	44	320	0	0	**364**	0	0	Phase 1 works have commenced on site. Awaiting survey results for phase 2 works (drill tower) this may mean some expenditure slips into 2021/2022 financial year.
11702000	F&R Training Programme: Kingsbury	87	1,212	0	0	**1,298**	87	860	352	0	**1,298**	-352	0	Meeting with Contractor W/C 30/11/2020 after which there should be further clarification on likely fee drawdown. Some expenditure is likely to slip into 2021/2022 financial year.
11703000	F&R Training Programme: EA Water site	15	30	382	0	**426**	15	30	382	0	**426**	0	0	Alternative Weir sites currently being reviewed by WFRS due to complexity of existing site. Further updates will be available in the new year once all other options have been explored.
Sub Total - F&R Training Programme		**1,659**	**2,461**	**1,101**	**0**	**5,222**	**1,659**	**2,110**	**1,453**	**0**	**5,222**	**-352**	**0**	
11766000	WFRS Emergency Services Network - Phase 1	0	545	388	0	**933**	0	545	388	0	**933**	0	0	The Network upgrade is now complete and work is progressing on the Mobile Data Terminals which is on target for completion during 2020/21. The Service is currently assessing options for the control rooms systems which includes either upgrading or replacing the Vision system. It is unlikely that this project will not complete in 2020/21 as the Service is currently progressing an options appraisal.
Sub Total - F&R Emergency Services Network		**0**	**545**	**388**	**0**	**933**	**0**	**545**	**388**	**0**	**933**	**0**	**0**	
Grand Total		**2,817**	**4,406**	**3,727**	**0**	**10,950**	**2,817**	**3,820**	**4,111**	**0**	**10,748**	**-586**	**-202**	

Annex D Revenue - Communities - Dave Ayton-Hill
Strategic Director - Mark Ryder
Portfolio Holders - Councillor Clarke (Transport & Environment), Heather Timms, Isobel Seccombe

20/21 Revenue Budget

Service	Gross Expenditure			Gross Income			Net			Reason for Net Variation and Management Action
	Agreed Budget £'000	Forecast £'000	Variation Over/ (Under) £'000	Agreed Budget £'000	Forecast £'000	Variation Over/ (Under) £'000	Agreed Budget £'000	Forecast £'000	Variation Over/ (Under) £'000	
Assistant Director - Communities	537	597	**60**	0	0	**0**	537	597	**60**	This budget has been impacted by salary transfers as a result of FOMs, including £80k for a post in Corporate Policy which was not agreed as part of the service redesign process. The impact of this has been offset to some degree by underspend on the legal budget, but not in its entirety.
Transport & Highways	7,506	7,328	**(178)**	(8,548)	(5,175)	**3,373**	(1,042)	2,153	**3,195**	The service area has been significantly impacted by Covid-19 resulting in an overspend which is largely comprised of a reduction in expected income for parking charges. Additionally there has been an impact of unrealised savings linked to parking within OOP2020, Cabinet made a decision not progress the savings proposals this year.
Infrastructure & Sustainable Communities	3,856	3,454	**(402)**	(1,409)	(1,062)	**347**	2,447	2,392	**(55)**	An estimated £290k of this underspend will be the subject of roll-forward requests; these relate to Commonwealth Games, HS2, Transforming Nuneaton and the Minerals Local Plan. The net overspend forecast is therefore actually £235k, which is caused by the impacts of Covid-19 on Country Parks income and costs, balanced by savings primarily from vacancies.
Waste & Environment	22,929	23,036	**107**	(3,168)	(2,259)	**909**	19,761	20,777	**1,016**	The forecast reflects a significant reduction in income from trade waste and the sale of recyclables due to Covid-19. Waste collected at the kerbside has increased significantly, particularly dry recycling and bio waste. The financial impact of this is partly balanced by the decrease in waste at the recycling centres, however, green waste at the recycling centres can be processed by windrow composting where bio waste collected at the kerbside has to be sent to in vessel composting at a significantly higher cost. The net position has increased significantly from last quarter as the exact impact of COVID19 has become clearer and more data become available to inform forecasting. There remain large risks and every effort will be used to manage these within the current forecast.
Economy & Skills	3,558	5,285	**1,727**	(2,688)	(2,016)	**672**	870	3,269	**2,399**	Updated forecast remains in line with Q2 forecast. The overspend against budget is caused predominately by reduced income from the Business Centres. This is due to the three month rent and service charge free period granted to tenants due to Covid-19, and is slighly offset by savings in staff costs due to vacancies within the team following the service redesign.
Net Service Spending	**38,386**	**39,700**	**1,314**	**(15,813)**	**(10,512)**	**5,301**	**22,573**	**29,188**	**6,615**	

Impact on specific service reserves (from Reserves tab)	**30**
Impact on risk/general reserves	**6,585**

Annex D Reserves - Communities - Dave Ayton-Hill
Strategic Director - Mark Ryder
Portfolio Holders - Councillor Clarke (Transport & Environment), Heather Timms, Isobel Seccombe

Reserve	Approved Opening Balance 01/04/2020 £'000	Movement in Year £'000	Effect of Outturn £'000	Forecast Closing Balance 31/03/2021 £'000	Transfer request (To)/From Reserves £'000	Reason for Request
Speed Workshops	825			825		
Rural Growth Network	242			242		
Kenilworth Station	552			552		
Skills Delivery for Economic Growth	131		(30)	101		To fund investment in some short-term, interim resource to undertake a service redesign for our current employment support offer for adults with learning disabilities and autism (WEST), and for young people with special educational needs and disabilities to transition from education to employment, and enable the effective transfer from People Group to Communities.
European Match Funding	166			166		
Total	**1,917**	**0**	**-30**	**1,887**	**0**	

Strategic Commissioner - Communities - Dave Ayton-Hill
Strategic Director - Mark Ryder
Portfolio Holders - Councillor Clarke (Transport & Environment), Heather Timms, Isobel Seccombe

2020/21 to 2022/23 Capital Programme

Project	Description	Approved Budget					Forecast					Variation		Commentary
		Earlier Years £'000	2020/21 £'000	2021/22 £'000	2022/23 onwards £'000	Total £'000	Earlier Years £'000	2020/21 £'000	2021/22 £'000	2022/23 onwards £'000	Total £'000	Variance in Year £'000	Total Variance £'000	
Integrated Transport - Cycle Schemes														
10324000	Lawford Road Cycle Route	498	0	0	0	**498**	498	0	0	0	**498**	0	0	
10385000	Warwick, Myton Rd Cycle Link (Myton and Warwick School)	161	0	0	0	**161**	161	0	0	0	**161**	0	0	
10434000	North West Warwick Cycle Scheme	781	0	0	0	**781**	781	0	0	0	**781**	0	0	
11330000	Fillongley Crossroads realigning crossroad junction	232	0	0	0	**232**	232	0	0	0	**232**	0	0	
11762000	Nuneaton to Coventry Cycle Route	8	50	954	0	**1,012**	8	50	954	0	**1,012**	0	0	
11765000	Hinckley to Nuneaton Cycle Route	16	259	163	0	**438**	16	30	392	0	**438**	-229	0	It will no longer be possible to be commence construction (site works) on this project until Q1 21/22 due to a request for design revisions, a delay to consultation and difficulties obtaining a road space permit due to other works in the area.
11778000	Cycle Route Leamington to Kenilworth	22	500	2,500	1,727	**4,749**	22	100	2,900	1,727	**4,749**	-400	0	Significant land aquistion is unlikely to take place this financial year and there will be limited works on site. Cabinet report to be submitted in Jan 21 to request various delegated permissions.
11845000	A429 Coventry Road, Warwick corridor improvements CIF	0	715	3,173	794	**4,682**	0	715	3,173	794	**4,682**	0	0	
Integrated Transport - Other Schemes														
11456000	Stratford Park & Ride site alterations	86	13	0	0	**99**	86	13	0	0	**99**	0	0	
11650000	Electric Vehicle Charging Points	9	0	0	0	**9**	9	0	0	0	**9**	0	0	
11710000	Land at Crick Road Rugby (Rugby Parkway)	0	2,637	0	0	**2,637**	0	1,322	1,315	0	**2,637**	-1,315	0	The submission of the planning application has been delayed due to a change in the scope. Due to land ownership issues, only part of the land has been acquired. The remainder will be acquired in the next financial year
11773000	CFM New Vehicle Reg No VO17ZJY Hyundai	8	0	0	0	**8**	8	0	0	0	**8**	0	0	
11846000	Measurement equipment to support evidence led decision making in tackling climate emergency CIF	0	1,968	0	0	**1,968**	0	1,473	585	0	**2,058**	-495	90	Covid-19 has placed extraordinary demands on contractors to produce a lot of equipment quickly and we may not have the full order completed by the end of 2020/21 Financial Year. Revenue Contribution per the orginal CIF bid added to project.
Integrated Transport - Public Transport														
11193000	Access to Stations - Leamington	212	0	0	0	**212**	212	0	0	0	**212**	0	0	
11325000	Stratford Town Station Upgrade	237	0	0	0	**237**	237	0	0	0	**237**	0	0	
Economic Development														
10154000	Centenary Business Centre Phase 3	1,889	0	0	0	**1,889**	1,889	0	0	0	**1,889**	0	0	
10258000	Nuneaton and Bedworth Town Centre - Queens Road West Improvements	658	35	28	0	**720**	658	0	62	0	**720**	-35	0	Capital has not been spent this financial year due to us not renewing the contract with Spacehive, the Civic Crowdfunding Platform, to help deliver this fund. Covid-19 has had a big impact on resource capabilities to deliver any capital this year, as focus has been on economic recovery. It is anticipated that a review of the fund will take place in early 2021 and that further expenditure will happen in 2021/22.
11425000	Capital Growth Fund Business Loans and Grants	1,887	95	275	444	**2,700**	1,887	95	275	444	**2,700**	0	0	
11596000	Eliot Park Innovation Centre - improvements to the car park	458	0	0	0	**458**	458	0	0	0	**458**	0	0	
11612000	Capital Investment Fund/ Duplex Fund	900	0	960	140	**2,000**	900	0	960	140	**2,000**	0	0	
11613000	Capital Investment Fund/ Small Business Grants	459	879	378	33	**1,750**	459	779	478	33	**1,750**	-100	0	
11668000	Business Centre Strategy	337	40	0	0	**377**	337	40	0	0	**377**	0	0	
11536004	Country Parks Car Parking Area, Ryton	0	0	0	0	**0**	0	0	0	0	**0**	0	0	
11858000	Creation of office space at Holly Walk, Leamington Spa (CIF)	0	0	0	0	**0**	0	60	953	0	**1,013**	60	1,013	New project approved 12th November 2020 Get Building Fund CWLEP and CIF Funding
Economic Development - Transforming Nuneaton														
11611000	Transforming Nuneaton	4,408	3,147	0	0	**7,555**	4,408	3,147	0	0	**7,555**	0	0	
11746000	Transforming Nuneaton - Coop Building Purchase	1,500	0	0	0	**1,500**	1,500	0	0	0	**1,500**	0	0	
11775000	Transforming Nuneaton - Library & Business Centre (CIF)	0	100	1,002	18,321	**19,423**	0	100	1,002	18,321	**19,423**	0	0	
Major Transport Projects														
10362000	Kenilworth Station	13,044	864	0	0	**13,908**	13,044	75	789	0	**13,908**	-789	0	Outstanding funding is all corporate resource - need to review overall use of varying sources of funding vs approvals
10981000	NUCKLE	1,897	0	0	0	**1,897**	1,897	0	0	0	**1,897**	0	0	
11339000	Bermuda Connectivity	2,259	1,042	3,899	1,700	**8,900**	2,259	592	4,349	1,700	**8,900**	-450	0	Further programme slippage (delay to start of construction) arising to obtain WCC Corporate Board approval to proceed with scheme based on the preferred construction tender price.
11841000	Leamington Station infrastructure improvement	0	250	950	0	**1,200**	0	255	910	35	**1,200**	5	0	
11849000	A446 Stonebridge Junction (Coleshill) CIF	0	520	1,858	0	**2,378**	0	520	1,858	0	**2,378**	0	0	
11853000	Transforming Nuneaton - Highways (CIF)	0	0	0	0	**0**	0	0	21,704	0	**21,704**	0	21,704	As per CIF bid approved 13/10/2020 at Full Council
11857000	Emscote Road Corridor improvements	0	0	0	0	**0**	0	425	6,492	3,269	**10,186**	425	10,186	£468,000 for 2020/21 is for design work but there is a risk of some slippage depdendent on resourcing within the Design Services Team. Total includes £1.5m already alocated to Portobello Bridge
Waste Management														
10207000	Waste Strategy - Waste Treatment & Transfer Facility	1,529	34	0	0	**1,563**	1,529	34	0	0	**1,563**	0	0	
10454000	Lower House Farm	5,596	0	0	0	**5,596**	5,596	0	0	0	**5,596**	0	0	
11303000	HWRC Maintenance 2016/17	46	0	0	0	**46**	46	0	0	0	**46**	0	0	
11304000	HWRC Maintenance 2017/18	54	0	0	0	**54**	54	0	0	0	**54**	0	0	
11450000	HWRC Maintenance 2018/19	25	0	0	0	**25**	25	0	0	0	**25**	0	0	
11535000	HWRC Maintenance 2019/20	72	0	0	0	**72**	72	0	0	0	**72**	0	0	
11714000	Waste Handling and compaction equipment HWRC	581	0	0	0	**581**	581	0	0	0	**581**	0	0	

11784000	HWRC Maintenance 2020/21	0	80	0	0	**80**	0	80	0	0	**80**	0	0	
11856000	Waste containers at the HWRC (CIF)	0	0	0	0	**0**	0	100	138	0	**238**	100	238	Award of £238k of CIF funding
Countryside														
10260000	Leam. To Rugby Disused Railway Line - 2002/03	98	0	0	0	**98**	98	0	0	0	**98**	0	0	
11536000	Countryside Rural Services Capital Maintenance 2019/20 £20k to be removed for Env Svcs	68	78	0	0	**146**	68	78	0	0	**146**	0	0	
11788000	Country Parks Maintenance 2020-21	0	183	0	0	**183**	0	133	85	0	**218**	-50	35	Carry forward £85K into next year, due to re-prioritisation of work due to Covid response
11834000	Country Parks Car Parking Facilities - upgrade ticket machines	0	130	0	0	**130**	0	130	0	0	**130**	0	0	
Developer Funded Transport - s106 schemes														
11194002	New Bus Shelter on Tachbrook Park Drive near Leamington	12	1	0	0	**13**	12	1	0	0	**13**	0	0	
11194010	Install bollards & associated traffic management - historic spine Stratford	67	0	0	0	**67**	67	2	0	0	**69**	2	2	Staff time producing CIF report
11195006	S106 Traffic Calming and Signage Improvements for Bidford-on- Avon bridge and Welford bridge	19	0	0	0	**19**	19	0	0	0	**19**	0	0	
11418000	A426 Gateway Rugby to Rugby Town Centre Cycle Scheme	28	240	39	0	**307**	28	215	64	0	**307**	-25	0	
11441004	Weddington Road , Nuneaton Implement Toucan Crossing	62	70	51	0	**183**	62	70	51	0	**183**	0	0	
11441007	S106 2 Bus shelters at bus stops on Narrow Hall Meadow nr GP Surgery Chase Meadow	0	0	20	0	**20**	0	0	20	0	**20**	0	0	
11441009	Bus Stop Opposite Land Between 256 and 346 Bham Road Stratford	16	0	0	0	**16**	16	0	0	0	**16**	0	0	
11441010	Birmingham Road Cycle Route enhancements	5	11	0	0	**16**	5	11	0	0	**16**	0	0	
11441011	Heathcote Primary School Puffin Crossing Harbury Ln Nr Nightingale Av Lspa	0	0	0	0	**0**	0	0	0	0	**0**	0	0	
11441012	Heathcote Primary School Puffin Crossing Harbury Ln Nr Garrett Drive Lspa	0	0	0	0	**0**	0	0	0	0	**0**	0	0	
11441013	Enhance Existing Bus Stops Land Adj to the Gaydon Inn Banbury Road	22	1	0	0	**23**	22	1	0	0	**23**	0	0	
11441014	Highways improvements to bus stops at land off the Longshoot S106	12	19	0	0	**31**	12	19	0	0	**31**	0	0	
11441015	Relocation of Northbound bus stop on Wellesbourne Rd in Barford	9	0	0	0	**9**	9	0	0	0	**9**	0	0	
11552002	Northgate Junction improvements	0	0	0	0	**0**	0	0	0	0	**0**	0	0	
11607000	Southbound bus stop on A426 Leicester Road Rugby	15	0	65	0	**80**	15	0	65	0	**80**	0	0	
11614000	Bus Stop Enhancement Works In Alderminster	14	0	0	0	**14**	14	0	0	0	**14**	0	0	
11615000	Provision Of Replacement Bus Shelter On Kinwarton Rd,Alcester	10	0	0	0	**10**	10	0	0	0	**10**	0	0	
11640000	Upgrading of existing bus stops infrastructure Alcester Road, Shottery in Stratford upon Aon	14	0	0	0	**14**	14	0	0	0	**14**	0	0	
11690000	Provision Of Bus Stops Ettington Road Wellesbourne	13	7	0	0	**21**	13	7	0	0	**21**	0	0	
11691000	Provision Of Bus Stops & Upgrade Existing Infra Salford Rd Bidford	23	60	0	0	**82**	23	60	0	0	**82**	0	0	
11692000	Upgrade Existing Shared Ped / Cycle Path Bermuda	0	22	0	0	**23**	0	2	20	0	**23**	-20	0	Design and construction delayed until legal arrangements covering land use are completed.
11704000	Barford Safety Junction	51	8	169	0	**228**	51	8	169	0	**228**	0	0	
11782000	Campden Road (B4035), Shipston-on-Stour NEW BUS STOPS	0	38	0	0	**38**	0	2	36	0	**38**	-36	0	Separate highway works need to be undertaken and additional funding required to progress elements of the scheme.
11783000	Mancetter Road / Camp Hill Road, Nuneaton BUS STOP IMPROVEMENTS	0	16	0	0	**16**	0	16	0	0	**16**	0	0	
11821000	Nuneaton/Plough Hill/Puffin crossing and improvements to Bus shelters	0	74	0	0	**74**	0	74	0	0	**74**	0	0	
11822000	Bidford on Avon/ Waterloo Road/Provision of a Bus Stop and shelter	0	27	0	0	**27**	0	27	0	0	**27**	0	0	
Warwick Town Centre														
11552000	Warwick Town Centre transport proposals	1,078	0	0	0	**1,078**	1,078	5	0	0	**1,083**	5	5	Additional spend relates to current year actuals, funded from CIL
11809000	Warwick Town Centre	0	0	4,418	0	**4,418**	0	25	1,800	2,593	**4,418**	25	0	Phasing of the capital spend has now been applied, as per the planner included in the CIF bid
Integrated Transport - Safer Routes to Schools														
11281000	Safer routes to schools and 20mph school safety zones 15/16. Renamed Home to School Routes 15-16.	37	0	0	0	**37**	37	0	0	0	**37**	0	0	
11282000	Safer routes to schools and 20mph school safety zones 16/17. Renamed Home to School Routes 16-17.	73	0	0	0	**73**	73	0	0	0	**73**	0	0	
11635000	Home to School Routes 17-18	861	1,000	0	0	**1,862**	861	565	435	0	**1,862**	-435	0	Project delay due to late implementation of the schemes.
11635049	St Faiths Primary School , Alcester. Safer Routes To School	0	0	0	0	**0**	0	0	0	0	**0**	0	0	
11635048	B'ham Road, Stratford (Safer Routes to School)	0	0	0	0	**0**	0	0	0	0	**0**	0	0	
Integrated Transport - Safety Camera Schemes														
10192000	Safety Camera Funded Schemes	1,578	10	0	0	**1,588**	1,578	10	0	0	**1,588**	0	0	
11761000	Average Speed Cameras	20	1,744	0	0	**1,764**	20	3	1,741	0	**1,764**	-1,741	0	Project delayed due to Covid.
Integrated Transport - School safety zones														
11359000	School Safety Zones 16/17	1,987	0	0	0	**1,987**	1,987	0	0	0	**1,987**	0	0	
11564000	School Safety Zones 17/18 A	700	0	0	0	**700**	700	0	0	0	**700**	0	0	
11585000	School Safety Zones 18/19	588	136	0	0	**724**	588	118	37	0	**744**	-17	20	Additional £20k transferred from delegated budget funding.
11586000	School Safety Zones 19/20	337	1	0	0	**339**	337	1	0	0	**339**	0	0	
Integrated Transport - Casualty Reduction Schemes														
11355000	Casualty Reduction Schemes 15/16	1,559	230	0	0	**1,789**	1,559	0	230	0	**1,789**	-230	0	Project delayed, awaiting final modifications and costs.
11356000	Casualty Reduction Schemes 16/17	274	0	0	0	**274**	274	0	0	0	**274**	0	0	
11357000	Casualty Reduction Schemes 17/18	19	0	0	0	**19**	19	0	0	0	**19**	0	0	
11453000	Casualty Reduction Schemes 18-19	102	338	0	0	**439**	102	11	327	0	**439**	-327	0	Project delayed, awaiting final modifications and costs.
11546000	Casualty Reduction Schemes 19-20	0	0	0	0	**0**	0	0	0	0	**0**	0	0	
11711000	Temple Hill / Lutterworth Road Wolvey Casualty Reduction Scheme	29	1,572	0	0	**1,601**	29	12	1,560	0	**1,601**	-1,560	0	Implementation delayed due to Covid.
11763000	A439 - Southern reduction Scheme	14	486	0	0	**500**	14	16	470	0	**500**	-470	0	Implementation delayed due to Covid.
11764000	Green Man Coleshill Signalised Junction	3	497	0	0	**500**	3	2	495	0	**500**	-495	0	Project delayed due to ongoing traffic flow issues.
11635047	Wootton Wawen (Signs & Lining)	0	0	0	0	**0**	0	0	0	0	**0**	0	0	
11786000	Casualty Reduction Schemes 20-21	0	354	0	0	**354**	0	15	339	0	**354**	-339	0	Project delayed - pending confirmation of implementation dates from the delivery team.
Grand Total		**49,684**	**20,581**	**20,904**	**23,159**	**114,328**	**49,684**	**11,646**	**57,235**	**29,056**	**147,621**	**-8,936**	**33,293**	

Annex E Revenue - Adult Social Care - Pete Sidgwick
Strategic Director - Nigel Minns
Portfolio Holders - Councillor Caborn (Adult Social Care & Health)

20/21 Revenue Budget

Service	Gross Expenditure			Gross Income			Net			Reason for Net Variation and Management Action
	Agreed Budget	Forecast	Variation Over/ (Under)	Agreed Budget	Forecast	Variation Over/ (Under)	Agreed Budget	Forecast	Variation Over/ (Under)	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Assistant Director - Adult Social Care	9,204	13,855	**4,651**	0	(933)	**(933)**	9,204	12,922	**3,718**	Overspend is due to approved additional expenditure for reimbursing Adult Social Care providers for Covid-19 related cost pressures. Unbudgeted income is due to reimbursement from the CCG relating to nursing which WCC have administered but is the financial responsibility of the NHS.
Disabilities	82,863	81,141	**(1,722)**	(9,416)	(8,946)	**470**	73,447	72,195	**(1,252)**	Underspend due to two areas, Learning Disabilities due to a COVID-19 related reduction in use of and/or closure of day opportunities, short breaks and services such as domiciliary care during the pandemic, however the reduced activity also means there has been a reduction in client contributions towards these activities. There is also unspent budget which would have funded expected service pressure areas, staffing and projects which haven't been delivered as a direct result of COVID-19. Due to the COVID-19 related nature of factors influencing the underspend we expect a return to usual levels of expenditure as we recover from the pandemic.
Mental Health	11,680	13,639	**1,959**	(547)	(848)	**(301)**	11,133	12,791	**1,658**	Overspend almost entirely due to pressure on all services from increased client numbers, continued funding of clients over 65 years of age, a number of transitions from children's to adult mental health services and transforming care cases. Pressures across both residential and supported living services.
Older People	78,901	82,677	**3,776**	(30,201)	(31,782)	**(1,581)**	48,700	50,895	**2,195**	Overspend is due to increased demand and unit costs for domiciliary and residential care packages as a result of COVID-19, partially offset by reduced nursing care costs (due to being temporarily funded by the NHS under the hospital discharge guidelines) and additional income from client contributions due to the direct relationship of increased expenditure leading to increased client contributions. This overspend represents an upward swing from Q2 due to a reduction in the rate of income collected proportionate to expenditure as we have progressed through the year, this is owing to the hospital discharge guidelines.
Integrated Care Services	10,612	9,388	**(1,224)**	(646)	(235)	**411**	9,966	9,153	**(813)**	Most of the underspend is due to reduced expenditure for community equipment. As a result of COVID-19 the typical group of health patients supported by Integrated Community Equipment has reduced due to the cessation of elective surgery for 6 months and therefore significantly less equipment being issued in comparison with a normal year. There is also an underspend on Assistive Technology due to COVID-19 as planned pilot schemes have not been able to start. Within Reablement despite success in recruiting additional staff there is a staffing underspend from earlier in the financial year that is funding a new roster system, now implemented. This will translate into more staff in subsequent years, including enablement.
Development & Assurance	3,400	3,628	**228**	(782)	(815)	**(33)**	2,618	2,813	**195**	Overspend on Adult Specialist Transport costs, partially offset by underspend on staffing vacancies within Safeguarding service, Quality assurance service and Safeguarding Warwickshire.
Net Service Spending	**196,660**	**204,328**	**7,668**	**(41,592)**	**(43,559)**	**(1,967)**	**155,068**	**160,769**	**5,701**	

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Annex E Savings - Adult Social Care - Pete Sidgwick
Strategic Director - Nigel Minns
Portfolio Holders - Councillor Caborn (Adult Social Care & Health)

Saving Proposal	Target £'000	Actual to Date £'000	Forecast Outturn £'000	Shortfall/ (Overachievement) £'000	Reason for financial variation and any associated management action
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	250	0	
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	150	150	0	
Total	**400**	**400**	**400**	**0**	

Adult Social Care & Support - Pete Sidgwick
Strategic Director - Nigel Minns
Portfolio Holders - Councillor Caborn (Adult Social Care & Health)

2020/21 to 2022/23 Capital Programme

Project	Description	Approved Budget					Forecast					Variation		Commentary
		Earlier Years £'000	2020/21 £'000	2021/22 £'000	2022/23 onwards £'000	Total £'000	Earlier Years £'000	2020/21 £'000	2021/22 £'000	2022/23 onwards £'000	Total £'000	Variance in Year £'000	Total Variance £'000	
11555000	Extra Care Housing	0	0	313	0	**313**	0	0	313	0	**313**	0	0	
Grand Total		**0**	**0**	**313**	**0**	**313**	**0**	**0**	**313**	**0**	**313**	**0**	**0**	

Annex F Revenue - Children & Families - John Coleman
Strategic Director - Nigel Minns
Portfolio Holders - Councillor Morgan (Children's Services)

20/21 Revenue Budget

Service	Gross Expenditure Agreed Budget	Gross Expenditure Forecast	Gross Expenditure Variation Over/ (Under)	Gross Income Agreed Budget	Gross Income Forecast	Gross Income Variation Over/ (Under)	Net Agreed Budget	Net Forecast	Net Variation Over/ (Under)	Reason for Net Variation and Management Action
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Assistant Director - Children & Families	3,652	4,505	**853**	(118)	(511)	**(393)**	3,534	3,994	**460**	There is a planned under-spend of £200,000 being held to cover CiC Placement pressures elsewhere in the Service which has been taken account in the 21/22 MTFS. There is also a forecasted £393,000 contribution from the Asylum Grant for associated costs held within the C&F Service. There is also a reduction of £148,000 on community initiatives which is due to delaying planned work, due to Covid-19, as it would not be as effective due to the current circumstances. There has also been an expectation of an increase to spend on Covid-19 related general equipment for aiding family meets of £20,000. There is also an underspend being realised this Quarter of £137,000 due to delays in recruitment relating to Covid-19 and utilisation of transformation funds. There is also an estimation of an increase in weeks purchased across all placements spend due to Covid-19, for looked after children of £1,100,000. Although this is complex to forecast and breakdown over individual teams, the total increase is forecasted in individual teams but offset within the AD service line. Legal fees in total are now showing in total an expected over-spend of £851,000 of which £500,000 relates to Covid-19. This forecast has remained static since Quarter 2 (P6) but is an increase of £551,000 compared to Q1.
Initial Response (MASH, IR, EDT)	4,690	5,849	**1,159**	(190)	(297)	**(107)**	4,500	5,552	**1,052**	Salaries, including internal contributions, recharges and agency, are forecasting an over-spend of £1,141,000 which is an increase of £269,000 compared to Quarter 2 (P6). This is broken down into over-spending on Agency workers totalling £1,261,000. More specifically, £395,000 is for the preparation of likely increase to workloads from the impact of Covid-19. £180,000 is for the post of an unfunded T3 Manager (currently an Agency worker) and the remaining £686,000 is for meeting vacant posts, high demand and activity currently being placed on the service. Therefore, spend just on Agency workers has increased by £348,000 since Quarter 2 (P6). These over-spends are offset by the under-spending on single status £76,000. Staff travel is forecasted to under-spend by £52,000. Internal foster-care is underspent by £12,000 of which £1,000 relates to Covid-19.
Early Help & Targeted Support	9,064	7,451	**(1,613)**	(2,196)	(1,778)	**418**	6,868	5,673	**(1,195)**	Priority Families are £408,000 under-spending which is due to the earmarked grant income being received has now been notified greater than anticipated at budget setting. This is a small increase to the under-spend of £7,000 from Quarter 2 (P6). Youth Centres have forecasted a loss of income due to Covid-19 of £121,000 which is small decrease of £7,000 compared to Quarter 2 (P6). There is also a planned under-spend of £76,000 within Targeted and Family support which is held to cover other pressures in the unit and is due to be right sized as part of the MTFS refresh. Salaries, including internal contributions and recharges are under-spending by £79,000 (excluding Priority Families, Syrian Grant and transformation projects). This is an increase to the under-spend of £47,000 compared to Quarter 2 (P6). Staff travel is £58,000 underspending. Transformation projects in total are reflecting an under-spend of £564,000 which is a decrease of £413,000 compared to Quarter 2 (P6). This is due to slippage of the programme due to recruiting staff and general risks and issues relating to Covid-19.
Children's Safeguarding & Support	26,370	28,926	**2,556**	(1,029)	(1,579)	**(550)**	25,341	27,347	**2,006**	Internal foster-care is currently forecasting a £425,000 under-spend of which £71,000 worth of spend relates to Covid-19. This represents an increase to the under-spend of £29,000 compared to Quarter 2 (P6). This quarter sees a further rise in the forecast for External foster-care by £136,000 to now being £679,000 over-spending. There has been a net increase of 2 children which means numbers in care are currently 118. Average weekly cost for the 0-14 age group stands at £785. Included within the Residential care over-spend of £2,031,000 is a £60,000 forecast on voids for the residential block contract which commenced in May 2019. The forecast has increased by £348,000 since P6/Q2 with a net change in number of 5 meaning that 22 children are currently being cared for. There have been 12 new placements this financial year. Only 7 out of the current children have contributions from 3rd parties therefore the making the average weekly unit cost of £4,131 per week. Parent and baby placements due to the increasing and the unpredictability of the activity is forecasting an over-spend of £213,000 which is an increase of £100,000 from P6/Q2. Allowances have an element of growth built into the predictions making the forecast currently showing an over-spend of £22,000 which is a decrease of £45,000 compared to Quarter 2 (P6). This represents on a budget of £3.534m a 0.62% over-spend. Salaries, but including internal contributions and recharges are predicting a small over-spend of £51,000 which is a change to Quarter 2 (P6) of £147,000. There are Covid-19 related over-spends on sessional workers of £89,000 and Hay of £22,000. Single status and Hay is under-spending by £97,000 (including overtime) due to vacancies, general sessional work is under-spending by £37,000. and there is an £69,000 over-spend on agency. Staff travel is also predicted a £130,000 underspend. Section 17 related expenditure is currently £50,000 under-spending which is a significant rise of £78,000 since Quarter 2 (P6). Children's Transformation Program is underspending greatly by £447,000 due to slippage of recruitment and anticipated contract start dates. Independent Social Worker Assessments are forecasting a £63,000 over-spend.
Corporate Parenting	22,173	26,118	**3,945**	(5,065)	(5,847)	**(782)**	17,108	20,271	**3,163**	Internal foster-care is currently £223,000 over-spending of which £33,000 relates to Covid-19. There has been very little movement in this forecast since Quarter 2 (P6). External Foster-care is £147,000 over-spending, which is further quarterly increase of £75,000 with the number of children being looked after increasing by 2 to 51. Average weekly cost for this 14+ age group is £873 which as expected is £100 per week more than the under 14 rate. Included within the Residential care over-spend of £1,675,000 is a £60,000 forecast on voids for the residential block contract which commenced in May 2019. The over-spend has increased by £455,000 since P6/Q2. There has been 5 new children accommodated since Quarter 2 which has accounted for the large increase in the forecast. The average weekly unit cost stands at £4,305 per week. The Asylum Grant is showing a net under-spend of £84,000. The Home Office has revised and increased weekly rates for some Leaving Care eligible asylum seekers resulting in current forecasted income exceeding direct expenditure and consequently a contribution to indirect costs can be fully utilised. The grant is also able to absorb Covid-19 additional costs of £131,000 which is being met from this surplus. Accommodation costs and allowances for young people aged 16 years and above continue to be an area of growth and despite the investment of budget this area is forecast to over-spend by £1,099,000. This is an increase of £160,000 compared to Quarter 2 (P6). Costs incurred due to Covid-19 being an additional £139,000. Salaries including overtime and allowances and including internal contributions and recharges are forecast to over-spend by £462,000 (excl Asylum, S31 and transformation) with agency costs making up £257,000 of this overspend. This is an increase of £134,000 compare to Quarter 2 (P6). Staff travel is also predicting a £65,000 under-spend. It is also the expectation that the boarding school scheme will not be fully utilised and is still at Quarter 3 showing a £26,000 under-spend. Controlling Migration Fund Grant is also at this point not able to fully spend the available balance and therefore is showing a £131,000 under-spend. Similarly, the Section 31 Post 21 Grant will also under-spend by around £23,000.
Youth Justice	3,799	3,171	**(628)**	(990)	(630)	**360**	2,809	2,541	**(268)**	There are additional costs relating to remand placements as a direct consequence of COVID19 and the postponing of court hearings which totals £211,000. Salaries, including internal contributions and recharges are underspending by £92,000 which is a movement of £74,000 since Quarter 2 (P6) and is reflective of current vacancies. Agency workers is over-spending by £16,000. There is an under-spend of £213,000 on Transformation work which is an increase to the under-spend of £72,000 since Quarter 2 (P6), which is pre-dominantly due to the delay in recruiting. Staff travel is underspending by £29,000 and non Covid-19 related remand accommodation has been estimated to be £125,000 under-spent which has remained static since Quarter 2 (P6).
Children's Practice Improvement	3,595	3,381	**(214)**	(94)	(145)	**(51)**	3,501	3,236	**(265)**	Staff travel is predicting a £24,000 underspend and salaries, including internal contributions are showing an over-spend of £9,000 which is a small increase of £22,000 from Quarter 2 (P6). Transformation activity has been re-assessed and is currently predicting a £290,000 under-spend which is a significant change from Quarter 2 (P6) of £268,000. This is due to some activity levels within workstreams being delayed and therefore a more realistic forecast has been predicted.
Adoption Central England	5,692	6,179	**487**	(5,292)	(6,096)	**(804)**	400	83	**(317)**	Over the past quarter activity levels of buying placements has increased therefore the under-spend has been reduced by £282,000 to now showing an under-spend of £103,000. Salaries including overtime are currently forecasting an overall under-spend of £173,000 which is an increase to the under-spend of £84,000 due to more realistic vacancy forecasting. Staff travel is £42,000 underspending.
Net Service Spending	**79,035**	**85,580**	**6,545**	**(14,974)**	**(16,883)**	**(1,909)**	**64,061**	**68,697**	**4,636**	

Impact on specific service reserves (from Reserves tab)	**(2,510)**
Impact on risk/general reserves	**7,146**

Annex F Reserves - Children & Families - John Coleman
Strategic Director - Nigel Minns
Portfolio Holders - Councillor Morgan (Children's Services)

Reserve	Approved Opening Balance 01/04/2020 £'000	Movement in Year £'000	Effect of Outturn £'000	Forecast Closing Balance 31/03/2021 £'000	Transfer Request (To)/From Reserves £'000	Reason for Request
Adoption Central England	1,209	(400)	317	1,126		
Various Section 31 Earmarked Grant	391	(391)	154	154		
Priority Families Reserve	907	(300)	408	1,015		
Youth Justice Remand Equalisation	523		125	648		
Total	**3,030**	**(1,091)**	**1004**	**2,943**	**0**	

Annex F Savings - Children & Families - John Coleman
Strategic Director - Nigel Minns
Portfolio Holders - Councillor Morgan (Children's Services)

Saving Proposal	Target £'000	Actual to Date £'000	Forecast Outturn £'000	Shortfall/ (Overachievement) £'000	Reason for financial variation and any associated management action
Business support - Reduced cost of business support as part of the wider organisation review of support functions	194	194	194	0	
Total	**194**	**194**	**194**	**0**	

Children & Families - John Coleman
Strategic Director - Nigel Minns
Portfolio Holders - Councillor Morgan (Children's Services)

2020/21 to 2022/23 Capital Programme

Project	Description	Approved Budget					Forecast					Variation		Commentary
		Earlier Years £'000	2020/21 £'000	2021/22 £'000	2022/23 onwards £'000	Total £'000	Earlier Years £'000	2020/21 £'000	2021/22 £'000	2022/23 onwards £'000	Total £'000	Variance in Year £'000	Total Variance £'000	
11295000	Children and Families property adaptations, purchases and vehicles	209	150	47	0	**406**	209	138	59	0	**406**	-12	0	Previous proposed adaptations unlikley to commence until 21-22 due to court delays related to covid.
11693000	Adaptation of Sydenham Children's Centre	83	0	0	0	**83**	83	0	0	0	**83**	0	0	Additional unexpected property fees, to be funded from revenue contribution
11713000	Adaptation of Children's Centres to Children and Family Centres	233	62	0	0	**295**	233	62	0	0	**295**	0	0	
11756000	Westgate Children & Family Centre/Westgate Primary School Safeguarding Walkway	0	45	0	0	**45**	0	45	0	0	**45**	0	0	
11792000	Adaptations to support child placements 20-21	0	0	125	0	**125**	0	0	125	0	**125**	0	0	
Code request pending	Establishment of residential care for under 18s	0	0	0	0	**0**	0	42	240	0	**282**	42	282	Approved by Cabinet 10th December and Council 15th December 2020
Children & Families		**524**	**257**	**172**	**0**	**954**	**524**	**287**	**424**	**0**	**1,236**	**30**	**282**	

Annex G Revenue - People Strategy & Commissioning and Public Health - Becky Hale
Strategic Director - Nigel Minns
Portfolio Holders - Councillor Caborn (Adult Social Care & Health), Jeff Morgan

20/21 Revenue Budget

Service	Gross Expenditure			Gross Income			Net			Reason for Net Variation and Management Action
	Agreed Budget	Forecast	Variation Over/ (Under)	Agreed Budget	Forecast	Variation Over/ (Under)	Agreed Budget	Forecast	Variation Over/ (Under)	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Assistant Director - Strategy & Commissioning People	1,879	1,810	**(69)**	(134)	(134)	**0**	1,745	1,676	**(69)**	Covid related additional staffing costs of £32k. Covid related underspends on legal fees due to reduced contract tendering, travel, catering, conferences partially offset by NHS pension contribution
Director of Public Health	4,547	5,007	**460**	(2,572)	(568)	**2,004**	1,975	4,439	**2,464**	The forecast includes £2,138k expenditure on Test & Trace activity which is fully funded by the Test and Trace Grant and £0.400m expendtiure for mitigating the impact covid-19 on BAME communities for which funding from the covid grant has been allocated. Other covid related costs include contributions to test and trace activity across the West Midlands, to a Covid test centre in Nuneaton and infection control for the homeless in Rugby. These costs are offset by underspend on nursing for the homeless and staffing.
Health & Well Being	23,751	24,962	**1,211**	(6,280)	(6,332)	**(52)**	17,471	18,630	**1,159**	£1.340m expenditure for the Improving Mental Health Wellbeingin Warwickshire - Responding to the Covid Pandemic project is included in the forecast. Funding for this as been allocated from the covid fund. £35k increase on Apetito meals service due to Covid. Covid related underspends due to reduced activity on NHS Health checks, 'Respect Yourself' campaign, Fitter Futures, and of £100k Early Intervention funding for Creative Health
Integrated and Targeted Support	15,021	15,730	**709**	(7,024)	(7,475)	**(451)**	7,997	8,255	**258**	Net position of £258k overspend due to increased demand for medically assisted drug and alcohol treatment in the community. There has been both additional expenditure and income in a number of areas and unbudgeted income in relation to staffing, smoking cessation, learning disabilities and autism, domestic abuse, and mental health services to children.
All Age Specialist Provision	6,389	6,169	**(220)**	(697)	(940)	**(243)**	5,692	5,229	**(463)**	Unplanned covid related spend of £101k on Housing Support in the context of a wider underspend of £200k on Housing Support. Underspends also on staffing and training and additional income due to staffing recharges
Net Service Spending (excluding DSG)	**51,587**	**53,678**	**2,091**	**(16,707)**	**(15,449)**	**1,258**	**34,880**	**38,229**	**3,349**	

Impact on specific service reserves (from Reserves tab)	**n/a**
Impact on risk/general reserves	**3,349**

Public Health & Strategic Commissioning - Becky Hale
Strategic Director - Nigel Minns
Portfolio Holders - Councillor Caborn (Adult Social Care & Health), Jeff Morgan

2020/21 to 2022/23 Capital Programme

Project	Description	Approved Budget					Forecast					Variation		Commentary
		Earlier Years £'000	2020/21 £'000	2021/22 £'000	2022/23 onwards £'000	Total £'000	Earlier Years £'000	2020/21 £'000	2021/22 £'000	2022/23 onwards £'000	Total £'000	Variance in Year £'000	Total Variance £'000	
10608000	Mental Health Grant 2010/11	223	3	0	0	**226**	223	3	0	0	**226**	0	0	
11021000	Adult Social Care Modernisation & Capacity 2012-13	314	67	63	0	**444**	314	67	63	0	**444**	-0	-0	Project 11021005 Dementia Friendly Environments in ECH now complete. Surplus Corporate Resources of £140 now not required and to be returned to Corporate.
11310000	Client Information Systems Review	3,423	0	0	0	**3,423**	3,423	0	0	0	**3,423**	0	0	
11420000	Disabled Facilities Capital Grant	17,987	4,517	0	0	**22,503**	17,987	4,517	0	0	**22,503**	0	0	
Grand Total		**21,947**	**4,587**	**63**	**0**	**26,597**	**21,947**	**4,587**	**63**	**0**	**26,597**	**-0**	**-0**	

Annex H Revenue - Business & Customer Services - Kushal Birla
Strategic Director - Rob Powell
Portfolio Holders - Councillor Kaur (Customers & Transformation)

20/21 Revenue Budget

Service	Gross Expenditure Agreed Budget £'000	Gross Expenditure Forecast £'000	Gross Expenditure Variation Over/ (Under) £'000	Gross Income Agreed Budget £'000	Gross Income Forecast £'000	Gross Income Variation Over/ (Under) £'000	Net Agreed Budget £'000	Net Forecast £'000	Net Variation Over/ (Under) £'000	Reason for Net Variation and Management Action
Assistant Director - Business & Customer Services	500	394	**(106)**	(67)	(67)	**0**	433	327	**(106)**	Temporary budget allocation which was to support service redesign resulting from the FOM implementation. As a result in the delay of the FOM implementation a request has been made to carry forward this one off budget.
Business & Customer Support	7,084	8,490	**1,406**	(46)	(628)	**(582)**	7,038	7,862	**824**	A full budgetary and service delivery review is being undertaken. A request has been made to reprofile the MTFS pending the re-engineering of the Business Support Service processes coupled with the implementation of digital solutions as appropriate.This overspend also include COVID-19 related expenditure to provide additional business support to Public Helath (£97,000).
Operational Excellence	3,360	4,275	**915**	(521)	0	**521**	2,839	4,275	**1,436**	The Shielding Hubs cost centre is forecasting COVID-19 related expenditure of £803,000 against a budget of nil. Further COVID-19 related spend totalling £781,000 has been accrued and is to be funded from additional central government grants. This additional expenditure relates to providing Contact Centre support to Public Health and Education Services. Staff vacancies and a reduction in operational costs will offset some of this unbudgeted spend.
Customer Contact - Customer Connect	2,556	4,955	**2,399**	(250)	(469)	**(219)**	2,306	4,486	**2,180**	The forecast overspend can be attributed to COVID-19 related expenditure for the Welfare Scheme (£546,000) as well as extra energy costs associated with the general Welfare Scheme (£106,000). Further one off Welfare Scheme related spend (£1,405,000) will be funded by a specific central government grant. An increase in telephony software costs in the Customer Service Centre to facilitate remote working for the advisors and the increased call volume (£154,000) has also increased the overspend.Staff vacancies have slightly reduced the overspend.
Customer Contact - Community Hub	7,378	6,971	**(407)**	(2,262)	(1,305)	**957**	5,116	5,666	**550**	There is a under achievement of Registration Service income due to COVID-19 restrictions (£618,000), in particular marriage fee income (£593,00). In addition, there is a further shortfall of income resulting from COVID-19 in the Library Service (£137,000) and the Heritage & Environment Service (£70,000). The overall overspend has been reduced due to staff vacancies and a reduction in operational costs.
Net Service Spending	**20,878**	**25,085**	**4,207**	**(3,146)**	**(2,469)**	**677**	**17,732**	**22,616**	**4,884**	

Impact on specific service reserves (from Reserves tab)	**0**
Impact on risk/general reserves	**4,884**

Annex H Savings - Business & Customer Services - Kushal Birla
Strategic Director - Rob Powell
Portfolio Holders - Councillor Kaur (Customers & Transformation)

Saving Proposal	Target £'000	Actual to Date £'000	Forecast Outturn £'000	Shortfall/ (Overachievement) £'000	Reason for financial variation and any associated management action
Business support - Service wide restructure of business support, including delayering of the entire model and reductions in levels of agency spend.	880	97	97	(783)	The delay in implementing the Business Support FOM has impacted the Service's ability to deliver the savings this year. A request has been made to reprofile the savings pending the re-engineering of Business Support Service processes coupled with the implementation of digital solutions as appropriate.
Customer support - Review and rationalisation of the organisation's approach to customer support.	260	260	260	0	
Total	**1,140**	**357**	**357**	**(783)**	

Annex H Reserves - Business & Customer Services - Kushal Birla
Strategic Director - Rob Powell
Portfolio Holders - Councillor Kaur (Customers & Transformation)

Reserve	Approved Opening Balance 01/04/2020 £'000	Movement in Year £'000	Effect of Outturn £'000	Forecast Closing Balance 31/03/2021 £'000	Transfer request (To)/From Reserves £'000	Reason for Request
Museum, Records and Libraries Trust Funds and Bequests	336			336		
Warwickshire Local Welfare Scheme	476			476		
Corporate Customer Journey Programme	210			210		
Total	**1,022**	**0**	**0**	**1,022**	**0**	

Business & Customer Services - Kushal Birla
Strategic Director - Rob Powell
Portfolio Holders - Councillor Kaur (Customers & Transformation)

2020/21 to 2022/23 Capital Programme

Project	Description	Approved Budget					Forecast					Variation		Commentary
		Earlier Years £'000	2020/21 £'000	2021/22 £'000	2022/23 onwards £'000	Total £'000	Earlier Years £'000	2020/21 £'000	2021/22 £'000	2022/23 onwards £'000	Total £'000	Variance in Year £'000	Total Variance £'000	
10623000	County Records Office Service - Digital Asset Management	95	0	0	0	**95**	95	0	0	0	**95**	0	0	
11415000	Market Hall Museum - "Our Warwickshire"	914	0	0	0	**914**	914	0	0	0	**914**	0	0	
10155000	Improve Customer Experience in Council Buildings and DDA Works 2009/10	204	0	0	0	**204**	204	0	0	0	**204**	0	0	
11040000	Improving the Customer Experience/One Front Door Improvements	677	180	322	1,449	**2,628**	677	310	192	1,449	**2,628**	130	0	Extra costs incurred for Kenilworth Library refurbishment and Market Hall Attic.
11422000	Stratford Library – Registrars Accommodation Works and Library Alterations	373	0	0	0	**373**	373	0	0	0	**373**	0	0	
Grand Total		**2,263**	**180**	**322**	**1,449**	**4,213**	**2,263**	**310**	**192**	**1,449**	**4,213**	**130**	**0**	

Annex I Revenue - Commissioning Support Unit - Steve Smith
Strategic Director - Rob Powell
Portfolio Holders - Councillor Kaur (Customers & Transformation)

20/21 Revenue Budget

Service	Gross Expenditure			Gross Income			Net			Reason for Net Variation and Management Action
	Agreed Budget	Forecast	Variation Over/ (Under)	Agreed Budget	Forecast	Variation Over/ (Under)	Agreed Budget	Forecast	Variation Over/ (Under)	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Assistant Director - Commissioning Support Unit	610	402	**(208)**	0	0	**0**	610	402	**(208)**	The variation relates to a carry forward of funding held to support the funding of the new Portfolio Management Office ahead of it getting up to full strength, as described below.
Business Intelligence	2,498	2,355	**(143)**	(39)	(67)	**(28)**	2,459	2,288	**(171)**	Service underspend is £11k. Remaining £160k underspend is Transformation project which is due to run into 2021/22; the underspend will be carried over to complete the project.
Portfolio Management Office	1,884	8,305	**6,421**	(594)	(790)	**(196)**	1,290	7,515	**6,225**	The PMO Service overspend of £462k relates to pressures and new ways of working required to support the budget gap ahead of the pandemic; the service redesign was postponed but demand across the service escalated due to COVID-19 pressures; project resource has been deployed across the council to support COVID-19 response and recovery, and that continues. As the new service is established from October, we expect to improve our position on income generation, however this is likely to be affected by the ongoing need to deploy resources to COVID-19 chronic response. Some of this overspend will therefore be off-set by COVID-19 specific funding, and the Climate Change Fund to cover costs of Programme Management. The remaining £5.7m relates to Community Testing (£1.1m) and Outbreak Management (4.6m) this expenditure is supported by grant funding.
Contract Management & Quality Assurance	2,171	3,553	**1,382**	(997)	(1,002)	**(5)**	1,174	2,551	**1,377**	This overspend relates to the significant cost of PPE (personal protective equipment) procured in response to COVID-19, and will be met from the COVID-19 specific funding.
Change Management	829	848	**19**	0	0	**0**	829	848	**19**	
Transformation	158	211	**53**	0	0	**0**	158	211	**53**	This overspend relates to additional digital hardware purchases, but will be funded by the corporate Transformation Fund.
Net Service Spending	**8,150**	**15,674**	**7,524**	**(1,630)**	**(1,859)**	**(229)**	**6,520**	**13,815**	**7,295**	

Impact on specific service reserves (from Reserves tab)	**n/a**
Impact on risk/general reserves	**7,295**

Annex I Savings - Commissioning Support Unit - Steve Smith
Strategic Director - Rob Powell
Portfolio Holders - Councillor Kaur (Customers & Transformation)

Saving Proposal	Target £'000	Actual to Date £'000	Forecast Outturn £'000	Shortfall/ (Overachievement) £'000	Reason for financial variation and any associated management action
Project and programme management - Organisation-wide restructure of programme and project support.	395	120	120	(275)	The PMO operating model is based on the ability to recharge for a large proportion of project resources deployed, and this was increased by £275k when it was restructured. The impact of COVID-19 has meant that significant project resources have been deployed on pandemic response projects and not rechargable projects. Considerable work on seeking to maximize recharging is taking place, and it is looking very likely that the recharging target will not be met. The situation may improve to some lesser extent during Q4, but prudence suggests that this forecast makes clear that none of the additional £275k will be met.
Procurement - Service restructure of procurement as part of the organisation-wide service redesign.	10		10	0	
Total	**405**	**120**	**130**	**(275)**	

Annex J Revenue - Enabling Services - Craig Cusack

Strategic Director - Rob Powell

Portfolio Holders - Councillor Kaur (Customers & Transformation), Peter Butlin (Finance and Property)

20/21 Revenue Budget

Service	Gross Expenditure			Gross Income			Net			Reason for Net Variation and Management Action
	Agreed Budget	Forecast	Variation Over/ (Under)	Agreed Budget	Forecast	Variation Over/ (Under)	Agreed Budget	Forecast	Variation Over/ (Under)	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Assistant Director - Enabling Services	461	191	**(270)**	0	0	**0**	461	191	**(270)**	The underspend is a result of less demand for consultancy in 2020 as focus turned to dealing with the immediate demand of COVID response. The spare funding will be carried forward to support additional resources in ICT to explore process automation; and HROD to deal with short-term excess demand.
Facilities Management	7,935	7,437	**(498)**	(5,504)	(4,643)	**861**	2,431	2,794	**363**	Additional costs related to asset reinstatement and providing "COVID secure" environments. These may continue to increase. There is a shortfall in income, highlighted in the Q1 forecast as a result of income that is confirmed. However, reduced costs due to staff vacancies and Old Shire Hall spend is masking the true cost.
HR Enabling	5,703	5,692	**(11)**	(2,354)	(2,503)	**(149)**	3,349	3,189	**(160)**	There is a carry forward of £133k for the Graduate scheme that accounts for the majority of the underspend. Additional spend may be required to support demand pressures in HROD and Service Centre.
Digital & ICT	17,272	15,786	**(1,486)**	(5,021)	(4,781)	**240**	12,251	11,005	**(1,246)**	Underspend is predominantly the balance in the legacy CIDE allocation. This is a potential saving in 21/22 as part of the MTFS, but may need to accommodate any pressures to come as a result of Council licence costs.
Property, Construction & Engineering	10,159	9,795	**(364)**	(2,480)	(2,631)	**(151)**	7,679	7,164	**(515)**	There is a carryforward of £360k to support the Pears Centre setup and annual costs. The reduction in utility and repair costs has gone some way to offset the additional costs related to asset reinstatement and providing "COVID secure" environments.
Net Service Spending	**41,530**	**38,901**	**(2,629)**	**(15,359)**	**(14,558)**	**801**	**26,171**	**24,343**	**(1,828)**	

Impact on specific service reserves (from Reserves tab)	**0**
Impact on risk/general reserves	**(1,828)**

Annex J Savings - Enabling Services - Craig Cusack
Strategic Director - Rob Powell
Portfolio Holders - Councillor Kaur (Customers & Transformation), Peter Butlin (Finance and Property)

Saving Proposal	Target £'000	Actual to Date £'000	Forecast Outturn £'000	Shortfall/ (Overachievement) £'000	Reason for financial variation and any associated management action
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	250	250	0	
Device savings - Reduction in the cost of lap-tops, mobiles and other devices and part of the delivery of the ICT Strategy.	524	524	524	0	
Total	**774**	**774**	**774**	**0**	

Annex J Reserves - Enabling Services - Craig Cusack
Strategic Director - Rob Powell
and Property)

Reserve	Approved Opening Balance 01/04/2020 £'000	Movement in Year £'000	Effect of Outturn £'000	Forecast Closing Balance 31/03/2021 £'000	Transfer request (To)/From Reserves £'000	Reason for Request
HR - Service Improvement Projects	60			60		
Total	**60**	**0**	**0**	**60**	**0**	

Enabling Services - Craig Cusack
Strategic Director - Rob Powell
Portfolio Holders - Councillor Kaur (Customers & Transformation), Peter Butlin (Finance and Property)

2020/21 to 2022/23 Capital Programme

Project	Description	Approved Budget					Forecast					Variation		Commentary
		Earlier Years £'000	2020/21 £'000	2021/22 £'000	2022/23 onwards £'000	Total £'000	Earlier Years £'000	2020/21 £'000	2021/22 £'000	2022/23 onwards £'000	Total £'000	Variance in Year £'000	Total Variance £'000	
Structural Maintenance														
11227000	Schools Planned Bldg, Mech & Elect Backlog 2015/16	95	0	0	0	**95**	95	2	0	0	**97**	2	2	Additional costs in curred on Project 11227018. £1,780 required from Block header 11795000
11286000	Non Sch - Planned Bldg, Mech & Elect Backlog 2017/18	1,744	-2	0	0	**1,742**	1,744	-2	0	0	**1,742**	0	0	
11288000	Schools Asbestos & Safe Water Remedials 2017/18	769	25	0	0	**794**	769	1	0	0	**769**	-24	-24	Project 11288017 - Established that works paid for in 2016/17. Forecast adjusted to reflect this. Budget of £24,139 transferred to Project 11791000
11289000	Schools Planned Bldg, Mech & Elect Backlog 2016/17	5,409	0	0	0	**5,409**	5,409	0	0	0	**5,409**	-0	-0	Initial payment of £425 funded from Revenue. Unused budget transferred to Project 11795000
11290000	Schools Planned Bldg, Mech & Elect Backlog 2017/18	6,999	11	0	0	**7,010**	6,999	11	0	0	**7,010**	0	0	
11442000	Non Schools Asb & Safe Water Remedials 2018/19	334	0	0	0	**334**	334	0	0	0	**334**	0	0	
11443000	Non Sch - Planned Bldg, Mech & Elect Backlog 2018/19	2,029	8	0	0	**2,037**	2,029	13	0	0	**2,042**	5	5	Multiple amendment to charges requiring £5,418 funding to found from Block headers - 11787000
11444000	Schools Asbestos & Safe Water Remedials 2018/19	811	0	0	0	**811**	811	-1	0	0	**810**	-1	-1	Minor amendments to capital fees. £892 transferred to project code 11791000
11445000	Schools Planned Bldg, Mech & Elect Backlog 2018/19	7,252	36	0	0	**7,288**	7,252	4	0	0	**7,256**	-32	-32	Retention fees not incurred. £31,979 transferred to project 11795000
11538000	Non Schools Asb & Safe Water Remedials 2019/20	10	-0	0	0	**10**	10	-0	0	0	**10**	0	0	
11539000	Non Sch - Planned Bldg, Mech & Elect Backlog 2019/20	2,088	-10	0	0	**2,078**	2,088	-26	0	0	**2,062**	-15	-15	No further spend expected. Transfer 15,374.08 to 11787000.
11540000	Schools Asbestos & Safe Water Remedials 2019/20	435	16	0	0	**451**	435	17	0	0	**452**	1	1	
11541000	Schools Planned Bldg, Mech & Elect Backlog 2019/20	6,740	74	0	0	**6,814**	6,740	47	0	0	**6,787**	-27	-27	No further spend expected. Transfer £27,090.56 to Project 11795000
11687000	The Saltway Centre & Stratford Family Centre - Refurbish Family Centre	101	0	0	0	**101**	101	0	0	0	**101**	0	0	
11787000	Non Schools Building Maintenance 2020-21	0	2,485	0	0	**2,485**	0	2,495	0	0	**2,495**	10	10	Transfer £15,374.08 surplus budget from Project 11539000 to support planned works. Budget Transfer of £5,418 to Project 11443000 to support unforessen expenditure.
11791000	Schools Asbestos and Safe Water 2020-21	0	955	0	0	**955**	0	705	274	0	**979**	-250	24	Transfer of £765.31 to Project 11540000 to support unforseen costs. Budget transfer from Project 11288000 £24,139 & from Project 11444000 £892. There is a
11793000	Non Schools Asbestos and Safe Water 2020-21	0	715	0	0	**715**	0	220	495	0	**715**	-495	0	There is a delay in the execution of planned works due to COVID 19. £495,000 is to be moved into 2021/22 to support the backlog in works.
11795000	Schools Building Maintenance 2020-21	0	7,299	0	0	**7,299**	0	7,356	0	0	**7,356**	57	57	Transfer in of £27,090.56 surplus budget from Project 11541000, £31,362 from Project 11445000 and £425 from Project 11289000 to support the planned year's
Facilities														
10592000	Small Scale Reactive / Minor Improvements County-Wide	654	12	0	0	**666**	654	10	2	0	**666**	-2	0	
11318000	Universal Free School Meals Programme	0	0	0	0	**0**	0	0	0	0	**0**	0	0	
Energy														
10400000	Climate Change 2009/10	0	0	0	0	**0**	0	0	0	0	**0**	0	0	
11136000	Various Properties - Renewable Energy	240	0	995	0	**1,235**	240	0	995	0	**1,235**	0	0	
11561000	Dunsmore Home Farm, Clifton on Dunsmore - Ground Mounted Solar	4	5	0	0	**9**	4	0	0	0	**4**	-5	-5	
Information Assets														
11121000	Development of Rural Broadband	23,290	6,784	7,643	3,752	**41,468**	23,290	6,784	7,643	3,752	**41,468**	0	0	This forecast is subject to change because of potential delays in delivery due to: a) the project working in more rural areas together with a national shortage of civil engineering contractors and b) revised DCMS guidance regarding finances and project end dates and c) the recent Covid 19 pandemic. Forecast funding is also subject to change with closure of Phase 2 of the project expecting gainshare funds for reinvestment in Phase 3.
11465000	WCC Information Assets Purchases (multiple years)	1,363	189	90	178	**1,821**	1,363	232	90	135	**1,821**	43	0	Increase spend on hardware and Microsoft Teams Project
11796000	2020-21 IT infrastructure	0	150	160	90	**400**	0	0	160	240	**400**	-150	0	No spend now forecasted for 20/21 due to Covid
Strategic Asset management														
11134000	Warwick Shire Hall - Refurb Of Old Shire Hall	1,997	0	0	0	**1,997**	1,997	0	0	0	**1,997**	0	0	
11400000	Globe House Alcester - Remodelling of Globe House	220	0	0	0	**220**	220	0	0	0	**220**	0	0	
11532000	Saltway Centre Stratford upon Avon	460	5	0	0	**465**	460	5	0	0	**465**	0	0	
11844000	2020-21 ICT Software Development	0	0	0	0	**0**	0	0	0	0	**0**	0	0	
		63,042	**18,756**	**8,888**	**4,020**	**94,706**	**63,042**	**17,872**	**9,659**	**4,127**	**94,700**	**-884**	**-6**	

Annex K Revenue - Finance - Andrew Felton

Strategic Director - Rob Powell

Portfolio Holders - Councillor Butlin (Finance & Property), Councillor Kaur (Customers and Transformation)

20/21 Revenue Budget

Service	Gross Expenditure			Gross Income			Net			Reason for Net Variation and Management Action
	Agreed Budget	Forecast	Variation Over/ (Under)	Agreed Budget	Forecast	Variation Over/ (Under)	Agreed Budget	Forecast	Variation Over/ (Under)	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Assistant Director - Finance	239	237	**(2)**	(5)	(5)	**0**	234	232	**(2)**	
Finance Delivery	2,791	5,121	**2,330**	(978)	(2,983)	**(2,005)**	1,813	2,138	**325**	A Covid related pressure has been identified which relates to the Council's School's Absence Insurance Scheme offered to schools and academies. There has been a significant increase in payments made to schools that are Covid-related. If this forecast gross Covid pressure of £630k is offset by the Covid grants received by the LA, then Finance Delivery's forecast reflects an underspend, driven primarily from vacancies which we have been unable to fill until the latter part of the financial year; and ad hoc underspends relating to the impact of Cov-19 on eg travel, conferences, etc.
Treasury Management, Pension Fund, Internal Audit, Risk and Assurance	1,216	1,280	**64**	(426)	(556)	**(130)**	790	724	**(66)**	
Commercialism	887	884	**(3)**	(15)	(15)	**0**	872	869	**(3)**	
Strategic Finance	721	736	**15**	(32)	(32)	**0**	689	704	**15**	
Finance Transformation	3,187	3,379	**192**	(1,239)	(1,401)	**(162)**	1,948	1,978	**30**	Overspend due to vacancy factor not being achieved in some areas due to low staff turnover, plus system upgrade costs. Process efficiencies being identified, particularly in transactional areas, plus longer term Agresso Development Programme to increase automation and save costs through reducing manual intervention. This is off-set by Non-Covid underspends elsewhere in Finance.
Net Service Spending	**9,041**	**11,637**	**2,596**	**(2,695)**	**(4,992)**	**(2,297)**	**6,346**	**6,645**	**299**	

Impact on specific service reserves (from Reserves tab)	**(144)**
Impact on risk/general reserves	

Annex K Reserves - Finance - Andrew Felton
Strategic Director - Rob Powell
Portfolio Holders - Councillor Butlin (Finance & Property), Councillor Kaur (Customers and Transformation)

Reserve	Approved Opening Balance 01/04/2020 £'000	Movement in Year £'000	Effect of Outturn £'000	Forecast Closing Balance 31/03/2021 £'000	Transfer request (To)/From Reserves £'000	Reason for Request
LA Counter Fraud Fund Grant	16			16		
Schools Absence Insurance Equalisation Account	924		144	1,068		
Total	**940**	**0**	**144**	**1,084**	**0**	

Annex L Revenue - Governance & Policy - Sarah Duxbury
Strategic Director - Rob Powell
Portfolio Holders - Councillor Kaur (Customers & Transformation)

20/21 Revenue Budget

Service	Gross Expenditure Agreed Budget £'000	Gross Expenditure Forecast £'000	Gross Expenditure Variation Over/ (Under) £'000	Gross Income Agreed Budget £'000	Gross Income Forecast £'000	Gross Income Variation Over/ (Under) £'000	Net Agreed Budget £'000	Net Forecast £'000	Net Variation Over/ (Under) £'000	Reason for Net Variation and Management Action
Assistant Director - Governance & Policy	179	114	**(65)**	0	0	**0**	179	114	**(65)**	Main variance due to change of forecast on budget balance line of £69,782. Other minor variances in salary costs due to recent pay settlement, offset by savings across Staff Travel expenses.
Communications	1,155	1,409	**254**	(712)	(712)	**0**	443	697	**254**	£240k of the variance can be directly attributed to WCCs response to Covid 19, and the need for comprehensive sharing of information across Warwickshire. There are also other minor variances relating to pay and additional resource.
HROD	830	1,008	**178**	(24)	(25)	**(1)**	806	983	**177**	The overspend relates to core salary costs. The recent move of the Transformation HROD Management budget into G&P has resulted in an additional overspend, also related to staffing resources.
Property Management	1,550	1,901	**351**	(1,051)	(1,057)	**(6)**	499	844	**345**	Significant in year savings on salary and staff related costs as a result both of the delay in the implementation to the FOM, and different working patterns due to COVID. Forecast RCCO £430k towards Hawkes Point/ Montague Road to cover financing for capital scheme, based on worst case scenario.
Legal & Democratic	7,191	7,378	**187**	(6,771)	(6,625)	**146**	420	753	**333**	The overspend within Legal and Democratic arises largely from a reduction in budgeted surplus within Legal Services - this reduction in surplus stems in large part from the need to use Agency staff to cover a high number of maternity absences and an under recovery of external income which has been impacted by Covid. The expected ratio of external to internal work is significantly different in 2020/21, and the increased internal work does not generate any surplus. A review at P8 on the predicted overall surplus and staff costs, has resulted in a reduced overspend position. This will continue to be reviewed on a monthly basis.
Corporate Policy	423	376	**(47)**	0	0	**0**	423	376	**(47)**	There is an in year underspend on salary costs due to a vacant post and a delayed start for some members of the team. This is partially offset by an on Consultancy costs in support of the Council's work on recovery.
Net Service Spending	**11,328**	**12,186**	**858**	**(8,558)**	**(8,419)**	**139**	**2,770**	**3,767**	**997**	

Impact on specific service reserves (from Reserves tab)	**42**
Impact on risk/general reserves	**955**

Annex L Savings - Governance & Policy - Sarah Duxbury
Strategic Director - Rob Powell
Portfolio Holders - Councillor Kaur (Customers & Transformation)

Saving Proposal	Target £'000	Actual to Date £'000	Forecast Outturn £'000	Shortfall/ (Overachievement) £'000	Reason for financial variation and any associated management action
Legal Services additional surplus - Additional surplus from external trading with other local authorities and public sector bodies	30	0	0	(30)	Unlikely at this stage due to current pressures on income
Electronic record keeping - Reduced storage requirements as a result of the move to electronic record keeping.	10	0	0	(10)	Project delayed due to Covid - will be recommencing shortly - may delay full recovery in year 1
Total	**40**	**0**	**0**	**(40)**	

Annex L Reserves - Governance & Policy - Sarah Duxbury
Strategic Director - Rob Powell
Portfolio Holders - Councillor Kaur (Customers & Transformation)

Reserve	Approved Opening Balance 01/04/2020 £'000	Movement in Year £'000	Effect of Outturn £'000	Forecast Closing Balance 31/03/2021 £'000	Transfer request (To)/From Reserves £'000	Reason for Request
One Public Estate	387		(42)	345		
Going for Growth Apprenticeship Scheme	297			297		
Total	**684**	**0**	**-42**	**642**	**0**	

Governance & Policy - Sarah Duxbury
Strategic Director - Rob Powell
Portfolio Holders - Councillor Kaur (Customers & Transformation)

2020/21 to 2022/23 Capital Programme

Project	Description	Approved Budget					Forecast					Variation		Commentary
		Earlier Years £'000	2020/21 £'000	2021/22 £'000	2022/23 onwards £'000	Total £'000	Earlier Years £'000	2020/21 £'000	2021/22 £'000	2022/23 onwards £'000	Total £'000	Variance in Year £'000	Total Variance £'000	
10972000	Planning Consent For Europa Way	756	0	0	0	**756**	756	0	0	0	**756**	0	0	
11291000	Rural Services Capital Maintenance 2016/17	623	0	0	0	**623**	623	-9	0	0	**614**	-9	-9	Creditor on 11291031 will not be realised. Final account was less than expected and has been paid out of revenue.
11292000	Rural Services Capital Maintenance 2017/18	391	236	0	0	**627**	391	172	65	0	**627**	-65	-0	The maintenance programme for 2020/21 has gradually developed during the year to sit realistically with the constraints of COVID19, so some will now slip into 2021/22
11335000	Rationalisation of County Storage	8,577	998	0	0	**9,575**	8,577	994	0	0	**9,571**	-4	-4	The project is now complete and there is no more spend anticipated.
11440000	Strategic Site Planning applications	1,834	2,075	17	0	**3,927**	1,834	748	1,344	0	**3,927**	-1,328	0	There is an expectation that a significant amount of spend will slip into 2021/22 but it is not yet known by how much.
11446000	Rural Services Capital Maintenance 2018/19	196	0	0	0	**196**	196	-120	0	0	**76**	-120	-120	Project 11446016 Whitegates Farm - incorrect creditor provision and an adjustment to fees previously charged has resulted in a £120,282 variance.
11503000	Planning Consent re the disposal of Dunchurch depot	73	6	0	0	**80**	73	1	0	0	**74**	-6	-6	The project is now complete and there is no more spend anticipated.
11542000	Rural Services Capital Maintenance 2019/20	99	-14	0	0	**85**	99	118	80	0	**297**	132	212	Plan of work for 2020/21 and 2021/22 has resulted in the setting up of various projects in the last 2 months to use up the remaining Capital Maintenance Funding from 2016 onwards.
11689000	Maintaining the smallholdings land bank	0	844	0	0	**844**	0	0	761	0	**761**	-844	-82	The forecast has been based on the current list of Smallholdings Maintenance Projects. It is possible that some additional costs may be incurred in 2020/21, but it is considered prudent at Quarter 3 to re-profile, in the absence of any further information.
11790000	Rural Services Capital Maintenance 2020/21	0	356	0	0	**356**	0	356	0	0	**356**	0	0	
Grand Total		**12,550**	**4,502**	**17**	**0**	**17,068**	**12,550**	**2,259**	**2,250**	**0**	**17,059**	**-2,243**	**-9**	

Annex M Revenue - Other Services - Virginia Rennie
Strategic Director - Rob Powell

20/21 Revenue Budget

Service	Gross Expenditure			Gross Income			Net			Reason for Net Variation and Management Action
	Agreed Budget	Forecast	Variation Over/ (Under)	Agreed Budget	Forecast	Variation Over/ (Under)	Agreed Budget	Forecast	Variation Over/ (Under)	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Government Grants & Business Rates	0	0	**0**	(156,419)	(157,528)	**(1,109)**	(156,419)	(157,528)	**(1,109)**	The £1,109k favourable variation is attributable to a number of different grants, the key variations listed below: - Business Rates Section 31 grant funding is £1,415k higher than budgeted, partially offset by £988k shortfall in the county share and top-up leaveing a net favourable variance of £427k relating to business rates - Extended rights to home to school transport funding £350k - The Fire Pension Grant is now received in full for the financial year and was £165k higher than budgeted - Fire Link Revenue Grant £97k - War Pension Disregards Grant £88k
Central grants to support schools and pupils (excluding central block DSG)			**0**			**0**	0	0	**0**	
Transformation and Investment Funds	3,372	3,372	**0**	0	0	**0**	3,372	3,372	**0**	
0-5 Strategy for Children - Children's transformation	0	0	**0**	(486)	(486)	**0**	(486)	(486)	**0**	
Capital Financing Costs	32,300	28,615	**(3,685)**	(6,551)	(3,643)	**2,908**	25,749	24,972	**(777)**	The £777k favourable variance is the result of £3,508k underspend on the Capital Contingency and £286k favourable variane on MRP partially offset by: - £1,613k interest income shortfall as a result of Covid-19 - £108k increae in management fees due to Covid-19 - £1,237k underachivment of property disposal capital financing savings
Strategic Management Team	1,238	1,154	**(84)**	0	(1)	**(1)**	1,238	1,153	**(85)**	Reduced cost due to reduction in travel, subscriptions and conference cost due to Covid19
County Coroner	593	783	**190**	(78)	(103)	**(25)**	515	680	**165**	One-off cost pressure on rent cost due to previous year rent charges. Increased pay cost and income forecast is based planned recruitment of a part time Area Coroner with 50% costs charged to Coventry City Council. Increase in mortuary fees as a result of enhanced risk due to Covid-19.
County Council Elections	250	600	**350**	0	0	**0**	250	600	**350**	Increased forecast based on 75% of election cost paid in 20/21 with the remaining 25% in the new financial year.
Environment Agency - Flood Defence Levy	250	250	**0**	0	0	**0**	250	250	**0**	
External Audit Fees	143	150	**7**	0	0	**0**	143	150	**7**	Forecast includes additional audit fees for FRC requirments and professional fees for valuers and actuaries.
Pensions deficit under-recovery	1,504	1,394	**(110)**	0	0	**0**	1,504	1,394	**(110)**	Reduced cost estimate based on Pension Fund Certificarte of Rates.
Members Allowances and Expenses	1,086	765	**(321)**	0	0	**0**	1,086	765	**(321)**	Reduced cost due to reduction in travel and conference cost due to Covid-19 and reduction in allowances due to vacant positions
Apprenticeship Levy	1,114	1,114	**0**	0	0	**0**	1,114	1,114	**0**	
Other Administrative Expenses and Income	336	3,600	**3,264**	(166)	73	**239**	170	3,673	**3,503**	The £3,503k adverse variation is attributable to the following factors: - £1,417k of mortuary cost relating to Covid-19 - £360k Educateres cost to continue to provide school meals duting Covid - £240k reducting in oxygen rebate - £2,137k Schools liability reserve - £647k Capital Fund and other admin charges underspend
Corporate Initiatives	1,303	0	**(1,303)**	(600)	(600)	**0**	703	(600)	**(1,303)**	Corporate contingency remaining after funding of the pay award net of optimism bias (£315k) and under-achievment of the contract management savings (£500k).
Insurances	3,297	3,229	**(68)**	(3,365)	(2,777)	**588**	(68)	452	**520**	Net £520k adverse variance on Insurance driven by removal of schools subsribing to RPA.
Net Service Spending (excluding DSG)	**46,786**	**45,026**	**(1,760)**	**(167,665)**	**(165,065)**	**2,600**	**(120,879)**	**(120,039)**	**840**	

Impact on specific service reserves (from Reserves tab)	**1,164**
Impact on risk/general reserves	**(324)**

Annex M Savings - Other Services - Virginia Rennie
Strategic Director - Rob Powell

Saving Proposal	Target £'000	Actual to Date £'000	Forecast Outturn £'000	Shortfall/ (Overachievement) £'000	Reason for financial variation and any associated management action
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. (Delivery will be the responsibility of the Assistant Director - Governance and Policy.)	2,523	0	1,237	(1,286)	Delays on the sale of two sites as a result of preferred bidders withdrawing offers at the start of the Covid-19 lockdown has impacted on the ability to reduce borrowing costs in line with targets.
Contract Management - Reduction in the cost of contracted services and third party spend through improved contract management at all stages of the procurement process. (Delivery will be the responsibility of the Assistant Director - Commissioning Support Unit.)	500	0	0	(500)	Delays in implementation due to impact of Covid-19 response. Further funding from the Organisational Change Fund to restart the process is in the process of being evaluated to ensure future years' savings remain on track and pick up the savings foregone in 2020-21.
Senior Management Restructure - Reduction in the total cost of senior management across the organisation as part of the move to the new operating model. (*Delivery will be the responsibility of the Assistant Director - Finance.)*	69	69	69	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. *(Delivery will be the responsibility of the Strategic Director for Resources.)*	(315)	0	0	315	
Total	**2,777**	**69**	**1,306**	**(1,471)**	

Annex M Reserves - Other Services - Virginia Rennie
Strategic Director - Rob Powell

Reserve	Approved Opening Balance 01/04/2020 £'000	Movement in Year £'000	Effect of Outturn £'000	Forecast Closing Balance 31/03/2021 £'000	Transfer request (To)/From Reserves £'000	Reason for Request
School Balances	14,162			14,162		
Loans To Schools	14			14		
Total Earmarked School Reserves	14,176	0	0	14,176	0	
NNDR Pool Surplus Reserve	5,532			5,532		
Total Earmarked External Reserves	5,532			5,532		
LATC Operational Reserve	248			248		
Local Resilience Forum - Brexit funding	263			263		
Corporate Apprenticeship Fund	737			737		
Redundancy Fund	8,400	(435)		7,964		
Schools in Financial Difficulty	1,822	(70)		1,752		
Total Internal Policy (Annual review)	11,468	(505)	0	10,963	0	
Financial Instruments Reserve	2,334			2,334		
Insurance Fund	9,125		(520)	8,605		
Capital Fund	1,658			1,658		
NNDR Appeals Reserve	7,951			7,951		
Pensions Deficit Reserve	466		110	576		
Quadrennial Elections	686		(350)	336		
Audit Fee Reserve	774		(7)	767		
IT Sinking Fund	2,773			2,773		
Interest Rate Volatility Reserve	5,436			5,436		
Total Volatility (Annual Review)	31,202	0	(767)	30,435	0	
Fire Transformation Fund	863	(190)		673		
Childrens Tranformation Fund	6,217	373	(1,506)	5,084		
Council Change Fund	12,337	(3,819)		8,518		
Unringfenced Government Grants	18,111	(349)	1,109	18,871		
Revenue Investment Funds	17,500	(534)		16,965		
Total Invest To Save Funds	55,027	(4,519)	-397	50,111	0	
Directorate Risk Reserve - Communities	5,647	(515)		5,132		
Directorate Risk Reserve - People	12,844	(280)		12,564		
Directorate Risk Reserve - Resources	4,036	(1,504)		2,532		
Contingency to cover DSG Overspend	12,314			12,314		
General Reserves	21,223			21,223		
Total Management of Financial Risk	56,065	(2,299)	0	53,766	0	
Medium Term Financial Contingency	11,834	24,900		36,734		
Total Contingency Reserves	11,834	24,900	0	36,734	0	
Total	**185,304**	**17,577**	**(1,164)**	**201,717**	**0**	

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Cabinet

28 January 2021

2021/22 Budget and 2021-26 Medium Term Financial Strategy – Updated Information

Members should note that at the time of publication not all the information on the local taxbases for 2021/22 has been received from the District/Borough Councils. If this information is received between the publication date and the date of the meeting on 28 January 2021 an updated report will be tabled.

Recommendations

That Cabinet:

1) Note the latest resource and spending information and the impact on the emerging budget proposals;

2) Note the Strategic Director for Resources' risk assessment on the level of general reserves, as detailed in Appendix A;

3) Support the creation of a Commercial Risk Reserve to mitigate the financial risks of the Authority's commercial activity, funded from the temporary saving on the Authority's borrowing costs as a result of the reprofiling of the capital programme;

4) Publish, in light of the information provided, their 2021/22 budget resolutions for recommendation to Council on 8 February 2021; and

5) Authorise the Strategic Director for Resources to incorporate the outstanding resource information into the budget resolutions to be considered by Council on 8 February 2021.

1. Introduction and Background

1.1. The Cabinet meeting on 10 December 2020 considered a report outlining all the information underpinning the development of the 2021/22 budget and 2021-26 Medium Term Financial Strategy (MTFS) alongside Corporate Board's recommendations as to what should/could be funded within a balanced budget was considered.

1.2. The proposals focussed on ensuring the Authority remains robust, ambitious and resilient in setting the MTFS, given the economic uncertainties that will continue to exist. As at December this meant that the budget for 2021/22 was balanced with a 2% council tax increase and using some of the one-off resources available but that sustainability over the period of the MTFS required a material programme of service reductions.

1.3. The budget for 2021/22 forms the first year of a new five-year rolling MTFS that will align the resources of the Authority to the objectives and ambitions set out in the Council Plan and the Covid-19 Recovery Plan. The use of a rolling MTFS ensures plans for the use of resources are responsive to changes in the context within which the Authority is operating, something that has been critical during 2020/21 as we respond to the pandemic, whilst ensuring the Authority remains robust and resilient over the medium term. This will allow the Authority to plan to deliver on its ambitions with confidence.

1.4. The key proposals from Corporate Board, as at 10 December 2020, were:

- A 2% increase in the basic level of council tax;
- A 2% provision for pay and price inflation plus a provision for contractual commitments above this level estimated to cost £10.618m in 2021/22 and £55.102m over the period of the MTFS;
- On-going allocations of £19.678m and time-limited allocations of £3.500m to meet growing demand pressures and pump prime investment to support the delivery of the Council's objectives, with indicative further allocations in future years bringing the investment over the period of the MTFS to £71.945m and £6.527m respectively;
- Setting aside £1.364m in 2021/22, increasing to £29.949m by 2025/26 to provide financial cover for the gap between the Dedicated Schools Grant (DSG) funding for pupils with Special Educational Needs and Disabilities (SEND) and the estimated level of spend;
- Savings options for balancing the books of £54.101m that will help ensure the Council remains financially sustainable and resilient over the medium term;
- An updated reserves strategy that balanced retaining sufficient resources to manage financial risk whilst identifying £43.151m of reserves that

could be made available for investment and to support the MTFS, through controlling the amount of the Council's scarce resources held in reserves;
- Utilising the expected benefits from the creation of the proposed Warwickshire Property and Development Company (see report elsewhere on today's agenda) to support the MTFS as well as helping deliver the Council's policy objectives; and
- A refreshed capital strategy that aims to optimise the way in which we generate, manage and allocate the capital funds at our disposal to continue to make Warwickshire an attractive place to live, work, visit and do business both in terms of the immediate recovery from the pandemic and over the medium to long-term.

1.5. These proposals were based on the best information available at the time. In a number of areas final information was either unknown or has changed over the intervening period. These areas are:
- The Local Government Finance Settlement and other Government funding announcements;
- The impact in 2021/22 of the revised 2020/21 forecast outturn that has emerged as part of the quarterly budget monitoring and is reported elsewhere on today's agenda;
- The level of business rates expected to be generated locally in 2021/22;
- The council tax taxbase for 2021/22;
- The surplus/deficit on council tax collection from previous years;
- The sustainability of schools and the proposals for use of the Dedicated Schools Grant (DSG) in 2021/22; and
- The latest reserves forecasts and the impact of the Strategic Director for Resources' reserves risk assessment.

1.6. This report updates members on the latest information for each of these areas, and in doing so it also provides Cabinet with the opportunity to issue their 2021/22 revenue and capital budget resolutions. Where final information is not available in time for the publication of this report, an updated version will be tabled at Cabinet on 28 January 2021.

2. Impact of the Local Government Finance Settlement and other Government Funding Announcements

2.1. The provisional Local Government Finance Settlement was announced on 17 December 2020. There were three elements of these announcements that have an impact on the financial position reported to Members earlier in the month – the continuation of the adult social care precept, New Homes Bonus, social care grant funding and the additional funding announced to share the financial impact of irrecoverable losses in council tax and business rates income in 2020/21.

2.2. Adult Social Care Levy

In addition to confirming the 2% maximum increase in council tax income, the provisional Settlement included the option to extend the adult social care levy. We have the flexibility to levy an additional Adult Social Care precept, of up to 3%. This additional 3% can be spread across two years – 2021/22 and 2022/23. The further 3% adult social care levy would provide for an estimated additional £11.013m resource on an on-going basis.

The December MTFS proposals included £12.816m of additional allocations to adult social care (after deducting potential savings). Therefore, in taking the advantage of the opportunity to raise the additional levy Members would not need to make additional spending allocations to adult social care, although this would require phasing the levy over two years.

In light of the continuing uncertainty around future funding of adult social care, the continued high and increasing levels of demand and the positive impact on the projected medium-term resource base of the authority Corporate Board recommend taking the full 3% levy, phased over the two years.

The Government is assuming local authorities raise the 3% adult social care levy as well as the 2% increase in the main element of council tax as part of their overall funding package for local government services.

2.3. **New Homes Bonus**

The provisional Settlement included a decrease in the New Homes Bonus (NHB) allocation for 2021/22 of £0.373m compared to our previous estimates. The decrease was as a result of the way historic growth trends are consolidated into the allocation methodology. This change in the method of calculation is now forecast to lead to a further reduction of £0.963m for the remainder of the MTFS, reducing our medium-term allocation to £1.729m.

As part of the Local Government Settlement it was also announced that the Government plans to consult on the future of the scheme during 2021, and therefore there is a material risk as to the whether the £1.729m will continue to be received over the medium term. Until there is greater clarity about the future direction of travel it is recommended that we continue with the working assumption that, in some form, we will continue to receive this level of funding.

2.4. **Social Care Funding**

The provisional Settlement confirmed the roll-forward of the £1.1bn social care grants from 2020/21. The level of these grants is unchanged from the Spending Review 2020 and the 2021/22 budget proposals reported to Cabinet in December 2020.

In the Chancellor's Autumn Budget, a new one-off social care grant of £300m was announced. £240m of this grant is being used to equalise the potential variation in yield between authorities from the adult social care precept. Warwickshire's share of this grant is £0.558m. Corporate Board recommend that this additional grant is used to fund the additional investment in Children's Services already included in their MTFS proposals.

There has been no announcement for the timescales for the longer-term review of adult social care funding. In addition, on 15 January 2021 the Government announced a wide-ranging, independent review into children's social care to address poor outcomes for children in care as well as strengthening families to improve vulnerable children's lives, so further increasing the uncertainty about future funding levels.

2.5. Together these elements of the provisional 2021/22 Local Government Settlement, the Queen's Speech and other grant announcements **increase the resources available to support services by £9.677m on an on-going basis (the £11.013m from the adult social care levy less £1.336m reduction in the NHB).**

3. Local Taxation

3.1. Council Tax

In the December Cabinet report the recommendations were based an increase in the taxbase of 0% in 2021/22. The districts/boroughs have now confirmed their council tax base for 2021/22 and these are showing a year-on-year increase of 0.2%. This will **generate additional on-going resource of £0.646m plus potential for up to a further £0.019m increase in funding from the adult social care from the 3% council tax levy.** The breakdown of the 2021/22 taxbase across the districts/boroughs is shown in Table 1.

Table 1: A Comparison of the 2020/21 and 2021/22 Council Tax Taxbase				
	2020/21 Taxbase Band D Properties	2021/22 Taxbase Band D Properties	Variation Band D Properties	Variation %
North Warwickshire	21,034.94	21,071.07	36.13	+0.17%
Nuneaton and Bedworth	38,416.40	38,408.10	-8.3	-0.02%
Rugby	38,735.24	38,735.24	-	-
Stratford-on-Avon	56,604.11	56,936.42	332.31	+0.59%
Warwick	55,851.37	55,916.75	65.38	+0.12%
Total	210,642.06	211,067.58	425.52	+0.20%

3.2. Business Rates

The partial localisation of business rates is still volatile with annual changes to the schemes of discounts and allowances continuing to make it difficult to make any realistic assumption about the likely level of income. This has been exacerbated this year by the range of grants and reliefs provided temporarily to businesses in 2020/21 to support them through the pandemic. It is not yet clear which, if any, of these reliefs will continue in 2021/22, with the Chancellor is expected to set out plans for any business rate reliefs within the next couple of months.

In the December Cabinet report the recommendations were based on a net 3% reduction in the income from business rates in 2021/22 (The 3% reduction is a net figure that offsets the annual inflationary uplift and a forecast reduction in the taxbase as a result of the economic impact of the pandemic). We do know that for individual businesses the business rates multiplier (the provision for inflationary uplift) has been frozen for 2021/22 and that local authorities will be compensated for this loss of income through an additional grant. But the level of this grant is currently unknown as it will depend, in part, on the impact of the economic downturn on the taxbase and any new relief schemes put in place for some/all of 2021/22.

The statutory deadline for the districts/boroughs providing details of our share of expected business rates in 2021/22 is 31 January 2021. Given the level of uncertainty within which they are operating no figures have been received to date. It is therefore recommended that the current estimates, as included in the December 2020 Cabinet report, are used for budget setting. Any variation will then be managed through the use of or a contribution to the provision set aside in reserves for this purpose. The final position will be reported to Cabinet in March as part of the Service Estimates report.

3.3. Surplus/Deficit on Collection

As part of setting the council tax we also have to take into account any surplus/deficit on collection of council tax from previous years. As a result of the impact of the pandemic on council tax collection the Government has legislated for local authorities to phase the recoupment of the 2020/21 loss over three years. Our share of any surplus/deficit from previous year (i.e. 2019/20 and earlier) must still be made good in 2021/22. The breakdown of the surplus/deficit across the districts is shown in Table 2 and shows a deficit to be funded in 2021/22 of **£1.481m**. It also shows a deficit to be funded in each of the next two years of **£1.459m** before any surplus/deficit from subsequent years is taken into account.

Table 2: (Surplus)/Deficit on Council Tax Collection

	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
North Warwickshire	0.051	-	-	0.051
Nuneaton and Bedworth	0.355	0.198	0.198	0.751
Rugby	0.225	0.140	0.140	0.505
Stratford-on-Avon	0.566	0.727	0.727	2.020
Warwick	0.284	0.394	0.394	1.072
Total	**1.481**	**1.459**	**1.459**	**4.399**

As part of the provisional 2021/22 Settlement the Government committed to fund 75% of irrecoverable 2020/21 deficits. The level of funding we will receive is yet to be confirmed but could be up to £1.094m in each of the next three years.

The economic consequences of the pandemic on employment levels and hence households' ability to pay their council tax in full has been partially offset in 2020/21 by the positive impact on income levels of the furlough scheme. As this scheme is withdrawn it is expected the ability of households to pay their 2021/22 council tax (and any residual debt from previous years) will reduce. The Government has partially compensated local authorities from the impact of this, via a £670m hardship fund for 2021/22 that will be allocated to billing authorities, but the deficit on collection requiring funding shown in Table 2 is expected to increase and there is no indication that the Government plans to share the cost of any council tax deficit burden from future years.

It is therefore the strong recommendation of Corporate Board that, after funding the deficit due in 2021/22, the remaining £6.601m provision for council tax deficits built into the MTFS proposals reported to Cabinet in December is retained until the implication of the pandemic on council tax collection over the medium term is clearer.

4. Reserves

4.1. When looking at short-term funding to support the 2021/22 budget we need to consider the known calls on reserves. The Quarter 3 forecast outturn position, reported elsewhere on today's agenda, is an underspend of £9.3m.

4.2. £5.4m of this underspend relates to earmarked funding that cannot be used to support the budget more widely. Most of the balance (£2.8m) had already been taken into account when determining the £43.150m reserves that could be released to support the 2021/22 budget in the report to Cabinet in December 2020.

4.3. The Quarter 3 forecast position was prepared in December 2020, before the second lockdown was announced. As a result, the forecasts of spend to the end of the financial year are unlikely to remain unchanged and are expected to be highly volatile and uncertain. We do not yet know the cost of the latest response phase and whether any costs can be fully funded from the Covid-19 emergency response grants from the Government. This means that, at this stage, it is recommended that no additional reserves, beyond the £43.150m, are used to fund the 2021/22 budget and the MTFS.

4.4. Over recent months there have been a number of high profile public interest reports, from external auditors, where local authorities commercial activities have not delivered against their business plans and this has resulted in the authorities concerned having to make in-year emergency spending reductions to remain financially sustainable. 2021/22 will see a step change in the breadth of the Authority's commercial activity to accelerate delivery of its priorities and service objectives. We have learnt from these reports and the governance arrangements being put in place both in terms of decision-making and on-going oversight will mitigate against the financial risks and discussed their implications with the Fire and Rescue Overview and Scrutiny Committee. However, these risks cannot be wholly removed. The budget monitoring report elsewhere on today's agenda has reported the reprofiling of the capital programme into future years. This will result in a temporary underspend 2021/22, of £7.5m, in the budgeted revenue cost of borrowing that would have financed that spend. Corporate Board recommend that this funding is set aside in a Commercial Risk Reserve to further mitigate the financial risks of the Authority's commercial activity. Any use of this reserve will be approved by Cabinet as part of the regular financial monitoring reports.

4.5. Legislation requires that the Chief Finance Officer makes an annual statement on the adequacy of general reserves and provisions. The risk assessment relates to the short-term financial risks that could impact on the authority in 2021/22 to deliver core services and drive forward the ambitions set out in the

Council Plan. The Strategic Director for Resources has now completed the risk assessment for 2021/22. This assessment takes into account the reduction in directorate risk reserves from 5% of their budget to 3%. The risk assessment confirms that the minimum level of general reserves it is prudent to retain is £21.4m. A copy of the risk assessment is attached at the **Appendix**.

4.6. The minimum level of general reserves of £21.4m represents an £0.2m increase compared to the position at this time last year. The change reflects the continued generally high level of uncertainty around future funding. Although the overall provision remains broadly the same there have been some changes to the specific reasons for the provision:

- An increased provision to meet the additional costs of emergencies of £0.6m to provide cover for immediate costs prior to Government funding being received and then to make good any damage over the medium term, so reducing any impact on the ambitions set out in the capital strategy;
- A £3.9m reduction in the provision for additional in-year budget allocations being made and/or services not being required to make-good any overspends, particularly in relation to Education and DSG-funded services where any plans to bring spending back into line with the resources available will only be deliverable over the medium term;
- A new £2.0m provision for the medium-term cost of covid above the level of Government funding received; and
- A £1.5m increased provision for increased in-year costs as a result of changes in taxation, the impact of EU exit and trade negotiations and the increasing need to reach inter-organisation agreements about the use of funding e.g. health and the LEP.

5. Changes to Proposed Allocations

5.1. There is one proposal from Corporate Board for an increased allocation above the level reported to Cabinet in December. This is a £2.543m increase in the cost of placements for children and reflects the financial impact of the increased demand in 2020/21 being reported as part of the Quarter 3 budget monitoring report elsewhere on today's agenda.

5.2. The spending proposals reported to Cabinet in December included £2.421m of proposals that were directly Covid-related. The allocation of a further un-ringfenced Covid-19 grant of £10.843m has provided an alternative source of funding for this spending need and Members no longer need to fund these proposals from within their budget proposals.

5.3. Table 3 lists the £2.421m of spending proposals that can be funded from the Covid grant in 2021/22.

Table 3: Spending pressures proposed for funding from the 2021/22 Covid grant		
Service	**Description**	**Cost £m**
Education Services	Traded services gross profit target reduction	0.110
Children and Families	Residual impact of Covid on demand for children's services	0.631
Business and Customer Support	Partnerships and customer excellence	0.580
	Business support redesign	0.600
Enabling Services	Estates and office cleaning	0.250
	Old Shire Hall	0.200
Governance and Policy	Communications post - Covid	0.050
	Total	**2.421**

5.4. The net impact of these changes to spending and resources is that to ensure the MTFS remains sustainable will require a minimum of 0.6% of the additional adult social care levy to be taken or £1.9m of additional savings to be identified, pending the final resource information being received.

6. Dedicated Schools Grant

6.1. At the same time as the Local Government Finance Settlement was announced the Department for Education also announced a Dedicated Schools Grant of £495.6m in 2021/22 to provide funding for services to schools and pupils. A full report seeking approval for the allocation of the Dedicated Schools Grant will come to Cabinet for approval in February 2021.

6.2. The Council's policy is to expect the cost of funding schools and relevant pupil-related services to be contained within the level of the Dedicated Schools Grants. However, meeting this policy aspiration 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. Any decisions to manage the deficit position on high needs will also need to be included as part of the budget resolution to be agreed by Council in February 2021.

7. Capital Strategy and Programme

7.1. There are no proposals from Corporate Board to amend the draft capital strategy and technical appendix brought forward as part of the December Cabinet report, subject to updating the numbers for the latest monitoring information. These documents alongside the capital programme itself will need to be included, subject to any changes proposed by Members, as part of the capital resolution to Council in February.

8. Outstanding Issues for 2021/22

8.1. Section 3 of the report highlighted a number of areas where information is still outstanding on the final level of resources that will be available to the authority in 2021/22. Where this information is available before 28 January it will be included in a revised report and/or the 2021/22 budget resolutions. Where any information is not known when the papers for Council in February are published, any variation to the estimated figures will be managed through reserves for 2021/22 and picked up as part of the preparation for the 2022/23 budget. Any areas of concern will be specifically reported to Members as part of the Service Estimates report to Cabinet in March 2021.

9. 2021/22 Budget Resolutions

9.1. In putting forward their proposals, Members are reminded that local authorities are required by law to set a balanced budget. An intention to set a deficit budget is not permitted. However, what is meant by ‘balanced’ is not defined in law. A prudent definition of a sustainable balanced budget is a financial plan based on sound assumptions which shows how income will equal expenditure over the short- and medium-term, acting in a way that considers both current and future local taxpayers.

9.2. If the budget is unbalanced then the Chief Finance Officer, supported by Corporate Board, would have to consider issuing a Section 114 notice. Such a notice is only given in the gravest of circumstances, as during that time the ability to incur new spending that isn't an existing contractual or salary commitment is suspended, the External Auditors would investigate and publicly report on the circumstances and the Ministry for Housing, Communities and Local Government (MHCLG) may take over the running of the Authority.

9.3. Because Members decide on the council tax before the year begins and cannot increase it during the year, there is a need to consider risks and uncertainties that might force them to spend more on their services than they planned. Allowance is made for these risks by making prudent allowance in the estimates for services and ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.

9.4. To avoid setting an unbalanced budget the Local Authority has to be financially resilient. Setting a clear MTFS helps clarify expected income and expenditure. Awareness of the funding available in the forthcoming years means the Council stands a better chance of balancing the budget. Reserves are a useful option for balancing the budget in the short-term. However, reserves should not be used to pay for day-to-day expenditure, and it is important that they are replaced when the short-term need has passed. Therefore, the MTFS needs to be fully balanced on an ongoing basis, with no ongoing spending funded from one off resources meaning the next MTFS does not start from a deficit position.

9.5. It is important that the Authority complies with its obligations under the Equalities Act 2010 - the public sector equality duty (PSED) - to promote equality and to reduce discrimination in relation to any of the nine 'protected characteristics' (age; disability; gender reassignment; pregnancy and maternity; marriage and civil partnership; race; religion or belief; sex; and sexual orientation). The Council must have 'due regard' to the PSED when taking any decisions on service changes whilst recognising that local authorities have a legal duty to set a balanced budget. Similarly, if proposals are likely to have adverse impacts on customers, public consultation should be undertaken before any final decisions are made and consideration given to the outcomes of those consultations. This may mean that some proposals are not implemented, and alternative solutions may need to be sought. Legal challenges to local authority budget setting processes have tended to turn on whether the authority has complied with these duties.

9.6. Using the information contained in this report, Cabinet are asked to approve their 2021/22 Budget resolutions for recommendation to Council on 8 February 2021. Cabinet are also asked to authorise the Strategic Director for Resources to update the budget resolutions to Council to reflect the final resource information.

10. Financial Implications

10.1. There are no direct financial implications for the Authority arising from this report. The report is part of a series of reports that will culminate in Council agreeing the 2021/22 budget and council tax at their meeting on 8 February 2021.

11. Environmental Implications

11.1. 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.

12. Background Papers

12.1. None

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Elected Members have not been consulted in the preparation of this report.

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Appendix

Risks Influencing the Level of General Reserves

Risk Area	Level of Risk	Provision for 2021-22
The potential for **"Bellwin" type emergencies**. Assuming such costs would attract grants under the Bellwin scheme. This would provide cover for all immediate costs and then 1% of net spend to make good any damage, including up to £50m capital.	Medium	£4.7m
The possibility of **overspending on the "Corporate Services" budget**.	Medium	£0.8m
The likelihood of **unanticipated budget pressures** arising within the year, for example the repayment to grant or pressure on the authority's VAT partial exemption status or increases in demand that cannot be accommodated within directorate reserves.	Medium	£1.5m
The possibility of significant **increases in inflation and/or taxation**, after the budget has been set.	High	£2.7m
The possibility of any further costs arising from **legal judgements which would fall on the County Council** within one year.	Low	£1.0m
Provision for further in-year cuts in government funding. The assumption is that any in-year cuts in government funding will be met, in full, by services. The provision reflects the risk that in all cases existing commitments mean this may not be possible.	Medium	£1.5m
The possibility of planned **changes to the national benefits system** impacting adversely on the demand for local authority services.	Low	£0.5m
Employment related risks. A possibility that there are further legal judgements related to employment terms and conditions.	Low	£0.5m
Traded Services with Schools and the Introduction of Academies. The risk that schools will no longer chose to use the Council's traded services and/or services to schools will not be scaled back quickly enough. Also, there is a risk of residual liabilities remaining with the Council when a maintained school converts to academy status.	High	£1.0m
Schools and Early Years Funding. The risk to the stability of the schools/education services funded from DSG across schools, early years, high needs and central services blocks where the authority needs to support schools through this process to maintain the sufficiency of provision.	High	£1.3m
The possibility of being **unable to agree inter-authority/organisation plans**.	Medium	£1.5m
Market and/or Social Enterprise Failure. The risk that services provided by the market and/or social enterprises may stop if the provider fails, requiring the local authority to secure alternative provision at short notice.	High	£1.0m
Medium term impact of Covid-19. There are unforeseen costs that arise in a post-response environment.	High	£2.0m
The possibility of **EU exit and trade negotiations** increasing the cost of service delivery.	High	£0.4m
General contingency. This could be supplemented in any one year by a sizeable proportion of earmarked reserves, providing these were replenished as part of the budget process.	Low	£1.0m
Total		**£21.4m**

Note:
The risk assessment excludes the technical impact of any changes in accounting treatment.

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Cabinet

28 January 2021

Council's COVID-19 Recovery Plan

Recommendations

That Cabinet:

1. Notes the progress on the delivery of the Council's Recovery Plan included as **Appendix B,**

2. Notes the proposals for re-prioritising, timescales and next steps in Section 3.

1.0 Background and context

1.1 The COVID-19 Pandemic is a global public health emergency that continues to have an unprecedented impact on our communities and economy. The Council's response to the pandemic remains the priority.

1.2 Following the subsiding of the first wave of the pandemic in the summer of 2020, a second wave more severe than the first grew to its peak in mid-November which triggered a second national lockdown that ended on the 2nd December 2020.

1.3 By Christmas there was a further significant surge in cases as a new more transmissible strain of COVID-19 was revealed in London and the south-east, spreading rapidly to other parts of the UK.

1.4 Restrictions according to tiering have been applied to local authority areas, with regular reviews to ensure that the tiered restrictions are effective to respond to trends in cases. By the start of 2021, Warwickshire became subject to more stringent Tier 4 restrictions, the highest tier.

1.5 On the 5th January, England entered its 3rd national lockdown, with schools moving to providing remote learning and only open to receive vulnerable children, and children of key workers.

1.6 Clearly there is a difficult period ahead, but there is good reason for optimism in the medium term. The UK's vaccination programme started on the 8th

December 2020, three vaccines have been approved, and there is a focus on the vaccination of priority groups of the population.

1.7 The ongoing response to the pandemic has impacted on the pace of the delivery of the Recovery Plan. As shown in the table below, when the Recovery Plan was approved in September, it was planned that a 6-month **consolidation stage** would follow to mobilise the Recovery Plan by March 2021.

Foundation stage (0 – 3 months)	Consolidate stage (3-9 months)	Accelerate stage (9 months plus)
• Standing up and reinstating Council services and work settings • Picking up immediate opportunities and activity to support communities and business. • Establishing recovery governance and approach • Engaging with regional approach to setting recovery priorities • Taking stock of change	• Detailed regional impact assessment • Establish recovery programme at regional, county level • Mobilise the Council's Recovery Plan	• Longer term recovery for the Council, communities and economy • Taking time to understand the scale of future challenges • Reproduce the Medium Term Financial Strategy and Council Plan for 2021/22

1.8 This report provides Cabinet with details of the progress against the Recovery Plan to date. The third national lockdown also provides an opportunity for further innovation and learning, which the organisation is seeking to pursue vigorously. Teams are being encouraged to experiment and capture learning points on a regular basis, with simple systems being established to capture learning more proactively and in real time than we were able to during the first national lockdown. This will inform the refresh of the Council Plan, Recovery Plan and Change Portfolio, and build on very significant acceleration of the Council's organisational development and culture during the Pandemic.

2.0 Recovery Plan Update

2.1 First and foremost, the Council continues with its immediate and on-going response to COVID-19 through the following:

- Backward contact tracing with associated governance and local outbreak response models
- Providing shielding support and advice offer for the clinically extremely vulnerable
- Delivering additional support for the vulnerable/at risk post shielding

- Mass targeted testing locations in each district of the county delivering lateral flow tests to the asymptomatic
- COVID-19 specific business support, area specific regeneration schemes/projects and key sectors
- Supporting schools to deliver mass testing and stay open
- Support for care homes and care home staff
- Provide a PPE supply line to all Council services and voluntary and community service organisations, and provide back-up supplies to health and public sector partners
- Working from home for the delivery of Council services, balanced with a need for only exceptional workplaces in operation, together with managing staff well-being and business need.

2.2 As a reminder, the Council's COVID-19 Recovery Plan is attached as **Appendix A**, and it continues to focus on the following 10 priorities that are linked to our Council Plan outcomes. Each of these priorities will be supported by a set of specific actions:

The 10 Recovery priorities

Council Plan 2025 Strategic Outcome – Warwickshire's communities and individuals are supported to be safe, healthy and independent

- **Contain the virus and promote physical and mental health and wellbeing:** Promote the health and wellbeing of our communities, contain the spread of COVID-19 locally and target action to protect our most vulnerable residents and communities.
- **Maintain resilient and sustainable services:** Manage increased demand for services, especially hospital and social care services, and strengthen the care market.
- **Help our children and young people catch up on their education:** By returning to learning, improving access to digital resources and tackling attainment gaps.
- **Harness the power of our communities to tackle inequality and social exclusion:** Champion equality and tackle the effects of poverty, vulnerability, isolation, loneliness and domestic violence; and support this by promoting increased and sustainable social action, volunteering and community capacity.

Council Plan 2025 Strategic Outcome – Warwickshire's economy is vibrant and supported by the right jobs, training, skills and infrastructure:

- **Support business and grow the economy:** Build confidence in local businesses. Re-purpose town centres and create the conditions for business innovation to drive economic growth.
- **Stimulate job creation and skills:** Work with our partners in the Local Enterprise Partnership and higher and further education, to invest in getting people back into employment, or starting their careers, supporting skills, training and re-learning.
- **Invest in regeneration and a sustainable future:** Invest in the regeneration of local areas, support housing growth, a fit for the future digital infrastructure and sustainable transport.

Support delivery of our outcomes by making the best use of resources and tackling climate change:

- **Climate change:** Make sustainability and tackling climate change central to our recovery so that we lay the foundations for a sustainable long-term future.
- **Develop our people and future ways of working:** Invest in a sustainable and resilient workforce through recovery, learning from COVID-19 to embed flexible working, promote well-being and develop new ways of working.
- **Deliver high performance by harnessing digital, data and making the most effective use of our resources:** Use data and technological solutions to drive investments and high performance; and develop a new framework to measure performance, investments and financial management.

2.3 Our Recovery Plan continues to be under-pinned by a set of principles. These principles will guide how we deliver each of our 10 Recovery priorities:

Recovery principles

- **Target recovery activity and support to where most needed** through evidence-based decisions and focusing on priority outcomes and agreed priorities.
- **Stabilise and accelerate the recovery** for Warwickshire's people, places and businesses, including the recovery of Council Tax and Business Rates.
- **Tackle inequalities** – helping our most vulnerable and disadvantaged citizens and communities overcome the negative impacts of COVID-19.
- **Join up and work in Partnership –** maximise connections with partners (public services, private sector, communities, voluntary sector and citizens) to speed up recovery.
- **Focus on long-term environmental challenges** – use recovery efforts to accelerate Warwickshire's climate change ambitions.
- **Apply our learning from COVID-19 –** utilise learning and good practice to improve the Council as an organisation, deepen collaboration and partnership working, and strengthen place and systems-based working across Warwickshire.

2.4 The current position with regards to the delivery of the COVID-19 Recovery Plan is attached as **Appendix B**.

2.5 There are over 120 activities set out in the Recovery Plan across the 10 priorities. The activity is a mix of business as usual and specific projects and programmes, some of which were planned as part of the Council Plan, some are additional pandemic recovery projects.

2.6 In summary, there is significant positive progress across all priorities. Nearly all activity has started with varying degrees of progress, including 51 activities in the development stage yet to go live. There are only a small number 17 that are at risk or are compromised, which is a fair reflection and in line with what might be expected given ambition of the Recovery Plan and the environment in which the Council is working.

3.0 Re-prioritisation, Timescales and Next steps

3.1 During the first wave of the pandemic our recovery planning followed a sustained period of response. For this current wave we have made some progress on recovery where capacity exists, but it must be recognised that the severity and intensity of the current wave of cases, the impact of lockdown on the Council's capacity and additional demands, together with an increased level of testing and support to our most vulnerable means that we must remain focussed on our COVID-19 response together with urgent business as usual activity as our priority.

3.2 However, the Recovery Plan remains in place and its delivery will continue into the coming year 21/22 and further progress reports will follow in due course. Thereafter, ongoing recovery work will be consolidated into the update of the Council Plan for the start of 22/23.

3.3 This naturally creates issues of prioritisation, but also highlights a necessity to adapt and change to focus resources and attention on the immediate response and highest impact recovery activities. As a result, it is proposed that the following approach be taken to re-prioritising certain activity, and this be reviewed when there is clarity around ending the current lockdown, and the course of the pandemic and recovery thereafter.

- Work on the new performance framework be paused, including the engagement with the cross-party working group. It is proposed that the work is restarted post elections, and it becomes part of the next business cycle for 22/23.

- The current performance framework for 20/21 - for Q3 a minimal approach, meaning data collection only without collating the detailed performance commentary. This will ensure data is kept up to date to complete year end supporting the closure of accounts and completion of the Annual Governance Statement. Subject to the course of the pandemic, year-end performance reporting is currently envisaged to go ahead as normal.

- There be a roll forward of the current performance measurement for 21/22, with any adjustment to measures by exception. Quarterly reporting using Power BI continues for 21/22.

- Full business plans for 21/22 will not go ahead. Instead a plan on a page will be produced for each service to capture the priorities and deliverables for 21/22 covering pandemic response and recovery, and change projects and programmes to deliver the Council Plan. The performance measurement for 21/22 based on the delivery of the Recovery Plan, the current Council Plan and any Commissioning Plans, together with the parameters set by the MTFS will suffice. Business Plans cycle restarted in the summer in preparation for 22/23.

- The Recovery Plan stays in place, alongside the existing Council Plan - there will be no refresh of either.

- A full refresh of the Council Plan will go ahead as planned as part of the business cycle for 22/23 which allows for input / direction from Members post elections. This would also include building in time for any public engagement.

- Implementation of the new Risk Management Framework will be picked up as part of the new Business cycle for 22/23.

- Progressing the delivery of Agile working – building on the accelerated progress the Council has made from the experience of remote working, this will be progressed with those staff who have already indicated a wish to move to the new arrangement and any new staff coming forward. Work on wider adoption will continue later, according to any adjustments needed for wider rollout.

- Other cyclical tasks concerning formal individual performance management approaches e.g. Appraisals and objective setting be paused. Regular close contact with all staff through one to one's and team meetings is essential and continues, as does prioritised online training.

- Scrutiny review - continue as planned with the report going to Leaders and Deputies and then Overview and Scrutiny Committees in February. Secure feedback and input so that final arrangements can be approved and launched post elections.

- Elections - continue with preparations until such time as Government makes an announcement that the elections will not take place as planned.

- Property rationalisation - continue with proposals for report to Cabinet in February. Further report on wider portfolio will follow, depending on capacity for Directorates to engage in consultation.

- Our People Strategy - continue with priority delivery themes as Covid response/ workload allows. Work on Equality, Diversity and Inclusion will continue within existing resources.

- Constitutional review – continue with what is required to ensure Contract Standing Orders are EU exit compliant but pause other activity. This will provide opportunity for any wider changes to be considered and taken forward post elections.

3.4 The Council has continued to progress crucial elements of work during this time which whilst not part of the Recovery programme will enhance the way we approach recovery from COVID-19, including:

- Developing core strategies including – Health & Wellbeing, Data and the Local Transport Plan
- Monitoring and responding to EU Transition (Cabinet Report – December 2020)
- Reviewing Equality, Diversity and Inclusion and Black, Asian and Minority Ethnic (BAME) for recovery and key policy areas – health, education, economy.
- Establishing a refreshed strategic risk management framework
- Creating the Residents Panel capability – currently out for tender

3.5 Looking ahead, uncertainty levels will continue to be high and our need to be both agile and flexible in the way we plan and work will be key. This will be challenging and our expectations must be realistic according to our capacity to deliver in this most intense period of responding to the pandemic, but also a real opportunity to be innovative and creative, taking on board much of the learning and experience from the way in which we have responded to the COVID-19 pandemic to date.

3.6 In doing so it will be critical that we align and join up activity and approaches wherever possible. Specifically, for recovery this will mean:

Alignment of our Recovery wider policy issues:

- Devolution following publication of the anticipated White Paper
- Integrated Care Systems – consultation currently live
- The Comprehensive Spending Review
- Re-instatement of Inspection activity (paused in the first wave of the pandemic)

Alignment of our Recovery to partners and stakeholders

- The emerging Anchor Institutions agenda for Coventry & Warwickshire
- West Midlands Combined Authority (WMCA) Recovery community and economy prospectus'
- Coventry & Warwickshire Local Enterprise Partnership
- Continued close working with our District and Borough Council partners
- Ongoing development and enhancement of our partnerships with the voluntary and community sector partners to progress implementation of our Voluntary and Community Sector strategy

3.7 It is intended that March and April 2021 are used to take further stock of our position and performance in the context of COVID-19 response and recovery. We are exploring the engagement of the LGA Peer review to support this work

3.8 This will position significant activity post-Election and early in the 2022/23 planning cycle to embark on a full refresh of the Council Plan and Medium-Term Financial Strategy as well as all associated core strategies for publication in February 2022.

3.9 Looking ahead, this approach connects recovery to our overall direction and approach, making it part of what we do and fundamental to our commitment of *making Warwickshire the best it can be.*

4.0 Financial Implications

4.1 The cost of the response to Covid-19 to Warwickshire County Council is currently estimated to be in excess of £56m, with the figure likely to grow as national restrictions to businesses and communities continue.

4.2 This response cost has so far been covered in full by government funding, and it is anticipated that direct response costs will continue to be covered in the same way, but there are recognised unfunded financial impacts in the longer term if there is not a rapid and sustainable economic recovery.

4.3 These impacts stem from two areas: Reduced income from Council Tax and Business Rates and increased demand for community and social services from residents impacted by an economic downturn and the social damage caused by the pandemic.

4.4 The Medium-Term Financial Strategy Refresh 2021-2026 is based on a 0% tax base growth in 2021/22, 1% in 2022/23 and 2% thereafter. Prior to 2020 the assumption was 2% per annum growth, and each % is equivalent to approximately £3m per annum, meaning that the impact of slower tax base growth is the most significant part of the MTFS.

4.5 Similarly, Business Rates tax base is assumed to reduce by 5% in 2021/22 and then remain at this level for the remainder of the medium term, with a £3.5m per annum impact on funding. Both funding streams are directly influenced by the economic situation in the county and will have a material impact on savings required if recovery is faster or slower than estimated.

4.6 The combination of the £20.4m revenue investment funds and unallocated capital investment funding agreed in the Medium Term Financial Strategy 2020-2025 adopted in February 2020 are the primary sources of funding for recovery initiatives, with a small number of projects being funded from Government COVID-19 Grant funding. The projects allocated funding so far are listed in the table as **Appendix C**.

4.7 Where one-off funding is requested from revenue investment funds or capital investment funding, business cases will continue to be submitted and feed into the Gateway process for the relevant investment fund. Where funding requests are over £100k for revenue bids or for all capital bids, these will come back to Cabinet for formal approval.

5.0 Environmental Implications

5.1 The importance of environmental considerations within the Council's recovery approach are reflected in both the proposed recovery priorities and principles.

Background papers

None

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

Local Member(s): None

Other members: Cllr Kaur, Cllr Warwick, Cllr Singh-Birdi, Cllr O'Rourke, Cllr Boad, Cllr Falp

Appendix A – the Recovery Plan

Appendix B – the Recovery Plan update position

Appendix C – Recovery Projects with approved investment funding

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Warwickshire County Council

COVID – 19 Recovery Plan

Section 1 Foreword

The COVID-19 Pandemic has had profound impacts, globally and locally, for public health, the economy, society and environment, highlighting and compounding existing challenges.

The loss of loved ones has seen thousands of individual tragedies, and we want to remember and acknowledge all those who have lost their lives before their time.

Numerous people have suffered as a result of the wider impacts of COVID-19, particularly those already most disadvantaged. Many have lost their jobs or face future financial hardship; key sectors of our economy have been severely impacted; and young people's education and opportunities have been disrupted.

For all of us, 2020 has seen a way of life we could not have expected; the impact of physical isolation, lack of routine and significant uncertainty, and the toll this has taken on wellbeing; families juggling caring responsibilities, educating their children and working from home; people shielding because of clinical vulnerability; and unprecedented Government support for the economy and increased financial hardship.

We recognise the very great effort, sacrifice and resilience of individuals and communities adjusting to the restrictions. We have seen the very best in human spirit, a legacy which we must celebrate and preserve. We thank our communities, staff, key partners, business and the voluntary and community sectors for their amazing response and overwhelming support to contain the virus, especially the thousands of Warwickshire volunteers.

So while COVID-19 requires continued vigilance in our ongoing response, the County Council and its partners have been working on our recovery plans. We must look to our new future after COVID-19, taking the positives we have learned from COVID-19 and addressing the new risks and threats we face. Our recovery plan will amplify what worked well; and likewise, where we found things not working as well, what we need to do to fix them.

The differential impacts of COVID-19 and the senseless and appalling death of George Floyd in America have brought inequalities into sharp relief. Our recovery plans acknowledge and address those inequalities, recognising we will need to go further and faster to improve opportunities for those most disadvantaged.

We must also focus on a more sustainable future to address the serious long-term challenge of climate change. We declared a climate emergency in July 2019, and so we must make our recovery from COVID-19 a green recovery. We want to increase our efforts to reduce the use of single-use plastics, on the rise again due to the demand for PPE. We do want to keep up the benefits of lower pollution and noise as a result of reduced travel and home working. We had already set a target to become carbon neutral by 2030, and for communities to play their part we want to put control in people's hands to reduce their carbon. We will do this by creating a fund for communities to take action on local carbon reduction projects.

Our plan sets out the Council's 10 priorities to drive recovery. This has been driven by cross-party Member Working Groups, work with our partners particularly across the whole of the public sector. For example the Recovery Advisory Group with Leaders and Chief Executives from the borough and district councils, Police and Local Enterprise Partnership to ensure we are completely aligned in our efforts. We have also listened to feedback from our staff, and our recovery work will be supplemented by the findings of an ongoing public health survey.

We will approach the implementation of our recovery plan with positivity, energy and enthusiasm, despite a backdrop of significant uncertainty. We need to address demand delayed by the crisis. We do not yet know the full financial impact of COVID-19 and what this means for future council funding. We continue to prepare for a possible second wave. Our priority will be protecting health and containing the virus, but we also need to focus support for our economy, young people's education, and those who are vulnerable or isolated.

The way we live and work will never be quite the same again. But we will use this recovery plan as a springboard to ensure we continue to make

Group Leaders,
Warwickshire County Council

Chief Executive,
Warwickshire County Council

Section 2
Our Recovery Plan - how this works

This Recovery Plan is a clear statement of our intent. Given the unprecedented levels of uncertainty for the future ahead, we are on a different journey to the one we had planned before COVID-19.

To ensure we're doing the right things, this plan will remain dynamic, flexible and under constant review to ensure our recovery reflects changes in community need, emerging government policy and financial recovery.

We want to provide leadership on recovery, but we can't do this on our own, and collaboration, working together with our partners in the public sector, the health sector, the voluntary sector and the community is vital to our success.

Our Recovery Plan sets out our priority action for recovery from COVID-19 over the next six months.

It lays the foundations for longer term recovery going into the next financial year and beyond.

The plan does have a clear strategy and 10 priorities, aligned to our long-term vision and outcomes we set out in our Council Plan to 2025.

For each of the 10 priorities, our priority actions are grouped into 3 areas: accelerated action for immediate recovery; applying learning from our experiences responding to COVID-19; and building the foundations for longer term change.

Our actions in this plan sit alongside our business and commissioning plans, updated to reflect the impact of the pandemic.

We will monitor performance closely and regularly to ensure we deliver on this plan, and that our direction remains on course for longer term recovery.

This plan sets out to the public what you can expect from us and the difference we intend to make to move towards our new way of life after the Pandemic. In such a dynamic and fast-moving environment, this plan needs to be flexible, and will be affected by the course of the virus. We will refresh our five year Council Plan over the next six months, and will consolidate these recovery priorities and actions into a new Council Plan from 1 April 2021.

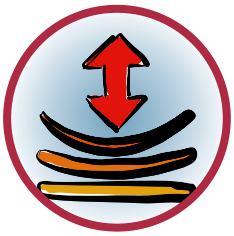
The Recovery Plan is underpinned by strong recovery principles:

a. **Target recovery activity and support to where most needed** through evidence-based decisions and focusing on priority outcomes and agreed priorities.
b. **Stabilise and accelerate the recovery** for Warwickshire's people, places and businesses, including the recovery of Council Tax and Business Rates.
c. **Tackle inequalities -** to help our most vulnerable and disadvantaged citizens and communities overcome the negative impacts of COVID-19.
d. **Join up and work in Partnership** - to maximise connections with partners (public services, private sector, communities, voluntary sector and citizens) to speed up recovery.
e. **Focus on environmental challenges** - use recovery efforts to accelerate Warwickshire's climate change ambitions.
f. **Apply our learning from COVID-19** - utilise learning and good practice to improve the Council as an organisation, deepen collaboration and partnership working, and strengthen place and systems-based working across Warwickshire.

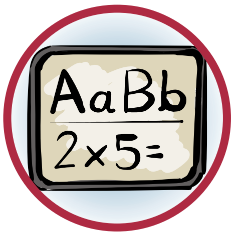
Section 3 Our ten recovery priorities

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

1. **Contain the virus and promote physical and mental health and wellbeing:** Promote the health and wellbeing of our communities, contain the spread of COVID-19 locally and target action to protect our most vulnerable residents and communities.



2. **Maintain resilient and sustainable services:** Manage increased demand for services, especially hospital and social care services, and strengthen the care market.



3. **Help our children and young people catch up on their education:** By returning to learning, improving access to digital resources and tackling attainment gaps.

4. **Harness the power of our communities to tackle inequality and social exclusion:** Champion equality and tackle the effects of poverty, vulnerability, isolation, loneliness and domestic violence; and support this by promoting increased and sustainable social action, volunteering and community capacity.

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

5. **Support business and grow the economy:** Build confidence in local businesses. Re-purpose town centres and create the conditions for business innovation and investment to drive economic growth.

6. **Stimulate job creation and skills:** Work with our partners in the Local Enterprise Partnership and higher and further education, to invest in getting people back into employment, or starting their careers, supporting skills, training and re-learning

7. **Invest in regeneration and a sustainable future:** Invest in the regeneration of local areas, support housing growth, a fit for the future digital infrastructure and sustainable transport.

Support delivery of our outcomes by making the best use of resources and tackling climate change:

8. **Climate change:** Make sustainability and tackling climate change central to our recovery so that we lay the foundations for a sustainable long-term future.

9. **Develop our people and future ways of working:** Invest in a sustainable and resilient workforce through recovery, learning from COVID-19 to embed flexible working, promote well-being and develop new ways of working.

10. **Deliver high performance by harnessing digital, data and making the most effective use of our resources:** Use data and technology solutions to drive investments and high performance; and develop a new framework to measure performance, investments and financial management.

Its important that we keep track of the difference this Recovery Plan is making over the next six months. We collect lots of data, and we will organise that data in a way that will give us a measure of our success. So what does success look like?

We'll know it's worked when...

Health

1. we sustain near zero new cases, week after week
2. we sustain zero deaths, week after week
3. no local lockdowns
4. increasing compliance and confidence in Test and Trace
5. increase in the take-up of the flu vaccination

Demand for our services

6. we have caught up with the demand for our services
7. people can access the quality services they need through a stable care market
8. the health and social care sector managed and coped with winter pressures
9. families and carers feel confident that children can get back to school and access the education they need
10. children can complete a full academic year, without any impact on their results

Wellbeing of our residents and communities

11. greater numbers of people are supported to improve their mental health, their well-being and recover well from the effects of COVID-19 including isolation and financial stress
12. more of our most vulnerable of our communities impacted most by COVID-19 receive the support they need to sustain resilience against any future impact
13. social value is an embedded part of our delivery, procurement and behaviours
14. poverty and food security is addressed and improved
15. greater numbers of our communities are supported through social action, mutual aid groups and volunteers to deliver solutions to local priorities

Jobs and business

16. greater numbers of individuals at risk of unemployment are supported, and where needed are helped to find work
17. greater numbers of businesses are supported to safeguard jobs, and to recover and adjust to drive future growth
18. greater numbers of businesses are involved in training, skills and career based activities
19. we have accelerated delivery of our capital works and infrastructure projects to support growth in housing, business and our town centres

Climate Change

20. carbon dioxide emissions have been reduced further towards our target of being carbon neutral by 2030
21. increased biodiversity and tree planting
22. Greater investment in sustainable transport e.g electric vehicles, cycle routes and public transport

Our Organisation

23. metrics show improved staff wellbeing e.g. mental health and wellbeing indicators, absence, staff turnover and employee engagement
24. the cost and carbon footprint of the council's property reduces
25. digital delivery of more council services means they are better and at less cost than before COVID-19

Section 4 Our recovery plan

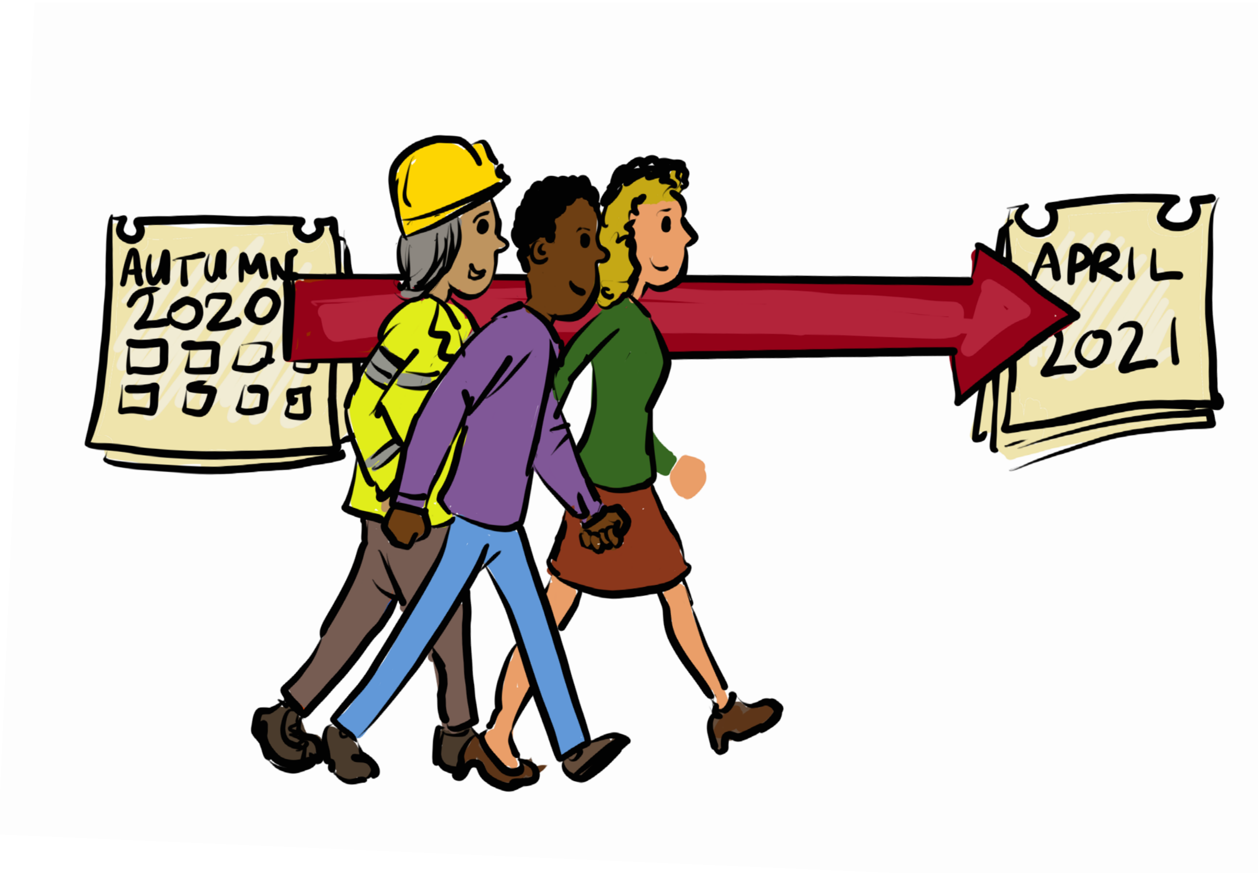
The actions that follow explain what we will be doing to combat the impact of COVID-19 and deliver our recovery.

We will also ensure that all services we deliver and commission are COVID-19 secure and that the right COVID-19 safe advice and support is available to businesses and other services within our communities. We want our customers, staff and communities to feel safe in accessing all the businesses, services and activities that are a normal part of their lives and to be confident that everyone has put in place the COVID-19 safe measures to do this.

Some of these actions are just for us but many involve working in partnership with other local councils, NHS, the Local Enterprise Partnership, Police, Police and Crime Commissioner, higher and further education institutions, private sector and voluntary and community sector colleagues from across Coventry, Solihull and Warwickshire .

Our actions focus on:

- protecting and improving health and wellbeing;
- containing the virus and its spread;
- supporting our economy to recover and thrive;
- supporting the education of our children and young people; and
- supporting those who are vulnerable and isolated.



Priority 1:
Contain the virus and promote physical and mental health and wellbeing

Promote the health and wellbeing of our communities, contain the spread of COVID-19 locally and target action to protect our most vulnerable residents and communities.

Accelerated action

1.1. Improve health and wellbeing outcomes for residents and tackle the impact of COVID-19 by using the findings from the Warwickshire health impact assessment.

1.2. Deliver the COVID-19 Outbreak Control Plan which aims to control local outbreaks and prevent local lockdowns in Warwickshire.

1.3. Work in partnership with local authorities, NHS and our communities to set-up and operate local testing units and build trust in Test and Trace.

1.4. Widen access to flu vaccinations for residents, council staff and providers, especially in the care sector.

1.5. Promote Dearlife.org.uk - a locally focused suicide prevention website which supports residents and their families.

1.6. Deliver and evaluate the impact of Creative Care Coventry & Warwickshire; a series of projects to tackle loneliness and isolation.

Applying learning from COVID-19

1.7. To address the impact on people's mental health, we will improve access to mental health and wellbeing services. Strengthen support for young people at risk of emotional or mental health issues, with a particular focus on preventing self-harm.

1.8. Publish Director of Public Health Annual Report and implement recommendations which will address the impact of COVID-19 on health and wellbeing.

1.9. Use findings from Warwickshire Population COVID-19 survey to inform future actions and plans.

1.10. The new Health Champions Service will work with more vulnerable residents to help them keep safe and improve their health and wellbeing.

1.11. Publish a revised COVID-19 Health and Wellbeing Strategy that reflects the learning and changes we need to make.

Laying foundations for the future

1.12. We will continue to work with our care homes and services to keep residents safe, providing ongoing support, training and advice on controlling the spread of the virus.

1.13. Implement the recommendations from the Public Health England Review of the Impact of COVID-19 on Black, Asian and Minority Ethnic (BAME) communities.

1.14. Put a plan in place for how we will manage demand through the winter when people are more vulnerable.

1.15. Put a plan in place to help residents lead a healthy lifestyle as part of managing the virus.

Priority 2:
Maintain resilient and sustainable services

Manage increased demand for services, especially hospital and social care services, and strengthen the care market.

Accelerated action

2.1. Ensure health and care provision is COVID-19 safe, supporting the impact, management and recovery from the virus.

2.2. Redesign our Reablement Service to increase capacity and prevent more hospitalisations.

2.3. Agree supportive payment terms with Care Partners and Suppliers.

2.4. Continue communication campaign to assure residents of safe services.

2.5. Review of Warwickshire's Discharge to Assess Service to support timely discharge from hospitals, and keep care homes COVID secure.

2.6. Ensure smooth and timely transition from hospital to care settings.

2.7. Manage delayed and increased demand for children's services.

Applying learning from COVID-19

2.8. Review impact of COVID-19 on services commissioned through other organisations so we are able to understand what changes may need to be made to be COVID-19 safe.

2.9. Review adult social care guidance for hospital discharge and admission advoidance.

2.10. Implement a single health and care record to share information on NHS and care team support and interventions.

2.11. Secure provision of children's placements within Warwickshire.

2.12. Use the learning from COVID-19 to further improve the experience for children and families in need of support and protection.

Laying foundations for the future

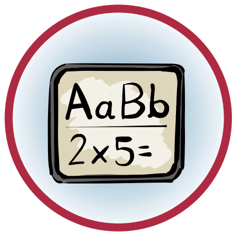
2.13. Implement refreshed Health & Care commissioning plans.

2.14. Continue to review Children and Family services against emerging government guidance.

2.15. Support Carers to continue to meet care and support needs.

Priority 3:

Help our children and young people catch up on their education



By returning to learning, improving access to digital resources and tackling attainment gaps.

Accelerated action

3.1. Increase the number of digital resources available to support schools in meeting the needs of their pupils, especially in case of local outbreaks.

3.2. Improve the support available to vulnerable children and young people.

3.3. Provide training and skills development to education staff to improve the quality of learning for children and young people.

3.4. Supporting groups of local schools with their recovery and resilience work to give school leadership and staff the confidence to open safely for the health of themselves and pupils.

3.5. Supporting all children and young people and their parents to successfully return to education, and feel confident and secure in doing so.

3.6. Launch a new education and safeguarding training and support package to keep all children and young people safe.

Applying learning from COVID-19

3.7. Provide targeted IT and training to children and young people to enable them to use digital learning resources.

3.8. Accelerate our skills and retraining plans across all education provision.

3.9. Increase career adviser support for apprenticeship programmes to vulnerable and disadvantaged groups (including care leavers) whose opportunities have been reduced by COVID-19.

3.10. Engage parents to accelerate and complement learning for children and young people within the home.

3.11. Implement actions following the Ofsted and Care Quality Commission visits focused on understanding the experiences of children and young people with SEND and their families during the pandemic.

Laying foundations for the future

3.12. Start the transformation of the Special Educational Needs and Disabilities and Inclusion service to support disadvantaged children and young people.

3.13. Implement our Early Years Programme to support the best start in life for our youngest children who have missed out as a result of COVID-19.

3.14. Promote programme for years 7-9 supporting their return to learning through out-of-school activities.

3.15. Support delivery of the Child Friendly Warwickshire programme.

Priority 4:

Harness the power of our communities to tackle inequality and social exclusion

Champion equality and tackle the effects of poverty, vulnerability, isolation, loneliness and domestic violence; and support this by promoting increased and sustainable social action, volunteering and community capacity.

Accelerated action

4.1. Address poverty through promotion of the WCC Welfare Scheme and financial inclusion work. Continue to work in partnership to make best use of COVID-19 Government funds to ensure they have greatest impact.

4.2. Establish a Warwickshire Food Forum to co-ordinate work to tackle food poverty across Warwickshire and ensure access to food for the most vulnerable through innovative local projects, supporting the local food economy and existing provision, such as food banks and the Warwickshire Local Welfare Scheme.

4.3. Ensuring our services work closer with communities to increase the levels of self-help and volunteering.

4.4. Introduce citizenship courses for at risk young people as part of wider education programme.

4.5. Introduce Fire Fit pilot project to improve health and fitness in young people and their families in more deprived areas.

Applying learning from COVID-19

4.6. Prioritise the delivery of our plan to keep people safe from domestic violence or abuse.

4.7. Develop and implement an action plan to tackle isolation as a result of the impact of COVID-19.

4.8. Develop the digital platforms and technologies required to support community recovery.

4.9. Through high-quality volunteering opportunities, provide citizens with the skills and experience to get closer to the jobs market and secure employment.

4.10. Review our practices in relation to inequalities and COVID-19, including access to employment opportunities.

Laying foundations for the future

4.11. Use our experience of working with communities during lockdown to inform our future support to the voluntary and community sector.

4.12. Introduce a new citizen and community engagement framework to support the ongoing COVID-19 activities.

4.13. Identify the increased financial value of volunteering to show the benefit to the local economy.

4.14. Extend our contracts with Warwickshire Community & Voluntary Action, Citizens Advice and Equality & Inclusion Partnership to ensure continuity to provide the right level of support and apply what they've learnt from COVID-19.

Priority 5:
Support business and grow the economy

Build confidence in local businesses. Re-purpose town centres and create the conditions for business innovation and investment to drive economic growth.

Accelerated action

5.1. Provide business advice, marketing, promotional activity and physical measures to support businesses and town centre reopening.

5.2. Provide financial support for businesses through Government grants schemes and extending Small Capital Grants programme.

5.3. Better manage our road network using improved technology to provide better information.

Applying learning from COVID-19

5.4. Provide specialist business advice and associated grant funding.

5.5. Provide additional business support including digital, business resilience, plus access to employee wellbeing services for small independent, retail micro businesses.

Laying foundations for the future

5.6. Introduce new business growth programme focusing on existing businesses and their potential to generate significant income and growth.

5.7. Implement tourism and rural diversification programme including Social Enterprise Support and finance programmes.

5.8. Create a new employment space for the growing gaming and digital creative sector in Leamington.

5.9 Support future role and sustainability of our towns with partners and stakeholders.

5.10 Promoting Warwickshire on the national and international stage to attract new inward investment.

Priority 6:
Stimulate job creation and skills

Work with our partners in the Local Enterprise Partnership and higher and further education, to invest in getting people back into employment, or starting their careers, supporting skills, training and re-learning.

Accelerated action

6.1. Develop, promote and implement redundancy support packages for businesses and employees across Warwickshire.

6.2. Launch staff sharing model for businesses to avoid job loss and address skills shortages.

6.3. Support digital careers offer, including the creation of a future careers digital market place.

6.4. Develop the Warwickshire Skills Hub to promote information and support around careers, employability, upskilling and reskilling.

Applying learning from COVID-19

6.5. Work with at risk sectors to widen skills, and support business development into areas such as online retail to improve business survival.

6.6. As a result of changes in demand and course content as a result of COVID-19 review Adult Community Learning provision and adapt course delivery and content as appropriate.

Laying foundations for the future

6.7. Increase the number of supported internships, traineeships and apprenticeships for all young people.

6.8. Work with employers to promote and deliver an increased uptake of apprenticeships.

6.9. Support training providers and employers to upskill to reflect changes in employment opportunities.

6.10. Develop sector-based career pathways to promote continued learning and development and increase attractiveness. of key sectors.

Priority 7:
Invest in regeneration and a sustainable future

Invest in the regeneration of local areas, support housing growth, a fit for the future digital infrastructure and sustainable transport.

Accelerated action

7.1. To support businesses to trade online, people to buy online goods, children and young people to learn online, and people to work from home we will address issues of poor connectivity by accelerating development of digital infrastructure and improved coverage (fibre, 4G, mobile).

7.2. To support COVID-19 safe travel, improve air quality and promote health and wellbeing, we will accelerate delivery of dedicated cycle routes and walking friendly routes and pavements.

7.3. We will identify and reduce surplus space in our office-based estate as a result of the increase in home working saving money and reducing waste.

Applying learning from COVID-19

7.4. Progress use of digital technologies, including 5G to help with our economic recovery.

7.5. To support regeneration and the recovery of local businesses we will encourage effective use of publicly owned property through multi-agency occupation and the development of a joint property database (One Public Estate).

Laying foundations for the future

7.6. To support the recovery of our local economy and the recovery of our town centres we will propose the creation of a Warwickshire Property Company.

7.7. We will develop a proposal for a Warwickshire Recovery Investment Fund and progress other capital investment to support the recovery of our local economy.

7.8. Working in partnership with Homes England, we will remove the blocks that have prevented some sites in Warwickshire from being developed, providing more and affordable housing whilst also supporting the recovery of our local economy.

7.9. We will progress housing and area regeneration schemes targeting Rugby, Nuneaton and North Warwickshire, to deliver on the housing needs of Warwickshire, and support the recovery of our local economy.

7.10. We will develop Local Transport Plan to prioritise investment in our transport network to support a low carbon future and rural connectivity to places of work, reduce congestion, and enalbing the growth in housing.

7.11. We will advise and support businesses to reduce environmental impact, energy usage and emissions.

Priority 8:
Climate change

Make sustainability and tackling climate change central to our recovery so that we lay the foundations for a sustainable long-term future.

Accelerated action

8.1. Produce an updated Climate Impact Assessment.

8.2. Present energy reduction initiatives for WCC buildings.

8.3. Implement Green Electricity purchasing options.

8.4. Investigate potential of installing solar panels on small holding farms to increase the use of low and zero carbon technologies.

8.5. Deliver Warwickshire Switch and save scheme that gives residents an opportunity to join with others to take advantage of cheaper energy bills to help in taking people out of fuel poverty and improve their health and wellbeing.

8.6. For immediate impact on carbon reduction, create a grant funding scheme available to our communities to take action on local carbon reduction initiatives and projects.

Applying learning from COVID-19

8.7. Implement action plans for climate change commitments to consolidate the change in behaviours as a result of COVID-19.

8.8. Seek to retain the reduction in carbon emissions as a result of COVID-19.

8.9. We will reduce emissions by improving our ICT technology and its use supporting the ability to work from anywhere reducing the need to travel and delivering the most efficient systems.

8.10. Respond to the National Resources and Waste Strategy consultation and prepare and implement a new Strategy.

8.11. Implement a campaign to promote active travel including schools, residents and workplaces and work up proposals for investment in better walking and cycling infrastructure.

Laying foundations for the future

8.12. Embed climate change considerations into everything we do.

8.13. Devise a plan to achieve carbon neutral corporate buildings by 2030.

8.14. Increase biodiversity and ecology through Green corridors, environment banks and tree planting, maximising use of available grants.

8.15. Promote Warwickshire residents' participation in group buying and installation of solar panels onto the roofs of their homes to increase the amount of renewable energy generation in the county as well to decrease emissions of carbon dioxide.

Priority 9:
Develop our people and future ways of working

Invest in a sustainable and resilient workforce through recovery, learning from COVID-19 to embed flexible working, promote wellbeing and develop new ways of working.

Accelerated action

9.1. Complete roll-out of new telephony to WCC staff for external calls supporting staff to work from anywhere and keep services going.

9.2. Support staff to make best use of remote working tools allowing them to work more efficiently and to keep them safe.

9.3. Support managers with a learning programme to develop skills to remotely manage teams and services to ensure high levels of performance and staff wellbeing.

9.4 Review the Council's risk planning to reflect the impact of COVID-19 and that it supports all our recovery work.

9.5 Implement new contact centre telephony in Customer Service Centre supporting staff to work from anywhere, ensuring services remain open.

Applying learning from COVID-19

9.6 Develop the future plan for the use of our buildings including the workplace redesign to support new ways of working.

Laying foundations for the future

9.7 To make sure we have the right skills for the future we will refresh our workforce (Our People) strategy.

9.8 To support our staff to keep healthy and well we will start a sustainable and resilient workforce programme including wellbeing and sickness absence.

9.9 To support those who are vulnerable we will agree our Equality, Diversity and Inclusion programme and start to deliver the actions in this.

9.10 To continue to support our staff to innovate and consolidate the lessons learnt in responding to COVID-19 we will agree our innovation strategy and embed the behaviours into our culture and ways of working.

9.11 We will develop a proposal and agree our future plan for the use of our buildings.

Priority 10:

Deliver high performance by harnessing digital, data and making the most effective use of our resources

Use data and technology solutions to drive investments and high performance; and develop a new framework to measure performance, investments and financial management.

Accelerated action

10.1. Support new ways of working, support remote working and deliver efficiencies we will refresh our digital timeline setting out our approach to using digital technology.

10.2. Implement a new Data Strategy that will ensure we have the right data and analysis to improve services and complete projects to meet increased demand.

10.3. COVID-19 changed the way we work and the space we need to do this, we will develop plans to ensure our future office design continues to support this whilst also releasing space to be used for other purposes.

10.4. Implement new online document and records management system to enable more mobile working.

Applying learning from COVID-19

10.5 Continue to review, upgrade and replace our technology to support new ways of working both during and post COVID-19.

Laying foundations for the future

10.6 We will refresh our medium-term financial plan and capital spending programme, so that we can be clear about funding the recovery work.

10.7 We will develop a new performance framework for 2021-22 as part of the Council Plan using performance dashboards and metrics. This will provide a clear link between the outcomes of our Council Plan 2025; our strategies to deliver that plan and this recovery plan to demonstrate and share how well we are doing and make improvements along the way.

Section 5 Next steps

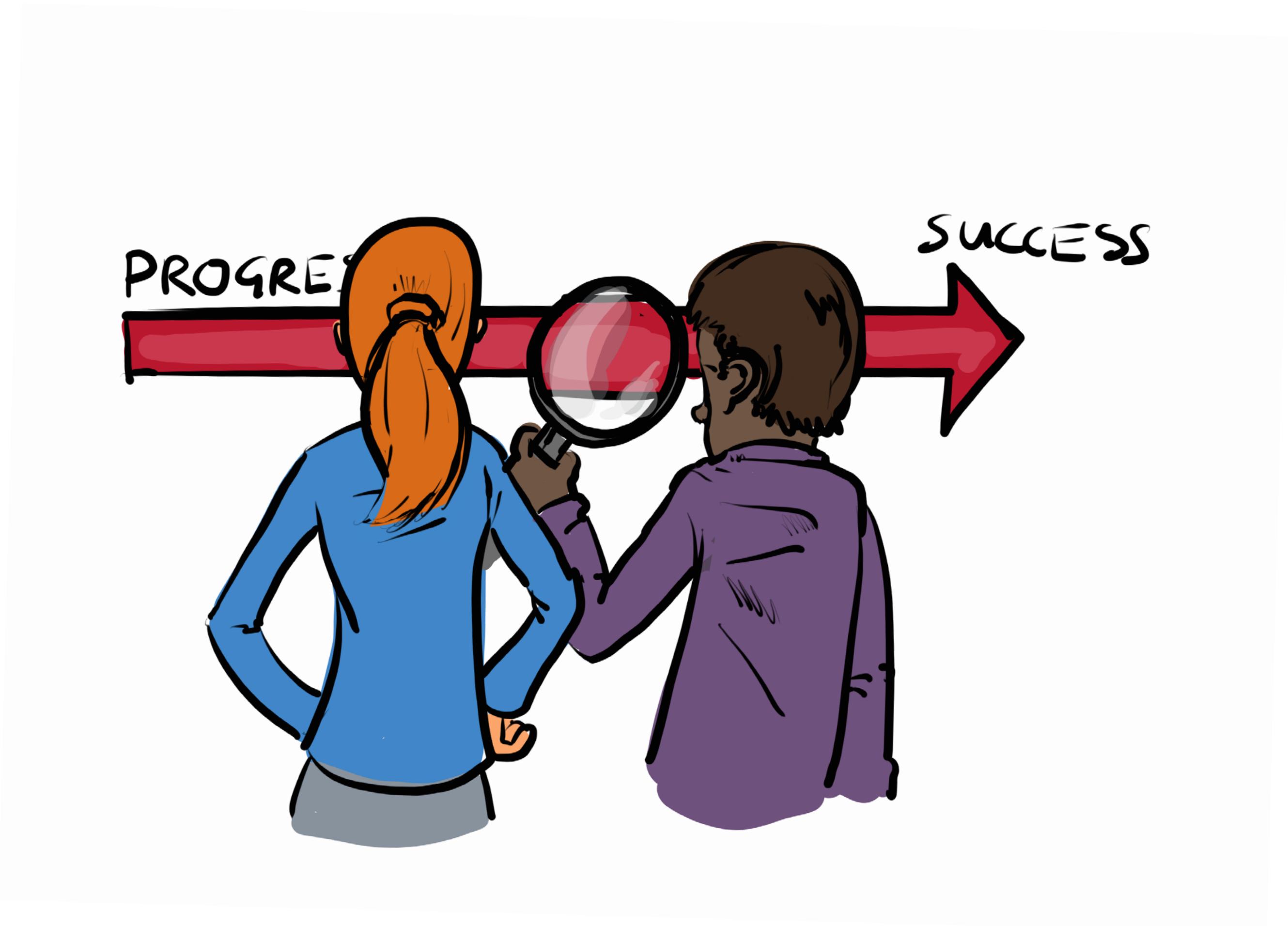
The actions set out within this plan build on momentum from the Council's current Change Portfolio and the immediate reinstatement of its services and work settings activity.

Where activity is new, we will work across the business, and with partners, to follow good business planning and governance processes; this will ensure we use resources effectively and deliver in a co-ordinated and effective manner.

We will continue to review activities across the change portfolio to ensure our resources are prioritised in accordance with this plan first and foremost.

As part of our annual business planning cycle, we will ensure we refresh the Council Plan and our Medium Term Financial Strategy to ensure that the costs of all the activity in this Recovery Plan is considered and encountered for. The refresh will also embed any recovery priorities not yet delivered against the Council's existing outcomes and objectives. This means that the refreshed Council Plan will take account of any remaining recovery activity.

To ensure we hold ourselves to account, we will track our progress using a recovery dashboard and metrics showing our performance in delivering this plan. With these we will provide regular updates to our communities.



APPENDIX B -Recovery Plan Delivery Status Update

ACTIVITY STATUS KEY		
Colour	**Status Explanation**	**Activities at this stage**
	In development	51
	On target	46
	At risk of compromise – The project faces issues which may lead to changed baselines in terms of cost, benefits, scope or time	15
	Compromised – The project is currently breaching baselines in terms of cost, benefits, scope or time and is subject to mitigating actions upto and including a formal Change Request	2
	Complete	10
TOTAL ACTIVITIES		**124**

PRIORITY ONE

ACTIVITY STATUS KEY		
Colour	**Status Explanation**	**Activities at this stage**
	In development	1
	On target	8
	At risk of compromise	6
	Compromised	0
	Complete	0
TOTAL ACTIVITIES		**15**

Priority	Activity	Project Name/RAG	Brief Description	Start Date	End Date
PRIORITY ONE - Contain the virus and promote physical and mental health and wellbeing					
1.1 – Improve health and wellbeing outcomes for residents and tackle the impact of COVID-19 by using the findings from the Warwickshire health impact assessment**.**	Project	Healthy Households (Priorities Healthy Lifestyles and Childhood Obesity)	To provide children, adults, families and schools with support, resources and knowledge to improve physical activity levels, maintain or achieve a healthy weight and make healthier choices. This will include supporting schools to embed physical activity within the normal school day, providing physical activity packs for Primary schools, and launching a targeted healthy household plan for hard to reach families, forming an integral part of us approaching and adopting Wellbeing for Life.	01/04/21	28/04/23
1.2 - Deliver the COVID-19 Outbreak Control Plan which aims to control local outbreaks and prevent local lockdowns in Warwickshire	Project	COVID-19 Outbreak Control - Local Implementation Plan	This project is to implement the infrastructure required for the Local Outbreak Control Implementation Plan for Warwickshire County Council (WCC). This provides the framework for how we will work as a system in Warwickshire through key statutory, voluntary and community organisations to manage COVID-19 outbreaks in a variety of settings. This Plan will support the effective delivery of the overarching Coventry Solihull and Warwickshire (CSW) COVID-19 outbreak control plan.	26/06/20	31/01/22
1.3 - Work in partnership with local authorities, NHS and our communities to set-up and operate local testing units and build trust in Test and Trace.	Business as Usual	Test & Trace	Work in partnership with local authorities, NHS and our communities to set-up and operate local testing units and build trust in Test and Trace.		
1.4 - Widen access to flu vaccinations for residents, council staff and providers, especially in the care sector.	Business as Usual	Flu Vaccinations	Widen access to flu vaccinations for residents, council staff and providers, especially in the care sector.		
1.5 - Promote Dearlife.org.uk - a locally focused suicide prevention website which supports residents and their families.	Business as Usual	Promote Dearlife	• Ongoing promotion of website among partners, providers, and the public. • C&W suicide prevention/winter wellbeing comms plan in development		

1.6 - Deliver and evaluate the impact of Creative Care Coventry & Warwickshire; a series of projects to tackle loneliness and isolation.	Business as Usual	Creative Care Coventry	working with Coventry University to produce an evaluation report, this will be available in early January and will be reported to Health and Wellbeing Board		
1.7 - To address the impact on people's mental health, we will improve access to mental health and wellbeing services. Strengthen support for young people at risk of emotional or mental health issues, with a particular focus on preventing self-harm	Project	Improving Mental Wellbeing in Warwickshire - Responding to the Covid Pandemic	The COVID-19 pandemic is profoundly impacting the nations' mental health, with lockdown damaging social connections, jobs and finances, and disrupting peoples' ability to engage in usual coping mechanisms, and routine access to mental health and other support services. WCC has recognised the importance of responding to a predicted surge in mental distress through its Recovery & Restoration Plan which confirms a commitment to prioritising the mental health and wellbeing of our residents.	28/10/20	30/09/22
1.8 - Publish Director of Public Health Annual Report and implement recommendations which will address the impact of COVID-19 on health and wellbeing.	Business as Usual	Director of Public Health Report	The report is due to be published following endorsement of the recommendations by the Health and Wellbeing Board on 3rd March 2020.		
1.9 - Use findings from Warwickshire Population COVID-19 survey to inform future actions and plans.	Business as Usual	Action Planning	Analyse Survey Results and use to inform future planning		
1.10 - The new Health Champions Service will work with more vulnerable residents to help them keep safe and improve their health and wellbeing.	Project	Community Health Champions	The purpose of this project is to improve health literacy and promote behaviour change across Warwickshire using Community Health Champions. The project will develop and implement a model in a selected geographic area in order to identify the requirements for informing a business case for the adoption of a countywide model for Community Health Champions and associated infrastructure costs involved.	01/04/20	31/03/21
1.11 - Publish a revised COVID-19 Health and Wellbeing Strategy that reflects the learning and changes we need to make.	Business as Usual	Revised Health and Wellbeing Strategy	Final draft to go to the March Health & Wellbeing Board for approval.		
1.12 - We will continue to work with our care homes and services to keep residents safe, providing ongoing support, training and advice on controlling the spread of the virus.	Business as Usual	Support Training and Advice to our Care Providers	Support Training and Advice to our Care Providers		
1.13 - Implement the recommendations from the Public Health England Review of the Impact of COVID-19 on Black, Asian and Minority Ethnic (BAME) communities.	Project	Mitigating the impact of Covid-19 on BAME Communities	The project aim is to work with the BAME community in Warwickshire to mitigate the elevated risks of COVID-19 mortality and morbidity experienced by this community. The following elements will be funded: - Collaborative research to understand the wider determinants of Covid-19 in the BAME Community - A grants process for BAME communities to apply to - Two posts to coordinate the grants process and support communities to apply for funding and implement projects	28/10/20	28/10/22
1.14 - Put a plan in place for how we will manage demand through the winter when people are more vulnerable**.**	Business as Usual	Winter Planning	A winter readiness plan and recommendations for Discharge to assess services has been formulated and agreed by Joint Commissioning Board.		
1.15 - Put a plan in place to help residents lead a healthy lifestyle as part of managing the virus**.**	Project	Healthy Households (Priorities Healthy Lifestyles and Childhood Obesity)	To provide children, adults, families and schools with support, resources and knowledge to improve physical activity levels, maintain or achieve a healthy weight and make healthier choices. This will include supporting schools to embed physical activity within the normal school day, providing physical activity packs for Primary	01/04/2021	28/04/2023

			schools, and launching a targeted healthy household plan for hard to reach families, forming an integral part of us approaching and adopting Wellbeing for Life.		

PRIORITY TWO

ACTIVITY STATUS KEY		
Colour	**Status Explanation**	**Activities at this stage**
(grey)	In development	0
(green)	On target	9
(orange)	At risk of compromise	4
(red)	Compromised	1
(blue)	Complete	0
TOTAL ACTIVITIES		**14**

Priority	Activity	Project Name/RAG	Brief Description	Start Date	End Date
PRIORITY TWO - Maintain resilient and sustainable services					
2.1 - Ensure health and care provision is COVID-19 safe, supporting the impact, management and recovery from the virus.	Business as Usual	Recovery and Restoration Panel	To date 105 service areas have been through the Recovery & Restoration Panel which includes COVID 19 secure delivery. There are another 8 services areas to complete.		
2.2 - Redesign our Reablement Service to increase capacity and prevent more hospitalisations.	Project	Reablement IT Workstream	The project aims to deliver new IT systems for the Reablement Service to maximise capacity and improve efficiency. The systems include; 1) Replacement scheduling and rostering 2) A new mobile care record to replace the paper record	07/03/18	31/03/21
2.3 - Agree supportive payment terms with Care Partners and Suppliers.	Business as Usual	Supportive Payment Terms	Report to be presented to Cabinet in early 2021		
2.4 - Continue communication campaign to assure residents of safe services.	Business as Usual	Communications	Social Media and other communications relating to recovery		
2.5 - Review of Warwickshire's Discharge to Assess Service to support timely discharge from hospitals and keep care homes COVID secure. **2.6** - Ensure smooth and timely transition from hospital to care settings.	Project	Warwickshire Discharge to Assess Service and Pathways System Wide Review	There are several services/pathways in Warwickshire that support timely discharge from hospital & good patient flow that are delivered to improve overall outcomes and experiences of individuals. This countywide whole system review will include: • Discharge to Asses Pathways 1, 2 and 3; • Moving on beds; • Non weight bearing, Plaster of Paris (Pop) and Braces pathways. and will seek to present how services work together now and how they need to be commissioned or delivered in the future.	06/01/20	30/06/21
2.7 - Manage delayed and increased demand for children's services.	Project	Children and Families Service Recovery & Restoration Process	In response to the Government's Plan to Rebuild post COVID-19, (its recovery strategy outlines a planned phased approach to lifting restrictions, avoiding a second wave and controlling the spread of the virus), this project sets out the timescales and approach that the Children's and Families teams will utilise to support the recovery work required to enable the continuation of the excellent service provided by the C&F teams.	01/06/20	30/06/21

2.8 - Review impact of COVID-19 on services commissioned through other organisations so we are able to understand what changes may need to be made to be COVID-19 safe.	Business as Usual	Recovery and Restoration Panel	To date 105 service areas have been through the Recovery & Restoration Panel which includes COVID 19 secure delivery. There are another 8 services areas to complete.		
2.9 - Review adult social care guidance for hospital discharge and admission avoidance.	Business as Usual	Hospital admission avoidance	System wide assurance against the updated Hospital Discharge Guidance published on the 21/08/20 has been carried out		
2.10 - Implement a single health and care record to share information on NHS and care team support and interventions.	Project	Integrated Care Record	The Integrated Care Record (ICR) project will provide an integrated care record for both health and social care information to support commissioning and service delivery across Coventry, Warwickshire, Birmingham and Solihull. Data from the partner source care systems will be extracted and merged to create a consolidated 'single view 'of an individual and their interactions with each partner organisation.	02/09/19	28/03/25
2.11 – Secure provision of children's placements within Warwickshire.	Project	Child in Need / Child Protection	The project aims to improve outcomes for children and families and build towards an outstanding Children and Families service. Improvement work identified for Children's Social Care is evidence based from national and local initiatives which have resulted in improved outcomes for Children and Families. The combined workstreams will contribute to reducing case escalation, Child in Need and Child Protection rates and increase engagement with families in order to sustain enduring change.	30/04/20	01/08/22
2.12 – Use the learning from COVID-19 to further improve the experience for children and families in need of support and protection.	Project	Children and Families Service Recovery & Restoration Process	In response to the Government's Plan to Rebuild post COVID-19, (its recovery strategy outlines a planned phased approach to lifting restrictions, avoiding a second wave and controlling the spread of the virus), this project sets out the timescales and approach that the Children's and Families teams will utilise to support the recovery work required to enable the continuation of the excellent service provided by the C&F teams.	01/06/20	30/06/21
2.13 - Implement refreshed Health & Care commissioning plans.	Business as Usual	Commissioning Plans	Pre-tender processes underway in accordance with refreshed commissioning plans for Targeted Support & Integration; Health Wellbeing & Self-Care; All Age Specialist Provision		
2,14 - Continue to review Children and Family services against emerging government guidance.	Project	Community/Early Help/Partners	The Child Friendly Warwickshire Change Programme is a Service led programme investing over £10m across 30 workstreams, structured into 4 key projects focusing on the child's journey through our services. This is project 1 and is focused on Early Help, Communities and Partners. The programme is joint funded between the DfE (which will focus on implementing the Leeds Family Valued programme into Warwickshire of which Restorative Practice is a key feature) and WCC funded initiatives.	31/12/19	01/08/22
2.15 - Support Carers to continue to meet care and support needs.	Project	SICP Redesign of the Local Offer website (Impower)	The SEND Local Offer offers information in a single place. The Local Offer helps children, young people and their parents to understand what services and support they can expect. This project will focus on the redesign of the Local Offer website through coproduction with Warwickshire's professionals, parents and young people facilitated independently and building on the recently completed system navigation work to focus on messaging, tools and information that best supports families.	26/06/20	31/03/21

PRIORITY THREE

ACTIVITY STATUS KEY		
Colour	**Status Explanation**	**Activities at this stage**
	In development	11
	On target	5
	At risk of compromise	0
	Compromised	1
	Complete	0
TOTAL ACTIVITIES		**17**

Priority	Activity	Project Name/RAG	Brief Description	Start Date	End Date
PRIORITY 3 - Help our children and young people catch up on their education					
3.1 - Increase the number of digital resources available to support schools in meeting the needs of their pupils, especially in case of local outbreaks.	Business as Usual				
3.2 - Improve the support available to vulnerable children and young people.	Project	SICP Review of children not receiving their educational entitlement	To ensure that all Warwickshire children are on a school roll and/or in an appropriate educational setting. This is part of SEND & Inclusion Strategy (Statutory Duty) (there will be indirect savings, but these will be picked up under commissioning of Alternative Provision project).	26/06/20	26/02/21
	Project	SICP Expanding and Improving Access to Early Intervention in Early Years (birth to 5)	Reviewing and evidencing existing Early Years processes in order to expand and Improve processes Improve timeliness of Education Health Care Plans (EHCP) in early years (invest to save) Ensure early identification From Dedicated Schools Grant recovery plan	26/06/20	31/07/21
	Project	SICP Child centred inclusion pathways (Trial 3)	To establish a pathway for routine consistent reviews of provision (interventions) to avoid unnecessary escalations and to ensure that support is closely aligned to children / young people's level of need and working towards short and long-term outcomes (achieved within local educational provision)	26/06/20	06/08/21
3.3 - Provide training and skills development to education setting staff to improve the quality of learning for children and young people.	Business as Usual				
3.4 - Supporting groups of local schools with their recovery and resilience work to give school leadership and staff the confidence to open safely for the health of themselves and pupils	Business as Usual	Recovery and Resilience in Schools	Maintained nursery schools remain open with offer of blended and remote learning for self-isolating pupils. Monthly link meeting provided for MNS heads, and out of hours support available for closure situations. The categorisation process completed. MNS work around remote learning to be disseminated more widely to support the EY sector. MNS financial position remains a concern. Schools leading childcare on a school site - section 27 are supported by the early years service via regular communications and direct support as required.		

3.5 - Supporting all children and young people and their parents to successfully return to education and feel confident and secure in doing so.	Business as Usual	Returning to Education	Monitoring of place take up via termly Early education funding place take up for 2, 3 and 4 year olds. Marketing campaign to promote early education benefits and funded entitlement has had soft launch with finalisation of wider materials being undertaken now for launch end Nov / Early December. Mailouts to those identified eligible for funded 2's places undertaken, using DWP lists.		
3.6 - Launch a new education and safeguarding training and support package to keep all children and young people safe.	Business as Usual	Training and Support	Current EYFs training package is in place with new integrated programme being planned. Education safeguarding training in place and being delivered. MASH education Lead in place		
3.7 - Provide targeted IT and training to children and young people to enable them to use digital learning resources.	Business as Usual		We have recently purchased and distributed both laptops and connectivity dongles to enable children to receive schooling at home.		
3.8 - Accelerate our skills and retraining plans across all education provision.	Business as Usual				
3.9 - Increase career adviser support for apprenticeship programmes to vulnerable and disadvantaged groups (including care leavers) whose opportunities have been reduced by COVID-19.	Business as Usual				
3.10 - Engage parents to accelerate and complement learning for children and young people within the home.	Business as Usual	Learning at Home	Implementing remote and blended learning in the EYFS: research and documentation for the sector commissioned and due December 2020. 50 things to do before you are 5 soft launch planned for January 2021		
3.11 – Implement actions following the Ofsted and Care Quality Commission visits focused on understanding the experiences of children and young people with SEND and their families during the pandemic.	Business as Usual				
3.12 - Start the transformation of the Special Educational Needs and Disabilities and Inclusion service to support disadvantaged children and young people.	Programme	SEND and Inclusion Change Programme (Sub)	The purpose of the SEND and Inclusion Change Programme is to implement the SEND strategic framework for change. The programme will bring together plans on four areas: (i) transformation of system behaviours (informed by an external review undertaken by Impower), (ii) DSG Recovery Plan 2019/20, (iii) DSG Sustainability Plan 2024/25, (iv) Delivery of statutory duties (including the SEND and Inclusion Strategy). The programme will enable the Council to use the corporate infrastructure to address the system behaviours, savings and financial sustainability, whilst ensuring delivery of statutory duties.	08/06/20	30/05/25
3.13 - Implement our Early Years Programme to support the best start in life for our youngest children who have missed out as a result of COVID-19.	Project (upcoming)	Early Years Programme			

3.14 - Promote programme for years 7-9 supporting their return to learning through out-of-school activities	Business as Usual				
3.15 – Support delivery of the Child Friendly Warwickshire programme.	Business as Usual				

PRIORITY FOUR

ACTIVITY STATUS KEY		
Colour	**Status Explanation**	**Activities at this stage**
	In development	4
	On target	5
	At risk of compromise	2
	Compromised	0
	Complete	3
TOTAL ACTIVITIES		**14**

Priority	Activity	Project Name/RAG	Brief Description	Start Date	End Date
PRIORITY FOUR - Harness the power of our communities to tackle inequality and social exclusion					
4.1 – Address poverty through promotion of the WCC Welfare Scheme and financial inclusion work. Continue to work in partnership to make best use of COVID-19 Government funds to ensure they have greatest impact**.**	Project	Children and Families - Tackling Social Inequality	The Tackling Social Inequalities Strategy (name TBC) will identify and drive the work needed to continue from the Child Poverty Strategy 2015-18 and support priorities from the COVID-19 Recovery Plan, particularly: - Priority 4: Harness the power of our communities to tackle inequality and social exclusion - Priority 6: Stimulate job creation and skills	01/04/21	31/03/24
4.2 - Establish a Warwickshire Food Forum to co-ordinate work to tackle food poverty across Warwickshire and ensure access to food for the most vulnerable through innovative local projects, supporting the local food economy and existing provision, such as food banks and the Warwickshire Local Welfare Scheme.	Business as Usual	Warwickshire Food Forum	Complete		
4.3 - Ensuring our services work closer with communities to increase the levels of self-help and volunteering.	Business as Usual	Volunteering	On hold due to returning to response mode		
4.4 - Introduce citizenship courses for at risk young people as part of wider education programme.	Business as Usual	Citizenship Courses	Action is going well: Recruitment under way, on track for course delivery to start Feb 2021		
4.5 - Introduce Fire Fit pilot project to improve health and fitness in young people and their families in more deprived areas.	Business as Usual	Fire Fit Pilot	Complete		

4.6 – Prioritise the delivery of our plan to keep people safe from domestic violence or abuse.	Project	Domestic Abuse - Outreach Provision	Our proposal is to provide funding to our Domestic Abuse service provider over a two-year period for five additional Outreach Workers across the county. These Outreach Workers would enhance the current provision by not only being geographically based i.e. one Outreach worker allocated to each district, but also engaging with identified communities of interest: BAME communities; those who are isolated due to living in rural areas; men; gypsy and travellers, LGBTQ+; the elderly and young adults.	28/10/20	31/03/2[illegible]
4.7 - Develop and implement an action plan to tackle isolation as a result of the impact of COVID-19.	Project	Improving Mental Wellbeing in Warwickshire - Responding to the Covid Pandemic	The COVID-19 pandemic is profoundly impacting the nation's mental health, with lockdown damaging social connections, jobs and finances, and disrupting people's ability to engage in usual coping mechanisms, and routine access to mental health and other support services. WCC has recognised the importance of responding to a predicted surge in mental distress through its Recovery & Restoration Plan which confirms a commitment to prioritising the mental health and wellbeing of our residents.	28/10/20	30/09/22
4.8 – Develop the digital platforms and technologies required to support community recovery.	Project	Economic Growth & Recovery	On hold due to returning to Pandemic Response	01/06/20	30/06/22
4.9 - Through high-quality volunteering opportunities, provide citizens with the skills and experience to get closer to the jobs market and secure employment	Business as Usual	Upskilling Citizens through Volunteering	This activity is going well but formal reporting from our providers is not yet available		
4.10 – Review our practices in relation to inequalities and COVID-19, including access to employment opportunities**.**	Business as Usual	Inequalities in Employment Opportunities			
4.11 - Use our experience of working with communities during lockdown to inform our future support to the voluntary and community sector.	Business as Usual	Support to Voluntary and Community Sector	Service specification is being built for new contract Apr 2022		
4.12 - Introduce a new citizen and community engagement framework to support the ongoing COVID-19 activities**.**	Business as Usual	Engagement Framework	Framework will comprise several elements including the Residents' Panel, Corporate Consultation and Engagement framework and a Community and Engagement and Participation Strategy.		
4.13 - Identify the increased financial value of volunteering to show the benefit to the local economy.	Business as Usual	Benefits of Volunteering			
4.14 - Extend our contracts with Warwickshire Community & Voluntary Action, Citizens Advice and Equality & Inclusion Partnership to ensure continuity to provide the right level of support and apply what they've learnt from COVID-19.	Business as Usual	Extend Third Sector Contracts	Complete		

PRIORITY FIVE

ACTIVITY STATUS KEY		
Colour	**Status Explanation**	**Activities at this stage**
	In development	4
	On target	5
	At risk of compromise	1
	Compromised	0
	Complete	0
TOTAL ACTIVITIES		**10**

Priority	Activity	Project Name/RAG	Brief Description	Start Date	End Date
PRIORITY FIVE - Support business and grow the economy					
5.1 - Provide business advice, marketing, promotional activity and physical measures to support businesses and town centre reopening	Business as Usual	Promote Business Advice	Continued support being provided including advice, guidance and webinars.		
5.2 - Provide financial support for businesses through Government grants schemes and extending Small Capital Grants programme	Business as Usual	Financial Support for Businesses			
5.3 - Better manage our road network using improved technology to provide better information.	Project (Upcoming)				
5.4 – Provide specialist business advice and associated grant funding.	Project	Economic Recovery - "Survive, Sustain and Grow" Intensive Business Survival Programme	Intensive business survival programme for businesses most affected by Covid-19. Specialist advisors will work with business owners on a bespoke, 1:1 basis to review the business and its financial position, explore diversification and growth options, and to help them develop an action plan. The programme will focus on sectors most affected (retail, tourism & leisure, and manufacturing). It will be complemented by existing/ new finance support including new CIF retail and Covid-19 recovery grants.	01/07/20	30/06/21
5.5 - Provide additional business support including digital, business resilience, plus access to employee wellbeing services for small independent, retail micro businesses	Project	Economic Recovery - EAP for independent micro businesses	Mental Health and Wellbeing (expanding the WCC Employee Assistance Provision) support offer to independent micro high street businesses. To provide a paid for support mechanism which allows for staff from these businesses to access counselling and other resources which would not normally be available to them. Utilising the current WCC EAP contract.	16/07/20	29/01/21
5.6 - Introduce new business growth programme focusing on existing businesses and their potential to generate significant income and growth.	Project (upcoming)		New, longer term business support programmes that will focus more on recovery and growth, rather than the response phase. This will look at both new start-up support, helping people think about and start their own business; and intensive support for businesses with high growth potential, with a focus on new technology and		

			green/low carbon opportunities. The update for this is that Economy & Skills Team are developing new proposals.		
5.7 - Implement tourism and rural diversification programme including Social Enterprise Support and finance programmes.	Project	Economic Recovery - Marketing & Promotion	Funding to support an enhanced marketing campaign to promote Warwickshire as an open and safe tourism destination, to include support for existing DMO activity, additional targeted collective marketing, and support for small independent tourism businesses. The focus will be on promoting rural tourism to relevant domestic markets. It will require a coordinator, a commissioned consultant, to steer and deliver the work, liaising with multiple local, regional and national partners.	01/08/20	31/07/21
5.8 - Create a new employment space for the growing gaming and digital creative sector in Leamington	Project (upcoming)		Procurement structure in place; Quantity Surveyor & Architect appointed; Capital Investment Fund bid to be prepared.		
5.9 - Support future role and sustainability of our towns with partners and stakeholders.	Project (upcoming)				
5.10 – Promoting Warwickshire on the national and international stage to attract new inward investment.	Business as Usual	Promoting investment in Warwickshire			

PRIORITY SIX

ACTIVITY STATUS KEY		
Colour	**Status Explanation**	**Activities at this stage**
	In development	2
	On target	2
	At risk of compromise	0
	Compromised	0
	Complete	6
TOTAL ACTIVITIES		**10**

Priority	Activity	Project Name/RAG	Brief Description	Start Date	End Date
PRIORITY SIX - Stimulate job creation and skills					
6.1 - Develop, promote and implement redundancy support packages for businesses and employees across Warwickshire.	Business as Usual	Coventry and Warwickshire Redundancy Support Service providing a co-ordinated sub regional approach with a series of events to support businesses making difficult business decisions.			
6.2 - Launch staff sharing model for businesses to avoid job loss and address skills shortages.	Business as Usual				
6.3 - Support digital careers offer, including the creation of a future careers digital marketplace.	Project	Economic Recovery - Future Careers - Digital Market Place	The Future Careers Project is dedicated programme which has multiple workstreams to address the high priority issues young people are likely to face coming through and being impacted by the effects of this Pandemic. This project will be supporting businesses to promote job opportunities to young people aged 15-25 and those individuals seeking employment.	28/09/20	31/07/21
6.4 - Develop the Warwickshire Skills Hub to promote information and support around careers, employability, upskilling and reskilling.	Business as Usual	Warwickshire Skills Hub	Key Deliverable is complete. Skills hub website launched: https://skillshub.warwickshire.gov.uk/businesses/vacanciesdigital-market-place/1		
6.5 - Work with at risk sectors to widen skills, and support business development into areas such as online retail to improve business survival.	Business as Usual	Warwickshire Skills Hub	Key Deliverable complete Skills hub website launched: https://skillshub.warwickshire.gov.uk/businesses/vacanciesdigital-market-place/1. WCC’s Digital Training Programme for Retailers launched and seeing significant demand. The programme – which is open to all “bricks and mortar” retail and hospitality businesses to help reach and connect customers through online and social media tools – has so far supported		

			62 businesses on both taster sessions and workshops. It is delivered by Coventry and Warwickshire Chamber of Commerce in conjunction with Stories Marketing: https://www.cw-chamber.co.uk/business-support/towncentres/		
6.6 - As a result of changes in demand and course content as a result of COVID-19 review Adult Community Learning provision and adapt course delivery and content as appropriate.	Business as Usual				
6.7 - Increase the number of supported internships, traineeships and apprenticeships for all young people.	Business as Usual	Warwickshire Skills Hub	This has now been launched, take up figures are being investigated		
6.8 - Work with employers to promote and deliver an increased uptake of apprenticeships.	Business as Usual	Warwickshire Skills Hub	This has now been launched, take up figures are being investigated		
6.9 - Support training providers and employers to upskill to reflect changes in employment opportunities.	Business as Usual	Warwickshire Skills Hub	Complete		
6.10 - Develop sector-based career pathways to promote continued learning and development and increase attractiveness of key sectors.	Business as Usual	Warwickshire Skills Hub	Complete		

PRIORITY SEVEN

ACTIVITY STATUS KEY		
Colour	**Status Explanation**	**Activities at this stage**
	In development	4
	On target	7
	At risk of compromise	0
	Compromised	0
	Complete	0
TOTAL ACTIVITIES		**11**

Priority	Activity	Project Name/RAG	Brief Description	Start Date	End Date
PRIORITY SEVEN - Invest in regeneration and a sustainable future					
7.1 - To support businesses to trade online, people to buy online goods, children and young people to learn online, and people to work from home we will address issues of poor connectivity by accelerating development of digital infrastructure and improved coverage (fibre, 4G, mobile).	Project (upcoming)	5G Connectivity	Project has begun, with funding allocated to produce business cases over the coming weeks to deliver the Council's Digital Infrastructure Strategy and coordinate the deployment of full fibre connectivity and 5G mobile networks across Warwickshire.	02/01/12	02/01/23
7.2 - To support COVID-19 safe travel, improve air quality and promote health and wellbeing, we will accelerate delivery of dedicated cycle routes and walking friendly routes and pavements.	Programme	Cycle Schemes Programme		22/11/19	31/03/23
7.3 - We will identify and reduce surplus space in our office-based estate as a result of the increase in home working saving money and reducing waste.	Project	Shire Hall Workplace Redesign including Reinstatement of Old Shire Hall	This business case requests forward funding from the Capital Investment Fund to support the redesign of Shire Hall, including repurposing the Ground floor of Old Shire Hall and former courts to provide co-location space. This will enable Barrack Street building to be vacated as part of Phase 1. With the potential of other buildings to follow in any subsequent phases.	19/07/19	31/03/22

7.4 - Progress use of digital technologies, including 5G to help with our economic recovery.	Project (upcoming)	5G Project	Project has begun, with funding allocated to produce business cases over the coming weeks to deliver the Council's Digital Infrastructure Strategy and coordinate the deployment of full fibre connectivity and 5G mobile networks across Warwickshire.	02/01/12	02/01/2[illegible]
7.5 - To support regeneration and the recovery of local businesses we will encourage effective use of publicly owned property through multi-agency occupation and the development of a joint property database (One Public Estate).	Project	One Public Estate	The One Public Estate programme is an established national programme delivered in partnership by the LGA and the office of government property within the cabinet office. it provides practical and technical support and funding to councils to deliver ambitious property -focused programmes in collaboration with central government and other public sector partners. its core objectives are to create economic growth i.e. homes and jobs, deliver more integrated, customer focused services.	01/03/16	31/12/21
7.6 - To support the recovery of our local economy and the recovery of our town centres we will propose the creation of a Warwickshire Property Company.	Project	Property Company	Creation of a property company to enhance the delivery of Council Plan 2025 priorities and provide effective use of our land assets by delivering housing, smallholdings, business support, other property infrastructure and commercial opportunities in line with Council priorities.	09/10/20	31/05/21
7.7 - We will develop a proposal for a Warwickshire Recovery Investment Fund and progress other capital investment to support the recovery of our local economy.	Project	Warwickshire Recovery & Investment Fund	Development of proposals for a Warwickshire Recovery & Investment Fund (WRIF); this is partially based on local and national economic analysis by external consultants that describes the potential benefits of setting up a WRIF, structured around three funds, that will attract investment into the county	09/10/20	31/05/21
7.8 - Working in partnership with Homes England, we will remove the blocks that have prevented some sites in Warwickshire from being developed, providing more and affordable housing whilst also supporting the recovery of our local economy	Business as Usual	Sites for Development	Part of WPDC due to Corporate Board (December) and Cabinet (Jan); this will be the vehicle through which we can engage Homes England and to deliver sites. WPDC will bring forward other sites owned by WCC for development.		
7.9 – We will progress housing and area regeneration schemes targeting Rugby, Nuneaton and North Warwickshire, to deliver on the housing needs of Warwickshire, and support the recovery of our local economy.	Business as Usual	Regeneration	WPDC will be bring forward sites for development but in conjunction WCC, via the Strategic Assets Team, are continuing to dispose of the previously identified strategic sites. These disposals are ongoing and whilst COVID has impacted the timing where possible disposals a progressing and updates provided to Corporate Board.		
7.10 - We will develop Local Transport Plan to prioritise investment in our transport network to support a low carbon future and rural connectivity to places of work, reduce congestion, and enabling the growth in housing.	Project	Local Transport Plan	Developing new integrated transport strategy	01/10/19	31/03/22
7.11 - We will advise and support businesses to reduce environmental impact, energy usage and emissions.	Project (Upcoming)		Future business support scheme that will focus on helping businesses become greener/more sustainable through reduced energy, improved resource efficiency and lower waste being developed, and will be submitted to Gateway Group as outline business case in January.		

PRIORITY EIGHT

ACTIVITY STATUS KEY		
Colour	**Status Explanation**	**Activities at this stage**
	In development	13
	On target	2
	At risk of compromise	0
	Compromised	0
	Complete	1
TOTAL ACTIVITIES		**16**

Priority	Activity	Project Name/RAG	Brief Description	Start Date	End Date
PRIORITY EIGHT - Climate change					
8.1 - Produce an updated Climate Impact Assessment.	Project (Upcoming)		Due 10th March 2021		
8.2 - Present energy reduction initiatives for WCC buildings.	Business as Usual		Energy Team working with the Climate Change Programme Manager to submit a funding bid to DBEIS to fund feasibility work aimed at identifying energy improvement measures and decarbonising heat for Community schools, fire stations and commercial building		
8.3 - Implement Green Electricity purchasing options.	Business as Usual		A recent energy update from ESPO warns that future energy costs will be affected by the increase in non-commodity cost charges which have gone up- fees to be confirmed for budget forecasting purposes.		
8.4 - Investigate potential of installing solar panels on small holding farms to increase the use of low and zero carbon technologies.	Project (Upcoming)		Three solar farm sites are under investigation. One has been put to hold following uncertainty of grant funding which was to aid its development in the near term. The second has progressed to applying for a formal grid connection offer from the local District Network Operator- costs to come with the offer. The third has proceeded with the Council's legal team engaging in negotiations with the site occupier.		
8.5 - Deliver Warwickshire Switch and save scheme that gives residents an opportunity to join with others to take advantage of cheaper energy bills to	Project	Switch and Save	Complete		

help in taking people out of fuel poverty and improve their health and wellbeing.					
8.6 - For immediate impact on carbon reduction, create a grant funding scheme available to our communities to take action on local carbon reduction initiatives and projects.	Project (Upcoming)		Create a grant funding scheme available to our communities to take action on local carbon reduction initiatives and projects. £1m Green Shoots project has started. This fund will support initiatives from the voluntary and community sector, parish and town councils, schools and other organisations to deliver local climate change projects. A survey has been issued to community groups. The survey has now closed with findings being collated. Following scheme development and design of governance structure, the first phase of the fund is expected to launch in February 2021.		
8.7 - Implement action plans for climate change commitments to consolidate the change in behaviours as a result of COVID-19.	Project (Upcoming)				
8.8 – Seek to retain the reduction in carbon emissions as a result of COVID-19.	Business as Usual	Reduce Carbon Emissions			
8.9 - We will reduce emissions by improving our ICT technology and its use supporting the ability to work from anywhere reducing the need to travel and delivering the most efficient systems**.**	Programme	How We Work Programme			
8.10 - Respond to the National Resources and Waste Strategy consultation and prepare and implement a new Strategy.	Project (Upcoming)		National strategy has not yet been released. This is expected in March 2021.		
8.11 – Implement a campaign to promote active travel including schools, residents and workplaces and work up proposals for investment in better walking and cycling infrastructure.	Project	Safe & Active Travel Project (Workplace)	The Safe & Active Travel Project (Workplace) is just one element of SAfER (Safe and Active travel Focusing on Environment and Road safety) programme to: * encourage residents and communities to take up more physical activity for travel * promote safe walking and cycling * change public attitudes and habits around safe and active travel * encourage businesses to sign up to become Safe and Active Workplace accredited businesses	08/10/20	08/10/22
8.12 – Embed climate change considerations into everything we do.	Business as Usual	Embed Climate Change in WCC			
8.13 - Devise a plan to achieve carbon neutral corporate buildings by 2030.	Project (Upcoming)		A grant of £95,000 from BEIS has been awarded to WCC to provide business case documentation to apply for the Public Sector Decarbonisation Fund in January 2021. Alongside that, funding for a heat decarbonisation plan will be applied for in January 2021.		
8.14 - Increase biodiversity and ecology through Green corridors, environment banks and tree planting, maximising use of available grants.	Project	Climate Change - Rural Tree Planting	To work with WCC tenants and land managers to fund the planting of standards and small copses on WCC estate.	01/11/20	31/03/21
	Project	Bio Offsetting EnvBank		01/04/19	31/05/19
8.15 - Promote Warwickshire residents' participation in group buying and installation of solar panels onto the roofs	Project	Solar Together Warwickshire	Solar together is a collective purchasing scheme which helps people buy solar panels for their home in a safe and trusted environment at a competitive price. This scheme builds on our successful switch and save campaign and is already widely used by	04/12/20	03/12/23

of their homes to increase the amount of renewable energy generation in the county as well to decrease emissions of carbon dioxide.			other local authorities. Helping homeowners buy solar panels will increase the amount of green electricity generated and used in the county and reduce Warwickshire's carbon footprint. This fits our Council Plan and Recovery Plan priorities.		

PRIORITY NINE

ACTIVITY STATUS KEY		
Colour	**Status Explanation**	**Activities at this stage**
	In development	8
	On target	1
	At risk of compromise	1
	Compromised	0
	Complete	0
TOTAL ACTIVITIES		**10**

Priority	Activity	Project Name/RAG	Brief Description	Start Date	End Date
PRIORITY NINE - Develop our people and future ways of working					
9.1 – Complete roll-out of new telephony to WCC staff for external calls supporting staff to work from anywhere and keep services going.	Project	Teams Telephony Ph2 & 3	This project is phases two and three of the Teams Telephony Rollout, which was part of the Release 2 How We Will Work programme. Phase 1 migrated 85% of WCC staff on WCC telephone numbers to Teams Telephony and removed faxes. Phase 2 will pick up the areas not covered by the main rollout. Phase 3 will identify and move teams to Call Queues, where Teams Telephony Call Queues can meet the team's need. It will also include the de-commissioning of telephone handsets and exchanges.	01/07/20	31/12/20
9.2 - Support staff to make best use of remote working tools allowing them to work more efficiently and to keep them safe.	Programme	How We Work Programme			
9.3 - Support managers with a learning programme to develop skills to remotely manage teams and services to ensure high levels of performance and staff wellbeing	Project	Talent Development and Career Opportunities	Our People Strategy Programme (Under Review)	04/02/19	31/12/20
9.4 - Review the Council's risk planning to reflect the impact of COVID-19 and that it supports all our recovery work.	Project	Risk Management Framework	Review of the risk management framework for Warwickshire County Council has progressed, with implementation to be aligned with the refreshed Council Plan and performance framework for the 22/23 year.	01/07/19	31/12/20
9.5 – Implement new contact centre telephony in Customer Service Centre	Project	Telephony Rationalisation Project	As part of our transformation programme WCC will be changing and consolidating how customer contact and experience will be handled. Our technical solutions must	04/09/19	30/09/21

supporting staff to work from anywhere, ensuring services remain open.			meet the requirements of this approach WCC has 2 existing systems that deliver contact centre functionality. We will analyse the suitability of our current solutions as well as review the market. An Options Appraisal will be produced for consideration by key stakeholders and inform next stage.		
9.6 - Develop the future plan for the use of our buildings including the workplace redesign to support new ways of working.	Project	Shire Hall Workplace Redesign including Reinstatement of Old Shire Hall	This business case requests forward funding from the Capital Investment Fund to support the redesign of Shire Hall, including repurposing the Ground floor of Old Shire Hall and former courts to provide co-location space. This will enable Barrack Street building to be vacated as part of Phase 1	19/07/19	31/03/2[illegible]
9.7 - To make sure we have the right skills for the future we will refresh our workforce (Our People) strategy.	Project	Talent Development and Career Opportunities	Our People Strategy Programme (Under Review)	04/02/19	31/12/20
9.8 – To support our staff to keep healthy and well we will start a sustainable and resilient workforce programme including wellbeing and sickness absence.	Project	Sustainable and Resilient Workforce	To support the management of well-being, absence and attendance across the council, by ensuring that council has the data and insight, the culture and the skills and behaviours to maximise attendance. Actions will include - The setup of the Sustainable and Resilient Workforce Group, with three main workstreams -- Data and insight -- Culture -- Skills and Behaviours - the publication and implementation of the Wellbeing Pledge	01/09/20	31/03/21
9.9 – To support those who are vulnerable we will agree our Equality, Diversity and Inclusion programme and start to deliver the actions in this.	Project	Equality, Diversity & Inclusion	Building on work being undertaken in relation to EDI, this project will enable an integrated, proactive approach to EDI that meets the Council's Public Sector Equality Duty, is informed by sector best practice and supports the achievement of the Council's values, behaviours and objectives. The timeline of this project will be in alignment with Our People Strategy 2020-2025.	01/09/20	31/03/25
9.10 - To continue to support our staff to innovate and consolidate the lessons learnt in responding to COVID-19 we will agree our innovation strategy and embed the behaviours into our culture and ways of working.	Project (Upcoming)		Still in development; priority currently given to further response activity		

PRIORITY TEN

ACTIVITY STATUS KEY		
Colour	**Status Explanation**	**Activities at this stage**
(grey)	In development	4
(green)	On target	2
(orange)	At risk of compromise	1
(red)	Compromised	0
(blue)	Complete	0
TOTAL ACTIVITIES		**7**

Priority	Activity	Project Name/RAG	Brief Description	Start Date	End Date
PRIORITY TEN - Deliver high performance by harnessing digital, data and making the most effective use of our resources					
10.1 - Support new ways of working, support remote working and deliver efficiencies we will refresh our digital timeline setting out our approach to using digital technology.	Business as Usual	Refresh of Digital Timeline	The timeline is in the process being updated and will include the timeline for digitisation projects within release 3 such as Bin, Scan, Store and SharePoint phase 2.		
10.2 - Implement a new Data Strategy that will ensure we have the right data and analysis to improve services and complete projects to meet increased demand.	Project	WCC Residents' Panel	To establish a residents' panel to support WCC to access residents views and opinions on key policy matters - this will be a pilot and fixed term for approx. 18 months, after which time a decision will be taken as to whether to build into the mainstream service offer.	01/12/20	31/12/21
10.3 - COVID-19 changed the way we work and the space we need to do this, we will develop plans to ensure our future office design continues to support this whilst also releasing space to be used for other purposes.	Project	Shire Hall Workplace Redesign including Reinstatement of Old Shire Hall	This business case requests forward funding from the Capital Investment Fund to support the redesign of Shire Hall, including repurposing the Ground floor of Old Shire Hall and former courts to provide co-location space. This will enable Barrack Street building to be vacated as part of Phase 1 with the potential for other buildings to follow in any subsequent phases.	19/07/19	31/03/22
10.4 - Implement new online document and records management system to enable more mobile working	Project	SharePoint Phase2 (EDRMS)	Working under Release 3 of How We Will Work, this project will look to develop SharePoint online and deploy a corporate roll out. In doing so will enable all business information to be created digitally and securely stored in one single repository. Records Management policies will be built into the system and enable (with the right functionality in place/configured) the life cycle of all information and records to be managed properly in accordance with information legislation and standards	25/11/19	31/01/22

10.5 – Continue to review, upgrade and replace our technology to support new ways of working both during and post COVID-19	Project	Cloud Migration	Digital Transformation	20/05/19	29/05/20
10.6 - We will refresh our medium-term financial plan and capital spending programme, so that we can be clear about funding the recovery work.	Business as Usual	MTFS Review	On track. Proposals to be considered by Cabinet in January then Full Council in February. Investment proposals tilted towards recovery priorities.		
10.7 – We will develop a new performance framework for 2021-22 as part of the Council Plan using performance dashboards and metrics. This will provide a clear link between the outcomes of our Council Plan 2025; our strategies to deliver that plan and this recovery plan to demonstrate and share how well we are doing and make improvements along the way.	Project (Upcoming)		New performance framework has been paused, to be resumed post elections in tandem with the refresh of the Council Plan, for implementation for the 22/23 year. Current performance framework continues.		

APPENDIX C

Fund	Budget	20/21 Allocated	21/22 Allocated	22/23 Allocated	Unallocated by Dec 2020
Climate Change	**4,000**	**1,031**			**2,969**
Solar Together		31			
Climate Change Community Investment fund		1,000			
Commercialism	**3,500**	**897**			**2,603**
Warwickshire Property Company		605			
Warwickshire Recovery and Investment Funds		220			
Great Crested Newts		72			
Place Shaping and Capital Feasibility	**7,500**	**517**	**374**	**240**	**6,370**
Tech Challenge		80			
Survive Sustain Grow		205	90		
Employee Assistance Programme for independent micro businesses		8			
Art Challenge		150			
Marketing and Promotion		45	30		
Digital Market Place		28	14		
5G Connectivity			240	240	
Sustaining Prevention	**5,404**	**383**	**773**	**811**	**3,437**
SEND and Inclusion Change Programme Cohort 1 projects PPDs only		240	314		
Integrated Care Records		143	159	311	
Children and Families Tackling Inequality			300	500	
Total Revenue Investment Funds	**20,404**	**2,828**	**1,147**	**1,051**	**15,378**
Recovery projects funded from Covid government grants	**1,490**		**1,290**	**200**	**-**
Managing the Impact of Covid-19 on BAME Communities			200	200	
Improving Mental Wellbeing			1,090		
Total Revenue	**21,894**	**2,828**	**2,437**	**1,251**	**15,378**
Recovery projects funded from Capital Investment Fund	**762**	**250**	**512**	**-**	**-**
Digital Creative Office Space, Holly Walk, Leamington Spa			512		
Mental Health one approved through revenue fund report		250			
Total Capital	**762**	**250**	**512**	**-**	**-**

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Agenda Item 5

Cabinet

28 January 2021

Treasury Management Strategy and Investment Strategy

Recommendations

That Cabinet recommends to Council that:

1. The Treasury Management Strategy for 2021/22 (Appendix 2) be approved with effect from 1st April 2021.

2. The Investment Strategy for 2021/22 (Appendix 3) be approved with effect from 1 April 2021.

3. That the County Council requires the Strategic Director for Resources to ensure that gross borrowing does not exceed the prudential level specified (Appendix 2, Section 3.2, Table 10 “Authorised Borrowing Limit”).

4. That the County Council requires the Strategic Director for Resources to ensure that gross investment in non-Treasury investments does not exceed the prudential levels specified (Appendix 3, Annex 7).

5. That the County Council delegate authority to the Strategic Director for Resources to undertake delegated responsibilities in respect of both strategies (Appendix 2, Annex 7, and Appendix 3, Section 2.5).

6. That the County Council requires the Strategic Director for Resources to implement the Minimum Revenue Provision (MRP) Policy (Appendix 2, Section 2.4).

1 Executive Summary

1.1 The Council is required to set a Treasury Management Strategy and Investment Strategy each year and these are set out at Appendix 2 and Appendix 3.

1.2 The Treasury Management Strategy, Investment Strategy, and Capital Strategy are all related. The features of these three strategies are summarised below, and the interrelationships are detailed in Appendix 1.

Capital Strategy	Treasury Management strategy	Investment strategy
Sets out all Council expenditure that is capital in nature, i.e. expenditure on assets that provide benefits over more than one financial year.	Sets out how the Council manages its cash balances, and how capital financing (borrowing) requirements will be managed.	Sets out how the Council will manage non-treasury investments.

1.3 Recent treasury management activity has seen the Council holding significant cash balances in relatively safe settings and not needing to take out new borrowing. Non-treasury investment activity has been on a small scale. The key features of activity for 2021/22 and onwards are:

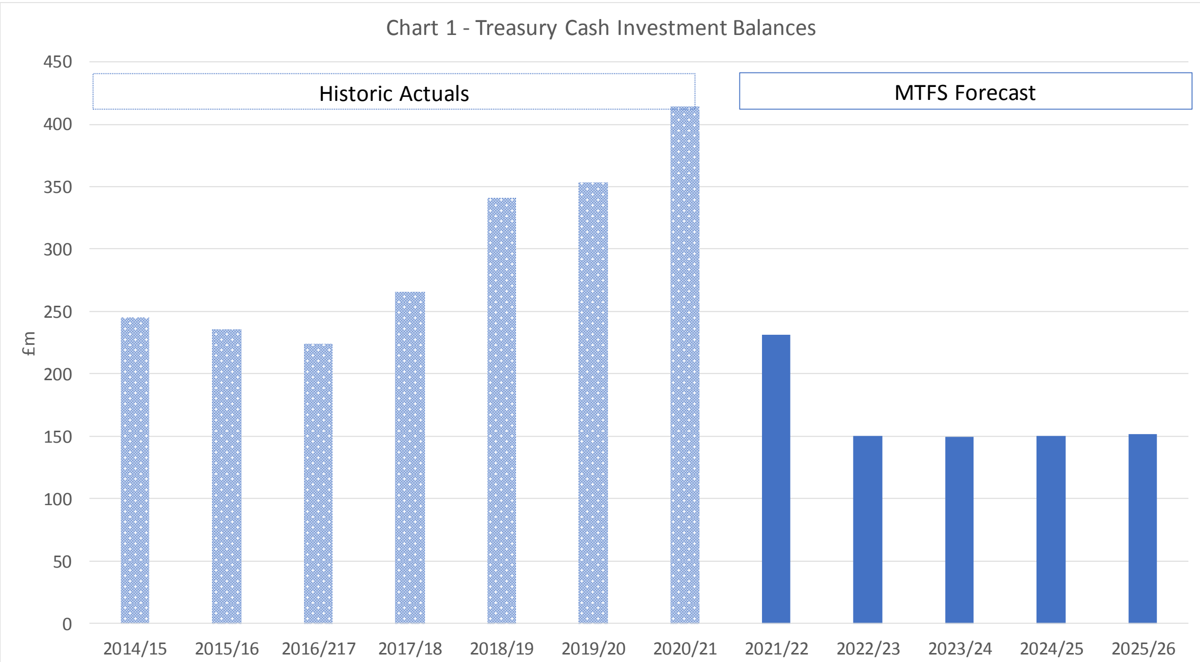
- Significant levels of new investment in the Warwickshire Property Development Company (WPDC).

- Significant increases in the level of borrowing to fund the WPDC and mainstream capital programme.

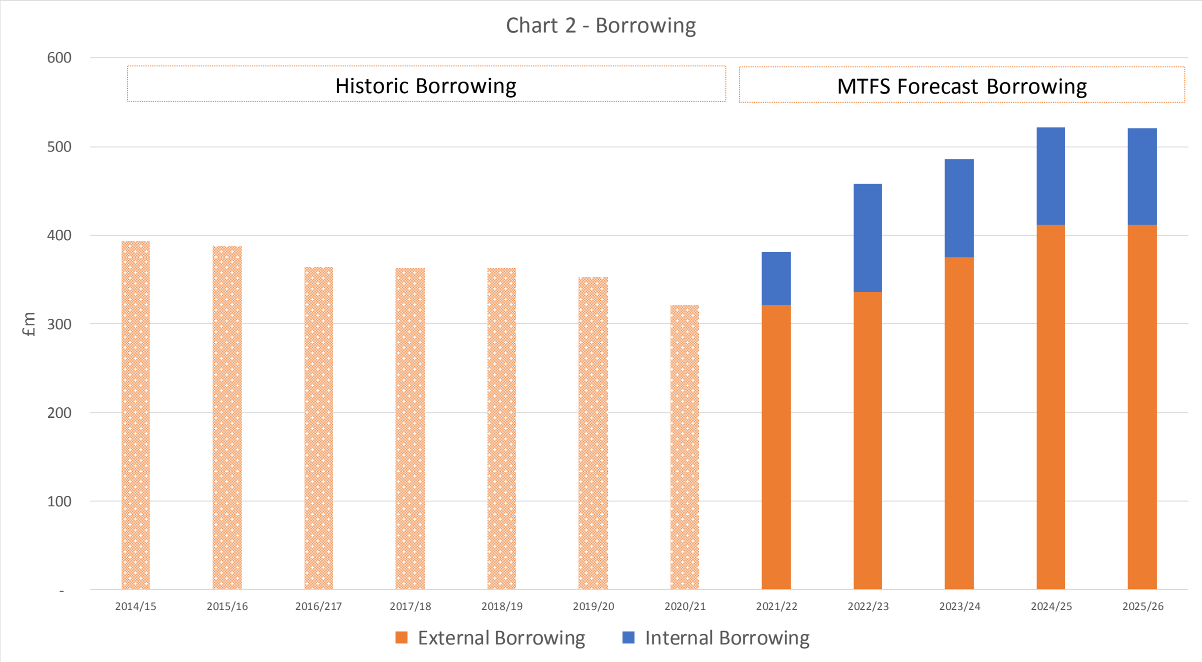
- Challenges in the efficient management of cash balances in an environment of sustained low interest rates and a higher risk of cashflow pressure.

2. Treasury Management (Appendix 2) - Headlines

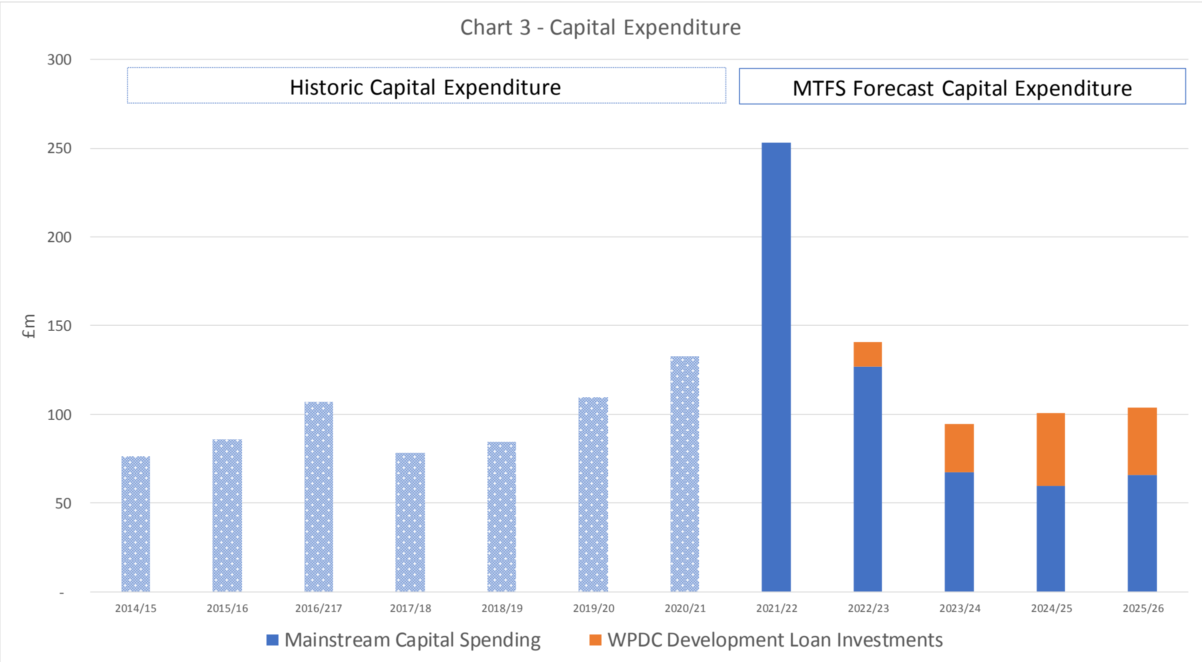
2.1 Treasury management is to do with the safe handling of cash (the priorities are ensuring security and liquidity, followed by the objective of earning an efficient return). Treasury cash balances are planned to reduce as follows:



2.2 This is driven by planned "internal borrowing" (also called "under borrowing") whereby the Council makes use of cash balances where they are available in order to reduce the amount of external borrowing required to support new investment, because internal borrowing is cheaper (Appendix 2, Table 7). Chart 2 summarises the borrowing forecast and shows how a part of that increase will be through internal borrowing.



2.3 Borrowing, also referred to as the Capital Financing Requirement or CFR (Appendix 2 Table 4) is forecast to increase driven by the planned capital strategy including new cash investments in WPDC, as illustrated below.



2.4 Note that the reduction in forecast mainstream capital spending (Appendix 2, Table 1) does not represent a planned reduction in activity, it merely represents the capital planning horizon. Actual planned spending for each year ahead is expected to rise to a higher level by the time planning for that year arrives. i.e. the new WPDC investment is not replacing mainstream capital expenditure, it will be adding to it.

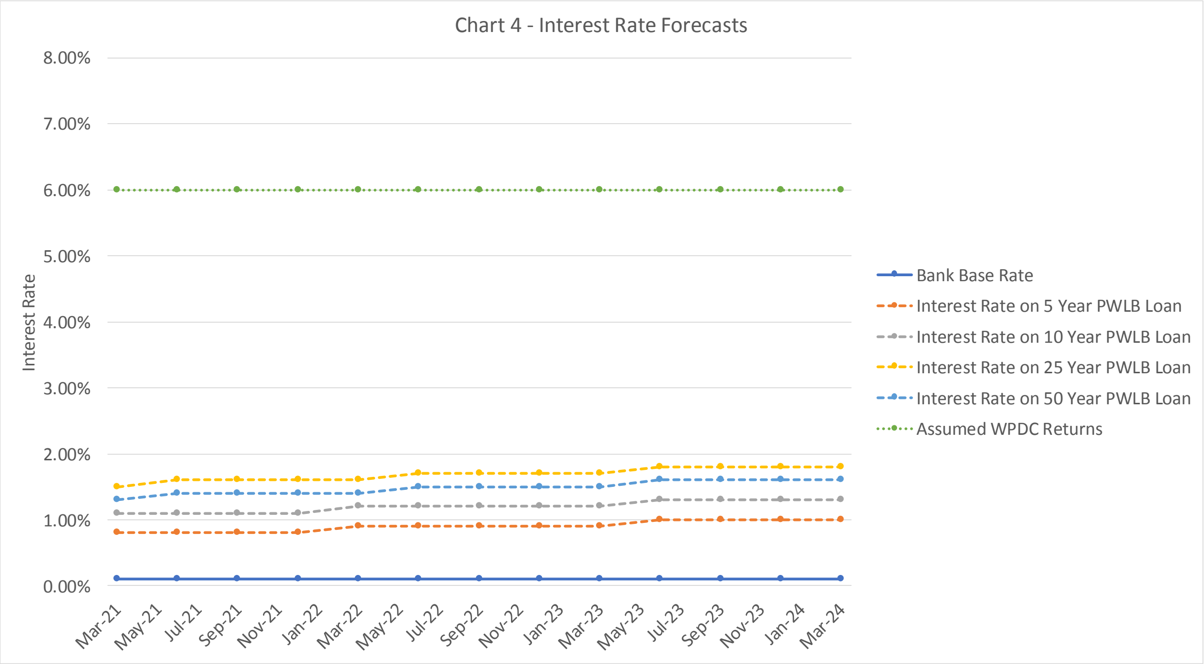
Minimum Revenue Provision

2.5 A prudent provision will be set aside to repay debt (this is called the Minimum Revenue Provision or "MRP"). For mainstream capital expenditure making this provision is existing custom and established practice.

2.6 The new MRP policy is expanded to have regard to the WPDC. For two elements of WPDC investment, no MRP will be made: (1) where land is transferred in as equity – because no borrowing is required, and (2) where working capital loans are made, because they are revenue rather than capital. For development loans to WPDC the loans are expected to be paid back however to be prudent MRP will still be provided for. The MRP policy is set out at Appendix 2 Section 2.4.

Interest Rates

2.7 Interest rates are very low and the outlook remains low with the bank rate forecast to stay at 0.1% for the next few years. The rates at which local authorities can borrow from the Public Works Loan Board (PWLB) are also very low , in the range 0.8% to 1.5% for durations from 5 years to 50 years and are only expected to rise slowly over the medium term (Appendix 2, Section 3.3).



2.8 Interest returns received on treasury investments will be significantly less over the medium term due to the low base rate. Some types of investment may involve negative interest rates. However actions will be taken to minimise the impact of low rates whilst prioritising security and liquidity.

2.9 The increase in non-treasury investments will provide a financial benefit through providing greater returns than treasury investments and greater returns than PWLB borrowing as illustrated in Chart 4 above, but at greater risk (refer to Section 3.6 below regarding risk).

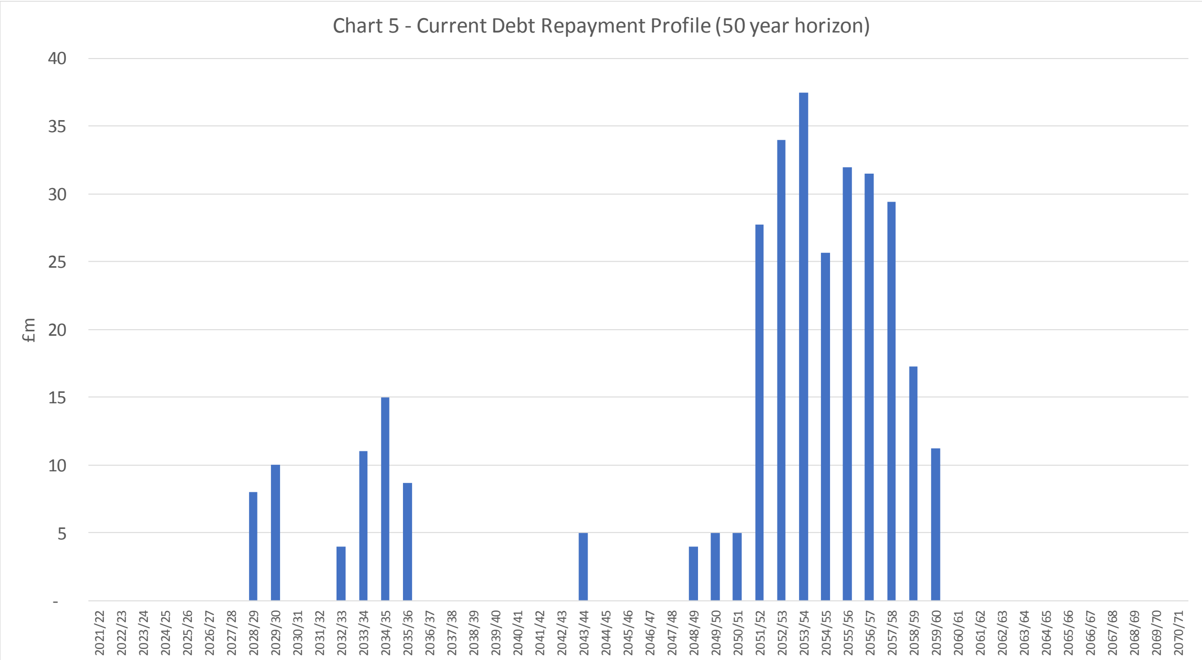
Borrowing

2.10 PWLB borrowing rates are very low (Appendix 2 Section 3.3) and a key issue will be to ensure that the Council maintains access to these rates (although alternatives will also be considered when borrowing is required to ensure best value is achieved). There are two specific factors that will be managed to achieve this:

- By providing HM Treasury with a forward forecast of capital plans local authorities can maintain access to the lowest rates (referred to as the “certainty rates”).

- By making non-treasury investments that meet PWLB lending criteria (Appendix 3, Annex 1).

2.11 The current borrowing maturity profile includes a concentration of debt due to be repaid around 2050-2060. When new borrowing is taken out the opportunity will be taken to consider spreading out the maturity profile more evenly.



2.12 Limits for borrowing have been set based upon expected levels of investment, including an “Authorised Borrowing Limit” which cannot be exceeded (Appendix 2 Table 10).

Treasury Investments

2.13 Loans being made to other local authorities will be made on a smaller scale as internal borrowing reduces cash balances. The facility to agree loans to other local authorities in advance of the commencement date is being introduced. This will provide more opportunities and better value deals.

2.14 New limits have been introduced by investment sector to manage risk exposure, for example holding no more than £250m in overnight investments (Appendix 2 Section 4.3).

2.15 Counterparty credit rating requirements have been reduced from A to A- (long term Fitch rating) on investments with banks and building societies in order to maintain access to those institutions (Appendix 2 Section 4.2).

2.16 The minimum sovereign rating has moved down from AA to AA-, this incorporates the UK, however the rating requirement only applies to foreign countries, the strategy allows investment in the UK regardless of the UK's rating (Appendix 2 Section 4.3).

3 Investment Strategy (Non-Treasury Investments - Appendix 3) – Headlines

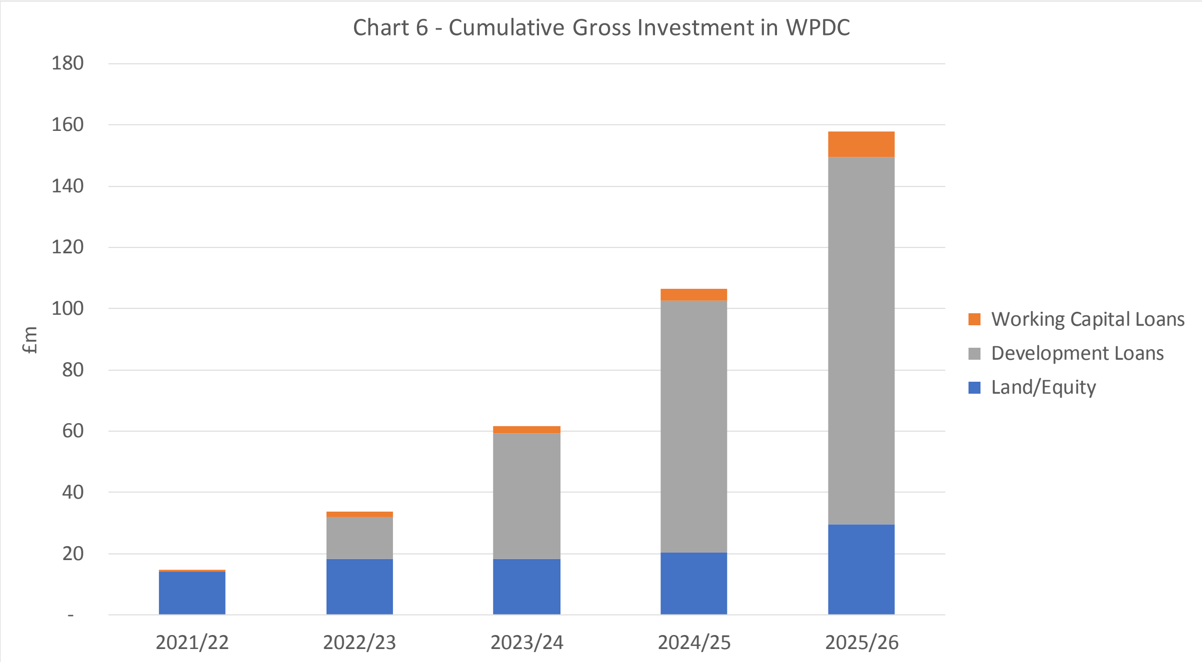
New Investments

3.1 The key non-treasury development is the introduction of new investment in the proposed WPDC, creating non-treasury investment on a significant scale that will be funded from borrowing.

3.2 In addition to the WPDC which is the subject of specific proposals to Cabinet in January 2021, further non treasury investments may be developed, for example there is the potential for a Warwickshire Recovery Investment Fund focused on investments to support local businesses and economic recovery. Where additional funds/investments are developed the Investment Strategy will be updated and presented to Members for approval as appropriate before new investments can be made.

3.3 An important feature of all non-treasury investments is that they are made with the primary purpose of delivering organisational objectives, and not purely or primarily to make a financial return (Appendix 3 Section 3). The primary reason for the proposal of the WPDC is to amplify the delivery of policy objectives.

3.4 The WPDC medium term investment plans are summarised in Chart 6. These represent limits and actual investment may be flexible up to these limits.



Existing Non-Treasury Investments

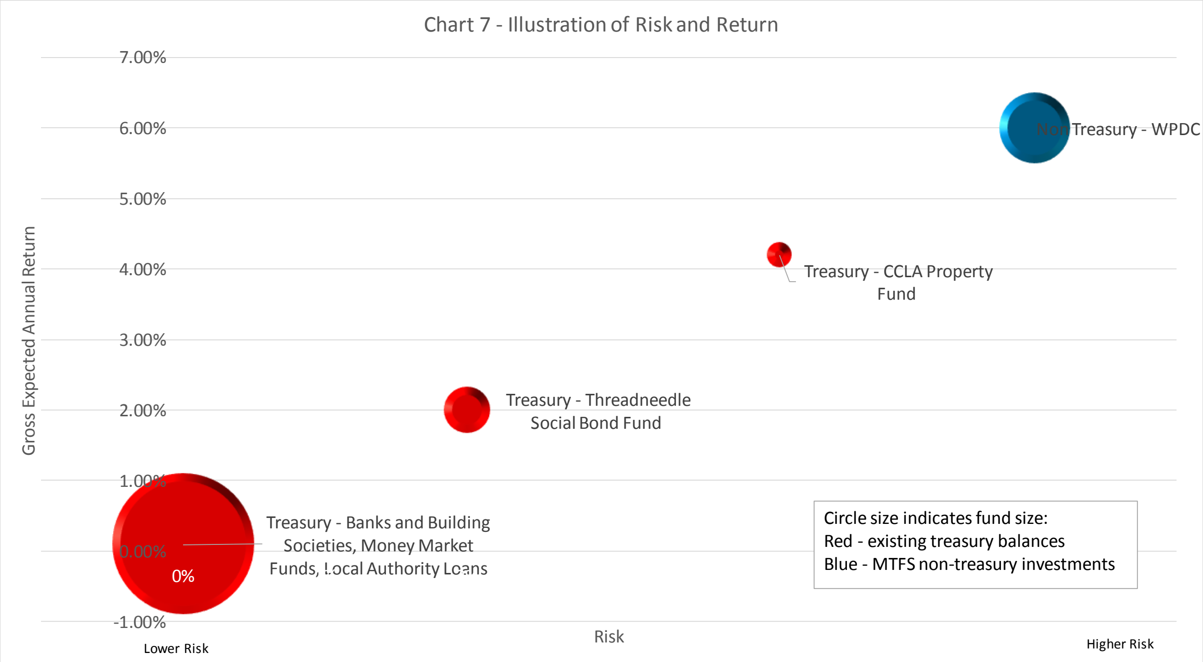
3.5 The Council already holds a small amount of non-treasury investments, all related to the delivery of service objectives (Appendix 3 Section 13). These are already fully funded or already paid for, example:

- Holding shares in companies such as the ESPO Trading Ltd and Warwick Technology Park.
- Issuing loans to Educaterers Ltd (a local authority controlled company).
- On a small scale issuing loans to local businesses through the capital programme and the Coventry and Warwickshire Reinvestment Trust.
- Holding a land bank of investment properties.

Risk

3.6 Any investment involves risk, with the risks depending upon the nature of the investment. A range of strategic governance and risk management standards are set out throughout the Investment Strategy which all non-treasury investments must adhere to (but refer to Appendix 3 Annex 2 – Annex 4 in particular). In addition, more detailed requirements may be determined for specific funds and incorporated into the approval of those funds.

3.7 Investment risk and return are directly linked, with higher risks typically being rewarded by higher returns. How financial risk actually manifests itself varies with the type of investment, for example equity risk manifests in the form of share price volatility, and lending risk manifests in the form of loan repayment default.



3.8 The financial risks and rewards involved in non-treasury investments are of a different nature to (and greater than) the financial risks relating to traditional capital expenditure and treasury investments (Appendix 3 Section 8). The chart above illustrates this schematically, with existing Treasury investments in red, and planned MTFS non-treasury investments in blue.

3.9 The reasons for the differences are:

- Treasury investments prioritise security and liquidity in order to serve the primary objective of treasury management which is to ensure that cash is available when needed to serve the purpose for which that cash is held.

- Traditional capital spending is basic expenditure by nature and is fully funded as such.

- Non-Treasury investment risks are different in that they are assumed to retain or increase their original asset value, and they are assumed to provide a more significant financial return. Therefore there is exposure to the risk of these assumptions not happening.

- The objectives of non-treasury investments by their nature are not the same as treasury investments, and therefore they may not prioritise security and liquidity as highly as treasury investments do.

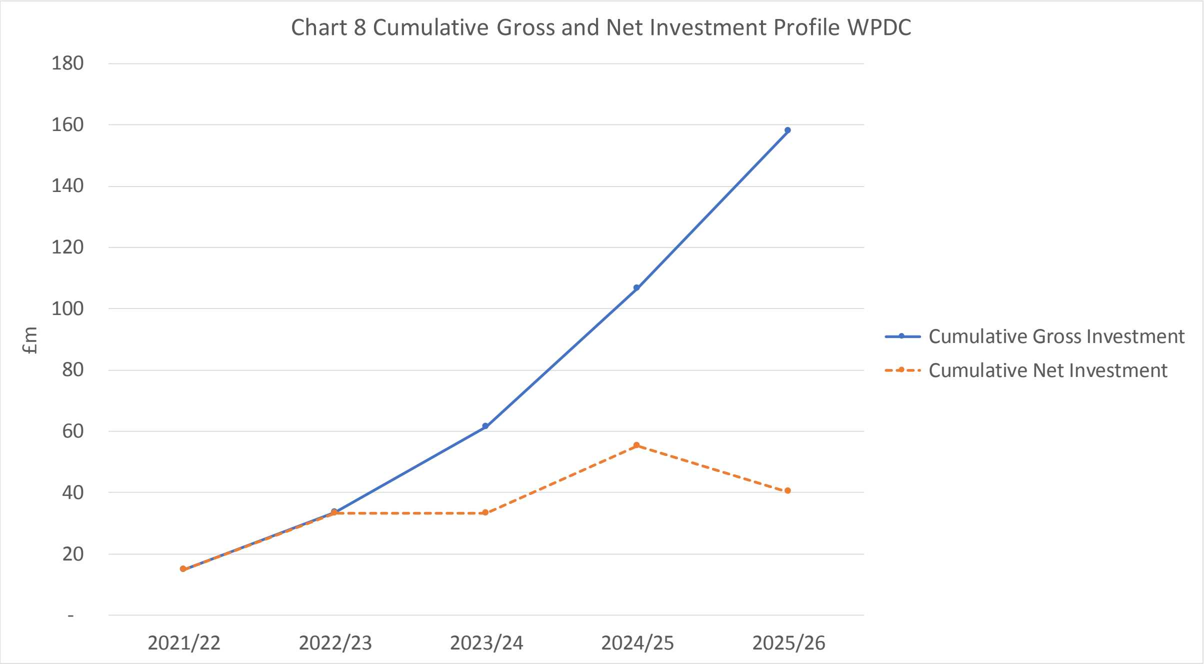
3.10 A key feature of managing risk will include having arrangements to manage the risk of losses. This will include a certain degree of expected losses built in to business models (no investment is 100% guaranteed to pay back), the use of reserves to provide some cover, and hard limits on non-treasury investment levels to limit maximum exposure to losses.

3.11 Some risks are driven by the duration of an investment. The longer the investment is for, the greater the probability is of a default. In addition, very long-term investments introduce intergenerational risks that need to be considered.

3.12 Aside from the risks associated with any particular individual investments, another type of risk is addressed by the Investment Strategy called "proportionality" (Appendix 3 Section 9). This is to do with the overall aggregate level of investment and exposure to loss, in particular in comparison to the size and financial capacity of a local authority to bear the losses that it is exposed to. The issue of proportionality will be monitored and proportionality measures may be used in the future to put limits on investment activity.

Prudential Indicators

3.13 The Investment Strategy has been updated to have regard to the new WPDC investments, including the introduction of Prudential Indicators (Appendix 3 Annex 7) that place limits on gross and net investment:



3.14 The gross amount that may be invested in each fund annually is a hard ceiling within each year. The net level of investment will be monitored (i.e. after accounting for repayment of previous investments). If the annual net position is breached due to repayment defaults, this would trigger a review of future gross investment limits.

3.15 In addition, the following more detailed limits will be applied to manage risk (Appendix 3 Annex 7).

- The length of time that investments may be made for.

- The amount of a fund that may be debt or equity investment.

3.16 The “Authorised Borrowing Limit” set within the Treasury Management Strategy (Appendix 2, Table 10) includes borrowing required to service these investments.

3.17 All non-treasury management investments will be required to demonstrate that they meet the following criteria:

- That they are primarily for the purpose of delivering organisational objectives and meeting service need.

- That they meet the revised criteria recently set out by the Government that need to be met in order to retain access to PWLB lending. The government as specified the kinds of investment that may be made (Appendix 3 Section 3.2). It is possible to invest in other initiatives but if that were the case, the local authority would have to find borrowing sources from elsewhere and would likely be considered a higher risk to lend to.

- That whilst they may make a financial return, they must not be purely or primarily for the purpose of making a financial return.

Governance

3.18 High level requirements for the governance of non-treasury investments are specified in the Investment Strategy (Appendix 3). These are the minimum requirements that must be met. Where specific investments or funds are developed, they may prescribe more detail around their governance arrangements, but those arrangements must meet these strategic requirements.

4 Financial Implications

4.1 The financial implications are detailed within the report and appendices.

5 Environmental Implications

5.1 Both strategies include an “Environmental Social and Governance” (ESG) policy. The primary objectives of treasury management will however remain security, liquidity, and yield, with non-treasury investments also including the delivery of organisational service objectives.

6 Supporting Information

6.1 None.

7 Timescales Associated with Next Steps

7.1 The Treasury Management Strategy and Investment Strategy will be reported to Council in February, and subject to approval will come into effect on 1st April 2021.

Appendices

- Appendix 1 - Explanation of Capital Expenditure, Treasury Investments, and Non-Treasury Investments
- Appendix 2 - Treasury Management Strategy
- Appendix 3 - Investment Strategy (for Non Treasury Investments)

Background Papers

None

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Local Member(s):
Other members:

Explanation of Capital Expenditure, Treasury Investments, and Non-Treasury Investments **Appendix 1**

	Capital Expenditure	Treasury Investments	Non-Treasury Investments
Purpose	Traditional capital expenditure to meet service objectives	Maximising the security and liquidity of cash, and generating the most efficient returns without compromising the required security and liquidity	Investment in assets in order to meet service objectives and/or commercial objectives
Investment Timescales	Generally long term	Generally short-term (up to 1 year)	Short term through to very long term - dependent on objectives
Outcome for Asset Value	Assets are consumed through their working life and are assumed to have no remaining value at the end of their working life. New funding is then required to purchase or create a new asset.	The preservation of capital (security) is the top priority. Assets are only held until the cash is needed for its original underlying purpose (for example a capital receipt that was held until it was spent).	Asset values are assumed to be maintained and repaid where investments are loans by nature. Where investments are equity in nature then either (1) asset values are assumed to be maintained and/or increase or (2) be replaced by other value (e.g. dividends, capital receipts).
Sources of Funding	Investment is permanent (i.e. the investment does not come back). Sources include capital receipts and grants, and borrowing. Provision is made for replacement costs via the MTFS.	Investments are temporary (i.e. investments are assumed to come back eventually) Cash balances provide the funding.	Investments are temporary (i.e. investments are assumed to come back eventually). Primarily borrowing and cash balances
Risk	Assets are fully funded, so there is no risk of a loss of an assumed financial investment as such, however there are risks for example (1) cost over-run and (2) that an asset does not deliver its objectives, and that this has knock-on implications.	Credit and liquidity risk exist but are minimised, for example by restricting investments to counterparties with high credit ratings, and restricting investments to shorter durations.	Risks are directly dependent upon the nature of the investments undertaken, and the governance and controls built around them. Risks relate to individual investments, and also emerge from the aggregate total amount of activity.
Primarily covered by which strategy document?	**Capital Strategy** • Capital plans also feature in the Treasury Strategy as they drive borrowing and cash planning.	**Treasury Management Strategy**	**Investment Strategy** • Will also feature in the capital strategy where investment is capital in nature and has to be accounted for as such. • Will also feature in the Treasury Strategy where the investment drives borrowing or the use of cash balances.
Examples of what this covers in practice	Traditional capital expenditure, for example on roads, IT infrastructure, etc.	• Loans to Banks, Building Societies and other Local Authorities • Investments in Money Market Funds • Investment in the CCLA Property Fund • etc	• Pre-existing non-treasury investments (e.g. land bank, companies such as ESPO, loans to Educaterers, and loans made via CWRT). • WPDC

Appendix 2

Treasury Management Strategy Statement

Warwickshire County Council

2021/22

Index

1 Introduction

1.1 Background

The Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as:

"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities. These are separate from day to day treasury management activities and are covered by a separate Investment Strategy.

1.2 Reporting requirements

1.2.1 Treasury Management reporting

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

a. **Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report is forward looking and covers:
   - the capital plans, (including prudential indicators);

- a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
- an investment strategy, (the parameters on how investments are to be managed).

b. **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.

c. **An annual treasury report** – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

1.2.2 Capital Strategy and Investment Strategy

The Treasury Management Strategy Statement (TMSS) interacts with both the Capital Strategy and the Investment Strategy.

Capital Strategy

The CIPFA 2017 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report which will provide the following:

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of the capital strategy is to ensure that there is a robust strategy that meets organisational objectives with appropriate governance arrangements, and that the strategy is transparent and understandable to elected members.

The Capital Strategy is reported separately, and the headline capital financing requirements (the need to borrow) feed into this Treasury Management Strategy.

Investment Strategy

The Council is required to set out separately an Investment Strategy (IS) in relation to non-treasury investments. Non-treasury investments must consider security, liquidity, and yield, however the relative priority of these 3 factors does not have to follow treasury management principles as non-treasury investments are by their nature not intended to deliver treasury management objectives.

The Council's Investment Strategy is a separate document, however it does interrelate with the Treasury Management Strategy and Capital Strategy.

The table below summarises these different strategies.

Capital Strategy	Treasury Management Strategy – including Treasury Investment Strategy	Investment Strategy
Traditional capital expenditure to directly meet service objectives.	Management of cash and debt to service the delivery of day to day operations and the long-term financing of investments.	Non-treasury investments with the primary objective of meeting service objectives.

1.3 Treasury Management Strategy for 2021/22

The strategy for 2021/22 covers two main areas:

Capital issues

- the capital expenditure plans and the associated prudential indicators;
- the minimum revenue provision (MRP) policy.

Treasury management issues
- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- the policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, Ministry of Housing, Communities and Local Government (MHCLG) MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.

1.4 Treasury management consultants

The Council uses Link Group, Treasury solutions as its external treasury management advisor.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of external service providers.

The Council also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

The scope of investments within the Councils operations includes treasury, service and commercial investments. Specialist advice is sought as appropriate for the undertaking of different types of investment.

2 Prudential Indicators

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

2.1 Capital expenditure

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. More detail is provided in the Capital Strategy, the high-level headlines are reproduced below:

Table 1 – Total Capital Programme

£m	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Capital Expenditure	146.555	132.528	253.196	127.106	67.427	59.451	65.628
Non-Treasury Investment WPDC*	0.000	0.000	0.000	13.716	27.216	41.153	38.015
Total	**146.555**	**132.528**	**253.196**	**140.822**	**94.643**	**100.604**	**103.643**

* Warwickshire Property Development Company (WPDC).

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a need to borrow.

Table 2 – Financing of Capital Expenditure

£m	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Capital receipts	(10.349)	(28.613)	(15.292)	(3.907)	0.000	0.000	0.000
Capital grants	(96.587)	(104.022)	(121.912)	(44.949)	(23.014)	(22.739)	(22.739)
Self Financed Borrowing	0.000	1.919	(0.995)	0.000	0.000	0.000	0.000
Revenue	(2.692)	(1.811)	(1.133)	0.000	0.000	0.000	0.000
Sub Total - General Capital Programme Funding	(109.628)	(132.528)	(139.332)	(48.857)	(23.014)	(22.739)	(22.739)
Capital Receipts from WPDC	0.000	0.000	0.000	(0.038)	(25.972)	(22.966)	(60.557)
Sub Total - WPDC Related Income	0.000	0.000	0.000	(0.038)	(25.972)	(22.966)	(60.557)
Total Capital Funding/Income	(109.628)	(132.528)	(139.332)	(48.895)	(48.986)	(45.705)	(83.296)
Total Capital Expenditure	109.628	132.528	253.196	140.822	94.643	100.604	103.643
Net financing need for the year	**0.000**	**(0.000)**	**113.864**	**91.928**	**45.657**	**54.899**	**20.347**
Minimum Revenue Provision (MRP) **	(11.872)	(11.397)	(10.941)	(15.058)	(18.133)	(19.234)	(20.660)
Borrowing Requirement	**(11.872)**	**(11.397)**	**102.923**	**76.870**	**27.525**	**35.665**	**(0.313)**

** MRP is a revenue provision made each year to contribute towards financing costs, so reducing the need for new borrowing

The net financing need split between capital expenditure and non-treasury investments is shown below in order to show the relative scale of non-treasury investment.

Table 3 – Financing of Non-Treasury Investments

£m	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
WPDC Capital Investment	0.000	0.000	0.000	13.716	27.216	41.153	38.015
Less: WDPC Related Receipts and Repayments	0.000	0.000	0.000	(0.038)	(25.972)	(22.966)	(60.557)
Net financing need for the year	**0.000**	**0.000**	**0.000**	**13.678**	**1.244**	**18.187**	**(22.542)**
Percentage of total net financing need %	n/a	n/a	n/a	14.9%	2.7%	33.1%	n/a

Further details in respect of non-treasury investments are set out in a separate Investment Strategy document.

2.2 The Council's borrowing need (the Capital Financing Requirement)

The Capital Financing Requirement (CFR) represents capital expenditure financed by external debt and not by capital receipts, revenue contributions, capital grants or third-party contributions at the time of spending. The CFR measures the Authority's underlying need to borrow externally for a capital purpose.

Table 4 – Capital Financing Requirement

£m	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2023/24 Estimate	2025/26 Estimate
CFR – Capital Programme	289.800	278.403	381.326	444.517	470.798	488.276	510.505
CFR - WPDC	0.000	0.000	0.000	13.678	14.922	33.109	10.567
Total CFR	**289.800**	**278.403**	**381.326**	**458.195**	**485.720**	**521.385**	**521.072**
Movement in CFR - Capital Programme	n/a	(11.397)	102.923	63.192	26.281	17.478	22.229
Movement in CFR - WPDC	n/a	0.000	0.000	13.678	1.244	18.187	(22.542)
Movement in CFR - Total	**n/a**	**(11.397)**	**102.923**	**76.870**	**27.525**	**35.665**	**(0.313)**
Movement in CFR represented by							
Net financing need for the year	0.000	(0.000)	113.864	91.928	45.657	54.899	20.347
Less MRP and other financing movements	(11.872)	(11.397)	(10.941)	(15.058)	(18.133)	(19.234)	(20.660)
Movement in CFR net of MRP	**(11.872)**	**(11.397)**	**102.923**	**76.870**	**27.525**	**35.665**	**(0.313)**

*The MRP calculation is explained in section 2.4 of this report.

The CFR is increasing significantly as a result of general capital programme plans plus new non-treasury investment plans.

2.3 Core funds and expected investment balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

Table 5 – Expected Investments

£m	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Fund balances / reserves	193.023	182.923	164.423	152.723	152.223	153.223
Capital receipts	20.200	0.000	0.000	0.000	0.000	0.000
Other	7.900	4.300	4.300	4.300	4.300	4.300
Total core funds	**221.123**	**187.223**	**168.723**	**157.023**	**156.523**	**157.523**
Working capital	150.000	104.000	104.000	104.000	104.000	104.000
(Under)/over borrowing	43.003	(59.920)	(122.789)	(111.314)	(109.979)	(109.666)
Expected treasury investments	**414.126**	**231.303**	**149.934**	**149.709**	**150.544**	**151.857**

2.4 Minimum Revenue Provision (MRP) Policy

Capital expenditure is generally expenditure on assets which have a life expectancy of more than one year e.g. buildings, vehicles, machinery etc. It would be impractical to charge the entirety of such expenditure to revenue in the year in which it was incurred and so such expenditure is spread over several years so as to try to match the years over which such assets benefit the local community through their useful life. The manner of spreading these costs is through an annual Minimum Revenue Provision (MRP).

The MRP should be designed to make prudent provision to redeem debt liabilities over a period which is reasonably commensurate with the associated capital expenditure benefits.

Having regard to these requirements, the MRP provision will be calculated as set out below.

2.4.1 MRP for Capital Programme Expenditure

The MRP provision will be calculated on the average remaining useful life of the Council's asset portfolio. We will calculate and apply the remaining useful life over two categories of asset:

- Land, buildings and infrastructure;
- Vehicles, plant and equipment.

The proportion of debt outstanding in each category of asset will be determined by the value of assets included in the balance sheet at the end of each financial year.

The 2017 review shows that the remaining useful life of our assets is now 28 years. By using an average life of 28 years for our assets equates to an annual provision of 4% straight line MRP.

For vehicles, plant and equipment, the remaining useful life is assumed to be five years e.g. 5 years average remaining useful life will result in 20% straight line MRP.

2.4.2 MRP for the Warwickshire Property Development Company (WPDC)

Unlike mainstream capital spending where provision for purchase of replacement assets has to me made in order to have funding available for replacement assets, expenditure (investment) in the WPDC will at a later date be repaid in full.

It is possible to assume that these repayments of principal amount to the necessary revenue provision. However, there is a risk that repayment of principal is not made, or not made in full. In order to mitigate this risk the MRP policy for the WPDC will be to make a provision as follows:

- No MRP will be charged to the revenue account on an equity land or asset transfers into Wholly Owned subsidiaries.
- No MRP will be charged on working capital loans. Any anticipated impairments will be treated following the relevant accounting standards (namely IFRS9 - Financial Instruments), and not charged through the capital financing regime.
- MRP on development loans made to DevCo (a subsidiary of WPDC) will be charged over 25 years of equivalent to 4% per year, in line with the existing MRP policy for the capital programme.
- MRP on loans to ManCo (a subsidiary of WPDC for purchase of assets from DevCo) will be charged to the revenue account over 40 years (2.5% per year) in order to match the repayment profile of senior lending and operating life of those assets.
- Any capital receipts then received as repayment of the loan principal from ManCo and Dev Co will be used to offset “traditional” borrowing requirements for financing the wider capital programme.

The actual calculation of MRP will be based on the [Total Capital Financing Requirement x 4%]. This is deemed to be a prudent overall level of provision based upon the requirements set out above.

3 Borrowing

Capital expenditure plans are set out in detail in the Capital Strategy. The treasury management function ensures that the Council's cash is managed in accordance with the relevant professional codes, so that sufficient cash is available to meet the Council's capital strategy and revenue service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual treasury investment strategy.

The council currently holds an over borrowed position (meaning external borrowing is greater than the total capital financing requirement), however this is forecast to change based on capital expenditure plans in the coming years. The need for further borrowing will be kept under review.

3.1 Current portfolio position

The overall treasury management portfolio as at 31st March 2020 and 31st December 2020 are shown below for both borrowing and investments.

Table 6 Investment and Borrowing Portfolio

Treasury Portfolio				
	actual 31.03.2020 £m	actual 31.03.2020 %	**actual 31.12.2020 £m**	**actual 31.12.2020 %**
Treasury investments				
Banks	-	0%	20.000	5%
Building Societies	-	0%	50.000	13%
Local Authorities	175.222	47%	93.000	24%
DMADF (H.M.Treasury)	29.000	8%	-	0%
Lloyds Secondary Account and Cash	38.833	10%	20.989	5%
Subtotal - managed in house	**243.055**	**65%**	**183.989**	**48%**
Money Market Funds	88.779	24%	155.870	41%
CCLA Property Fund	10.285	3%	9.874	3%
Columbia Threadneedle Social Bond Fund	32.125	9%	34.017	9%
Subtotal - managed externally	**131.189**	**35%**	**199.761**	**52%**
Total treasury investments	**374.244**	**100%**	**383.750**	**100%**
Treasury external borrowing				
PWLB	342.000	100%	321.406	100%
Total external borrowing	**342.000**		**321.406**	
Net treasury investments / (borrowing)	**32.244**		**62.344**	

Annex 2 sets out the current maturity profile of investments held, and the borrowing portfolio. Currently there is a significant concentration of debt maturities across the period 2050-2060.

The Council's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

Table 7 – Debt Forecast

£m	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
External Debt							
Debt at 1 April	351.406	341.406	321.406	321.406	335.406	374.406	411.406
New Debt				14.000	39.000	37.000	-
Debt Repaid	- 10.000	- 20.000		-	-	-	-
Other long-term liabilities (OLTL)	-	-	-	-	-	-	-
Expected change in OLTL	-	-	-	-	-	-	-
Actual gross debt at 31 March	**341.406**	**321.406**	**321.406**	**335.406**	**374.406**	**411.406**	**411.406**
The Capital Financing Requirement	289.800	278.403	381.326	458.195	485.720	521.385	521.072
Under / (over) borrowing	**- 51.606**	**- 43.003**	**59.920**	**122.789**	**111.314**	**109.979**	**109.666**

The following table shows how debt relating to non-treasury investment forms a proportion of total debt. The debt figures presented in each year are net of planned principal repayments.

Table 8 – Non-Treasury Debt Forecast

£m	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
External Debt for non treasury activity							
Actual debt at 31 March £m	-	-	-	13.716	25.698	44.378	29.894
Percentage of total external debt %	0.0%	0.0%	0.0%	4.1%	6.9%	10.8%	7.3%

The prudential indicators set out a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2021/22 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this report.

3.2 Treasury Prudential Indicators: limits to borrowing activity

The operational boundary. This is the limit which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund borrowing by other cash resources.

There is currently no forecast limit for "other long term liabilities" which relate to finance leases. IFRS 16 will bring finance leases into the balance sheet and cause a capital financing requirement in the future however its implementation has been currently been deferred to 2022/23.

Table 9 – Operational Boundary

£m	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Debt	321.406	381.326	444.517	470.798	488.276	510.505
Other long term liabilities	-					
Non Treasury Investments	-	-	13.678	14.922	33.109	10.567
Total	**321.406**	**381.326**	**458.195**	**485.720**	**521.385**	**521.072**

The authorised limit for external debt. This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.

2. The Council is asked to approve the following authorised limit:

Table 10 – Authorised Borrowing Limit

£m	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Debt	386.000	458.000	533.000	565.000	586.000	613.000
Other long term liabilities	-	-	-	-	-	-
Non Treasury Investments	-	-	16.000	18.000	40.000	13.000
Total	**386.000**	**458.000**	**549.000**	**583.000**	**626.000**	**626.000**

Note that the net debt position is affected by capital receipts and the repayment of debt principal. Where income such as this is not received, the requirement to borrow is increased. For non-treasury investments, where all investments are expected to be repaid ultimately, it is possible for non-repayment of investments to result in the authorised limit being reached and no further borrowing being possible. This mechanism limits exposure to risk.

The chart below illustrates the relationship between actual debt, the CFR, and the prudential limits.

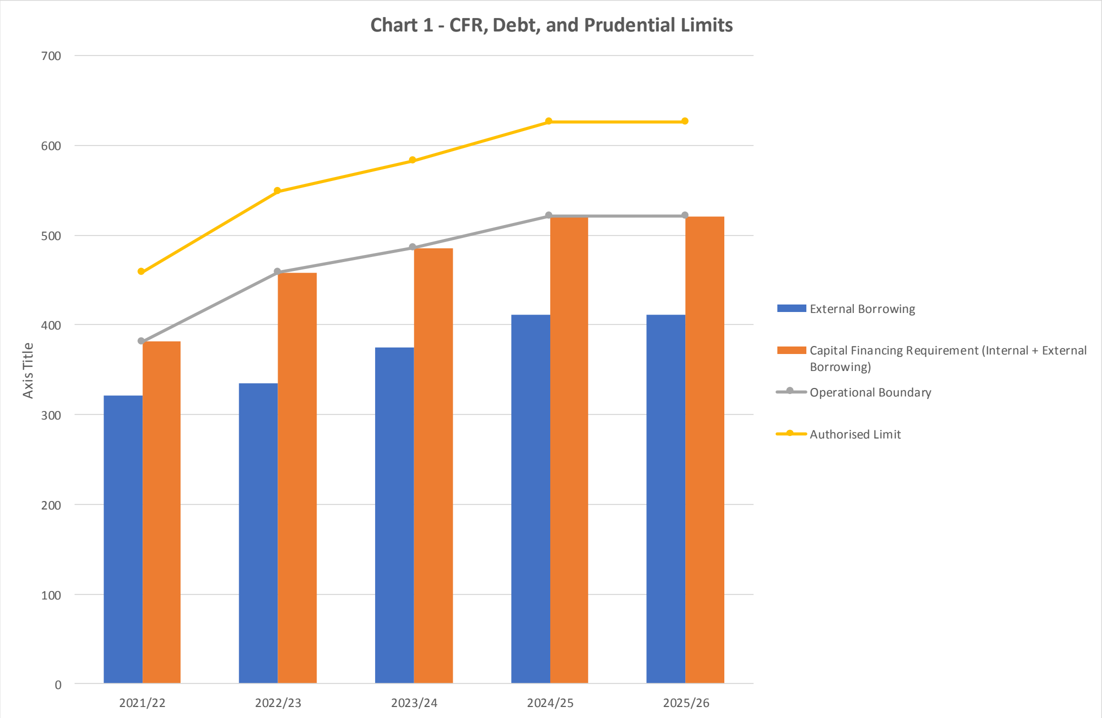


Chart 1 - CFR, Debt, and Prudential Limits
700
600
500
400
300
200
100
0
Axis Title
2021/22
2022/23
2023/24
2024/25
2025/26
External Borrowing
Capital Financing Requirement (Internal + External Borrowing)
Operational Boundary
Authorised Limit

3.3 Prospects for interest rates

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 11th August 2020. However, following the conclusion of the review of Public Works Loan Board (PWLB) margins over gilt yields on 25th November 2020, all forecasts below have been reduced by 1%. These are forecasts for certainty rates, gilt yields plus 80bps:

Link Group Interest Rate View	9.11.20												
These Link forecasts have been amended for the reduction in PWLB margins by 1.0% from 26.11.20													
	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00
10 yr PWLB	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30
25 yr PWLB	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80
50 yr PWLB	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60

The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its subsequent meetings to 16th December, although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary. As shown in the forecast table above, no increase in Bank Rate is expected in the near-term as economic recovery is expected to be only gradual and, therefore, prolonged. These forecasts were based on an assumption that a Brexit trade deal would be agreed by 31st December 2020: as this has now occurred, these forecasts do not need to be revised.

3.4 Gilt yields / PWLB rates

There was much speculation during the second half of 2019 that bond markets were in a bubble which was driving bond prices up and yields down to historically very low levels. The context for that was a heightened expectation that the US could have been heading for a recession in 2020. In addition, there were growing expectations of a downturn in world economic growth, especially due to fears around the impact of the trade war between the US and China, together with inflation generally at low levels in most countries and expected to remain subdued. Combined, these conditions were conducive to very low bond yields. While inflation targeting by the major central banks has been successful over the last thirty years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers. This means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. The consequence of this has been the gradual lowering of the overall level of interest rates and bond yields in financial markets over the last 30 years. Over the year prior to the coronavirus crisis, this has seen many bond yields up to 10 years turn negative in the Eurozone. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession. The other side of this coin is that bond prices are elevated as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities.

Gilt yields had therefore already been on a generally falling trend up until the coronavirus crisis hit western economies during March 2020. After gilt yields spiked up during the financial crisis in March, we have seen these yields fall sharply to unprecedented lows as investors panicked during March in selling shares in anticipation of impending recessions in western economies, and moved cash into safe haven assets i.e. government bonds. However, major western central banks took rapid action to deal with excessive stress in financial markets during March, and started massive quantitative easing purchases of government bonds: this also acted to put downward pressure on government bond yields at a time when there has been a huge and quick expansion of government expenditure financed by issuing government bonds. Such unprecedented levels of issuance in "normal" times would have caused bond yields to rise sharply. Gilt yields and PWLB rates have been at remarkably low rates so far during 2020/21.

As the interest forecast table for PWLB certainty rates above shows, there is expected to be little upward movement in PWLB rates over the next two years as it will take economies, including the UK, a prolonged period to recover all the momentum they have lost in the sharp recession caused during the coronavirus shut down period. From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment, (as shown on 9th November when the first results of a successful COVID-19 vaccine trial were announced). Such volatility could occur at any time during the forecast period.

3.5 Investment and Borrowing Rates

- **Investment returns** are likely to remain exceptionally low during 2021/22 with little increase in the following two years.

- **Borrowing interest rates** fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England: indeed, gilt yields up to 6 years were negative during most of the first half of 20/21. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years. The unexpected increase of 100 bps in PWLB rates on top of the then current margin over gilt yields of 80 bps in October 2019, required an initial major rethink of local authority treasury management strategy and risk management. However, in March 2020, the Government started a consultation process for reviewing the margins over gilt rates for PWLB borrowing for different types of local authority capital expenditure. *(Please note that Link has concerns over this approach, as the fundamental principle of local authority borrowing is that borrowing is a treasury management activity and individual sums that are borrowed are not linked to specific capital projects.)* It also introduced the following rates for borrowing for different types of capital expenditure: -

    - **PWLB Standard Rate** is gilt plus 200 basis points (G+200bps)
    - **PWLB Certainty Rate** is gilt plus 180 basis points (G+180bps)
    - **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
    - **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
    - **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

- As a consequence of these increases in margins, many local authorities decided to refrain from PWLB borrowing unless it was for HRA or local infrastructure financing, until such time as the review of margins was concluded.

- On 25th November 2020, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates; the standard and certainty margins were reduced by 1% but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three year capital programme. The new margins over gilt yields are as follows: -.

    - **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
    - **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
    - **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
    - **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
    - **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

- **Borrowing for capital expenditure.** As Link's long-term forecast for Bank Rate is 2.00%, and all PWLB rates are under 2.00%, there is now value in borrowing from the PWLB for all types of capital expenditure for all maturity periods, especially as current rates are at historic lows. However, greater value can be obtained in borrowing for shorter maturity periods so the Council will assess its risk appetite in conjunction with budgetary pressures to reduce total interest costs. Longer-term borrowing could also be undertaken for the purpose of certainty, where that is desirable.

3.6 Borrowing strategy

The Council is currently maintaining an over-borrowed position. This means that more external borrowing exists than is necessary which results in higher cash balances being held by the council. However the borrowing position is forecast to change based on the capital expenditure planned over the next 5 years and beyond, switching to an "under-borrowed" position. This is planned in order to make efficient use of cash balances. By, in effect, borrowing from internal balances the cost of borrowing is lower than borrowing from an external lender.

Against this background and the risks within the economic forecast, caution will be adopted with the 2021/22 treasury operations. Interest rates will be monitored in financial markets and a pragmatic approach taken to changing circumstances:

- if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.
- if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity, or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Fixed rate funding would be likely to be drawn if interest rates are considered to be lower than they are projected to be in the next few years.

Any borrowing decisions will be reported to the appropriate decision-making body at the next available opportunity.

With the current over-borrowed position, but also being mindful of the volatile economic outlook for 2021/22 the following assumptions will be adopted in the borrowing strategy:

- The cheapest borrowing will be internal borrowing by running down cash balances and foregoing interest earned at historically low rates.
- Internal borrowing will be weighed against potential long-term costs that will be incurred if market loans at long term rates are higher in future years.
- Long term fixed rate market loans at rates significantly below PWLB rates will be considered where available, to ensure the best rates and to maintain an appropriate balance between PWLB and market debt in the debt portfolio. A list of the possible sources of borrowing is detailed in point 3.7.
- PWLB borrowing for periods under ten years will be considered where rates are expected to be significantly lower than rates for longer periods. This offers a range of options for new borrowing which will spread debt maturities away from a current concentration in longer dated debt.

3.7 Policy on Borrowing in Advance of Need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

However, the Council may borrow in advance of need for risk management or borrowing efficiency purposes. In determining whether borrowing will be undertaken in advance of need, the Council will:

- Ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to fund in advance of need;
- Ensure the ongoing revenue liabilities created, and the implications on future plans and budgets have been considered;
- Evaluate the economic and market factors that might influence the manner and timing of any decision;
- Consider the merits and demerits of alternative forms of funding;
- Consider the alternative interest rate bases available, the most appropriate time periods and repayment profiles;
- Consider the impact of temporarily increasing cash balances until cash is required to finance capital expenditure, and the consequent increase in exposure to counterparty and other risks.

3.8 Debt Rescheduling

As short-term borrowing rates are cheaper than longer term rates, there may be opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of their short-term nature and the cost of debt repayments. Reasons for debt rescheduling would include:

- The generation of cash savings and/or discounted cash flow savings;
- Helping to fulfil the strategy
- Enhancing the balance of the portfolio, for example reducing concentration of the debt maturity profile.

The option to make repayment of some external debt to the PWLB in order to reduce the difference between its gross and net debt position will be kept under review. However, the penalty premiums that would be incurred by doing so means there currently is no net financial benefit from such early repayment.

3.9 New Financial Institutions as a Source of Borrowing and / or Types of Borrowing

Currently the PWLB Certainty Rate is set at gilts + 80 basis points for both HRA and non-HRA borrowing. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

- Local authorities (primarily shorter dated maturities out to 3 years or so – still cheaper than the Certainty Rate).
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years).

- Municipal Bonds Agency (possibly still a viable alternative depending on market circumstances prevailing at the time).

Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

4 Annual Treasury Investment Strategy

4.1 Investment Policy

The MHCLG and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy and the Investment Strategy.

The Council's treasury investment policy has regard to the following: -

- MHCLG's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code")
- CIPFA Treasury Management Guidance Notes 2018

The Council's treasury investment priorities will be security first, portfolio liquidity second and then yield, (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments shorter term to ensure cover for cash flow needs. However, where appropriate (from an internal as well as external perspective), the Council will also consider the value available in periods up to 12 months with high credit rated financial institutions, as well as wider range fund options.

The above guidance from the MHCLG and CIPFA places a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.

2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as **"credit default swaps"** and overlay that information on top of the credit ratings.

3. **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

This authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in Annex 4 under the categories of 'specified' and 'non-specified' investments.

However, this authority will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

4.2 Creditworthiness Policy

The primary principle governing the Council's investment criteria is the security of its investments

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and
- It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

  The Strategic Director for Resources will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary.

  Credit rating information is supplied by the Link Group, our treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer-term bias outside the central rating view) are provided to officers almost immediately after they occur and this information is considered before dealing.

The criteria for providing a pool of high-quality investment counterparties, (both specified and non-specified investments) is:

- Banks - good credit quality **–** the Council will only use banks which:
  i. are UK banks
  ii. are non-UK and domiciled in a country which has a minimum sovereign Long Term rating of A-

  and have, as a minimum, the ollowing Fitch Ratings:
  i. Short Term – F1
  ii. Long Term – A-
- Banks 3 – The Council's own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time invested.
- Building societies - The Council will use all societies which meet the ratings for banks outlined above;
- Money Market Funds (MMFs) CNAV – AAA
- Money Market Funds (MMFs) LVNAV – AAA
- Money Market Funds (MMFs) VNAV – AAA
- Property Funds - CCLA (refer to table D and E in annexes)
- Social Bond Funds - Threadneedle (refer to table D and E in annexes)
- Ultra-Short Dated Bond Funds with a credit rating of at least – AA
- Local authorities, parish councils (both spot and forward dates)

Use of additional information other than credit ratings. Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above criteria rely primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties.

The time and monetary limits for institutions on the Council's counterparty list are detailed in Annex 4.

Creditworthiness- Although the credit rating agencies changed their outlook on many UK banks from Stable to Negative during the quarter ended 30th June 2020 due to upcoming risks to banks' earnings and asset quality during the economic downturn caused by the pandemic, the majority of ratings were affirmed due to the continuing strong credit profiles of major financial institutions, including UK banks. However, during Q1 and Q2 2020, banks made provisions for *expected* credit losses and the rating changes reflected these provisions. As we move into future quarters, more information will emerge on *actual* levels of credit losses. (Quarterly earnings reports are normally announced in the second half of the month following the end of the quarter.) This has the potential to cause rating agencies to revisit their initial rating adjustments earlier in the current year. These adjustments could be negative or positive, although it should also be borne in mind that banks went into this pandemic with strong balance sheets. This is predominantly a result of regulatory changes imposed on banks following the Great Financial Crisis. Indeed, the Financial Policy Committee (FPC) report on 6th August revised down their expected credit losses for the UK banking sector to "somewhat less than £80bn". It stated that in its assessment, "banks have buffers of capital more than sufficient to absorb the losses that are likely to arise under the MPC's central projection". The FPC stated that for real stress in the sector, the economic output would need to be twice as bad as the MPC's projection, with unemployment rising to above 15%.

All three rating agencies have reviewed banks around the world with similar results in many countries of most banks being placed on Negative Outlook, but with a small number of actual downgrades.

CDS prices- Although bank CDS prices (these are market indicators of credit risk) spiked upwards at the end of March / early April 2020 due to the heightened market uncertainty and ensuing liquidity crisis that affected financial markets, they have returned to more average levels since then. Nevertheless, prices are still elevated compared to end-February 2020. Pricing is likely to remain volatile as uncertainty continues. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances.

4.3 Other Investment Limits

Due care will be taken to consider the exposure of the Council's total investment portfolio to non-specified investments, countries, and sectors.

a) **Non-specified treasury management investment limit.** The Council has determined that it will limit the maximum total exposure non specified investments to £80m.

b) **Country limit.** The Council has determined that it will only use approved counterparties from the UK and from countries with a **minimum sovereign credit**

rating of *AA-* from Fitch Ratings. The list of countries that qualify using this credit criteria as at the date of this report are shown in Annex 3. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

c) **Sector Limit. The Council has determined that it will limit the maximum exposure within different sectors of investments to the following-**

- £250m aggregate in overnight investments such as money market funds and instant access funds/bank accounts.
- Maximum holding in any one money market fund should not represent more than 2% of that fund's total asset value.
- £200m aggregate in short term investments such as 7-95 day lending deposit, call and notice accounts, and property and social bond funds.
- £100m aggregate in medium term investments such as 95-365 day lending, deposit, call and notice accounts.
- Additionally a maximum total limit of £250m held in Money Market Funds.
- Additionally a maximum total limit of £200m to other local authorities.
- Investments made with other Local Authorities may be agreed in advance of the loan issue date subject to the total duration of the loan and the notice to lend not being more than one year.

4.4 Treasury Management Investment Strategy

In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow, where surplus cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

Investment returns expectations.
The Bank Rate is unlikely to rise from 0.10% for a considerable period. It is not possible to say with certainty when it may start rising so it is assumed that investment earnings from money market-related instruments will be below 0.50% for the foreseeable future.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows (the long-term forecast is for periods over 10 years in the future):

Average earnings in each year	
2020/21	0.10%
2021/22	0.10%
2022/23	0.10%
2023/24	0.10%
2024/25	0.25%
Long term later years	2.00%

- The overall balance of risks to economic growth in the UK is probably now skewed to the upside but is subject to major uncertainty due to the virus and how quickly successful vaccines may become available and widely administered to the population.

- There is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations. However, it is always possible that safe haven flows, due to unexpected domestic developments and those in other major economies, or a return of investor confidence in equities, could impact gilt yields, (and so PWLB rates), in the UK.

Negative investment rates

While the Bank of England said in August / September 2020 that it is unlikely to introduce a negative Bank Rate, at least in the next 6 -12 months, and in November omitted any mention of negative rates in the minutes of the meeting of the Monetary Policy Committee, some deposit accounts are already offering negative rates for shorter periods. As part of the response to the pandemic and lockdown, the Bank and the Government have provided financial markets and businesses with plentiful access to credit, either directly or through commercial banks. In addition, the Government has provided large sums of grants to local authorities to help deal with the COVID crisis; this has caused some local authorities to have sudden large increases in cash balances searching for an investment home, some of which was only very short term until those sums were able to be passed on.

As for money market funds (MMFs), yields have continued to drift lower. Some managers have already resorted to trimming fee levels to ensure that net yields for investors remain in positive territory where possible and practical. Investor cash flow uncertainty, and the need to maintain liquidity in these unprecedented times, has meant there is a surfeit of money swilling around at the very short end of the market. This has seen a number of market operators, now including the DMADF, offer nil or negative rates for very short-term maturities. This is not universal, and MMFs are still offering a marginally positive return, as are a number of financial institutions for investments at the very short end of the yield curve.

Inter-local authority lending and borrowing rates have also declined due to the surge in the levels of cash seeking a short-term home. This is magnified by the difficulty local authorities are facing over accurately forecasting the disbursements of funds received, and anticipation of any further large receipts from the Government.

4.5 Non Treasury Investment Strategy

A separate document entitled “Investment Strategy” covers the Council’s position in respect of non-treasury management investments held for service reasons or commercial reasons.

4.6 Investment Performance / Risk Benchmarking

A weighted average target return on treasury management investments is targeted to exceed the 30 day LIBID rate by 0.46%. This will maintain the current overall levels of return above LIBID, having regard to the first priorities being security and liquidity before return. The Council holds an interest rate volatility reserve to manage fluctuations in interest rates.

The Council is appreciative that the provision of LIBOR and associated LIBID rates is expected to cease at the end of 2021. It will work with its advisors in determining suitable replacement investment benchmark(s) ahead of this cessation.

4.7 End of Year Investment Report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report. This will include a separate update on the Non-Treasury Investments held by the Council at the end of each financial year.

4.8 External Fund Managers

The County Council uses a number of external managers to spread risk and obtain maximum market exposure. Current external fund managers actively used during the last year are listed below. This list is not exhaustive and new fund managers may be engaged if necessary. Officers will periodically review the position, performance, and costs of external fund managers, and may meet with client relationship managers or fund managers as appropriate.

- Blackrock
- Deutsche Bank
- Goldman Sachs
- Insight
- Aberdeen
- Federated Hermes
- CCLA
- Threadneedle

4.9 Environmental, Social, and Governance Policy

As a responsible investor, the Council is committed to considering environmental, social, and governance (ESG) issues, and has a particular interest in taking action against climate change and pursuing activities that have a positive social impact.

However, the treasury management function is controlled by statute and by professional guidelines and the first priorities of treasury must remain security, liquidity, and yield. With those priorities kept in place, the following activity will be undertaken in respect of climate change and responsible investing. Steps will be taken to:

- Ensure an understanding of the degree to which investments may contribute towards climate change. This may take the form of measuring the carbon footprint or some similar measure.
- Identify and understand the extent to which investments are exposed to risks driven by climate change, for example investments in assets at risk of weather change (e.g. property or infrastructure at risk of flooding), assets at risk of becoming stranded (e.g. fossil fuel investments), or assets at risk from

geopolitical risks driven by climate change (e.g. water access, the capacity for food production, or economic conflict).

- Keep abreast of new investment opportunities that have regard to ethical investing and climate change as this is a quickly developing arena.
- Understand the ESG policies of funds when considering new investment opportunities.

4.10 Pension Fund Cash

This Council will comply with the requirements of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009, implemented 1 January 2010. With effect 1 April 2010, the Council does not pool pension fund cash with its own cash balances for investment purposes. Any investments made by the pension fund directly with this local authority after 1 April 2010 must comply with the requirements of SI 2009 No 393. The council has a separate statement for Pension Fund investment purposes.

ANNEXES

1. Prudential and Treasury Indicators
2. Treasury Management - Portfolio
3. Approved Sources of Long and Short Term borrowing
4. Treasury management - Practice
5. Approved Countries for Investments
6. Treasury Management - Scheme of Delegation
7. Treasury management - Role of the Section 151 Officer
8. Economic background

1. Prudential and Treasury Indicators

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

The following indicators are set out in the main body of the report:

Prudential Indicator	Reference
Capital Expenditure	Table 1
Gross Debt	Table 7
Capital Financing Requirement	Table 4
Over/Under Borrowing	Table 7
Borrowing - Operational Boundary	Table 9
Borrowing - Authorised Borrowing Limit	Table 10

In addition, the prudential indicators below will be applied.

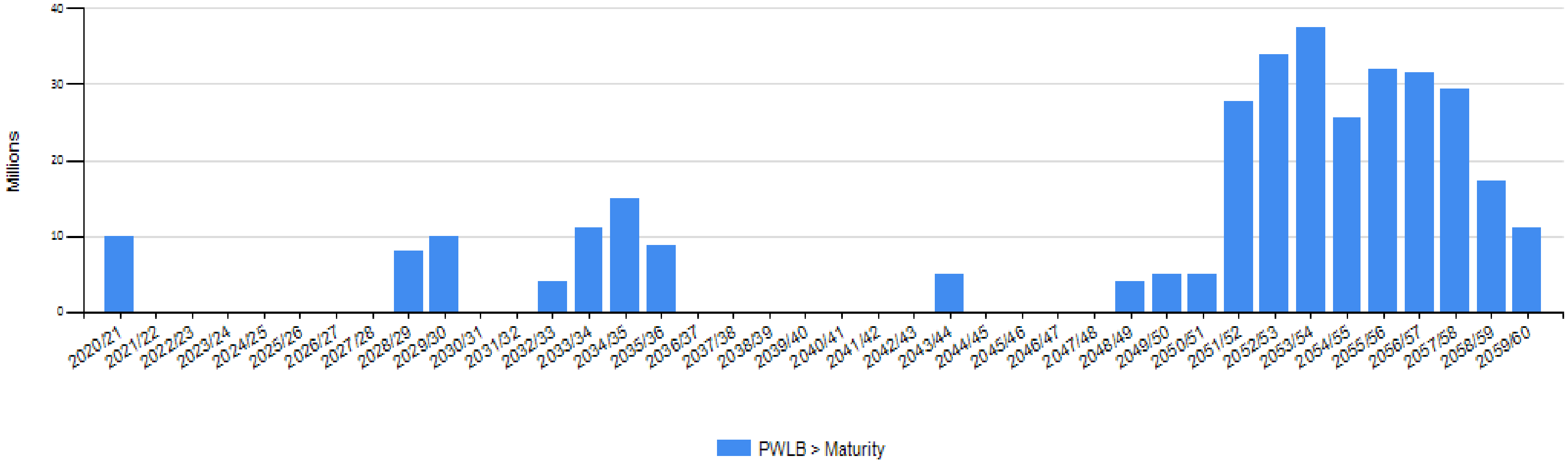
TREASURY MANAGEMENT PRUDENTIAL INDICATORS	2021/22 estimate	2022/23 estimate	2023/24 estimate	2024/25 estimate	2025/26 estimate
Upper limit for fixed interest rate exposure					
Net principal re fixed rate borrowing / fixed term investments	100%	100%	100%	100%	100%
Upper limit for variable rate exposure					
Net principal re fixed rate borrowing / fixed term investments	25%	25%	25%	25%	25%
Upper limit for total principal sums invested for over 365 days	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
(per maturity date)	80,000	80,000	80,000	80,000	80,000

Maturity structure of new fixed rate borrowing during year	upper limit	lower limit
under 12 months	20%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	60%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

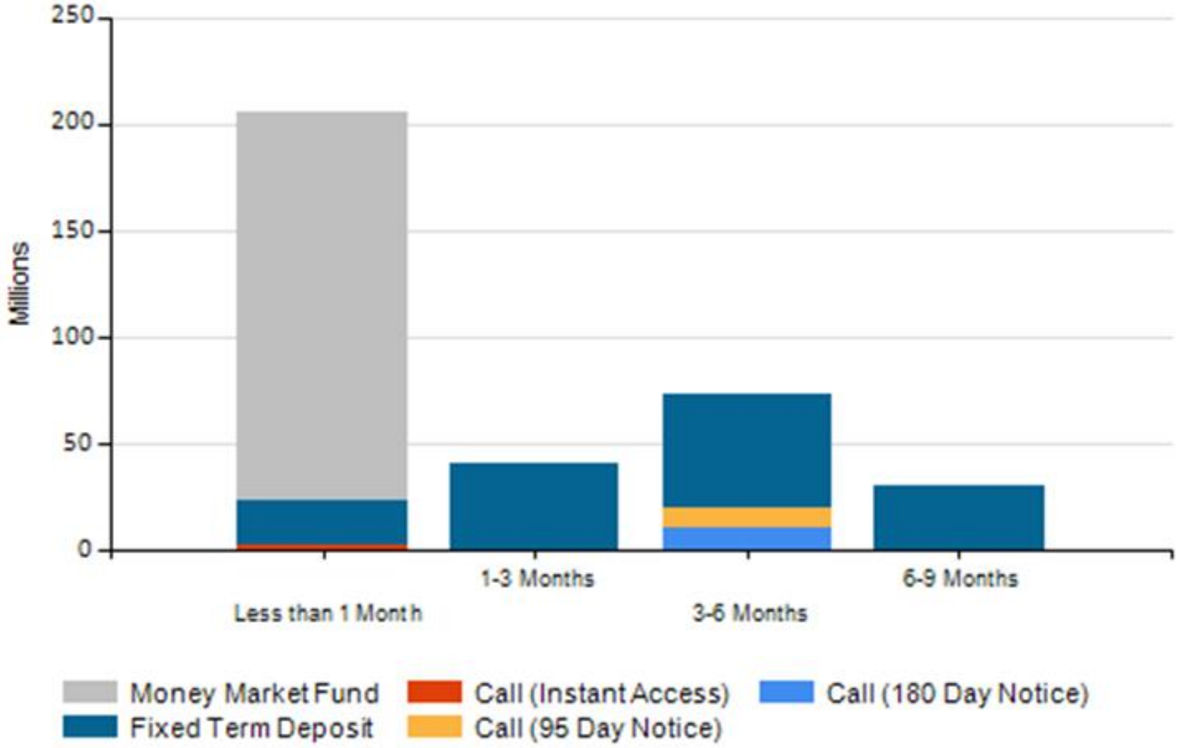
Maturity structure of new variable rate borrowing during year	upper limit	lower limit
under 12 months	20%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	60%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

2. Treasury Management Portfolio

a. Debt Schedule



b. Investment Portfolio as at 31st December 2020



c. Balance Sheet Forecast

Warwickshire County Council
Balance Sheet Projections

2019/20 (£'000)		2020/21 (£'000)	2021/22 (£'000)	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)
CAPITAL FINANCING REQUIREMENT							
289,700	CFR Relating to General Fund	278,403	381,326	458,195	485,720	521,385	521,072
289,700	Total CFR	278,403	381,326	458,195	485,720	521,385	521,072
-	Finance Lease Liabilities			-	-	-	-
289,700	Underlying Borrowing Requirement	278,403	381,326	458,195	485,720	521,385	521,072
(341,406)	External Borrowing c/fwd	(341,406)	(321,406)	(321,406)	(335,406)	(374,406)	(411,406)
-	Loan Maturities	20,000	-	-	-	-	-
-	New Loans	-	-	(14,000)	(39,000)	(37,000)	
(341,406)	External Borrowing	(321,406)	(321,406)	(335,406)	(374,406)	(411,406)	(411,406)
(51,706)	Under / (Over) Borrowing	(43,003)	59,920	122,789	111,314	109,979	109,666
-18%	*Borrowing as a % of Requirement*	*-15%*	*16%*	*27%*	*23%*	*21%*	*21%*
RESERVES / BALANCES, INVESTMENTS & WORKING CAPITAL (£'000)							
21,200	General Fund Balance	21,223	21,223	21,223	21,223	21,223	21,223
(1,200)	Collection Fund Adjustment Account	-	-	-	-	-	-
171,800	Earmarked reserves	171,800	161,700	143,200	131,500	131,000	132,000
8,900	Capital Receipts Reserve	20,200	-	-	-	-	-
8,200	Provisions (exc. any accumulating absences)	4,300	4,300	4,300	4,300	4,300	4,300
3,600	Capital Grants Unapplied	3,600	-	-	-	-	-
51,706	Over / (Under) Borrowing	43,003	(59,920)	(122,789)	(111,314)	(109,979)	(109,666)
111,302	Working Capital	150,000	104,000	104,000	104,000	104,000	104,000
375,508	Expected Treasury Investments	414,126	231,303	149,934	149,709	150,544	151,857

3. Approved Sources of Long and Short-Term Borrowing

On Balance Sheet	Fixed	Variable
PWLB	●	●
Municipal bond agency	●	●
Local authorities	●	●
Banks	●	●
Pension funds	●	●
Insurance companies	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Market (LOBOs)	●	●
Stock issues	●	●
Local temporary	●	●
Local Bonds	●	
Local authority bills	●	●
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Finance leases	●	●

4. Treasury Management – Practice

4.1 Counterparty Limits

	Fitch Long term Rating	Money Limit	Transaction limit	Time Limit
Banks	***A***	**£20m**	**£20m**	**1yr**
Local authorities	**N/A**	**£10m**	**£10m**	**1yr**
DMADF	**UK sovereign**	**unlimited**	**unlimited**	**6 months**
Other Institutions limit	**N/A**	**£10m**	**£10m**	**1yr**
	Fund rating**	**Money Limit**	**Transaction Limit**	**Time Limit**
Money Market Funds CNAV	**AAA**	**£60m**	**£60m**	**liquid**
Money Market Funds LVNAV	**AAA**	**£60m**	**£60m**	**liquid**
Money Market Funds VNAV	**AAA**	**£60m**	**£60m**	**liquid**
Ultra-Short Dated Bond Funds	**AA**	**£60m**	**£60m**	**liquid**
Property Fund	**N/A**	**£15m**	**£15m**	**90 day**
Social Bond Funds	**N/A**	**£40m**	**£40m**	**90 day**

4.2 Loans to Local Authority Trading Companies

Loans to LATCs	2021/22	2022/23	2023/24	2024/25	2025/26
Lending Limit £m's	**3.90**	**4.30**	**4.00**	**5.10**	**7.70**

4.3 Specified Investments

Investment Type	Credit Criteria (Fitch Ratings)	Limits (per institution)	Use
DMO Deposit Facility	--	No Limit	In-house
Term deposits: Local Authorities	--	£10m	In-house
Nationalised Banks	Short-term F1, Support 1	£20m	In-house and External Manager
Term deposits: UK Banks	Short-term F1, Long-term A, Viability a, Support 3	£20m	In-house and External Manager
Term deposits: Bank Council uses for current account	--	£20m	In-house and External Manager
Term deposits: UK Building Societies	Top five largest societies as reported annually. (To be continually monitored)	£20m	In-house and External Manager
Term deposits: Overseas Banks	Short-term F1+, Long-term AA- Viability aa, Support 1	£20m	In-house and External Manager
Certificates of deposits issued by UK banks and building societies	Short-term F1, Long-term A, Viability a, Support 3	£20m	External Manager
Money Market Funds	AAA	£60m	In-house and External Manager
Ultra Short Dated Bond Funds	AA	£40m	In-house and External Manager
UK Government Gilts, Treasury Bills	--	No Limit	External Manager
Gilt Funds and Bond Funds	Long-term A	No Limit	External Manager

(All such investments will be sterling denominated, with **maturities up to a maximum of 1 year**, meeting the minimum ‘high’ rating criteria where applicable)

4.4 Non-Specified Investments

Investment Type	Credit Criteria (Fitch Ratings)	Limits (per institution)	Use
Term deposits: UK banks and building societies with maturities in excess of one year with a maximum of three years allowed for in-house deposits	Short-term F1, Long-term A, Viability a, Support 3	£15m	In-house and External Manager
Fixed Term Deposit with Variable Rates and Variable Maturities	Short-term F1, Long-term A, Viability a+, Support 3	£15m	In-house and External Manager
Certificates of Deposits issued by UK banks and building societies	Short-term F1, Long-term A, Viability a, Support 3	£15m	External Manager
UK Government Gilts with maturities in excess of 1 year	--	£15m	External Manager
Local Government Association Municipal Bond Agency	--	£15m	--
CCLA Property Fund	--	£15m	--
Threadneedle Social Bond Fund	--	£40m	--
Local Authority wholly owned trading company	--	£3.9m	In-house

5. Approved Countries for Investments

Investments may be made in UK and in the following countries. This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong, Norway and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link credit worthiness service.

Based on lowest available rating

AAA

- Australia
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Hong Kong
- Qatar
- U.K.

6. Treasury Management - Scheme of Delegation

(i) Council

- approval of annual strategy.
- budget consideration and approval.
- approval of the division of responsibilities.

(ii) Cabinet

- scrutinise the proposed annual strategy.
- approval of/amendments to the organisation’s adopted clauses, treasury management policy statement and treasury management practices.
- Receiving and reviewing monitoring reports and acting on recommendations.

(iii) Resources and Fire & Rescue Overview and Scrutiny Committee

- Overview and scrutiny of treasury management policy, practice, and activity as required.

7. Treasury Management - Role of the Section 151 Officer

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe.
- Recommending the MRP policy.

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8. Economic Background

- **UK.** The key quarterly meeting of the Bank of England Monetary Policy Committee kept **Bank Rate** unchanged on 5.11.20. However, it revised its economic forecasts to take account of a second national lockdown from 5.11.20 to 2.12.20 which is obviously going to put back economic recovery and do further damage to the economy. It therefore decided to do a further tranche of **quantitative easing (QE) of £150bn**, to start in January when the current programme of £300bn of QE, announced in March to June, runs out. It did this so that "announcing further asset purchases now should support the economy and help to ensure the unavoidable near-term slowdown in activity was not amplified by a tightening in monetary conditions that could slow the return of inflation to the target".
- Its forecasts appeared, at that time, to be rather optimistic in terms of three areas:
    - The economy would recover to reach its pre-pandemic level in Q1 2022
    - The Bank also expected there to be excess demand in the economy by Q4 2022.
    - CPI inflation was therefore projected to be a bit above its 2% target by the start of 2023 and the "inflation risks were judged to be balanced".
- Significantly, there was no mention of **negative interest rates** in the minutes or Monetary Policy Report, suggesting that the MPC remains some way from being persuaded of the case for such a policy, at least for the next 6 -12 months. However, rather than saying that it "stands ready to adjust monetary policy", the MPC this time said that it will take "whatever additional action was necessary to achieve its remit". The latter seems stronger and wider and may indicate the Bank's willingness to embrace new tools.
- One key addition to **the Bank's forward guidance in August** was a new phrase in the policy statement, namely that "it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% target sustainably". That seems designed to say, in effect, that even if inflation rises to 2% in a couple of years' time, do not expect any action from the MPC to raise Bank Rate – until they can clearly see that level of inflation is going to be persistently above target if it takes no action to raise Bank Rate. Our Bank Rate forecast currently shows no increase, (or decrease), through to quarter 1 2024 but there could well be no increase during the next five years as it will take some years to eliminate spare capacity in the economy, and therefore for inflationary pressures to rise to cause the MPC concern. **Inflation** is expected to briefly peak at just over 2% towards the end of 2021, but this is a temporary short lived factor and so not a concern.
- However, the minutes did contain several references to **downside risks**. The MPC reiterated that the "recovery would take time, and the risks around the GDP projection were judged to be skewed to the downside". It also said "the risk of a more persistent period of elevated unemployment remained material". Downside risks could well include severe restrictions remaining in place in some form during the rest of December and most of January too. **Upside risks** included the early roll out of effective vaccines.

- **COVID-19 vaccines.** We had been waiting expectantly for news that various COVID-19 vaccines would be cleared as being safe and effective for administering to the general public. The Pfizer announcement on 9th November was very encouraging as its 90% effectiveness was much higher than the 50-60% rate of effectiveness of flu vaccines which might otherwise have been expected. However, this vaccine has demanding cold storage requirements of minus 70c that impairs the speed of application to the general population. It has therefore been particularly welcome that the Oxford University/AstraZeneca vaccine has now also been approved which is much cheaper and only requires fridge temperatures for storage. The Government has 60m doses on order and is aiming to vaccinate at a rate of 2m people per week starting in January, though this rate is currently restricted by a bottleneck on vaccine production; (a new UK production facility is due to be completed in June).

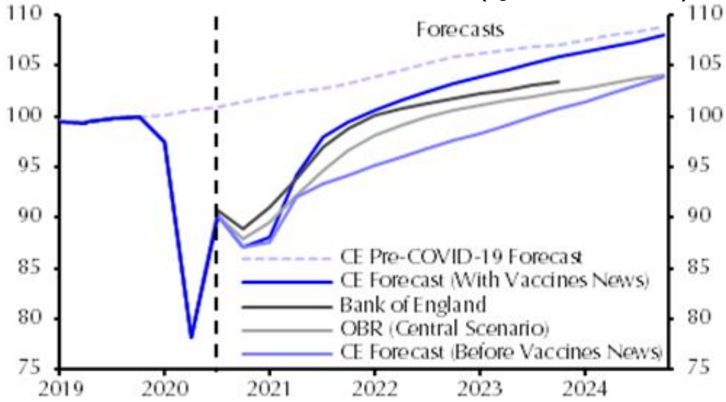
- These announcements, plus expected further announcements that other vaccines could be approved soon, have enormously boosted confidence that **life could largely return to normal during the second half of 2021**, with activity in the still-depressed sectors like restaurants, travel and hotels returning to their pre-pandemic levels; this would help to bring the unemployment rate down. With the household saving rate having been exceptionally high since the first lockdown in March, there is plenty of pent-up demand and purchasing power stored up for these services. A comprehensive roll-out of vaccines might take into late 2021 to fully complete; but if these vaccines prove to be highly effective, then there is a possibility that restrictions could start to be eased, beginning possibly in Q2 2021 once vulnerable people and front-line workers have been vaccinated. At that point, there would be less reason to fear that hospitals could become overwhelmed any more. Effective vaccines would radically improve the economic outlook once they have been widely administered; it may allow GDP to rise to its pre-virus level a year earlier than otherwise and mean that the unemployment rate peaks at 7% in 2021 instead of 9%.

- **Public borrowing** was forecast in November by the Office for Budget Responsibility (the OBR) to reach £394bn in the current financial year, the highest ever peace time deficit and equivalent to 19% of GDP. In normal times, such an increase in total gilt issuance would lead to a rise in gilt yields, and so PWLB rates. However, the QE done by the Bank of England has depressed gilt yields to historic low levels, (as has similarly occurred with QE and debt issued in the US, the EU and Japan). This means that new UK debt being issued, and this is being done across the whole yield curve in all maturities, is locking in those historic low levels through until maturity. In addition, the UK has one of the longest average maturities for its entire debt portfolio, of any country in the world. Overall, this means that the total interest bill paid by the Government is manageable despite the huge increase in the total amount of debt. The OBR was also forecasting that the government will still be running a budget deficit of £102bn (3.9% of GDP) by 2025/26. However, initial impressions are that they have taken a pessimistic view of the impact that vaccines could make in the speed of economic recovery.

- Overall, **the pace of recovery** was not expected to be in the form of a rapid V shape, but a more elongated and prolonged one. The initial recovery was sharp after quarter 1 saw growth at -3.0% followed by -18.8% in quarter 2 and then an upswing of +16.0% in quarter 3; this still left the economy 8.6% smaller than in Q4 2019. It is likely that the one month national lockdown that started on 5th November, will have caused a further contraction of 8% m/m in November so the economy may have then been 14% below its pre-crisis level.

- **December 2020 / January 2021**. Since then, there has been rapid back-tracking on easing restrictions due to the spread of a new mutation of the virus, and severe restrictions were imposed across all four nations. These restrictions were changed on 5.1.21 to national lockdowns of various initial lengths in each of the four nations as the NHS was under extreme pressure. It is now likely that wide swathes of the UK will remain under these new restrictions for some months; this means that the near-term outlook for the economy is grim. However, the distribution of vaccines and the expected consequent removal of COVID-19 restrictions, should allow GDP to rebound rapidly in the second half of 2021 so that the economy could climb back to its pre-pandemic peak as soon as late in 2022. Provided that both monetary and fiscal policy are kept loose for a few years yet, then it is still possible that in the second half of this decade, the economy may be no smaller than it would have been if COVID-19 never happened. The significant caveat is if another mutation of COVID-19 appears that defeats the current batch of vaccines. However, now that science and technology have caught up with understanding this virus, new vaccines ought to be able to be developed more quickly to counter such a development and vaccine production facilities are being ramped up around the world.

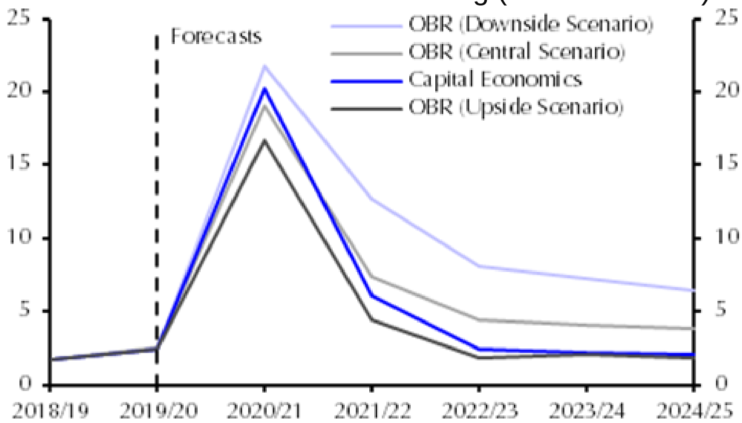
Chart: Level of real GDP (Q4 2019 = 100)



(if unable to print in colour…... the key describing each line in the above graph is in sequential order from top to bottom in parallel with the lines in the graph.

This recovery of growth which eliminates the effects of the pandemic by about the middle of the decade would have major repercussions for public finances as it would be consistent with the government deficit falling to around 2.5% of GDP without any tax increases. This would be in line with the OBR's most optimistic forecast in the graph below, rather than their current central scenario which predicts a 4% deficit due to assuming much slower growth. However, Capital Economics forecasts assumed that there is a reasonable Brexit deal and also that politicians do not raise taxes or embark on major austerity measures and so, (perversely!), depress economic growth and recovery.

Chart: Public Sector Net Borrowing (as a % of GDP)



(if unable to print in colour…... the key describing each line in the above graph is in sequential order from top to bottom in parallel with the lines in the graph.

- There will still be some **painful longer term adjustments** as e.g. office space and travel by planes, trains and buses may not recover to their previous level of use for several years, or possibly ever, even if vaccines are fully successful in overcoming the current virus. There is also likely to be a reversal of globalisation as this crisis has exposed how vulnerable long-distance supply chains are. On the other hand, digital services are one area that has already seen huge growth.

- **Brexit.** While the UK has been gripped by the long running saga of whether or not a deal would be made by 31.12.20, the final agreement on 24.12.20, followed by ratification by Parliament and all 27 EU countries in the following week, has eliminated a significant downside risk for the UK economy. The initial agreement only covers trade so there is further work to be done on the services sector where temporary equivalence has been granted in both directions between the UK and EU; that now needs to be formalised on a permanent basis. As the forecasts in this report were based on an assumption of a Brexit agreement being reached, there is no need to amend these forecasts.

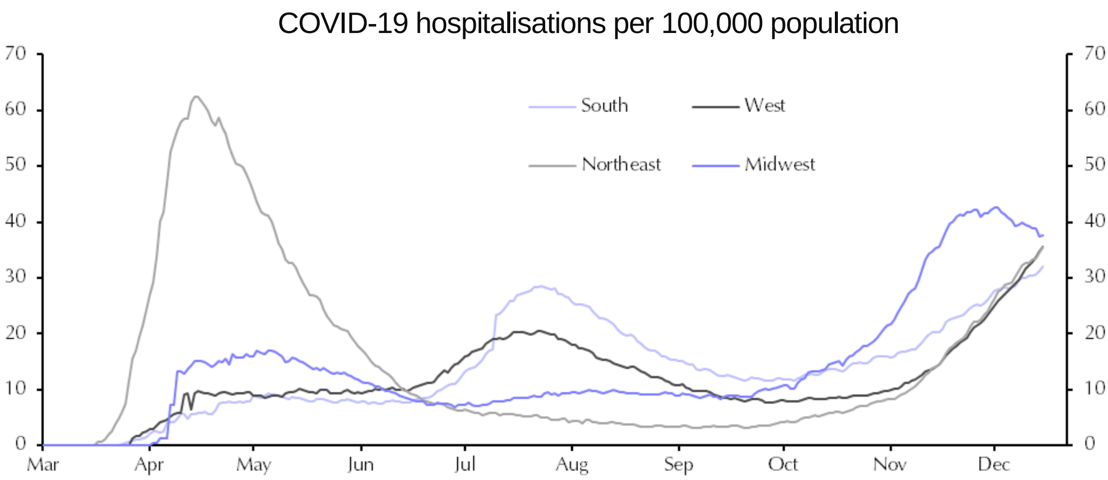
- **Monetary Policy Committee meeting of 17 December.** All nine Committee members voted to keep interest rates on hold at +0.10% and the Quantitative Easing (QE) target at £895bn. The MPC commented that the successful rollout of vaccines had reduced the downsides risks to the economy that it had highlighted in November. But this was caveated by it saying, "Although all members agreed that this would reduce downside risks, they placed different weights on the degree to which this was also expected to lead to stronger GDP growth in the central case." So, while the vaccine is a positive development, in the eyes of the MPC at least, the economy is far from out of the woods. As a result of these continued concerns, the MPC voted to extend the availability of the Term Funding Scheme, (cheap borrowing), with additional incentives for small and medium size enterprises for six months from 30.4.21 until 31.10.21. (The MPC had assumed that a Brexit deal would be agreed.)

- **Fiscal policy.** In the same week as the MPC meeting, the Chancellor made a series of announcements to provide further support to the economy: -
  - An extension of the COVID-19 loan schemes from the end of January 2021 to the end of March.
  - The furlough scheme was lengthened from the end of March to the end of April.
  - The Budget on 3.3.21 will lay out the "next phase of the plan to tackle the virus and protect jobs". This does not sound like tax rises are imminent, (which could hold back the speed of economic recovery).

- The **Financial Policy Committee** (FPC) report on 6.8.20 revised down their expected credit losses for the banking sector to "somewhat less than £80bn". It stated that in its assessment, "banks have buffers of capital more than sufficient to absorb the losses that are likely to arise under the MPC's central projection". The FPC stated that for real stress in the sector, the economic output would need to be twice as bad as the MPC's projection, with unemployment rising to above 15%.

- **US.** The result of **the November elections** meant that while the Democrats gained the presidency and a majority in the House of Representatives, it looks as if the Republicans could retain their slim majority in the Senate provided they keep hold of two key seats in Georgia in elections in early January. If those two seats do swing to the Democrats, they will then control both Houses and President Biden will consequently have a free hand to determine policy and to implement his election manifesto.

- **The economy** had been recovering quite strongly from its contraction in 2020 of 10.2% due to the pandemic with GDP only 3.5% below its pre-pandemic level and the unemployment rate dropping below 7%. However, the rise in new cases during quarter 4, to the highest level since mid-August, suggests that the US could be in the early stages of a fourth wave. While the first wave in March and April was concentrated in the Northeast, and the second wave in the South and West, the third wave in the Midwest looks as if it now abating. However, it also looks as if the virus is rising again in the rest of the country. The latest upturn poses a threat that the recovery in the economy could stall. This is **the single biggest downside risk** to the shorter term outlook – a more widespread and severe wave of infections over the winter months, which is compounded by the impact of the regular flu season and, as a consequence, threatens to overwhelm health care facilities. Under those circumstances, states might feel it necessary to return to more draconian lockdowns.



- The restrictions imposed to control the spread of the virus are once again weighing on the economy with employment growth slowing sharply in November and retail sales dropping back. The economy is set for further weakness in December and into the spring. However, a $900bn fiscal stimulus deal passed by Congress in late December will limit the downside through measures which included a second round of direct payments to households worth $600 per person and a three-month extension of enhanced unemployment insurance (including a $300 weekly top-up payment for all claimants). GDP growth is expected to rebound markedly from the second quarter of 2021 onwards as vaccines are rolled out on a widespread basis and restrictions are loosened.

- After Chair Jerome Powell unveiled the **Fed's adoption of a flexible average inflation target** in his Jackson Hole speech in late August 2020, the mid-September meeting of the Fed agreed by a majority to a toned down version of the new inflation target in his speech - that *"it would likely be appropriate to maintain the current target range until labour market conditions were judged to be consistent with the Committee's assessments of maximum employment and inflation had risen to 2% and was on track to moderately exceed 2% for some* *time."* This change was aimed to provide more stimulus for economic growth and higher levels of employment and to avoid the danger of getting caught in a deflationary "trap" like Japan. It is to be noted that inflation has actually been under-shooting the 2% target significantly for most of the last decade, (and this year), so financial markets took note that higher levels of inflation are likely to be in the pipeline; long-term bond yields duly rose after the meeting. The FOMC's updated economic and rate projections in mid-September showed that officials expect to leave the fed funds rate at near-zero until at least end-2023 and probably for another year or two beyond that. There is now some expectation that where the Fed has led in changing its inflation target, other major central banks will follow. The increase in tension over the last year between the US and China is likely to lead to a lack of momentum in progressing the initial positive moves to agree a phase one trade deal.

- The Fed's meeting on **5 November** was unremarkable - but at a politically sensitive time around the elections. At its **16 December** meeting the Fed tweaked the guidance for its monthly asset quantitative easing purchases with the new language implying those purchases could continue for longer than previously believed. Nevertheless, with officials still projecting that inflation will only get back to 2.0% in 2023, the vast majority expect the fed funds rate to be still at near-zero until 2024 or later. Furthermore, officials think the balance of risks surrounding that median inflation forecast are firmly skewed to the downside. The key message is still that policy will remain unusually accommodative – with near-zero rates and asset purchases – continuing for several more years. This is likely to result in keeping Treasury yields low – which will also have an influence on gilt yields in this country.

- **EU.** In early December, the figures for Q3 GDP confirmed that the economy staged a rapid rebound from the first lockdowns. This provides grounds for optimism about growth prospects for next year. In Q2, GDP was 15% below its pre-pandemic level. But in Q3 the economy grew by 12.5% q/q leaving GDP down by "only" 4.4%. That was much better than had been expected earlier in the year. However, growth is likely to stagnate during Q4 and in Q1 of 2021, as a second wave of the virus has affected many countries: it is likely to hit hardest those countries more dependent on tourism. The €750bn fiscal support package eventually agreed by the EU after prolonged disagreement between various countries, is unlikely to provide significant support, and quickly enough, to make an appreciable difference in the countries most affected by the first wave.

- With inflation expected to be unlikely to get much above 1% over the next two years, **the ECB** has been struggling to get inflation up to its 2% target. It is currently unlikely that it will cut its central rate even further into negative territory from -0.5%, although the ECB has stated that it retains this as a possible tool to use. The ECB's December meeting added a further €500bn to the PEPP scheme, (purchase of government and other bonds), and extended the duration of the programme to March 2022 and re-investing maturities for an additional year until December 2023. Three additional tranches of TLTRO, (cheap loans to banks), were approved, indicating that support will last beyond the impact of the pandemic, implying indirect yield curve control for government bonds for some time ahead. The Bank's forecast for a return to pre-virus activity levels was pushed back to the end of 2021, but stronger growth is projected in 2022. The total PEPP scheme of €1,850bn of QE which started in March 2020 is providing protection to the sovereign bond yields of weaker countries like Italy. There is therefore unlikely to be a euro crisis while the ECB is able to maintain this level of support. However, as in the UK and the US, the advent of highly effective vaccines will be a game changer, although growth will struggle before later in quarter 2 of 2021.

- **China.** After a concerted effort to get on top of the virus outbreak in Q1, economic recovery was strong in Q2 and then into Q3 and Q4; this has enabled China to recover all of the contraction in Q1. Policy makers have both quashed the virus and implemented a programme of monetary and fiscal support that has been particularly effective at stimulating short-term growth. At the same time, China's economy has benefited from the shift towards online spending by consumers in developed markets. These factors help to explain its comparative outperformance compared to western economies. However, this was achieved by major central government funding of yet more infrastructure spending. After years of growth having been focused on this same area, any further spending in this area is likely to lead to increasingly weaker economic returns in the longer term. This could, therefore, lead to a further misallocation of resources which will weigh on growth in future years.

- **Japan.** A third round of fiscal stimulus in early December took total fresh fiscal spending this year in response to the virus close to 12% of pre-virus GDP. That's huge by past standards, and one of the largest national fiscal responses. The budget deficit is now likely to reach 16% of GDP this year. Coupled with Japan's relative success in containing the virus without draconian measures so far, and the likelihood of effective vaccines being available in the coming months, the government's latest fiscal effort should help ensure a strong recovery and to get back to pre-virus levels by Q3 2021 – around the same time as the US and much sooner than the Eurozone.

- **World growth.** World growth will have been in recession in 2020. Inflation is unlikely to be a problem for some years due to the creation of excess production capacity and depressed demand caused by the coronavirus crisis.

- Until recent years, world growth has been boosted by increasing **globalisation** i.e. countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth, and, by lowering costs, has also depressed inflation. However, the rise of China as an economic superpower over the last thirty years, which now accounts for nearly 20% of total world GDP, has unbalanced the world economy. The Chinese government has targeted achieving major world positions in specific key sectors and products, especially high tech areas and production of rare earth minerals used in high tech products. It is achieving this by massive financial support, (i.e. subsidies), to state owned firms, government directions to other firms, technology theft, restrictions on market access by foreign firms and informal targets for the domestic market share of Chinese producers in the selected sectors. This is regarded as being unfair competition that is putting western firms at an unfair disadvantage or even putting some out of business. It is also regarded with suspicion on the political front as China is an authoritarian country that is not averse to using economic and military power for political advantage. The current trade war between the US and China therefore needs to be seen against that backdrop. It is, therefore, likely that we are heading into a period where there will be a **reversal of world globalisation and a decoupling of western countries** from dependence on China to supply products. This is likely to produce a backdrop in the coming years of weak global growth and so weak inflation.

Summary

Central banks are, therefore, likely to support growth by maintaining loose monetary policy through keeping rates very low for longer. Governments could also help a quicker recovery by providing more fiscal support for their economies at a time when total debt is affordable due to the very low rates of interest. They will also need to avoid significant increases in taxation or austerity measures that depress demand in their economies.

If there is a huge surge in investor confidence as a result of successful vaccines which leads to a major switch out of government bonds into equities, which, in turn, causes government debt yields to rise, then there will be pressure on central banks to actively manage debt yields by further QE purchases of government debt; this would help to suppress the rise in debt yields and so keep the total interest bill on greatly expanded government debt portfolios within manageable parameters. It is also the main alternative to a programme of austerity.

INTEREST RATE FORECASTS

Brexit. The interest rate forecasts provided by Link in paragraph 3.3 were predicated on an assumption of a reasonable agreement being reached on trade negotiations between the UK and the EU by 31.12.20. There is therefore no need to revise these forecasts now that a trade deal has been agreed. Brexit may reduce the economy's potential growth rate in the long run. However, much of that drag is now likely to be offset by an acceleration of productivity growth triggered by the digital revolution brought about by the COVID crisis.

The balance of risks to the UK

- The overall balance of risks to economic growth in the UK is probably now skewed to the upside, but is still subject to some uncertainty due to the virus and the effect of any mutations, and how quick vaccines are in enabling a relaxation of restrictions.
- There is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations. However, it is always possible that safe haven flows, due to unexpected domestic developments and those in other major economies, could impact gilt yields, (and so PWLB rates), in the UK.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- **UK government** takes too much action too quickly to raise taxation or introduce austerity measures that depress demand in the economy.
- **UK - Bank of England** takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- A resurgence of the **Eurozone sovereign debt crisis.** The ECB has taken monetary policy action to support the bonds of EU states, with the positive impact most likely for "weaker" countries. In addition, the EU agreed a €750bn fiscal support package. These actions will help shield weaker economic regions for the

next two or three years. However, in the case of Italy, the cost of the virus crisis has added to its already huge debt mountain and its slow economic growth will leave it vulnerable to markets returning to taking the view that its level of debt is unsupportable. There remains a sharp divide between northern EU countries favouring low debt to GDP and annual balanced budgets and southern countries who want to see jointly issued Eurobonds to finance economic recovery. This divide could undermine the unity of the EU in time to come.

- Weak capitalisation of some **European banks**, which could be undermined further depending on extent of credit losses resultant of the pandemic.
- **German minority government & general election in 2021.** In the German general election of September 2017, Angela Merkel's CDU party was left in a vulnerable minority position dependent on the fractious support of the SPD party, as a result of the rise in popularity of the anti-immigration AfD party. The CDU has done badly in subsequent state elections but the SPD has done particularly badly. Angela Merkel has stepped down from being the CDU party leader but she will remain as Chancellor until the general election in 2021. This then leaves a major question mark over who will be the major guiding hand and driver of EU unity when she steps down.
- **Other minority EU governments.** Austria, Sweden, Spain, Portugal, Netherlands, Ireland and Belgium also have vulnerable minority governments dependent on coalitions which could prove fragile.
- **Austria, the Czech Republic, Poland and Hungary** now form a strongly anti-immigration bloc within the EU, and they had threatened to derail the 7 year EU budget until a compromise was thrashed out in late 2020. There has also been a rise in anti-immigration sentiment in Germany and France.
- **Geopolitical risks,** for example in China, Iran or North Korea, but also in Europe and other Middle Eastern countries, which could lead to increasing safe haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates

- **UK -** a significant rise in inflationary pressures e.g. caused by a stronger than currently expected recovery in the UK economy after effective vaccines are administered quickly to the UK population, leading to a rapid resumption of normal life and return to full economic activity across all sectors of the economy.
- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a rapid series of increases in Bank Rate to stifle inflation.

Appendix 3

Investment Strategy
(For Non-Treasury Investments)

Warwickshire County Council

2021/22

1. Introduction

1.1 Local Authorities may make investments of two types:

- Treasury Investments.

- Other Investments (also referred to in this strategy as “non-treasury investments”).

1.2 This Investment Strategy covers “Other Investments” and is prepared according to statutory guidance issued under the Local Government Act 2003, and also the Treasury Management Code of Practice, and The Prudential Code for Capital Finance in Local Authorities. Non-Treasury Investment are policy investments made to deliver Corporate objectives as set out in the Capital Strategy and Medium Term Financial Strategy.

1.3 For the purposes of this Investment Strategy, an investment is any financial or non-financial asset of the authority which is held partially or primarily to generate a return. Investments include loans made by the local authority to wholly-owned companies or associates, to a joint venture, or to a third party. For the avoidance of doubt, the strategy does not include pension fund, trust fund investments which are subject to separate regulatory regimes, or treasury investments which are detailed separately in the Treasury Management Strategy.

1.4 Non-treasury management investments may take a number of forms, for example holding shares in companies, issuing loans to companies, promoting economic development, or holding non-financial assets (e.g. property). Details of the Council’s existing and planned non treasury investments are set out in Section 12 and 13 of this strategy.

2. Transparency and Democratic Accountability

2.1 This Investment Strategy is a public document and must be approved annually by full Council, and any material changes during the year also being presented to Council for approval.

2.2 The more specific and detailed governance arrangements for any new funds will also be subject to Member approval through Cabinet or Council. For example, arrangements for the governance of the Warwickshire Property Development Company (WPDC).

2.3 Under Regulation 17 of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 as amended overview and scrutiny committee members have right of access to any confidential information relating to any decision by the executive or any member of the executive of their council where relevant to a review or scrutiny being undertaken by the committee or included in its work programme.

2.4 Any fundamentally new or additional levels of investment outside of those specified in or delegated by this Investment Strategy for investment for non-treasury purposes will be required to have direct Council approval that would be set out in an updated Investment Strategy.

2.5 The Section 151 Officer has delegated authority to implement this Investment Strategy, with the following overarching responsibilities highlighted.

- Ensuring that due diligence is carried out on investment proposals in accordance with the risk appetite of the authority.
- Ensuring the proportionality of investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources.
- Ensuring an adequate governance process is in place for the approval, monitoring, and ongoing risk management of non-treasury investments.

3. Investment Objectives

3.1 The primary objective of all non-treasury investments will be to contribute towards the Council's core organisational objectives:

- "Warwickshire's economy is vibrant and is developed, supported by the right jobs, training, skills and infrastructure";
- "Warwickshire's communities and individuals are supported to be safe, healthy and independent"; and
- "Making the best use of resources".

3.2 In addition, all non-Treasury investments will be required to demonstrate how they contribute towards the objectives specified in MHCLG guidance which will control local authority access to Public Works Loan Board (PWLB) lending by the withdrawal of PWLB lending to authorities when not met. These objectives are harmonious with the Council's overarching strategic objectives and powers, and are summarised below and detailed in Annex 1:

- Service
- Housing
- Regeneration
- Treasury management

- Prevention of social or economic decline

3.3 The principles of security, liquidity, and yield must be considered when making any investment. When considering treasury management investments, security is the highest priority, followed by liquidity, and yield is a low priority. However, for non-treasury investments, whilst all three principles matter, there is more flexibility around the relative priorities depending upon risk appetite and investment objectives. The following sections set out these principles in detail.

4. **Security**

4.1 The principle of security relates to the preservation of capital, i.e. Ensuring that the original investment is returned.

4.2 Non-treasury investments will be categorised as a means of indicating and controlling risk as follows:

- Specified Investments
- Loans
- Non-Specified Investments

4.3 Annex 2 describes these in detail and Annex 3-5 sets out how these will be managed.

4.4 Total exposure to investments will be capped as specified by this Investment Strategy, including detailed limits specifying ceilings on different types of investment, in order to limit risk exposure. This is summarised in Section 11 and detailed in Annex 5 and Annex 6.

4.5 All investments will have a specified end date and a documented process for review and, where contractually possible, early closure and realisation of capital should the circumstances performance, or risk profile require it. Investments which are of a nature that do not have a contractual end date, for example equity, will still have a planned holding duration.

4.6 Investment cash or non-treasury assets will not be issued in advance of need, minimising third party treasury management risk and the risk of cash or assets being used for objectives other than the investment objective.

4.7 A review will be undertaken in 2021/22 to assess the value of security held against non-treasury investments and to report on their sufficiency.

5. Liquidity

5.1 The principle of liquidity relates to how quickly investments can be returned to the Council.

5.2 In order to manage liquidity risk, this Investment Strategy will specify the maximum durations for which financial investments may be committed.

5.3 The default arrangement for loans will be annuity repayments, i.e. the payment of principal in even instalments throughout the duration of the loan term. Other profiles may be considered on an exceptional basis, however the risk of alternative profiles must be considered alongside how the profile would help to meet organisational objectives.

5.4 The contractual terms of investments made will specify repayment conditions and timing.

5.5 For non-treasury investments, medium and long-term financial planning will be used to ensure that funds can be accessed when needed to repay capital borrowed.

5.6 The level of liquidity of non-treasury assets will be assessed and monitored.

5.7 The capital programme, capital financing requirement, and treasury management activity will have regard to the planned repayment of investments relating to non-treasury investments, for example capital receipts and the repayment of loan principal.

5.8 The new investments in the Warwickshire Property Development Company (WPDC) will be relatively long term and illiquid in nature. Annex 2 to 8 set out arrangements and controls which will be used to manage this risk.

6. Yield

6.1 Investments will not be made purely or primarily for yield. This will mean that the Council will have access to PWLB lending at the low rates available from this source. Should the Council want to consider investments purely or primarily for yield, this would require a review of the overall capital financing position for the Council, because the Council would lose access to PWLB rates and capital financing costs would foreseeably be expected to increase.

6.2 However, where investments are made, the expected rates of return will have regard to the nature of investment and the level of risk been taken by the Council. Investment returns cannot be so low as to breach state aid/subsidy rules and cannot be so high as make an appropriate investment unviable to appropriate counterparties. Investment returns will seek to align with market norms.

6.3 Net yield will be calculated after having regard to costs, fees, and expected credit loss.

7. Borrowing

7.1 The Council will not borrow purely for profit and will not borrow more than or in advance of need purely or primarily to profit.

7.2 However, the Council may borrow in advance of need primarily for risk management or borrowing efficiency reasons (for example to lock into low interest rates if interest rates are expected to rise significantly).

7.3 Capital receipts shall not be repurposed from the acquisition of assets that contribute to service delivery in order to fund the purchase of investments solely to avoid borrowing in advance of need.

8. Risk

8.1 Any investment, by its nature, involves a risk that the rate of return may not be achieved, and the original investment may not be repaid. It also carries the potential risk that more than the original investment is lost if an investor for whatever reason subsequently puts additional money in above the original investment, for example if unsuccessfully attempting to turn around a failing investment.

8.2 The financial risks involved in the new non-treasury investments relating to the WPDC are of a different nature and greater than the financial risks relating to traditional capital expenditure and treasury investments. The reasons for the differences are:

- Treasury investments prioritise security and liquidity in order to serve the primary objective of treasury management which is to ensure that cash is available when needed to serve the purpose for which that cash is held. To achieve this treasury objective, relatively safe and secure investments are chosen, and consequently low rates of return are accepted.

- Traditional capital spending is expenditure by nature and is fully funded as such. A capital asset provides benefits over its financial life and the cost of the asset is spread across the life of the asset, reflecting its consumption and use. At the end of the life of the asset, a new asset would be required if the same benefits are required to continue, and in order to pay for a new asset new money is needed. This new money is prudently provided for by the Council making an annual provision called the Minimum Revenue Provision (MRP). This means that money will be available to purchase a new asset when the time comes. There is no assumption that the asset will retain its financial value, or that the asset will provide a financial return, and therefore there is no risk of either of these assumptions not happening.

- Non-Treasury investment risks are different in that:

    - They are assumed to retain or increase their original asset value, and they are assumed to provide a financial return. Therefore there is exposure to the risk of those assumptions not happening.

    - The objectives of non-treasury investments by their nature are not the same as treasury investments, and therefore they may not prioritise security and liquidity as highly as treasury investments do.

8.3 Although the Council will not pursue investments purely for the objective of financial return, the Council will pursue investments in order to meet objectives as set out in Section 3, and in doing so accepts higher risks with respect to security and liquidity.

8.4 Higher risk is associated with higher reward. Investors will seek to find opportunities receiving higher returns for lower risk, while organisations seeking investment will seek opportunities paying lower returns for higher investor risk. These competing requirements result in a market-norm rate of return for a given level of risk. Rates of return will have regard to this, ensuring that rates of return are not so low as to breach state aid/subsidy rules and not so high as to be unviable to counterparties. Rates should be market normative and enough to reward the investment risk taken.

8.5 The majority of traditional treasury management investment (currently approximately £320m) is very low risk and very low return, for example loans to other local authorities, and money market funds designed to preserve capital. There are some small investments in higher risk investments including the Threadneedle Social Bond Fund (currently £34m) and CCLA Property Fund (currently £10m). These two investments are held over a longer timeframe in order to provide access to higher rates of interest in return for accepting less liquidity and higher risk. The WPDC (£160m planned gross investment over the 5 year MTFS period) will be further up the risk/return spectrum again, however this positioning is driven by the primary objectives of the WPDC being amplify the opportunity to deliver organisational policy objectives.

8.6 Before entering into an investment, and whilst and investment is in place certain protocols will be followed to manage risks. These are detailed at Annex 3.

9. Proportionality

9.1 Any particular investment will carry its own risks, driven by the investment itself and the counterparty it relates to. The risk and return associated with any particular investment will vary.

9.2 In addition, there is the aggregate risk that the Council is exposed to when considering all investments in totality. This is a function of the total amount of assets and income at risk of loss, and the extent to which the Council is dependent upon those assets and that income.

9.3 This Investment Strategy sets out maximum limits for non-treasury investments in order to limit total risk exposure.

9.4 The Medium-Term Financial Strategy sets out the extent to which the overall Council budget is supported by income from non-treasury investments. However, when considering exposure to financial risk, there is also the risk of loss of principal, and where this occurs this may impact on the income and expenditure account directly.

9.5 Two indicators are required by Government guidance to be used to set limits that cannot be exceeded in order to manage proportionality. These measures are:

- Gross debt as a proportion of net service expenditure
- Commercial income as a percentage of net service expenditure

9.6 These measures are incorporated into the indicators detailed in Annex 5 and Annex 6.

10. Capacity, Skills and Culture

10.1 Non-Treasury investments carry particular risks, and the nature and scale of proposed investments in the WPDC create new risks. We will ensure we have the appropriate capacity, culture and skills to manage non-Treasury investments through a range of specific actions and policies as set out in Annex 4.

11. Prudential Indicators and Limits

11.1 A range of measures will be used in order to report on and control exposure to financial risk exposure from investment decisions. Annex 5 sets out definitions of the measures that will be used.

11.2 Measures are classified as either "Indicators" or "Limits" and the distinction is set out below:

- Indicators (Annex 6) – these are measures to monitor a particular financial parameter which will provide insight into performance and/or risk.

- Limits (Annex 7) - these measures which set hard limits on certain financial parameters in order to control and limit exposure to risk.

11.3 The most important measures are the limits on gross investment set out in Annex 7. These provide the fundamental control over maximum exposure to risk.

11.4 Over time, the use of measures will be reviewed and measures that are initially used for monitoring purposes may in the future used for control purposes.

11.5 The measures used, and any targets or limits, will be updated at a minimum annually when the Investment Strategy is updated.

11.6 The indicators have been chosen having regard to MHCLG guidance.

12. Warwickshire Property Development Company

12.1 In 2019/20 Council approved a commercial strategy setting out the intention to explore new approaches to the delivery of organisational objectives.

12.2 During 2020, detailed proposals for the development of a Warwickshire Property Development Company (WPDC) have been developed, .

12.3 WPDC is being developed with the following objectives:

- To undertake regeneration and place making activities within the county of Warwickshire. This should include delivery of major schemes, prioritising regeneration activities and delivering specific regeneration plans across the county.

- To undertake activities that progress Warwickshire County Council's key policy objectives, for example mitigating climate change, promoting sustainable and inclusive economic growth in Warwickshire, improving quality of life, and improving Warwickshire's 5G network and connectivity.

- To undertake activities with a view to generating new short- and long-term financial returns from the Council's property assets as appropriate and establishing and maintaining momentum in such activities.

- To operate in effective partnership with public sector stakeholders, in particular district and borough councils, NHS bodies, Warwickshire Police, universities, West Midlands Combined Authority, Coventry and Warwickshire Local Enterprise Partnership and Homes England.

12.4 WPDC investments may be of the following nature:

- Equity Investment
- Commercial Loans
- Corporate Guarantees
- Partnerships (Joint Venture)

12.5 The value of any loan guarantees will be included in counting of the total value of loans issued as they allow a third party to call on a loan unilaterally.

12.6 Any investments of a convertible nature between equity and debt will be counted as the actual type of investment that they are at the given time.

12.7 The detailed proposals for the WPDC are subject to a full business plan which is to be presented to Cabinet in January 2021. This will include detailed arrangements for the proposed governance of the fund. The arrangements for the governance of the fund must comply with the requirements of this Investment Strategy. If there are any areas of discrepancy, the Investment Strategy will be followed until and unless it is changed by Council.

12.8 For the management of risk, limits will be set by the Investment Strategy controlling the following:

- How much can be invested in each year.
- How much may be equity, capital, and revenue in nature.
- The maximum duration of investments will be as set out in the detailed business plan.

12.9 Annex 7 specifies the limits for investment in the WPDC. These limits are specific for the next year, and indicative for the following 4 years.
The WPDC business plan includes potential investments over a significantly longer period of time, however actual approval for it is subject to viable detailed business cases for each individual investment and is also subject to the approval of an Investment Strategy with appropriate investment limits being approved at the necessary time. For completeness, the indicative total gross investments proposed for the WPDC are currently as follows:

Indicative Gross Investment £m	**2021/22**	**5 Years**	**Whole Life**
Equity	14.1	29.4	55.0
Working Capital Loans (Revenue)	0.0	120.1	408.3
Capital Loans	0.6	8.5	33.2
Total	**14.7**	**158.0**	**496.5**

12.10 All individual investments will be subject to bespoke business cases and due diligence as required by the specified governance arrangements.

12.11 The investment profile will be updated each year on a rolling basis. Therefore, before the actual investment limits for 2022/23 are proposed in the next annual Investment Strategy, they will be informed by experience to date of investments made in 2021/22.

13. Existing Non-Treasury Investments

13.1 The Council already holds a number of investments that are non-treasury by nature. These investments are managed under existing procedures and protocols. This section sets out these investments.

Company Shares

13.2 The Council currently holds shares and debt with the following companies for the purposes of promoting the achievement of organisational objectives. These companies may provide a return on investment but that is not the primary reason for their existence.

- Warwickshire Legal Services Trading Ltd
- Educaterers Ltd
- University of Warwick Science Park Innovation Centre Ltd
- Warwick Technology Park Management Company Ltd
- Warwick Technology Park Management Company (No2) Ltd
- Eastern Shires Purchasing Organisation (ESPO)
- SCAPE Group Ltd
- Coventry and Warwickshire Local Enterprise Partnership
- Coventry and Warwickshire Waste Disposal Company
- UK Municipal Bond Agency PLC
- Border to Coast Pension Partnership Ltd

13.3 The share value relating to the above companies recorded in the 2019/20 accounts was £2.046m, with dividend income of £0.991m.

Company Loans

13.4 In addition to the above the Council currently operates two wholly owned Local Authority Trading Companies:

- Warwickshire Legal Services Trading Ltd
- Educaterers Ltd

13.5 The total shareholder value of these companies in their most recent accounts is a net liability of £2.7m (primarily relating to relating to increases in pension fund liabilities for Educaterers). There is a £1.8m loan facility in place with Educaterers at a rate of return of base rate + 5.75% to provide support to the company's cash flow.

13.6 The capital programme already includes allocations available for the purposes of making a loans to local businesses who cannot raise funds through other means such as banks. This includes the following capital programme forecasts as at Quarter 2 for 2020/21.

Forecast £m	Up to 2020/21	2021/22	2022/23 Onwards	Total
Capital Growth Fund Business Loans and Grants	1.982	0.275	0.444	2.701
Capital Investment Fund/Duplex Fund	0.900	0.960	0.140	2.000
Total	**2.882**	**1.235**	**0.584**	**4.701**

13.7 These funds support the delivery of the Council's objective to ensure Warwickshire's economy is vibrant and is developed, supported by the right jobs, training, skills and infrastructure. These investments achieve this by being targeted to small and medium-sized businesses located within Warwickshire, supporting and developing the local economy and helping to create and safeguard jobs.

13.8 Loans and grants are managed via the Coventry and Warwickshire Reinvestment Trust (CWRT), this includes arrangements for assessing loans, issuing loans, and recovery.

13.9 In addition to the above established lending arrangements, a further loan of £1m was made to CWRT to provide additional Coronavirus Business Interruption Scheme (CBILS) lending to local businesses over and above the central government funding provided.

Property Investment

13.10 The Council does not currently invest in property for the purposes of generating commercial income, however the Council does currently hold some assets for the purpose of generating future capital receipts.

£m	31/03/2020
NUNEATON/Land at former Holly Tree Farm,	16.337
NUNEATON/Land at former Magistrates Courts, Vicarage Street	0.272
NUNEATON/Land Adjoining 51 Queens Road, Queens Road	0.002
Attleborough Fields Industrial Estate Slingsby Close	0.519
NUNEATON/Former Manor Park Community School, Beaumont Road	1.575
ARLEY/ARC School (Former Herbert Fowler Junior School)	0.903
RUGBY/Great Central Industrial Estate, Great Central Way	1.070
ALCESTER/Former Area Library, Priory Road	0.301
ALCESTER/Meadow View H.E.P. (Independently funded), Kinwarton Road	0.000
ASTON CANTLOW/3 The Gables, Burbage Road	0.243
Kineton/ River Meadows Care Home	0.244
WARWICK/Land At Heathcote Hill Farm (Europa Way)	0.008
WARWICK/Former Ridgeway Special School, Montague Road	2.100
Total	**23.574**

13.11 Activity during 2019/20 included £2.35m in capital receipts from sales, and approximately £50k of income generated.

13.12 In addition, changes due to revaluation amounted to +£241k and gains/losses relating to sales amounted to +£364k.

13.13 The value of these assets can change, and these assets generate a small amount of incidental income (approximately £50k in 2019/20). The properties classified as investment property had an asset value of £23.5m as at March 2020, which is 2% out of a full asset value in the balance sheet of £1.162bn.

13.14 Where any of these properties in future come under the auspices of the WPDC, the governance arrangements in place for the WPDC will apply.

14. Environmental, Social, and Governance Policy

14.1 As a responsible investor, the Council is committed to considering environmental, social, and governance issues, and has a particular interest in taking action against climate change and pursuing activities that have a positive social impact.

14.2 The impact of an investment in respect of climate change may be a consideration for investment decisions, with investments that help to prevent climate change, or help to cope with its impact, or which are resilient to it’s effects being desirable. Measurement of impact such as via carbon footprint will be undertaken where practical.

14.3 Investments that have a social impact benefit, either on a local scale or more widely may be considered.

14.4 The ESG policy of fund managers and investment partners may be considered when making decisions, with the preference being for fund managers and partners who share similar values around ESG.

Public Works Loan Board – Lending Objectives **Annex 1**

Type	Description
Service	Normal local authority capital spending, for example education, highways, transport, social care, public health, cultural services, environmental services, regulatory services, and Fire and Rescue Services, as would be captured in the MHCLG Capital Outturn Return.
Housing	Normal local authority general fund or housing revenue account activity, as would be captured in the housing sections of the MHCLG Capital Outturn Return. In principle this includes land release, housing delivery, and subsidising affordable housing.
Regeneration	• Addressing economic or social market failure by providing services, facilities, or other amenities of value to local people which would not otherwise be provided by the private sector • Preventing negative outcomes including through buying and conserving assets of community value that would otherwise fall into disrepair • Investing significantly in assets beyond the purchase price, developing assets to improve them and/or change their use • Generating significant additional activity that would not otherwise happen without the local authority's intervention, for example creating jobs and/or social or economic value • Investments that recycle income to related projects with similar objectives rather than income being applied to wider services
Treasury Management	Restructuring or extending existing debt from any source, including the restructuring of internal financing
Prevention of Social or Economic Decline	• Investments that prevent a negative outcome, for example conserving assets of community value that would otherwise fall into disrepair, or providing support to maintain economic activity that would otherwise cease • Investment where there is no realistic prospect of support from any other source • investments with a defined exit strategy so that investments are not held for any longer than is necessary to achieve their objective

MHCLG issued guidance following the 2020 PWLB consultation stating that authorities that invest make Non-Treasury investments for the above reasons will have access to PWLB lending.

Local authorities that choose to invest for other reasons, or who choose to invest purely or primarily for yield will not be allowed to access PWLB lending for a period of time. In these cases, lending will be available from other sources, however it is foreseeable that the credit rating and risk profile of a local authority will be adversely impacted where it been refused access to the PWLB, and this would foreseeably impact on the lending rates and terms made available to the local authority.

Investment Categories **Annex 2**

Investment Type	Description
Specified Investments	Generally lower risk. These are sterling denominated, short-term, not capital by nature, and are made with counterparties with high credit ratings The Investment Strategy, will use the same criteria for the determination of specified investments as the Treasury Management Strategy
Loans	Generally higher risk than specified investments. In order to mitigate risk: • Credit risk and expected credit loss models will be used for loans and receivables. • Documented credit control arrangements will be used. • The value of loan guarantees will be counted against total lending exposure, whether or not a loan facility has been fully utilised. • Where a loan may be convertible to equity this can only be at the Council's discretion. No loans will be offered with any contractual commitment to convert them to equity.
Non-Specified Investments	This category covers all investments which are not specified investments, for example equity.
Non-Treasury Investments	This relates to physical assets which can be realised to recoup the capital invested. In order to mitigate risk: • The Council will monitor on an annual basis whether assets retain sufficient value to provide security. • Where security is sufficient, a statement should be made to this effect. • Where security is insufficient, a plan detailing the mitigating actions being taken to protect capital invested should be produced. • Where a loss is recognised in the accounts, the impact of this loss should be reported in an updated Investment Strategy. • Where the initial directly attributable purchase costs are greater than the realisable value of an asset, a statement setting out the timescales expected for the asset value to provide security for the sums invested will be made.

Risk Management **Annex 3**

Risk	Risk Management
Business market itself is not sound	• Review of the wider market in which the counterparty operates
Counterparty is not financially sound or well governed	• Use of independent credit ratings or credit assessments • Review of published financial reports and accounts • Review of the wider business plans of the organisation • Review of the counterparty's business case for seeking Council investment • Undertaking bespoke due diligence on the counterparty's financial and governance position where appropriate. •
The counterparty investment plan is not sound	• Reviewing the specific investment business case methodology, rationale, and assumptions • Review of the specific market environment • Undertaking bespoke due diligence where appropriate.
The investment is not repaid	• Establishing security against counterparty assets where appropriate • Including appropriate wordings in loan agreements • Regular monitoring of loan repayments, with the information required from the counterparty being specified • Use of credit control processes • Regular monitoring of counterparty financial metrics • Use of shareholder powers in respect of shareholdings, for example voting rights, reserved shareholder powers, board membership rights, and access to company information. • Utilising internal expertise and external expertise to monitor and review investment risk. • Where appropriate providing information, guidance, and support to counterparties to assist them in navigating difficulties in making repayments. • Use of the expected credit loss model to account for investments. • Having exit strategies built into the investment plan.
The Council does not adequately understand an investment	• Commissioning of experts and external advisers where internal expertise is not available. • Use of competitive procurement processes to secure external advisers. • Use of specified contract terms and objectives, and proactive contract management, to direct external advisers. • Investments in new markets or endeavours will be profiled with lower investments in the initial years to provide proof of concept and organisational learning before investment levels are scaled up

Capacity, Skills, and Culture - Policies and Actions **Annex 4**

	Actions
Capacity	• For investment funds ensuring adequate capacity is resourced at conception to deliver the fund objectives. • For individual investments, ensuring business cases include regard to the capacity required to deliver investment objectives for the Council and the counterparty. • Ensuring that investment costs are accounted for and covered by gross investment returns before net returns are counted.
Skills	• An annual training plan for Members closely involved in investment governance but noting that Members are not expected to be investment experts and require appropriate support and advice from experts. • Specific training on the prudential framework for officers and other stakeholders involved in negotiating investments • Commissioning of external expertise where internal expertise is not available • The use of appropriately qualified and experienced internal staff where necessary
Culture	• Reporting to Members and senior officers of lessons learned from other local authorities, where public reports are made available. • Ensuring no investment or counterparty is ever perceived to be “too big to fail”. • Ensuring that unsuccessful investments are identified and accepted as such as early as possible and that robust decisions are taken to prevent further losses, for example by investing further into an unviable project. • Ensuring a positive support and challenge culture. • A robust culture promoting consistent application of investment controls • Investment appraisals consider the long-term and the whole investment life-cycle. • Investment funds consider intergenerational fairness. • Conflicts of interest are transparent and proactively managed. • Risk management and performance management will be evidence based.

Indicator Definitions **Annex 5**

Title	Purpose
Gross debt as a proportion of net service expenditure (to be monitored)	Demonstrates the scale of debt in comparison to the financial size and strength of the authority Indicates proportionality and whether the authority is taking too much risk in aggregate
Commercial income as a proportion of net service expenditure (to be monitored)	Demonstrates the dependence of the authority on commercial income associated with investments Indicates proportionality and whether the authority is taking too much risk in aggregate Note this indicator only relates to commercial income associated with non-treasury investments, therefore for example it excludes income from normal trading with third parties such as schools.
Loan to value ratio (to be monitored)	Demonstrates the amount of debt issued compared to the total associated underlying asset value Indicates risk of exposure to losses
Gross and net investment limits	To manage risk, limits will be set with respect to how much can be invested in non-treasury investments profiled across the medium term financial planning horizon at a high level, and provide a more detailed limits around investment durations for investments to be made in the coming year Gross limits are a hard limit in-year Net limits if breached will prompt a review of the gross limits for following years
Non-treasury investment net borrowing as a percentage of net financing need (to be monitored)	Total non-treasury investments as a proportion of total capital financing requirement, assuming non-treasury related capital receipts reduce non-treasury related borrowing.
The expected net rate of return (to be monitored)	The overall expected net rate of return for investments This is the gross rate of return, less costs and fees, and less expected credit loss Returns are not risk-free, therefore higher rates of return indicate higher levels of risk

Investment Strategy Indicators **Annex 6**

6.1 Gross debt as a proportion of net service expenditure

		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Gross Debt	£m	278.403	381.326	458.195	485.720	521.385	521.072
Net Service Expenditure	£m	469.700	457.000	473.555	492.081	510.863	527.589
Gross debt as % of net service expenditure	%	59.3%	83.4%	96.8%	98.7%	102.1%	98.8%

6.2 Commercial income as a proportion of net service expenditure

		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Commercial income	£m	-	0.152	1.439	2.588	5.989	3.414
Net Service Expenditure	£m	469.700	457.000	473.555	492.081	510.863	527.589
Commercial income as % of net service expenditure	%	0.00%	0.03%	0.30%	0.53%	1.17%	0.65%

6.3 Loan to value

		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Total Loans	£m			13.716	27.216	41.153	38.015
Asset Value	£m			to be monitored			
Loan to value	%						

6.4 Non-treasury investment net borrowing as a percentage of net financing need

		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Net Borrowing Relating to Non Treasury Activity	£m	-	-	13.678	1.244	18.187	- 22.542
Total Net Borrowing	£m	-	113.864	91.928	45.657	54.899	20.347
Non Treasury Borrowing as % of Total	%	n/a	n/a	14.9%	2.7%	33.1%	n/a

6.5 Expected Gross Rate of Return

	Average Rate of Return
WPDC	6%

Investment Strategy Prudential Limits **Annex 7**

7.1 Annual Gross Investment Limits - Medium Term

		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Total
WPDC - Equity	£m		14.128	4.130	-	2.117	9.029	29.404
WPDC - Development Loans	£m		-	13.716	27.216	41.153	38.015	120.100
WPDC - Revenue Loans	£m		0.556	1.007	0.718	1.813	4.382	8.476
Total	£m	-	14.683	18.853	27.934	45.083	51.426	157.980

7.2 Cumulative Gross Investment Limits - Medium Term

		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
WPDC - Equity	£m		14.128	18.258	18.258	20.375	29.404
WPDC - Development Loans	£m		-	13.716	40.932	82.085	120.100
WPDC - Revenue Loans	£m		0.556	1.562	2.281	4.094	8.476
Total	£m	-	14.683	33.536	61.470	106.554	157.980

7.3 Cumulative Net Investment Limits - Medium Term

		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
WPDC - Equity	£m		14.128	18.220	7.482	9.106	10.077
WPDC - Development Loans	£m		-	13.716	25.698	44.378	29.894
WPDC - Revenue Loans	£m		0.556	1.388	0.037	1.813	0.229
Total	£m	-	14.683	33.325	33.217	55.297	40.200

7.4 Maximum Duration Limits

WPDC - Equity		Investment durations will be specified by each business case, subject to the investment limits set out in this strategy. The net investment limits above align with investment duration limits over the period of the MTFS.
WPDC - Development Loans		
WPDC - Revenue Loans		Revenue loans are short term by nature. The balance each year represents the lending facility available.

8.5 Gross Investment Limits - 2021/22 By Type and Duration

		Up to 1 year	Up to 3 years	Up to 5 years	Up to 10 years	Over 10 years
Equity	£m	Investment durations will be specific to each business case presented.				
Development Loans	£m					
Working Capital Loans	£m	0.556	-	-	-	-
Sub Total - WPDC	£m	0.556	-	-	-	-

8.6 Equity Limits

	Equity Limits
WPDC	As specified by each business case, and subject to the specific limits set out in this strategy. If an equity investment is in the form of pre-existing owned property then the investment may go ahead if a higher value is due to revaluation only.

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Cabinet

28 January 2021

Capital Investment Fund 2020/21 Q4

Recommendations

That Cabinet:

1) Approve £0.800 million from the Capital Investment Fund to increase the existing budget for the Lawford Road/Addison Road, Rugby Casualty Reduction Scheme and add to the Capital Programme;

2) Approve £0.409 million from the Capital Investment Fund for the contribution to HS2 Ltd to enable future adoption as public highway of the Southern Accommodation Bridge at Stoneleigh Business Park and add to the Capital Programme;

3) Approve £1.366 million from the Capital Investment Fund to contribute towards electric charging infrastructure for buses in partnership with Coventry City Council and Transport for West Midlands and add to the capital programme, conditional on the full business case being approved by Department for Transport;

4) Approve £3.855 million from the Capital Investment Fund to increase the existing budget required for renovation work at the new SEND school in Nuneaton (Warwickshire Academy) and recommend to Council as part of the 2021-22 capital budget resolution to add to the Capital Programme, and;

5) Authorise the Strategic Director for Communities to procure and enter into any agreements to give effect to the proposals on terms and conditions acceptable to the Strategic Director for Resources.

1. Purpose of this report and context

Capital Investment Fund (CIF) Overview

1.1. Under existing capital approval rules agreed by Members, all CIF allocations and subsequent additions to the capital programme require approval by Cabinet (and Council if the cost of the scheme exceeds £2 million), unless an urgent decision is required which can be taken by the Leader under delegated powers.

1.2. Services were invited to submit detailed bids to the CIF for evaluation by the Fund's Technical Panel. The Panel, consisting of experts from Finance, Legal, Property, Project Management Office and Directorate Service Teams evaluate and score each individual bid out of 100 based on the bid's strengths in each of the following key areas:

- Delivery of the Council's Strategic Objectives;
- Alignment with the investment criteria of the capital strategy;
- Achievability, quality of evidence base, rational evaluation and challenge of options, financial viability and risk; and
- Sustainability, climate change and environmental impact.

1.3. £24.900 million per annum has been added to the 2020-25 Medium Term Financial Strategy for the CIF. The estimated drawdown from the CIF for these proposals can be accommodated within this CIF budget allocation. Detailed expenditure profiles will be spread over multiple years and does not exhaust the available CIF funding in any given year.

2. Description of the Schemes and Analysis

2.1. ***Lawford Road/ Addison Road, Rugby Casualty Reduction scheme (Additional Funding)***

<u>Description</u>
The junction of the A428 Lawford Road and Addison Road is an existing mini roundabout within an urban 30 mph speed limit. The project aims to deal with a long-standing cluster of traffic collisions resulting in personal injury (PIC). The project consists of the replacement of the existing mini roundabout with the construction of a compact roundabout along with the installation of a signalised toucan crossing. The junction of A428 Lawford Road and Addison Road is a location that has repeatedly ranked highly on the County's annually produced list of identified cluster sites. There were 18 casualties experienced at the location. Data shows that in the period between 1st January 2015 and the 20th October 2020 there has been 13 incidents with 16 casualties.

This bid application will form part of the shortfall in the overall funding package with funding already secured via the Capital Investment Fund as well as Delegated Budget funds. The monies from this application will fund the additional costs that have been identified during detailed design. These additional costs are mainly as a result of additional utility diversion works required to construct the roundabout.

This location is seen as a priority for engineering intervention due to the high amount of personal injury collisions and the common trend of failure to give way type collisions at the location. It is one of the worst cluster sites within Warwickshire and consistently features towards the top within the annual cluster site list. The other locations within Warwickshire which experience higher collision numbers either have committed schemes to address the collision problem or a solution is not available for the location due to a lack of collision trend or engineering issues which are unable to be overcome.

With the scheme being on an arterial route into Rugby it will have significant benefit to all users of the road and the local residents living in close proximity to this location. With the volume of traffic that uses the A428, this scheme will dramatically lower the risk of being involved in a collision along the A428.

Technical Panel Findings

The Panel scored the bid as follows:

Delivery of the Strategic Objective (Out of 10)	8.0
Alignment with the investment criteria of the capital strategy (Out of 40)	32.0
Achievability, quality of evidence base, rational evaluation and challenge of options, financial viability and risk (Out of 40)	30.0
Sustainability, climate change and environmental impact (Out of 10)	5.8
Total Score	**75.8**

The following key points were raised by the Panel:

- The panel noted that this project has already been approved by members and is still fundamentally good value for money and has a strong rationale, irrespective of the cost increase. The project has significant support from members including the Deputy Leader who has committed part of his delegated area budget to cover the additional costs.

- These costs were not identified at inception of the project. This is recognised as a wider issue and possible solutions are being explored, including use of the capital feasibility fund in future before schemes become full capital projects.

- The team has applied for additional grant funding but are still waiting on outcome but should continue to pursue, with any grant secured used to repay the Capital Investment Fund on a £ for £ basis.

- The panel felt the contingency was low and could be exposed to further costs directly as a result of COVID-19. However, detailed exploration and design work has now been carried out which provides reassurance that cost escalation is low risk.

- Consideration should be given to environmental implications on construction such as how the contractor sources materials and how the contractor ensures works have minimum environmental impact.

2.2. ***All Electric Bus Town – WCC Partnership Contribution***

Description

Department for Transport All Electric Bus Town Initiative:

As part of measures aimed at transforming bus services in England, the Department for Transport (DfT) invited local authorities to submit Expressions of Interest regarding a £50 million All Electric Bus Town initiative aiming to deliver the first all-electric bus town or city in England. This would involve upgrading the entire bus fleet operating in a place with full electric buses, or buses capable of operating in electric, zero-emission mode, supported by charging infrastructure. The place must have a recognised air quality problem, e.g. identified in the national assessment as exceeding statutory limits. The DfT will contribute up to 75% of the cost difference between a zero-emission bus and a standard conventional diesel bus, as well as up to 75% of the capital expenditure incurred for supporting electric charging infrastructure. There is an expectation that local authorities would provide complementary measures to boost modal shift to an all-electric bus fleet.

Coventry and Warwickshire Cross Boundary Proposal:

WCC Portfolio Holder approval was given in May 2020 for WCC to submit a partnership Expression of Interest with Coventry City Council and Transport for West Midlands focused on improving the bus fleet in Coventry, which would include cross-boundary services running into Warwickshire. A total of 325 buses would be replaced with an all-electric specification with bus operators contributing towards the cost of upgrading their fleet and providing support charging infrastructure at their bus depots and in Coventry at a total projected cost of £125.3 million with the DfT providing a £49.9 million contribution.

The DfT contribution includes covering 75% of the cost for providing on-street charging infrastructure being provided on cross boundary routes within Warwickshire. Bus operators and Transport for West Midlands would be responsible for securing the funding required to meet all other costs.

The DfT assessed 19 Expressions of Interest (EOIs) from local authorities across the country. Only two EOIs have been shortlisted to be taken forward to Phase 2 - development of a full business case, which must be submitted by end of February 2021. These were the Coventry and Warwickshire Cross Boundary proposal and a bid for Oxford. The DfT has provisionally confirmed that both schemes will receive the requested funding subject to approval of the full business case with the funding being discharged by the end of March 2021.

The Warwickshire Element:

The proposed all-electric cross boundary Coventry and Warwickshire bus services serve all primary towns in Warwickshire, i.e., Leamington Spa, Nuneaton, Warwick, Rugby, Bedworth, Stratford-upon-Avon, Kenilworth and Atherstone. The County Council would meet 25% of the costs of providing supporting on-street charging infrastructure at key bus focal points, e.g. enabling layover, on those cross-boundary routes in Warwickshire served by the all-electric buses. Whilst the charging infrastructure would initially support the cross-boundary electric bus services, it could be used in the future to support an expansion of electric buses to other routes in the area and form part of a hub serving even other forms of electric vehicles in future years, e.g. taxis, emergency vehicles and cycles.

Funding:

The total projected cost of the wider proposed scheme is £125.3million, of which, the contribution from bus operators is £70.3 million (56%), the contribution from the DfT is £49.9 million (40%) and a local contribution of £5.0 million (4%). The specific works required within Warwickshire towards providing on-street charging infrastructure in Warwickshire would require a WCC contribution of £1.4 million, plus £4.1 million as a contribution from DfT.

Technical Panel Findings

The Panel scored the bid as follows:

Delivery of the Strategic Objective (Out of 10)	8.6
Alignment with the investment criteria of the capital strategy (Out of 40)	32.0
Achievability, quality of evidence base, rational evaluation and challenge of options, financial viability and risk (Out of 40)	24.0
Sustainability, climate change and environmental impact (Out of 10)	8.0
Total Score	**72.6**

The following key points were raised by the Panel:

- The scheme benefits from working with partners who have experience of this type of investment and is a relatively small contribution from WCC to unlock substantial government funding that contributes towards WCC's response to the climate change emergency. The relatively small scale nature of the project can be seen as a stepping stone to wider schemes across the county.

- The panel identified, due to the early stage of this initiative, a number of uncertainties on costs and unknown factors such as work to the grid infrastructure, amount of electricity required and potential risk of additional funding required for electric buses contributions. There is a question over the incentive for bus companies to make such a large contribution when they have no legal requirement to convert to electric vehicles, this should be explored during further project discussions.

- The panel identified State Aid implications which will need to be addressed as the project progresses. Essentially if the scheme is only benefiting certain bus companies named in the bid then this could be an issue. The project needs to ensure it will benefit all bus companies and avoid distorting the market. State Aid rules may also change following the United Kingdom's exit from the European Union and the panel recommend that the service take in-house legal advice on this issue.

- The panel felt a reasonable approach would be for members to revisit whether the project is a good idea after the business case to Department for Transport is approved.

2.3. ***Stoneleigh Business Park Southern Accommodation Bridge***

Description

This is an application for £0.409 million of Capital Investment Funding (CIF) to form part of the overall funding required to deliver an enhanced accommodation bridge over the trace of the High Speed 2 Rail Line (HS2) within the boundaries of Stoneleigh Business Park.

As part of its works within Stoneleigh Business Park, HS2 Ltd is committed to construct two accommodation bridges to mitigate the land severance caused by construction of the rail line through the Park.

WCC Transport Planning Unit has a proposal to construct a new strategic link road through Stoneleigh Business Park and adjacent land, connecting the B4113 Stoneleigh Road with the B4115 Ashow Road, C32 Birmingham Road and the A46 Stoneleigh junction. The new road will make use of legacy HS2 infrastructure within Stoneleigh Business Park, on the local highway network and the HS2 construction compound on land north of the Park.

The new road will address the long-standing issue of congestion through the village of Stoneleigh, protect the Grade II listed bridge over the River Sowe to the east of the village and facilitate economic expansion by improving connectivity to Stoneleigh Business Park itself, the University of Warwick, and allocated residential development at Kenilworth and King's Hill. It will enable active travel measures to be implemented and facilitate improved opportunities to better serve the area by public transport.

The proposal intends to make use of the southern HS2 accommodation bridge within Stoneleigh Business Park to deliver the link road but this is dependent on the bridge being constructed to an appropriate highway standard that is compliant with the Design Manual for Roads and Bridges and incorporates additional pedestrian and cycle infrastructure. In order to achieve this HS2 Ltd will be required to construct the bridge to a higher standard than originally planned and this will incur additional costs that are beyond the scope of HS2 budget.

Construction of the bridge to the required specification will future-proof the route of the proposed link road.

Overall, the project will;

- Capitalise on the impact of HS2 in Warwickshire through use of legacy infrastructure

- Deliver a significant cost-saving in construction of a bridge required to deliver the proposed link road
- Enable future delivery of a link road through Stoneleigh Business Park which will ease congestion in the village of Stoneleigh, improve the efficiency of the local road network and enable economic growth in the area.

Funding is therefore requested to cover the additional costs incurred in constructing the bridge to the higher standard required by WCC to facilitate delivery of the proposed link road.

Technical Panel Findings

The Panel scored the bid as follows:

Delivery of the Strategic Objective (Out of 10)	8.0
Alignment with the investment criteria of the capital strategy (Out of 40)	36.0
Achievability, quality of evidence base, rational evaluation and challenge of options, financial viability and risk (Out of 40)	30.0
Sustainability, climate change and environmental impact (Out of 10)	8.2
Total Score	**82.2**

The following key points were raised by the Panel:

- This is a very good opportunity to avoid significant capital costs in future as part of the wider link road scheme. A bridge of this nature would typically cost £12.0 million but WCC will gain access to the road course over the bridge for £0.4 million which demonstrates exceptional value for money.

- There is some slight uncertainty over future maintenance costs for the road course and the bridge, this will need to be clarified in any agreement with HS2.

- There is a lot of local and political support for the construction of the link road (which this bridge will ultimately form part of).

- There is a large time frame from acquisition of the bridge to the link road being constructed, this poses a risk that long timelines mean other factors result WCC being left with an inoperable asset for a significant period of time until the road is completed.

- The risk of cost escalation is mitigated due to a fixed fee agreement with HS2 Ltd, so WCC's contingency figure is negligible.

2.4. ***SEND School (Warwickshire Academy) - Additional Funding Requirements***

Description

The purchase of the former RNIB Centre in Ash Green (Nuneaton) was approved under a previous CIF bid in May 2019 and Warwickshire County Council (WCC) completed the purchase of the site on 12 December 2019 with a view to establishing the Warwickshire Academy. The site is comprised of five residential bungalows, administration (offices) building, hydrotherapy pool and school building designed to support people with physical and visual impairments.

The SEND & Inclusion Change Programme is the agreed response to the financial risk surrounding the service. Financially speaking, the most significant project in the change programme is the establishment of the Warwickshire Academy. This is expected to save £1.757m annual revenue savings (comprising £1.268m from DSG revenue costs each year and a further £0.489m from SEN transport).

The previous bid completed in May 2019 included capital funds totalling £0.500 million for refurbishment work to the school building. With a further approval in July 2020 for an additional £0.523 million contribution towards works. The works costs were estimated on early review of the facility and prior to the completion of the Condition Survey in August 2019.

However, the business case did not account for major adaptations to be made to the school as a result of changing the cohort from children with physical disabilities, to children who are physically able and have either social, emotional and mental health needs and/or autism spectrum disorder.

Several areas of repair work, internal adaptations, and cost of separation of services due to a change in use of the building, unforeseen at the time of the previous approval, has been identified. This requires a further allocation from the Capital Investment Fund of £3.855 million.

These works and repairs have been established from the perspective of the need to ensure that the teaching block facility is fit for purpose for the delivery of a school for SEMH students, along with associated parking, and recreational space. This involves a review of the design in the context of SEMH student's safety, and curriculum need. To include the separation of services, meeting statutory compliance requirements, and ensuring that the boundary fencing meets the safety and security of the students.

Capital requirements for the separate multi-agency service that will be established on the remainder of the site; the administration building and bungalow cluster have not yet been agreed and these elements will remain WCC centralised assets. Any request for additional costs will be subject to evaluation and scrutiny through the Capital Investment Fund process.

Technical Panel Findings

The Panel scored the bid as follows:

Delivery of the Strategic Objective (Out of 10)	4.0
Alignment with the investment criteria of the capital strategy (Out of 40)	32.0
Achievability, quality of evidence base, rational evaluation and challenge of options, financial viability and risk (Out of 40)	22.0
Sustainability, climate change and environmental impact (Out of 10)	5.8
Total Score	**63.8**

The following key points were raised by the Panel:

- Changes in pupil cohort and a change in use of the building from the previous school have driven the increased costs. The budgeted cost of the site has increased from £11.663 million to £15.518 million. An assessment of the existing accommodation has recently been undertaken to determine any shortfalls against Department for Education guidance for SEND schools to ensure the existing buildings are suitable for the intended cohort. This assessment has identified key requirements to ensure the site can operate effectively and safely which are not factored into the current CIF budget, including:

    - £1.541 million to cover a range of external works required to ensure the school can operate under a change of pupil cohort, including:

        - New sports pitch provision and a multi-use games area as required for this type of school.
        - The existing perimeter fencing has been identified as inappropriate in terms of both site security and safeguarding for the intended cohort of early learners and will require replacing.

      - Given the high staff numbers required for this type of school and the fact most children attending the school will arrive by taxi there is a significant shortfall in required car parking and pick up and drop off area that will need to be provided.

    - £0.500 million for Internal Redesign works that have been highlighted as a requirement to enhance the day to day running of the school in line with the National Curriculum e.g. science room, food tech room and ICT.

    - £0.205 million for the hydrotherapy pool which has been the subject of a review post purchase of the site to ensure its compliance with the necessary regulations and be fit for purpose prior to passing over to a neighbouring school for their use. This has highlighted several matters for repair and renewal.

    - £1.014 million for other related costs, consisting of; design and professional fees (£0.727 million), surveys (£0.090 million) and pre-construction works (£0.197 million).

    - £0.481 million for contingency relating to the additional works and £0.114 million for optimism bias.

- Incorporating these additional costs into the financial evaluation means that the savings generated from the project pay for the initial investment by Year 12 for the school. Based on latest estimates the wider site will have fully recovered its costs by Year 23.

- The Panel noted that the site has been purchased and is to become operational from September 2021 in order to begin delivering savings in the DSG SEN budget. There are a number of risks around delivering within a tightening timeframe. A comprehensive risk register exists and includes mitigating actions but risks still remain high, however project governance and a project board exist to ensure this project remains on track.

3. Financial Implications

3.1. As part of the 2020/21 Budget Resolution approved by Council in February 2020, £24.900 million per annum was added to the 2020-25 Medium Term Financial Strategy for the CIF. The drawdown from the CIF for these schemes can be accommodated within the existing 2020/21 CIF budget allocation.

3.2. The available CIF balance available over the period of the 2020-25 Medium Term Financial Strategy currently sits at £81.974 million and is included in the current Capital Programme, the recommendations in this report result in a call on this pot of £6.430 million. Therefore, the remaining unallocated CIF balance is £75.544 million.

4. Environmental Implications

4.1. *All Electric Bus Town Initiative*

Government is developing ambitions plans to accelerate the decarbonisation of transport in order to deliver substantial emissions reduction needed across all modes of transport, putting us on a pathway to achieving carbon budgets and net zero emissions across every single mode of transport by 2050. In turn, the aspiration of WCC Council Plan 2025 is to mitigate our effect on climate change by the following:

- 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.

The cross boundary AEBT scheme embodies the climate change aspirations and commitments put forward by the Government and the County Council.

Electric buses are much better for the environment and are more elegant than their diesel-powered counterparts producing less vibration, noise, substantially reduced emissions and lower operating costs. The cross-boundary AEBT scheme would contribute towards providing air quality improvement benefits to all 5 Borough and District areas in Warwickshire, including helping to tackle ongoing air quality issues that exist in a number of Air Quality Management Areas (AQMAs) across the county alongside other separate measures. In addition, the certain cross-boundary bus routes forming part of the AEBT scheme travel further afield into Leicestershire and Worcestershire, and thus, will provide air quality improvements benefits in these areas as well.

4.2. *Contribution to HS2 Ltd for Stoneleigh Bridge*

As a through route for large volumes of traffic, Stoneleigh village suffers negative environmental impacts, including an increase in noise pollution and a worsening of air quality in the local area. The high traffic flows also threaten the setting and resilience of the B4113 Grade ll medieval bridge over the River Sowe. By reducing the traffic flow through the village, the link road scheme will improve air quality and reduce noise pollution for local residents.

The link road will also allow for a potential modal shift away from cars to more sustainable active travel modes and public transport which would reduce carbon emissions and contribute to the climate change objectives of both Warwickshire County Council and Warwick District Council. To enable this modal shift to take place the southern accommodation bridge within Stoneleigh Business Park must be built to an enhanced specification that includes dedicated pedestrian and cycle infrastructure. Without this, the potential to deliver the sustainability impacts of the proposed link road would be constrained.

4.3. ***A428 Lawford Road, Rugby Casualty Reduction Scheme***

By improving the junction design and reducing collision frequency, there will be a reduction in congestion at the site. This will lead to an improvement in air quality, through less queueing and fewer hold-ups, leading to a reduction in vehicle emissions per stretch of road. This will lead to further improvements in the well-being of local residents through improved air quality.

The introduction of the signalised toucan crossing will improve the crossing facilities for pedestrians and cyclists, offering improved access to Somers Road industrial estate for residents living north of the A428. The installation of this crossing will provide a crossing point at an existing cycle route and offer opportunity to improve cycle routes within this area. Transport planning group are exploring opportunities to create a cycle route from this new crossing point to Somers Road through New Bilton recreation ground. This will improve accessibility for local residents and encourage an uptake in walking and cycling reducing the reliance on motor vehicles.

4.4. ***SEND School (Warwickshire Academy) - Additional Funding***

The site and buildings were purchased in December 2019, with the facility constructed in 2011/12. The mechanical and electrical design along with the heating system is reflective of the design and the thermal properties of materials at the date of construction. The proposed works being completed for the facility do not include the review of the design of the heating system nor any changes to the pre-existing elements and components of the facility, unless Building Regulations direct the Designer to do so as part of the internal adaptation, or external works.

The planned external works and internal adaptations will be subject to current building control requirements, and will thus meet building regulations, and any conditions as directed by the local Planning Authority as part of the grant of planning consent for the external works.

The teaching block will become the responsibility of the Academy Trust in September 2021 who will be responsible for building into their programme of planned works over the lease period to improve and replace fittings and fabric of the facility with more efficient and effective components and design that will improve sustainability.

5. Background Papers

None

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This report was not circulated to members prior to publication.

Cabinet

28 January 2021

Revenue Investment Funds 2020/21 December Report

Recommendations

That Cabinet:

1) Support the progress made on the Commercial Strategy with the Ecology Licence project for Great Crested Newts approved by Corporate Board under the authorisation delegated to Chief Executive at a cost of £0.072m.

2) Approve the bid as detailed in section 2, amounting to £0.169m from the Sustaining Prevention Fund.

3) Authorise the Strategic Directors for People and Communities to procure and enter any agreements to give effect to the above proposals on terms and conditions acceptable to the Strategic Director for Resources.

1. Purpose of the report and context

1.1. As part of the 2020/21 budget, Council approved the creation of four Revenue Investment Funds, with a total allocation of £20m, to provide opportunities to run initiatives to meet objectives of tackling climate change, investing in commercialism, sustaining prevention of demand within communities and investment in place shaping including scoping capital and development opportunities for better value service provision. The indicative allocation of the resources between the funds was then updated by Cabinet in June to reflect the increased need to invest in economic recovery post Covid-19, and the remaining Early Intervention Fund from 2019/20 was added to the Sustaining Prevention Fund.

The breakdown of these funds is below:

Council Investment Funds	Total £000s
Sustaining Prevention Fund – A fund to pump-prime upfront investment in demand management and early intervention initiatives prior to the financial benefits accruing.	5,404
Climate Change Fund – A fund to invest in priorities flowing from the Climate Change Task and Finish Group and Council Plan 2025	4,000
Commercial Fund – A fund to deliver commercial investment in outcomes for Warwickshire arising from the commercial strategy.	3,500
Place Shaping and Capital Investment Fund – A fund to support capital feasibility work, investment in place and to improve delivery.	7,500
Total MTFS Allocation	20,404

1.2. The funds are outside of core budgets, and members approved a four-stage approval process for projects seeking funding:

- Stage 1: A project proposal document is developed and reviewed by Gateway Group/Corporate Board as to the strategic fit with the priorities in the Council Plan;
- Stage 2: The business case for the project is then prepared and an Investment Panel, made of representatives from Finance, Project Management Office and managers from services across the organisation, provides a technical evaluation and commentary on the proposal;
- Stage 3: Gateway Group use this technical evaluation alongside their own analysis of project governance and feasibility, to recommend the projects to Corporate Board if under £0.1m per project, or Cabinet if over this value for approval; and
- Stage 4: Cabinet approve/reject the allocations over £0.1m and note the projects under this value approved by Corporate Board. If the project is approved, funding is transferred to the service, and if savings have been identified flowing from the investment these are built into the medium-term financial strategy.

1.3. The scheme detailed in sections 2.1 to 2.3 of this paper is part of a programme, led by People Directorate, covering wellbeing aligned to the Council's Covid-19 recovery plan and wider prevention strategies. Initiatives under the programme will focus on the objectives of enhancing residents' resilience, wellbeing and coping abilities in response to the pandemic; managing demand to Social Care services and avoiding pressure on other statutory Council services. Programme oversight will ensure that planning and monitoring include evidence of sustainability and developing clear breaks to exit safely when programme funding ends, as well as ensuring delivery and monitoring spend. One new project is being put forward for Cabinet approval, further to the four projects under this programme approved by Cabinet in December. Subject to Cabinet's decision today a total of five projects will now be funded from the Sustaining Prevention Fund, leaving £3.268m in this fund for further initiatives across the next four years.

1.4. The scheme detailed in section 2.4 to 2.5 is part of the Commercial Strategy, but with close links to Climate Change and Place Shaping strategies. This scheme has been approved by the Chief Executive under her delegated authority to approve funding from the Investment Funds under £100,000. A total of four projects will now be funded from the Commercial Fund, leaving £2.603m in this fund for further initiatives across the next four years.

2. Description of the Investment Fund bids

Information and Advice

2.1. Corporate Board recommend approval of £169,000 from the Sustaining Prevention fund for the Information and Advice project with the project sponsor being the Assistant Director, Business and Customer Services.

2.2. Funding will be used to complete a project previously initiated, and build on the research already carried out to develop a web-based information and advice platform for potential social care customers and their carers. The outcome of the project will be a tool to enable Warwickshire residents easily to access information and advice about a range of community services to improve their wellbeing and find out about other activities in their communities of potential benefit to them, helping them remain independent, and lead healthy and happy lives.

2.3. During its evaluation, the panel has requested that emphasis during the design phase of the joint working between different services within the organisation, and Gateway Group have requested emphasis is put on the ongoing maintenance of the information available. The non-financial benefits to citizens are well detailed in the business case, and on this grounds the project is recommended for approval, but there is a request across the Sustaining Prevention bids to ensure longer term, indirect financial benefits from reduced demand to social care services are clarified and monitored. This feedback has already been incorporated into the delivery of the project through the design of a detailed engagement plan.

Great Crested Newts

2.4. Corporate Board have approved £72,000 from the Commercial Fund for the Great Crested Newts licence project with the project sponsor being the Assistant Director for Environment Services.

2.5. This project supports the Council's climate change, place shaping and commercial objectives. Currently, GCNs are considered within planning consenting regimes and later by Natural England licencing before works can start. This requires surveys for newts in all ponds within 500m of a development site (be this a householder or large application) that involve up to 6 site visits to be carried out between March-June and last for 2 years. These constraints cause delays and are expensive. They can also be unreliable in estimating population sizes and subsequent compensation packages. The funds requested will be used to obtain a District Level Licence from Natural England for ecological surveys and set up the framework needed to carry out and licence developments. This will reduce costs through removal of the third-party licence holder, improve positive ecological impacts from development and reduce delays in development time.

3. Environmental Implications

3.1 The new Great Crested Newts licence arrangement is one that is promoted by Natural England, offering benefits to local authorities, developers and to the environment. They note that the new approach would "ensure that development provides a net benefit to the conservation status of Great Crested Newts and enabling increased quality of wider greenspace Conservation status enhanced via creation of appropriate and linking habitat, [through] not being reliant on dispersed and small scale mitigations."

There are no other environmental issues or concerns arising from the initiatives proposed in this document.

4. Financial Implication

4.1 The cost of the projects are limited to the amounts detailed above, with any ongoing costs from the initiatives to be managed within the relevant service's existing budget. The Investment Panel have highlighted exit strategies to ensure further funding is not committed without prior approval being sought. The anticipated financial benefits from the investments are contribution to savings already built into the Medium Term Financial Strategy proposals currently being considered.

5. Background Papers

None

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This report was circulated to the following members prior to publication:
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Agenda Item 8

Cabinet

28 January 2021

Civil Parking Enforcement Contract 2021

Recommendations

That Cabinet:

(1) approves proceeding with the procurement of a Civil Parking Enforcement (CPE) Contract by means of Competitive Procedure with Negotiation for a period of seven years and an option for three further years;

(2) authorises the Strategic Director for Communities to run a tender exercise and to enter into the relevant contract(s) for the provision of CPE and second line maintenance on terms and conditions acceptable to the Strategic Director for Resources.

1. Key Issues

1.1. The current Civil Parking Enforcement Contract with NSL will be coming to an end on the 31st October 2021.

1.2. NSL have provided services in line with the Traffic Management Act 2004 since November 1st 2014. Services provided within the current contract are as follows:

- enforcement of the on-street parking restrictions across Warwickshire's highways, directly employing the Civil Enforcement Officers (CEOs) carrying out enforcement through the issue of penalty charge notices (PCNs)
- processing of first stage PCN appeals and sending corresponding letters in response to those appeals
- the scanning of post relating to the CPE process and providing back office services including email and telephone contact
- taking and administering payments for PCNs, permits, parking bay suspensions and dispensations and implementing these on-street.
- administration of the residents' permit and visitor permit schemes
- first line maintenance (meaning repairing faults with no tools such as ticket jams second line meaning repairing machines where parts or tools are required) of the Council's 250 pay and display machines

- enforcement and administration of parking services provided at the Stratford Park and Ride site.

1.3. NSL have delivered an efficient service over the past six years, with consistent improvements in response to WCC contract management requests and broad compliance with contract key performance indicators. The service delivery has been consistent, flexible, and cost effective and has delivered the desired parking management outcomes.

1.4. The existing value reward mechanism focuses on 5 prime KPIs with a 5% bonus applied to the monthly invoice. This is only awarded if all KPIs are passed. There is a complex but fair and effective framework of financial penalties should a KPI fail. This framework has encouraged a beneficial working partnership and communication channels for both parties. For the re-procurement exercise we are planning to add an additional two KPIs; the first is based around the quality standards of correspondence to ensure all letters are accurate and the second focuses on machine uptime to ensure a fully functioning stock of machines.

1.5. In preparation for entering a new contract, a procurement working group has been established to investigate the effectiveness of the existing contract and identify any improvements or amendments.

1.6. First and second line maintenance responsibilities will be included within the CPE tender. First line maintenance means simple machine repairs not requiring tools and second line maintenance means a more involved repair using specialist tools. The provision of second line maintenance is currently separate and is delivered by a different supplier (Flowbird). The streamlining of this service will negate the involvement by WCC staff in coordinating repairs and maintenance issues with two separate providers. This will result in increased machine uptime and a reduction in customer complaints due to machines being out of operation.

1.7. WCC has recently applied to extend the CPE process to North Warwickshire Borough Council area, which will deliver a consistent enforcement approach across the county. It is anticipated that upon successful application WCC will take over enforcement of the on-street restrictions in North Warwickshire from the police and that this will coincide with the CPE contract renewal.

1.8. The working group recognises that there is a possibility that the Department for Transport may ask local authorities to take enforcement responsibility for some Moving Traffic Offences, such as but not limited to parking in box junctions, banned left and right turns and exceeding prescribed weight limits. These contraventions are currently enforceable civilly in London and Wales only but may be extended to England. The scope of the new contract will cover this in order to future proof for this requirement.

1.9. Additionally, further to ongoing requests, the working group will also include provision for the enforcement of the school keep clear carriageway markings using both mobile cameras and camera cars, to increase safety outside schools. This is a large body of work to be considered within the new contract and the group will look internally and externally to guarantee best value.

1.10. The Working Group have commissioned a feasibility study as part of its soft market testing exercise. It provides a direct comparison of existing income and expenditure for this service against the option of employing WCC staff to undertake this function. The study determined that bringing the enforcement process in-house would cost an additional two million pounds throughout the life of the contract due to the significant resource required, so this option has been rejected by the Working Party.

2. Options and Recommendations

2.1. The options appraisal for this exercise considered 3 proposals:

- Bringing the service in-house (this has now been rejected)
- Re-procuring an external provider based on the current requirements and scope of the existing arrangement
- Re-procuring an external provider but increasing the scope of the contract to include first and second line machine maintenance.

2.2. There is a mature market for the delivery of the current CPE requirement without the addition of the second line maintenance element.

2.3. The working group have undertaken some initial soft market testing to identify whether suppliers who are able to provide the current CPE requirement would be interested in the increased scope option to include the second line maintenance. Soft market testing has indicated that there is the potential for suppliers to deliver both first and second line maintenance. This is a new element to the contract; we are including the second line maintenance as a separate lot to the main CPE requirement. This will enable us to ensure a competitive market for the main CPE tender whilst keeping the option open to combine both elements should we choose to do so.

The benefits to the Council of including the second line maintenance element within the main CPE contract are as follows:

- The It is believed that there is scope to improve the delivery of second line maintenance.
- The supplier market for the second line maintenance element consists of a small number of providers which restricts competition.

2.4. Currently, there is significant delay in response times to faults. Combining first and second line maintenance will streamline this process negating WCC involvement. As part of CPE contract, machines are checked and reported, however there is a 24 hour delay as a minimum relaying this to the maintenance provider and getting an engineer on site. This delay impacts on revenue levels and invites customer complaints.

2.5. Procurement Options:

The working group considered 3 different procurement options:

- Competitive procedure with negotiation - CPwN
- Competitive Dialogue Process - CD
- Open Procedure

2.6. The CPwN and CD procedures are best suited to larger more complex procurement exercises. Of the two, CPwN is considered the most suitable option as it offers the benefit of a negotiation phase which allows dialogue with bidders with a view to refining bids but without the significant resource and cost implications of a CD process.

3. Recommendation

3.1. It is proposed that Cabinet authorises the procurement of a new CPE contract with the option to include the second line (parking meter) maintenance element. The intention is to split the procurement exercise into two lots, one for the CPE requirement and the other to add the second line maintenance requirement. Once the tenders have been evaluated, the decision on whether to award the second line machine maintenance contract alongside the CPE contract will be taken. The decision on whether to award the second line maintenance Lot will be at the sole discretion of the Council.

3.2. The CPE contract should run for a period of seven years from 1st November 2021 with the option to extend for a total not exceeding a further 36 months. This contract length was chosen following market testing as it aligns to the payback periods for the successful contractor.

4. Financial Implications

4.1. The current contract with NSL has delivered a successful parking enforcement process for Warwickshire. The annual value to a bidder of the contract is 1.6 million pounds and the second line maintenance contract is run at a cost of 120 thousand pounds. It is anticipated that a renewal of the contract to deliver CPE through provision by an external service provider would not significantly affect the parking budget outcomes although firmer estimates of actual budgetary outcomes are, of course, dependent on the nature and cost of any awarded contract and its subsequent delivery.

5. Environmental Implications

5.1. The purposes of parking enforcement include promoting sustainable patterns of travel and reducing congestion, and effective enforcement furthers those aims.

6. Timescales associated with the decision and next steps

6.1. With the current contract due to expire at the end of October 2021, the new service provision is required to commence operation on 1st November 2021.

6.2. To achieve this deadline, it is proposed that procurement should commence in Spring 2021, with contract award in Summer 2021 to allow for a smooth transition to a new provider, if required.

7. Background Papers

None

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This report was not circulated to members prior to publication.

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Cabinet

28 January 2021

Bermuda Connectivity

Recommendations

That Cabinet:

1) Approve £1.459million from the Capital Investment Fund to increase the existing budget for the Bermuda Connectivity project from £8.900million to £10.359million and add it to the Capital Programme

2) Approve the award of the Bermuda Connectivity construction contract at a cost of £4.833million.

1. Procurement of the Construction Contract

1.1 In July 2020, procurement of Bermuda Connectivity construction contract was undertaken through a Package Order Call Off Contract (POCOC) under Warwickshire County Council's Framework Contract for the Provision of Construction Works 2019. The Framework Contract was established in January 2019 following an EU procurement process. The Framework contract comprises four Framework Lots (identified by financial value and / or nature of work). Lot 3 and 4 NEC Framework Contractors were invited to tender for the construction contract.

1.2 A total of 6 out of the 9 NEC Framework Agreement Contractors submitted tenders with prices ranging from £4.833million to £6.33million. A price differential of £549k covered the lowest 5 tenders, which indicated the tender prices were extremely competitive and provide the County Council with Best Value. It is thought that prices are higher than the estimate due to increased supplier costs and additional risks arising from the COVID-19 pandemic as well as the addition of necessary works to an existing gas barrier. The need for the works to the gas barrier as part of the Scheme was unforeseen until the detailed design stage as no as-built information regarding the facility was ever produced and the facility did not appear in the desktop utility searches carried out during the preliminary design stage.

1.3 The tender price of the preferred bidder is £4.833million, an increase of £0.733million (more than 10%) compared to the total £4.100million construction element of the original budget estimate reported to Cabinet and Full Council in July 2018. Therefore, in accordance with Contract Standing

Orders, approval is required (given the size of the contract) from Cabinet to award the contract.

2 Managing Conflict with Existing Infrastructure

2.1 The detailed design of the Scheme includes necessary works to an existing in-ground gas barrier situated on the western embankment of Bermuda Bridge. The gas barrier was required by a planning condition for a residential development because of a nearby former landfill and coal mining sites. The gas barrier was constructed by the Developer for the purpose of preventing high concentrations of land borne gas accumulating (e.g. methane, carbon dioxide or radon), and so prevent a potential health and safety risk to residents. There is no planning condition placing an obligation on the Developer to maintain and monitor the performance of the gas barrier, and thus, the gas barrier has been in situ without maintenance since its construction in 2006.

2.2 Ground levels need to be raised by two metres as part of connecting the Bermuda Bridge to the highway, and thus, the gas barrier needs to be built over and some sections diverted. Further ground investigation work and detailed design are required regarding the gas barrier to ensure that performance, alignment, condition, land issues and the extent of remedial works (if required) are accurately reflected. Therefore, a sum of £0.243million is required to cover this health and safety management work. Recent ground investigation works have revealed some details on the extent and condition of the gas barrier and confirmed that further exploratory works need to be carried out to complete the detailed design work, and therefore, further capital expenditure is required. Atkins have carried out a cost review which provides reassurance that an additional £0.243million allocation would be enough.

3. Capital Investment Fund - Evaluation by the CIF Technical Panel

3.1 The findings and evaluation of the Technical Panel on the bid to the Capital Investment Fund (CIF) of the Scheme at an increased cost of £9.976million was that they recommend approval based on an overall score of 73/100 based on the following:

CIF Technical Panel Scores for Bermuda Connectivity	
Delivery of the Strategic Objective (Out of 10)	8.0
Alignment with the investment criteria of the Capital Strategy (Out of 40)	31.2
Achievability, quality of evidence base, rational evaluation and challenge of options, financial viability and risk (Out of 40)	27.0
Sustainability, climate change and environmental impact (Out of 10)	6.8
Total Score	**73.0**

3.2 The Technical Panel were happy to support the initial request of £0.976million from the Capital Investment Fund. However, after factoring various risks into the evaluation process, the Technical Panel noted that the original contingency in the budget had been exhausted and strongly advised that consideration be given towards revising the contingency at this stage to account for the risk of further unknown costs arising during the construction phase. Therefore, an extra allocation of £0.483million has been made available from the Capital Investment Fund comprising an Optimism Bias set at 10% of the construction tender price, i.e. £4.833million. This new contingency would be added to the revised budget of £9.876 shown in the table in paragraph 3.1 to bring the total proposed budget up to £10.359million.

3.3 The Scheme makes use of two other external funding sources which are secured and included in the existing budget. The panel have suggested, if not already done, that the service explore options to gain additional funding from these sources. If funding can be secured, then some funding can be returned to CIF on a £ for £ basis.

4 Change from the Approved Budget to the Current Position

4.1 The table below compares the budget approved by Cabinet and Full Council in July 2018 with the current revised budget for all areas:

Element	Budget in July 2018 £m	Revised Budget £m	Difference
Development Costs:			
Development of Design and Other Support Costs	1.800	1.975	0.175
Land (including Acquisition, Stamp Duty and other Associated Charges)	0.100	0.196	0.096
External Support for Procurement and Management of the Construction Contract	0.200	0.362	0.162
Additional Costs:			
Enabling Completion of Gas Barrier Design	-	0.243	0.243
Site Compound Land Rental Charge (Oct 20 – May 22)	-	0.149	0.149
Additional Charges towards Development of Design	-	0.183	0.183
Development Cost Sub Total	2.100	3.108	1.008
Service Diversions:			
Service Diversions	1.000	0.435	-0.565

Construction Cost:			
Preliminaries	0.500	0.507	0.007
Earthworks	1.000	1.200	0.200
Pavement Reconstruction	0.700	0.850	0.150
Other Costs (including Traffic Signal Improvements, Drainage and Fencing)	1.400	1.400	0.000
General Contingency	0.500	-	-0.500
Construction Gas Barrier Allowance (including replacement)	-	0.300	0.300
Allowance for Compensation Events	-	0.576	0.576
Construction Cost Sub Total	4.100	4.833	0.733
Specific Contingency:			
Specific Contingency for Noise Compensation	1.700	1.500	-0.200
New Contingency for Scheme:			
10% of Construction Contract Costs	-	0.483	0.483
Total	£8.900	£10.359	1.459

4.2 The table highlights the following important considerations:

- There is a significant overrun in development costs of £1.008million as a result of covering additional costs required to complete the detailed design, secure the necessary parcels of land required to deliver the Scheme and support construction work, and to cover the external support required for the procurement and management of the construction contract;
- The increase in construction costs of £0.733million is primarily due to a COVID premium from tenderers (£0.433million) and allowance for the gas barrier work (£0.300million) including full replacement of the facility, if required;
- These budget increases are off-set by the projected savings incurred in service diversions costs (£0.565million) in acknowledgement that the extent and cost of the works is lower than originally forecasted after consultation with the relevant statutory undertakers and supporting ground investigation works, and a reduction in the estimated specific contingency of £0.200million; and
- The original General Contingency of £0.500million has been exhausted by the additional development costs (and is therefore re-allocated to other rows in the table) and so a final proposed increase of £0.483million has been made to create a new overall scheme contingency, as recommended by the CIF panel, to mitigate any optimism bias and further unidentified risks.

5 Financial Implications

5.1 The current £8.900million scheme budget is funded via £3.202million originally secured for Scheme from the WCC Growth Fund in 2014, a total contribution sum of £1.500million from the Coventry and Warwickshire Local Economic Partnership, and £4.198million from the WCC Capital Investment Fund awarded as part of the 2018-19 Council budget on the basis Bermuda Connectivity formed one of seven priority schemes.

5.2 The recommended £1.459 million from the Capital Investment Fund would increase the Scheme budget by 16% from £8.900 million to £10.359 million. Should the Scheme be fully completed under the £10.359 million budget then the available monies would be returned to the Capital Investment Fund.

6 Environmental Implications

6.1 The Scheme was tested in the 2017 Nuneaton and Bedworth Borough Wide Area Traffic Model, which projected a number of benefits should arise from delivery including a reduction in journeys times on a number of routes in West Nuneaton and reduced congestion in parts of the town centre, hence, improving links onto the A444 in other parts of the town.

6.2 The environmental impact review of the Scheme found that it would not have a significant adverse effect on air quality even on the roads experiencing an increase in traffic, but it is projected that residential properties at certain locations will be adversely impacted by increased noise levels.

7 Supporting Information

7.1 The revised benefit cost ratio taking account of the projected transport and wider economic benefits derived by the Scheme at an increased budget of £10.359million reduces to 6.0 compared to the 7.0 figure reported to Cabinet and Full Council in July 2018. The standalone transport benefits for the Scheme at an increased budget of £10.359million reduces to 3.3 in comparison to the 3.9 figure included in the benefit cost ratio figure reported to Cabinet and Full Council in July 2018. A Scheme with a benefit cost ratio of 6.0 still represents good value for money according to the Department for Transport's WebTAG appraisal model due to providing a combination of transport and wider economic benefits.

8 Timescales associated with the decision and next steps

8.1 If Cabinet gives approval to award the construction contract, the key milestones will be as follows:

- WCC Design Services to award the construction contract to the preferred bidder – February 2021;
- The preferred bidder to commence construction works – Spring 2021 and
- Completion of construction works / Scheme opening – Spring 2022

Appendices
None.

Background Papers
None.

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

Local Member(s): Cllr Clare Golby (Arbury Electoral Division)
Other members: Councillors Shilton, Holland, Fradgley and Kondakor

Agenda Item 10

Cabinet

28 January 2021

Better Care Fund Plan 2020/21

Recommendations

That Cabinet:

1) Approves the proposed pooled contribution of £14.688m by the Council to the Better Care Fund Plan (known as the Warwickshire Cares Better Together programme plan) for 2020/21 and the plan for resources as set out in paragraph 2.3.

2) Delegates authority to the Strategic Director for People to enter the proposed section 75 NHS Act 2006 agreement, on terms and conditions acceptable to the Strategic Director for Resources, with Coventry and Rugby Clinical Commissioning Group, South Warwickshire Clinical Commissioning Group and Warwickshire North Clinical Commissioning Group for the delivery of the Better Care Fund Plan once completed.

3) Approves the County Council continuing as the pooled budget holder for the fund.

4) Notes that this is classed as an urgent report to enable sign off by the Health and Wellbeing Board on 29th January 2021 and to enable funding to be released. Consent of the Chair of the Adult Social Care and Health Overview and Scrutiny Committee has therefore been requested for an urgent decision.

1. Executive Summary

Key Issues

1.1 The Better Care Fund (BCF) is a programme spanning both the local government and the NHS which seeks to join-up health and care services, so that people can manage their own health and wellbeing, and live independently in their communities for as long as possible.

1.2 The policy framework for the Better Care Fund includes significant additional funding made available to councils in order to protect adult social care. This Improved Better Care Funding (iBCF) is worth £14.688m to Warwickshire in 2020/21. This allocation now includes £2.234m of additional funding made available to councils to support winter pressures, which previously was received as a separate Adult Social Care Winter Fund (Winter Pressures) grant. The iBCF funding conditions mean it must be used to support social care in the following ways: meeting adult social care needs; reducing pressure on the NHS; and ensuring the local social care provider market is supported.

1.3 Similar to last year, the Disabled Facilities Grant continues to be allocated through the Better Care Fund through top tier authorities due to its importance to the health and care system. Decisions around the use of the DFG funding need to be made with the direct involvement of both tiers working jointly to support integration.

Background

1.4 Earlier in the year, Health and Wellbeing Boards (HWBs) were advised that BCF policy and planning requirements would not be published during the initial response to the COVID-19 pandemic and that they should prioritise continuity of provision, social care capacity and system resilience and spend from ringfenced BCF pots based on local agreement in 2020 to 2021, pending further guidance.

1.5 The Better Care Fund policy statement was published on 3rd December 2020 and outlined the Better Care Fund requirements for local areas for this year. Given the ongoing pressures on systems, Departments and NHS England and NHS Improvement have agreed that formal BCF plans will not have to be submitted to NHS England and NHS Improvement for approval in 2020 to 2021.

1.6 Instead, HWB areas must, ensure that use of the mandatory funding contributions (Clinical Commissioning Group (CCG) minimum contribution, improved Better Care Fund (iBCF) grant and the Disabled Facilities Grant) has been agreed in writing, and that the national conditions are met. In addition, HWBs will be required to provide an end of year reconciliation to Departments and NHS England/Improvement, confirming that the national conditions have been met, total spend from the mandatory funding sources and a breakdown of agreed spending on social care from the CCG minimum contribution.

1.7 The Better Care Fund Policy Statement for 2020-21 provides continuity to previous years of the programme. The policy framework outlines the four national conditions:

1. **A jointly agreed plan** - That a BCF Plan, covering all mandatory funding contributions have been agreed by Health and Wellbeing Board (HWB) areas and minimum contributions (specified in the BCF allocations and grant determinations) are pooled in a section 75 agreement (an agreement made under section 75 of the NHS Act 2006) by the constituent local authorities (LAs) and CCGs.

2. **NHS contribution to social care is maintained -** The contribution to social care from the Clinical Commissioning Groups via the BCF is agreed and meets or exceeds the minimum expectation. In 2020/21 for Warwickshire the minimum contribution is £13,711m.

3. **Agreement to invest in NHS commissioned out-of-hospital services -** That a specific proportion of the area's allocation is invested in NHS

commissioned out-of-hospital services, which may include seven day services and adult social care and that this meets or exceeds the minimum ringfence. In 2020/21 for Warwickshire the minimum contribution from the Clinical Commissioning Groups is £11,984m.

4. Clinical Commissioning Groups and local authorities confirm compliance with the above conditions to their Health and Wellbeing Boards.

1.8 CCGs and local authorities are also required also ensure that local providers of NHS and social care services have been involved in planning the use of BCF funding for 2020 to 2021. In particular, activity to support discharge funded by the BCF should be agreed as part of the whole system approach to implementing the Hospital Discharge Service Policy and should support an agreed approach for managing demand and capacity in health and social care. This continues to be achieved through the Warwickshire Cares Better Together Programme and Joint Commissioning Board.

2. Financial Implications

Warwickshire Better Care Fund Plan 2020-21

2.1 Locally our plan for 2020/21 continues to be based on our long term vision, as outlined in our original submission in 2015/16 and builds on the progress made from 2016-19 and focusses our activities to improve our performance in the key areas listed above.

2.2 Our iBCF and wider BCF plan primarily focuses on continuation of existing schemes as well as new activity relating to End of Life Rapid Response services in Rugby, pump-priming of Falls Prevention activity and expansion of the Hospital to Home Service to University Hospital Coventry and Warwickshire and Rugby St. Cross.

2.3 Funding sources and expenditure plans:

		2020/21		
		Pooled Contribution	**Aligned Allocation**	**Total Budget**
		£'000	**£'000**	**£'000**
Minimum NHS ring-fenced from CCG allocation	SW CCG	18,096	36,651	**54,747**
	WN CCG	12,909	20,498	**33,407**
	C&R CCG	7,400	11,952	**19,352**
Disabled Facilities Grant (DFG)		5,124	-	**5,124**
Warwickshire County Council Improved Better Care Fund (iBCF)		14,688	-	**14,688**
Warwickshire County Council		-	64,443	**64,443**

Total Pooled Contribution	**58,216**		
Total Additional Aligned Allocation		**133,544**	
Total Budget			**191,760**

2.4 Our local BCF Plan for 2020/21 meets the requirements set out in the BCF Policy Statement published on the 3rd December 2020.

2.5 The programme and initiatives for its success are in part funded through national grants: Better Care Fund, Improved Better Care Fund and Disabled Facilities Grant (2020/21: £58.2m). The former comes from the Department of Health and Social Care through Clinical Commissioning Groups, while the latter is received by the local authority from Ministry for Housing, Communities and Local Government. All three are dependent on meeting conditions that contribute towards the programme and the targets, and that plans to this effect are jointly agreed between Clinical Commissioning Groups and the Local Authority under a pooled budget arrangement.

2.6 The iBCF is temporary and has been confirmed for a further year (21/22) at the same level and is awaiting a national Social Care funding review. In order to counter the risk inherent in temporary funding, all new initiatives are temporary or commissioned with exit clauses. There are, however, a number of areas where the funding is being used to maintain statutory social care spending and this would require replacement funding if the Better Care Fund was removed without replacement. This risk is noted in Warwickshire County Council's annual and medium-term financial planning.

3. Environmental Implications

3.1 Not applicable.

4. Supporting Information

Monitoring and Reporting

4.1 HWB areas are also not expected to submit local trajectories for the BCF national metrics for 2020 to 2021 but should continue to work as a system to make progress against them. Locally we continue to monitor progress quarterly against the following metrics: Non-elective admissions (specific acute); Admissions to residential and nursing care homes; and the Effectiveness of reablement; through the Joint Commissioning Board.

4.2 Local Areas are also expected to keep records of spending against schemes funded through the BCF. This activity is led by Finance Leads at WCC and the CCGs on the Finance Sub-Group which supports the Warwickshire Cares Better Together Programme and assurance is through the Joint Commissioning Board.

4.3 Areas will be asked to report actual income and expenditure as normal year end reporting as well as details of spending on maintaining social care spending from the CCG minimum contribution and out of hospital services, in line with the national conditions.

5. Timescales associated with the decision and next steps

5.1 Plans for 2020/21 will not be assured regionally or formally approved. Local authorities and CCGs are though required to ensure that robust local governance is in place to oversee BCF funds. This includes placing the funding into a pooled fund governed by an agreement under section 75 of the NHS Act 2006 with an appropriate governance structure, that reports in to the HWB. Our local assurance is through the Joint Commissioning Board.

Local Governance Arrangements for sign-off of our 20/21 Plan

5.2 Cabinet is advised to note that Corporate Board has previously approved sign off of the draft IBCF 20/21 Plan (on the 19th December 2019) to enable schemes to continue and progress in advance of the national guidance being received, and has more recently also approved the finalised iBCF and wider BCF plan and resources at its meeting on the 13th January 2021.

Meeting	Purpose	Date
Joint Commissioning Board	Agreed priorities for 2020/21 Receives quarterly progress updates (financial, metrics and projects)	Completed On-going during 2020
People Directorate Leadership Team (DLT)	Approved draft 20/21 BCF Plan and confirms that all conditions have been met, for submission to WCC Corporate Board and CCG Governing Bodies	9th December 2020
Governing Bodies (or relevant delegated board/group) WCC Corporate Board SWCCG WN and C&R CCG WCC Cabinet	Approve BCF plan and pooled and aligned budgets*	 13th January 2021 13th January 2021 13th January 2021 28th January 2021
Health and Wellbeing Board	Approves BCF Plan (requirement of the BCF Policy Statement)	Sub-Committee arranged for 29th January 2021

* Note the s75 will be approved outside of these timescales

5.3 Following approval of the plan as set out in 5.2 above, it is proposed that an updated section 75 agreement will be finalised and signed by Warwickshire County Council, Coventry and Rugby CCG, South Warwickshire CCG and Warwickshire North CCG. Cabinet is requested to note that this process outlined above is consistent with that followed in previous years.

5.4 As part of the development of the section 75 agreement and to support closer integration it is also proposed that all partners continue to align Out of Hospital service provision and funding across the county, to support greater transparency and enable an improved understanding for future risk sharing.

Planning for our 2021/22 BCF Plan

5.5 Cabinet is also requested to note that the draft IBCF Plan for next year has also been reviewed by Corporate Board on the 13th January 2021, and delegated authority has now been provided to the Strategic Director People Directorate to agree and finalise the IBCF schemes for 2021/22 with CCGs, in advance of the national BCF policy and guidance being published. Following receipt of this, along with the national conditions, Cabinet will then be updated and requested to review and approve our BCF Plan.

Appendix

BCF Plan for 2020/21

Background Papers

None

	Name	**Contact Information**
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The report was circulated to the following members prior to publication:

Local Member(s): N/A
Other members: Councillors Caborn, Morgan, Redford, Bell, Adkins, Roodhouse and Kondakor

SWCCG	WNCCG	C&RCCG
5.45%	5.05%	5.02%

2020/21 BCF Budget - Warwickshire

	Theme	Inflation	2019/20 Budget				2020/21 Inflation/Changes				2020/21 Budget				
		CCG changes	CCG Spending	LA Spending	District/Borough Council Spending	Total	CCG Spending	LA Spending	District/Borough Council Spending	Total	CCG Spending	LA Spending	District/Borough Council Spending	Total	
		£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Intermediate care/community teams	Care at Home	51	1,836	0	0	1,836	(1,836)			-1836	(0)	0	0	(0)	
Out of Hospital	Integrated Care and Support	0	4,876	0	0	4,876	1,094			1094	5,970	0	0	5,970	
Discharge to Assess beds (D2A)	Integrated Care and Support	0	800	0	0	800	0			0	800	0	0	800	
Carers breaks	Care at Home	4	164	0	0	164	9			9	173	0	0	173	
ICES (Health)	Care at Home	39	2,098	0	0	2,098	166			166	2,264	0	0	2,264	
Joint funded CHC packages	Accommodation With Care	17	1,204	0	0	1,204	1,166			1166	2,370	0	0	2,370	
Domiciliary Care	Care at Home	0	0	2,794	0	2,794		152		152	0	2,947	0	2,947	
Reablement	Care at Home	0	0	2,282	0	2,282		124		124	0	2,406	0	2,406	
ICES (Social Care)	Care at Home	0	0	788	0	788		43		43	0	831	0	831	
Moving on beds	Integrated Care and Support	0	0	318	0	318		17		17	0	335	0	335	
SWCCG Funding		**111**	**10,977**	**6,183**	**0**	**17,160**	**599**	**337**	**0**	**936** #	**11,576**	**6,520**	**0**	**18,096**	**18,096**
Intermediate care/community teams	Care at Home	22	687	0	0	687	(687)			-687	(0)	0	0	(0)	
Carers breaks	Care at Home	0	458	0	0	458	23			23	482	0	0	482	
ICES (Health)	Care at Home	18	1,007	0	0	1,007	51			51	1,058	0	0	1,058	
Joint funded CHC packages	Accommodation With Care	15	919	0	0	919	806			806	1,725	0	0	1,725	
Discharge to Assess - Pathway 2	Integrated Care and Support	0	0	0	0	0	0			0	0	0	0	0	
Discharge to Assess - Pathway 3	Integrated Care and Support	6	415	0	0	415	(40)			-40	375	0	0	375	
Out of Hospital	Integrated Care and Support	0	4,213	0	0	4,213	236			236	4,449	0	0	4,449	
Domiciliary Care	Care at Home	0	0	2,121	0	2,121		107		107	0	2,228	0	2,228	
Reablement	Care at Home	0	0	1,692	0	1,692		86		86	0	1,778	0	1,778	
ICES (Social Care)	Care at Home	0	0	584	0	584		30		30	0	614	0	614	
Moving on beds	Integrated Care and Support	0	0	191	0	191		10		10	0	200	0	200	
WNCCG Funding		**61**	**7,699**	**4,589**	**0**	**12,288**	**389**	**232**	**0**	**621** #	**8,088**	**4,821**	**0**	**12,909**	**12,909**
Intermediate care/community teams	Care at Home	10	575	0	0	575	(575)			-575	(0)	0	0	(0)	
Carers breaks	Care at Home	0	250	0	0	250	13			13	262	0	0	262	
ICES (Health)	Care at Home	12	573	0	0	573	29			29	601	0	0	601	
Joint funded CHC packages	Accommodation With Care	11	255	0	0	255	0			0	255	0	0	255	
Out of Hospital	Integrated Care and Support	0	3,137	0	0	3,137	775			775	3,912	0	0	3,912	
Domiciliary Care	Care at Home	0	0	1,136	0	1,136		57		57	0	1,193	0	1,193	
Reablement	Care at Home	0	0	858	0	858		43		43	0	901	0	901	
ICES (Social Care)	Care at Home	0	0	263	0	263		13		13	0	276	0	276	
CRCCG Funding		**33**	**4,788**	**2,257**	**0**	**7,045**	**241**	**113**	**0**	**355** #	**5,029**	**2,370**	**0**	**7,400**	**7,399**
Sub Total - CCG Funding		**205**	**23,464**	**13,028**	**0**	**36,493**	**1,229**	**682**	**0**	**1,912** #	**24,694**	**13,711**	**0**	**38,404**	
North Warwickshire DFG	Care at Home	0	0	0	700	700			0	0	0	0	700	700	
Nuneaton and Bedworth DFG	Care at Home	0	0	0	1,456	1,456			0	0	0	0	1,456	1,456	
Rugby DFG	Care at Home	0	0	0	632	632			0	0	0	0	632	632	
Stratford-on-Avon DFG	Care at Home	0	0	0	847	847			0	0	0	0	847	847	
Warwick DFG	Care at Home	0	0	0	881	881			0	0	0	0	881	881	
Total - District/Borough Funding Stream		**0**	**0**	**0**	**4,516**	**4,516**	**0**	**0**	**0**	**0** #	**0**	**0**	**5,124**	**5,124**	
Total Basic BCF		**205**	**23,464**	**13,028**	**4,516**	**41,009**	**1,229**	**682**	**0**	**1,912** #	**24,694**	**13,711**	**5,124**	**43,528**	
Stabilising the market	Cross Cutting		0	5,190	0	5,190		253		253	0	5,443	0	5,443	
Reducing pressure on the NHS	Cross Cutting		0	2,795	0	2,795		70		70	0	2,865	0	2,865	
Meeting social care needs	Cross Cutting		0	4,229	0	4,229		45		45	0	4,274	0	4,274	
Support	Cross Cutting			240		240		42		42	0	282	0	282	
Adjustment for LA contribution								-410		-410	0	(410)	0	(410)	

2020/21 BCF Budget - Warwickshire

			Inflation	2019/20 Budget				2020/21 Inflation/Changes					2020/21 Budget			
	Theme		CCG changes	CCG Spending	LA Spending	District/Borough Council Spending	Total	CCG Spending	LA Spending	District/Borough Council Spending	Total		CCG Spending	LA Spending	District/Borough Council Spending	Total
IBCF			**0**	**0**	**12,454**	**0**	**12,454**	**0**	**0**	**0**	**0**	#	**0**	**12,454**	**0**	**12,454**
Supporting Discharge				**0**	937		**937**		-104		-104		0	833	0	833
Additional placements				**0**	643		**643**		0		0		0	643	0	643
Preventing admissions				**0**	654		**654**		104		104		0	758	0	758
<other>				**0**	0		**0**				0		0	0	0	0
ASC Winter Fund		#	**0**	**0**	**2,234**	**0**	**2,234**	**0**	**0**	**0**	**0**	#	**0**	**2,234**	**0**	**2,234**
Total Pooled Budget		#	**205**	**23,464**	**27,716**	**4,516**	**55,697**	**1,229**	**682**	**0**	**1,912**	#	**24,694**	**28,399**	**5,124**	**58,216**
Aligned Budgets																
Out of Hospital	Integrated Care and Support			14,564	0	0	14,564	1,023			1,023		15,587	0	0	15,587
Personal Health budgets				1,683	0	0	1,683	3,817			3,817		5,500	0	0	5,500
Residential and Nursing Care				21,834	0	0	21,834	-4,314			-4,314		13,794	0	0	13,794
Domicillary Care	Care at Home			929	0	0	929	2,601			2,601		1,750	0	0	1,750
Social Prescribing (Joint Healthy SW)				20	0	0	20				0		20	0	0	20
<other>				0	0	0	0				0		0	0	0	0
SWCCG Aligned budgets			**0**	**39,030**	**0**	**0**	**39,030**	**3,127**	**0**	**0**	**3,127**	#	**36,651**	**0**	**0**	**36,651**
Out of Hospital	Integrated Care and Support			4,667	0	0	4,667	0			0		4,667	0	0	4,667
Personal Health budgets				476	0	0	476	0			0		911	0	0	911
Residential and Nursing Care				10,689	0	0	10,689	0			0		10,214	0	0	10,214
Domicillary Care				5,550	0	0	5,550	0			0		4,643	0	0	4,643
Social Prescribing				63	0	0	63	0			0		63	0	0	63
WNCCG Aligned budgets			**0**	**21,445**	**0**	**0**	**21,445**	**0**	**0**	**0**	**0**	#	**20,498**	**0**	**0**	**20,498**
Out of Hospital	Integrated Care and Support			2,885	0	0	2,885	0			0		2,885	0	0	2,885
Personal Health budgets				265	0	0	265	0			0		119	0	0	119
Residential and Nursing Care				7,041	0	0	7,041	0			0		6,477	0	0	6,477
Domicillary Care				2,812	0	0	2,812	0			0		2,432	0	0	2,432
Social Prescribing				39	0	0	39	0			0		39	0	0	39
<other>				0	0	0	0	0			0		0	0	0	0
C&RCCG Aligned budgets			**0**	**13,042**	**0**	**0**	**13,042**	**0**	**0**	**0**	**0**	#	**11,952**	**0**	**0**	**11,952**
CCG Aligned budgets			**0**	**73,517**	**0**	**0**	**73,517**	**3,127**	**0**	**0**	**3,127**	#	**69,101**	**0**	**0**	**69,101**
Falls Prevention	Cross Cutting			0	150	0	150		28		28		0	178	0	178
Domiciliary Care	Care at Home			0	11,243	0	11,243		-1,090		-1,090		0	10,153	0	10,153
Residential and Nursing Care	Accommodation With Care			0	43,583	0	43,583		5,088		5,088		0	48,671	0	48,671
Direct payments	Care at Home			0	4,161	0	4,161		-394		-394		0	3,767	0	3,767
Carers	Care at Home			0	485	0	485		10		10		0	495	0	495
Social Prescribing				0	100	0	100		8		8			108		108
HEART	Care at Home				652		652		9		9		0	661	0	661
LA contribution to iBCF projects				0	0	0	0		410		410		0	410	0	410
WCC Aligned budgets			**0**	**0**	**60,374**	**0**	**60,374**	**0**	**4,069**	**0**	**4,069**		**0**	**64,443**	**0**	**64,443**
Sub Total - Additional Funds For Alignment			**0**	**73,517**	**60,374**	**0**	**133,891**	**3,127**	**4,069**	**0**	**7,196**	#	**69,101**	**64,443**	**0**	**133,544**
Total Pooled and Aligned Budgets				**96,981**	**88,090**	**4,516**	**189,588**	**4,356**	**4,751**	**0**	**9,108**	#	**93,795**	**92,842**	**5,124**	**191,760**

Improved Better Care Fund 20/21 list of schemes - v0.7

12,454

National condition	Outcome	Scheme Ref	Summary of schemes		20/21 Budget £000s
Reducing Pressure on the NHS	**Reducing DTOC and LOS**		Schemes include additional support around: Trusted Assessors for Care Homes, Moving on Beds, HSCT staff based in the acute settings, Brokerage staff, DTOC business improvement support, social prescribers based in GP and acute settings and increased ICE contract costs etc		**1,364**
		14	Trusted Assessments, MOBs etc	This scheme continues from 2019/20 to fund interventions to support timely discharges from acute and community settings and support repeated and preventable hospital admissions. This includes 2 Trusted Assessors for care homes posts and 6 Moving on Beds in the Rugby area (Rugby Care Centre, Thurlaston and Pinnacle Care Rugby), and 3 enhanced MOBS for hoisted patients following a successful pilot in 19/20.	333
		15	Managing flow in and out of acute settings	This scheme continues from 2019/20 to fund staff in the HSCTs, additional packages of care, 3 x 0.5 FTE Housing Hospital Liaison Officer/Link Workers based at UHCW (new), GEH and Warwick Hospitals (hosted by the District and Borough Councils). All directly support safe and timely discharges by providing additional capacity in the Acute settings across 7 days.	325
		16	Domiciliary Care Referral Team Capacity	This scheme continues from 2019/20 to fund 4 posts in the Domiciliary Care Referral Team.	150
		21	Reducing Delayed Transfers of Care / Improving Flow	This scheme continues from 2019/20 to fund additional business improvement / SME support to improving flow,reducing length of stay, reducing delayed transfers of care and implementing the High Impact Change Model.	125
		23	Enhancing Social Prescribing	This scheme continues from 2019/20 to maintain the existing hospital based social prescribing service.	131
		34	ICE Contract increases (WCC and CCGs)	This scheme continues from 2019/20 to off-set WCC and CCG cost increases relating to year 2 of the previously agreed 2 year extension of the ICE contract.	300
	Admissions Avoidance		Schemes include carer support, Occupational Therapists to support moving and handling reviews and hoists, hospice at home services, hospital to home service, advocacy support, pump-priming for falls and prevention etc		**1,441**
		8	Support to Carers	This scheme continues from 2019/20 and forms part of the wider transformation of support and services for Carers (previously schemes 8 and 18). Services funded include: a) a carers short break service that can be accessed in an emergency to mitigate carer breakdown b) the Carers Support Grant contribution and c) any other carers support required.	250
		17	Occupational Therapist capacity	This scheme continues from 2019/20 and is expanded to fund 8 x Occupational Therapists in the personalisation team to complete moving and handling reviews and predominantly support people with hoists on behalf of both health and social care. In the short term this supports admission avoidance and promotes independence in the longer term.	291
		19	Residential Respite Care Charging Policy	This scheme continues from 2019/20 and enables WCC to cease charging based on standard residential care protocols (which have regard to property wealth) and start charging based on community care charging protocols (which do not consider property wealth). This change is proven to encourage respite take up and therefore prevent or reduce the likelihood of carer breakdown.	250
		20	End of life	This scheme continues from 2019/20 to fund 2 elements: a) delivery of a Rapid Response (In Hours) End of Life Team across NW (end of life community nursing and hospice at home service) and similar but slightly different service in SW, the scheme funds the hospice costs; and b) a compassionate communities pilot in Athersone.	175
		22	Hospital to Home Service	This scheme continues from 2019/20 to provide support for people over the age of 65 to return home following a visit to Accident and Emergency (A&E) and ambulatory care. The service is aimed at individuals who are medically fit to go home following their treatment within A&E, but may require transport and support to settle when they return home, preventing an unnecessary admission into hospital. Delivered by Warwickshire Fire and Rescue Service, available at Warwick and George Eliot Hospital and will be expanded in 20/21 to UHCW A&E department. The scheme enables late return home from A&E by providing on call support to get people home out of office hours, and support them until mainstream support can take over.	139
		25	Advocacy Support Capacity	This scheme continues from 2019/20 to fund the pilot project to deliver non statutory advocacy support to citizens who would benefit from this type of support to promote self help and independence and will also cover some of the acute based service costs (also refer to ASC Winter Fund schemes 5 &6). This offer will compliment the statutory advocacy framework and will optimise and maintain the independence and self sufficiency of people with short term needs to prevent escalation to more acute health and social care services.	125
		33	Falls prevention	To support implementation of the system wide approach to Falls Prevention and Falls Pathway it is proposed to: a) expand the use of Timed Up and Go for falls risk assessment/identification in the community and b) potentially part-fund with CCGs a 2 year Fracture Liaison Service Pilot (WCC's year 1 contribution - note: subject to CCG business case approval.	211
Stabilising the market	**Fee rates / increases**		**Fee rates and inflationary increases relating to residential and nursing, domiciliary care, waking night and sleeping nights cover**		**4,705**
		1	Residential and nursing care fee rates	This investment continues from 2019/20 to cover a contribution towards base budget pressures caused by necessary fee increases within the residential and nursing care market. The budget for 2020/21 includes a £300k icrease compared to the previous year - to factor in a contribution towards 1 year of inflation pressures. The AWS Board has noted ongoing risk/issues re: Providers now regularly refusing WCC fee rates and requesting Top-Ups.	2,300
		2	Home care fee rates	This investment continues from 2019/20 to cover a contribution towards base budget pressures caused by necessary fee increases within the domiciliary care market. The budget for 2020/21 includes a £150k increase compared to the previous year - to factor in a contribution towards 1 year of inflation pressures and the ongoing need to stabilise the dom care provider market to support safe and timely discharges.	950
		6	Extra Care Housing Waking Nights Cover	This investment continues from 2019/20 to cover a contribution towards based budget pressures caused by necessary fee increases relating to waking nights cover at ECH. In 2019/20 this was used for Unique, H21 and Ettington Lodge which will continue. In 20/21 it will also cover investment in AT solutions/pilot activity in both ECH and Sleeping Nights settings.	455
		7	Sleeping Nights Cover	This investment continues from 2019/20 to cover a contribution towards base budget pressures causde by neceesary fee increases relating to sleeping nights cover. The budget for 2020/21 includes a £200k increase compared to the previous year - to reflect a contribution towards 1 year of inflation pressures.	1,000
	Market support and development		**Schemes include the Provider Workforce training arm operating costs and bursary to improve quality, reduce provider costs and prevent admissions, market sustainability and support for winter pressures etc**		**738**
		3	Learning and Development Partnership	This scheme continues from 2019/20 to fund the Learning and Development Partnership; additional support for OT including upskilling providers and quality assurance; and ensuring providers are engaging in all the support available to them. New in 20/21 is engagement with providers around Immunisation and Vaccines - to maximise take-up with key groups eg. providers, care homes etc.	438
		24	Market Sustainability	This scheme continues from 2019/20 to fund initiatives to develop, stabilise and strengthen the Provider Market. Includes allocared funds to support providers implement the New Payments Processing Electronic Monitoring System and a reserve list of Spot Providers for Domiciliary Care which replaces previously used incentive schemes.	300
Meeting Social Care needs	**Supporting adult social care pressures**		**Schemes include demand pressures relating to older people community care budgets, dementia, social care capacity and housing related support**		**4,274**
		9	Protecting older people community care budgets	This scheme is direct funding contributing towards homecare and community care budget pressures as a result of demand growth. The budget for 2020/21 remains the same as 2019/20.	2,735
		10	Services to support dementia in the community	This scheme is direct funding contributing towards Dementia Day Ops, Dementia Navigators and Dementia Carers Support. This is acknowledged to be a high risk area for the system with negative impact on non-elective admissions, carer breakdown and increased permanent admissions to res/nursing care. New for 20/21 is £45k investment in the Side by Side Befriending Service to support countywide rollout.	422
		11	Care Management Capacity	This scheme is direct funding contributing towards care management capacity budget pressures as a result of demand growth. This is a limiting factor in the ability to deliver service (e.g. reviews) and meet need (deliver assessments). The budget for 2020/21 is the same as 2019/20 and equates to 15 x FTE Social Workers working in the community team to maintain existing capacity.	639
		12	Cost transfers from housing related support	Reductions in housing related support budgets have resulted in the identification of increased adult social care needs which have to continue to be met, and therefore increasing demand on community social care. This scheme is direct funding contributing towards community care budget pressures as a result of demand growth.The budget for 2020/21 is the same as 2019/20.	478

Support	**Support / Resources**			**This scheme funds the resources (programme, project, analytical and comms) to meet the BCF governance and reporting requirements including support to the Health and Wellbeing, Adults and Better**	**282**
		29	Communications Support	Funds 1 x FTE for communications support for projects and initiatives under the Adults and Better Together programmes, Health and Wellbeing Board and Housing Board. In 20/21 this will include comms support to maximise take-up with key groups of Immunisation and Vaccines.	40
		30	Support	This scheme funds the programme costs to meet the system and BCF governance and reporting requirements, WCBT programme and system wide improvement work = 4.75 x FTE plus on costs (Technical Specialist, Sub-Programme Manager x 1, Business Analayst x 1.0, Insight Analyst x 0.5, PSO Support x 1.25.	242
				Sub-Total relating to continuation of existing schemes	**12,804**
NEW schemes for 20/21	**Admissions Avoidance**	NEW 38	Telehealth to support long term conditions	Investment in a review of Telehealth and community self-care/management of LTC via technology - in collaboration with Out of Hospital programme activtiy.	0
		NEW 39	Stroke Support	Options to support patients in the community recovering from a stroke - in collaboration with the system wide Stroke review currently taking place.	0
		NEW 40	Fitter Futures expansion	Fitter Futures expanded to include a 12month “Get Set to Go” pilot – a peer support programme to increase physical activity in people with serious mental illness. From January 2020 FF will also include an improved falls prevention offer following completion of fitness instructor training. To also include incorporating the dance-based strength and balance offer to simplify the referral pathway. All of which will increase referrals.	60
				Sub-Total relating to new schemes to be progressed as appropriate in 20/21	**60**
				Total	**12,864**
				20/21 iBCF allocation	**12,454**
				Variance	**410**

Summary	
Stabilising the Market	5,443
Reducing pressure on the NHS	2,865
Meeting Adult Social Care needs	4,274
Support	282
	12,864

Adult Social Care Winter Fund 20/21 list of schemes

2,234	ASC WF Budget

Scheme Ref	Outcome	Description	20/21 Budget £000s
1	Supporting discharge	This scheme continues from 2019/20 to fund 2 x Trusted Assessors for Care Homes. This is a key requirement of the High Impact Change Model and strenghtens our offer to 4 x TAs.	**69**
2 & 3	Additional placements	This scheme continues from 2019/20 to fund additional bedded and home care support for patients with temporarily reduced upper and lower limb mobility restrictions. Allocations for upper/lower limb schemes to be made following evaluation in Q4 2019/20.	**308**
4	Supporting discharge	This scheme continues from 2019/20 to fund c8 x FTE additional social care staff in hospitals to cover Discharge to Assess, Out of Area Hospitals, Moving on Beds and support for frailty units in each acute. New frailty models are increasing pressure on social care due to the speed of seeing/supporting patients and admissions avoidance.	**397**
5 & 6	Supporting discharge	These schemes continue from 2019/20 to fund dedicated advocacy service based (Voiceability) at acute sites during Winter (both South and North) - scheme 5 and all year round -scheme 6. Supports a reduction in delays (particularly around mental capacity).	**145**
7	Supporting discharge	This scheme (combined with IBCF scheme 22) continues from 2019/20 to fund the Hospital to Home service and WFRS prevention team costs.	**186**
8	Preventing admissions	This scheme continues from 2019/20 to fund carers to receive a one-off payment/Direct Payment of c£200. Expanded in 20/21 to include young carers supporting adults.	**70**
9	Preventing admissions	This scheme continues from 2019/20 to fund Mental Health Street Triage following a pilot. The allocation for 20/21 is £139k higher than 19/20 to reflect expansion to countywide support.	**258**
10	Preventing admissions	This scheme continues from 2019/20 to fund Community Support for Adults with Autism. Outline business case costs = £200k. Warwickshire's proportion at 65% = £130k.	**130**
11	Preventing admissions / Supporting discharge / Additional placements	This scheme continues from 2019/20 to fund a contribution to commissioning resource required to support IBCF/ ASC Winter Fund and joint activities. Cost for 2 x FTE equivalents.	**108**
		WCC TOTAL	**1,671**
13	Additional placements	D2A pathway 2 - Additional cost of packages/cost presssures	190
14	Additional placements	D2A pathway 2 - Additional cost of packages/cost presssures	109
		WN & C&R CCG Sub total	**299**
15	Preventing admissions	Residential and nursing home fee rate pressures.	141
16	Preventing admissions	Increase capacity of GP 'Flying Squad' - Additional GP support to care homes and reduce emergency admissions	75
17	Preventing admissions	PHB Nurse & Admin support - Increase the number of individuals with PHBs (non traditional care options)	48
		SWCCG Sub total	**264**
		TOTAL	**2,234**

Summary

Supporting discharge		797	833
Additional placements		607	643
Preventing admissions		722	758
Preventing admissions / Supporting discharge / Additional placements		108	0
Total		**2,234**	**2,234**

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Cabinet

28 January 2021

Kenilworth to Leamington Cycle Project

Recommendation

That Cabinet;

Approve the development of the Kenilworth to Leamington Cycle Project and authorise the Strategic Directors for Communities and Resources to take all steps required for the implementation of the scheme including:

(a) in the case of the Strategic Director for Communities:

- (i) finalising designs and determining land requirements;
- (ii) negotiating terms and entering agreements for any necessary alterations to private accesses;
- (iii) securing all necessary statutory consents (including licences and planning permissions) and entering any necessary agreements with other regulatory bodies;
- (iv) exercising any statutory rights of entry for the purposes of carrying out surveys, examinations or other investigations or executing works;
- (iv) undertaking public consultation;
- (v) inviting tenders and entering contracts on terms and conditions acceptable to the Strategic Director for Resources.

(b) in the case of the Strategic Director for Resources:

- (i) making any necessary side road orders under sections 14 and 125 of the Highways Act 1980;
- (ii) acquiring by agreement the land required for the implementation of the scheme.

1. Executive Summary

1.1 In November 2019 Cabinet approved the allocation of £4.749 million from the Capital Investment Fund for the Kenilworth to Leamington Cycle Route scheme (K2L) and this was subsequently approved by Council for addition to the Capital Programme.

1.2 This report sets out the steps in the development of this project from feasibility design to construction and requests authority to proceed with the required statutory applications, processes and agreements for the feasibility and detailed design stages, prior to requesting tenders and subsequently awarding the contract.

2. Development of K2L

2.1 K2L aims to deliver a new 5 km dedicated off-carriageway cycle route connecting Kenilworth and Leamington Spa along the A452 and B4115, including a new pedestrian and cycle bridge over the River Avon at Chesford.

2.2 The scheme has three distinct sections as follows:

- an off carriageway shared pedestrian/cycle route from Leamington Spa to Bericote roundabout located on the eastern side of the A452
- a new permanent pedestrian/cycle bridge crossing the River Avon and associated flood plain between Bericote roundabout and the B4115
- an off-carriageway pedestrian/cycle route running to the north of the B4415 and connecting to Glasshouse Lane Kenilworth via the bridleway on Rocky Lane which will be improved.

2.3 The route, in part, will run adjacent to the proposed future dualling works on the A452 between Thickthorn and Bericote roundabouts. This proposed dualling is a named scheme in the Warwick District Local Infrastructure Delivery Plan and, an initial alignment envelope will be developed to inform the alignment of K2L as it crosses the River Avon in order to minimise abortive construction.

2.4 The new bridge proposed at this location is intended to accommodate and remain unaffected by the construction of these future dualling works. A new bridge at this location will be a significant feature on the approach to Leamington, and options for possible bridge designs will be prepared and shared prior to development of detailed design. A permanent bridge solution, rather than the temporary solution, set out in the CIF bid will be developed.

2.5 K2L will be the subject of a planning application through WCC as planning authority, by virtue of Regulation 3 or the Town and Country Planning Act, as the route at its river crossing, and also at other locations, diverges from the highway. The preparation of a planning application will include for the consideration of the environmental impacts of the proposed construction along the route and specifically at the bridge site and in order to prepare for this a series of environmental and ecological surveys will be commissioned.

2.6 Early engagement with some affected landowners has taken place in order to complete topographical surveys to develop feasibility alignments; development of the full scheme will require parcels of land to be acquired along the route and the project team would build on this initial engagement to commence negotiations with these landowners.

2.7 It is intended that a Compulsory Purchase Order under section 250 of the Highways Act 1980 is prepared in parallel with negotiations for land acquisition and a further report will be brought to Cabinet to request permission to bring forward the Compulsory Purchase Order when the work to develop the initial alignment envelope has been completed.

2.8 As the scheme design is progressed statutory processes such as side road orders and agreements, such as with the Environment Agency around the flood plain and Natural England in respect of any protected species, may be required.

2.9 Early design work was undertaken in preparation for the CIF application, as the feasibility design progresses the initial design assumptions and specifically the estimate and programme will be reviewed and reported through the Project Board. It is possible that the budget available will be inadequate to complete the project, the Project Board would then determine whether additional funding be sought, or the project scope reduced, and report again to Cabinet if required.

3. Financial Implications

3.1 As part of the 2019/20 budget settlement agreed by Full Council in February 2019, an additional £12.5 million was made available to capital projects to fund a series of named activities which included 'additional cycle routes in response to accident data and air quality'.

3.2 An allocation of £4.749 million from the Council's Capital Investment Fund has been allocated to this scheme. The CIF monies will be used to fully fund this key scheme and to ensure it can be brought forward at the earliest possible opportunity. Following the decision in November 2019 this allocation is identified in the Capital Programme.

3.3 External funding opportunities from developer contributions, HS2 Road Safety Fund and Highways England cycling funding will be explored in order to support the project. Should external funding be secured and received and if the monies available are greater than the project estimate, the remaining monies will be returned to the Capital Investment Fund for use on future projects.

3.4 An appropriate level of contingency has been built into cost estimates to reflect the current stage of design. There are notable budget challenges including land acquisition, planning permissions, the impact of HS2 nearby and the works associated with the new pedestrian and cycle bridge, and these will be carefully monitored. At this early design stage, it is still possible that the budget is insufficient to develop the scheme. Should any project changes be required, to alter the scope of the scheme in order to remain within budget, or to request application to increase or reduce the budget, these would be presented to the Project Board for decision, and would be presented to Cabinet as appropriate.

3.5 Monitoring of the capital project costs will be reported as part of the quarterly financial monitoring report to Cabinet.

4. Environmental Implications

4.1 Developing cycle route networks to make cycling a viable transport choice is key to reducing carbon emissions from transport and tackling climate change. K2L will enable residents and commuters to make positive steps towards reducing their carbon footprint by switching from driving to cycling for short local journeys.

4.2 A full analysis of the environmental implications of the proposals will be developed as part of the planning application.

5. Supporting Information

5.1 The A452 is currently the only direct route between Kenilworth and Leamington Spa, with no suitable alternatives for cyclists. The current lack of safe segregated cycling provision, high traffic volumes (around 30,000 vehicles per day), narrow carriageway and large roundabouts on the A452 create conditions which are not conducive to cycling.

5.2 The Kenilworth to Leamington Spa (K2L) cycle scheme will deliver a new 5 km dedicated off-carriageway cycle route connecting Kenilworth and Leamington Spa along the A452 and B4115, including a new pedestrian / cycle bridge over the River Avon at Chesford. The K2L scheme is recognised as the highest priority new cycle scheme for the County, emerging with the top score in a prioritisation exercise carried out during the Task and Finish review of Cycling Infrastructure in 2018. There has been a high level of local support for this scheme for over 10 years and demand from the public continues to grow, including support provided by the local MPs, Leamington Town Council and Warwick University. A petition calling for the route to be delivered was presented to the County Council at its October 2019 meeting by three local cycling groups, Cycleways, Kenilworth Cycle Group and University Bicycle User Group. The petition contained greater than 3,000 signatures.

5.3 The primary objective of K2L, is to provide a high quality, safe, direct and continuous dedicated cycle track on this corridor. The intended outcome of is to release considerable suppressed demand for cycling on the A452 corridor.

5.4 The scheme aims to enable everyday cycling journeys between the two towns, as well as supporting cycle access to the University of Warwick, Stoneleigh Park, JLR Whitley and Coventry. It will also provide an important sustainable transport link for the 1400 new dwellings and new employment planned in east Kenilworth. The development of 4000 new houses at Kings Hill to the north of Kenilworth will further increase demand for this cycle route.

6. Timescales associated with the decision and next steps

6.1 An outline programme for the development and construction of the Kenilworth to Leamington Cycle route is as follows:

Feasibility design including the preparation of land requirements	Current to summer 2021
Development of outline proposals for dualling of the A452 – to inform the K2L alignment	Spring 2021
Planning application decision	Spring 2022
Land assembly	Spring 2022
Detailed design completed	Summer 2022
Procurement	Spring/summer 2022
Construction	2022-2023

Appendix

Indicative scheme plan

Background Papers

None

	Name	Contact Information
Report Author	Nicola Van der Hoven	nicolavanderhoven@warwickshire.gov.uk 01926 412780
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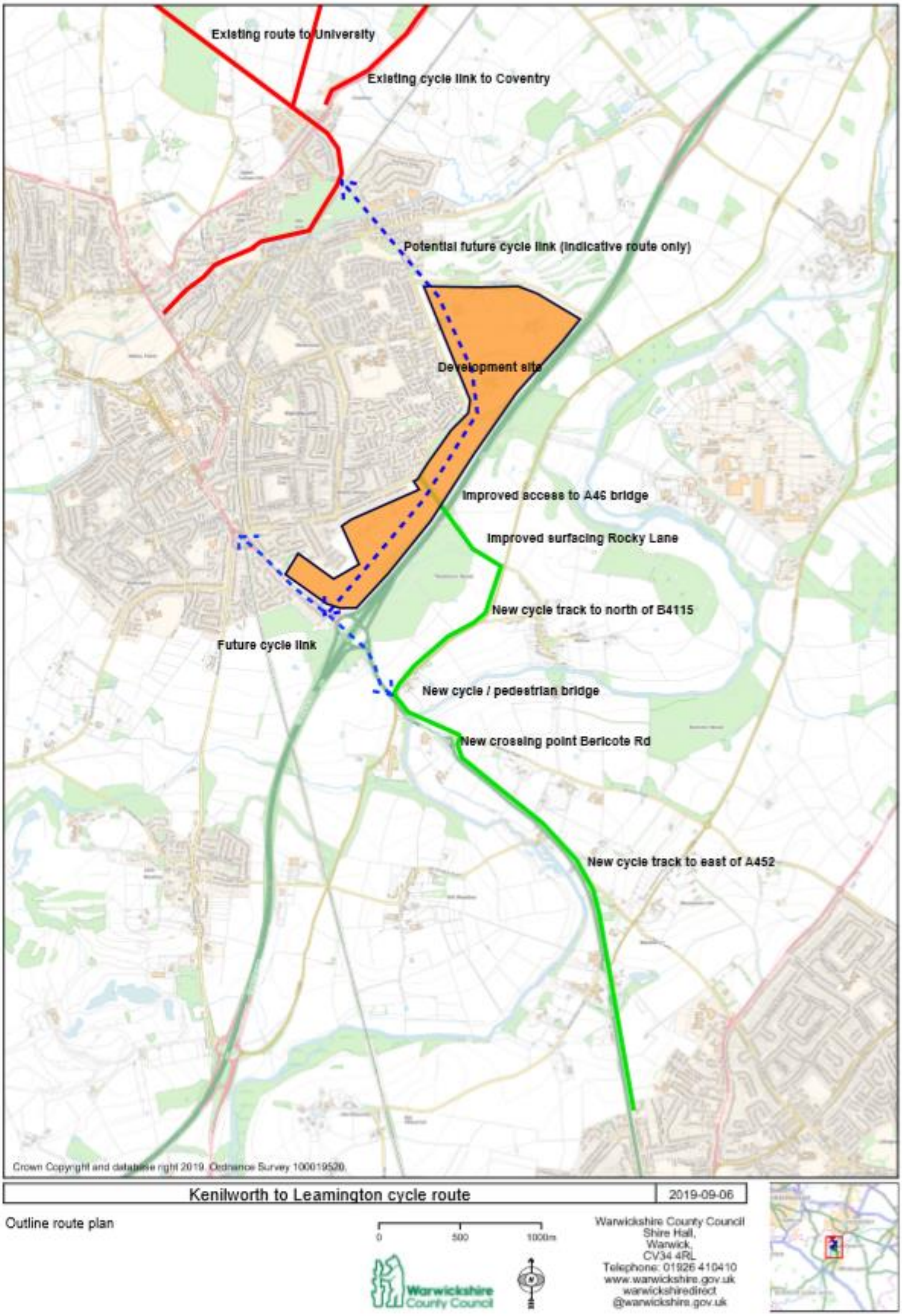
The report was circulated to the following members prior to publication:

Local Member(s): Councillors Wallace, Gifford, Davies, Shilton, Cockburn and Boad
Other members: Councillors Golby, Shilton, Fradgley, Holland and Kondakor

Appendix – Indicative Scheme Plan
K2L route shown in green



Agenda Item 12

Cabinet

28 January 2021

Direct Payments - Approval to Tender

Recommendations

That Cabinet authorises:

1) The Strategic Director for People to commence a procurement process for the provision of Direct Payment Support Services which will come into effect from 1st September 2021

2) The Strategic Director for People to enter relevant contracts for the provision of Direct Payment Support Services on terms and conditions acceptable to the Strategic Director for Resources.

1. Executive Summary

1.1 Warwickshire County Council currently commissions Payroll and Managed Accounts (provided by Rowan) and Direct Payments Personal Assistants and Recruitment (provided by Penderel's).

1.2 Direct Payments and Personal Assistants and Recruitment contract is comprised of two elements;

- Employment Support which offers ongoing information, guidance and advice for customers who have a PA in employment, this is paid on a block basis.
- A PA Recruitment service which is paid on an activity basis with a one-off fee for each customer referred for a PA recruitment.

1.3 The Payroll and Managed Accounts contract comprising of the following functions;

- The Payroll Service supports customers employing a PA. The provider calculates employee pay, tax, National Insurance and pension contributions and produces payslips. Other key Payroll Service tasks include:
    - Supporting and signposting customers to resolve any gaps in their knowledge or development as an employer.
    - The provision of support with regard to employee Workplace Pension auto-enrolment schemes including setting up a scheme, registering the scheme with the Pensions Regulator, producing all

statutory letters to PAs, managing opt in and opt out requests and maintaining statutory records.

- The Managed Account Service requires the provider to hold and administer the Direct Payment on behalf of the customer; there are a number of reasons why this additional support may be required such as difficulty in opening a bank account, lack of money management skills or previous issues in managing a Direct Payment.
  - The Managed Account is a purely administrative function; the provider will follow customer instructions and not make decisions about expenditure on the customer's behalf.

1.4 **Service Activity Summary**

Payroll and Managed Accounts

Below is a breakdown of the referral activity for the Payroll and Managed Accounts service

Payroll	2017-2018	2018-2019	2019-2020
New Referrals	113	118	141
Closed Cases	98	89	87

Managed Accounts	2017-2018	2018-2019	2019-2020
New Referrals	137	129	90
Closed Cases	82	96	93

Direct Payments Personal Assistants and Recruitment

Below is a summary of referrals for a PA including those with a PA in mind and full recruitment.

Referred By	2017-2018	2018-2019	2019-2020
Adults	107	117	128
Children's	86	61	73

1.5 The contracts for these services are due to expire on 31st August 2021 and therefore approval is required to commence a tender process for new provision to start 1st September 2021.

1.6 The intended contract term is six years, however the Council will reserve the right to apply variations should there be a significant change in the service during the contract period.

2. Financial Implications

2.1 The total value of the contracts per annum is approximately £471,000 for both contracts. For the potential six-year period being requested in this report equates to a total approximate value of £2,826,000. Through the tender process we will seek to consolidate provision and look for efficiencies through joined up services.

3. Environmental Implications

3.1 There are no environmental implications

4. Supporting Information.

4.1 Direct Payments are monetary payments made to individual customers who request to receive a Direct Payment to meet some or all their eligible care and support needs. Direct Payments provide independence, choice and control by enabling people to commission their own care and support in order to meet their eligible needs.

4.2 They provide the platform with which to deliver a modern care and support system and the Council has a key role to play in ensuring people are given relevant and timely information, so that they can be fully informed about the responsibilities attached to requesting to arrange care and support using direct payments.

4.3 The Care Act 2014 places a strong emphasis on providing clear and tailored information on direct payments to enable customers and their families to make better informed decisions.

4.4 The Council recognises that the successful use of Direct Payments relies on accessible and appropriate advice, information and support, the primary objective of the currently commissioned services is to ensure that customers feel confident to undertake the complexities of using Direct Payments to meet their support needs in being a good employer, operating both legally and efficiently.

5. Timescales associated with the decision and next steps

5.1 The timescales for the procurement exercise are as follows;

- March 2021 – tender process commences
- June 2021 – contracts awarded
- September 2021 – Services/contracts start

Appendices

None

Background Papers

None

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This report was not circulated to members prior to publication.

Cabinet

28 January 2021

Warwickshire Fire & Rescue Service - Strategic Direction for Property

Recommendations

That Cabinet:

1) Supports the proposed future direction for the development of the property estate for Warwickshire Fire & Rescue Service (WFRS) in alignment with the Warwickshire County Council Property Strategy as set out in this report

2) Agrees the strategic principles set out in Section 3.0 of this report and supports these principles informing the IRMP that is presented to Cabinet in March 2021

1.0 Purpose

1.1 This report sets out the strategic direction for the future use of property within Warwickshire Fire & Rescue Service (WFRS).

1.2 It seeks to ensure that the direction is driven by the Service's ambition to deliver quality services and public safety of behalf of the communities we serve.

1.3 It links the principles and approach as set out in the WCC Property Strategy (agreed in March 2020) to the learning from the Covid response and recovery (update to this meeting)

1.4 It then links this to the emerging Integrated Risk Management Plan (IRMP), that will come back to Cabinet and Council for approval in March 2021 and will set out the specific commitments and drivers for WFRS in relation to the use of property.

1.5 Making these connections now will ensure that the approach to Property in WMFRS is both relevant and connected in meeting the needs of the public, the service and the Council.

1.6 The opportunity is also taken in this report to the highlight the enabling activity that will support this approach as well as some of the key projects that are live and planned for the future.

2.0 Background

2.1 The future strategic direction and shape of WFRS estate is

- The requirements and standards of the fire services
- The current and future needs of our communities
- The benefits of being part of the wider County Council
- Collaborative opportunities with our partners

2.2 This direction is underpinned anad articulated within the following three key documents:

WCC Property Strategy – The WCC Property Strategy was approved in March 2020. It sets out a holistic and joined up approach to our use of the Council's property estate and comprises four themes (communities & customers, business & economy, partners and staff) underpinned by the following six commitments:

- Takes a holistic and joined up approach
- Is ambitious, forward looking and sustainable
- Makes best use of Council resources
- Aims to provide high quality buildings
- Supports our climate change commitments
- Takes a balanced view of risk and opportunity

WCC Covid Recovery Plan – In September 2020 Cabinet approved a Covid recovery programme aligned to the Council Plan 2025. The programme addresses learning from the response period as well as emerging national policy, translating these into 10 recovery priorities aligned to the following principles:

- Target recovery activity and support to where most needed
- Stabilise and accelerate the recovery for Warwickshire's people, places and businesses,
- Tackle inequalities
- Join up and work in Partnership
- Focus on environmental challenges
- Apply our learning from COVID-19

Additionally the Covid response of Warwickshire Fire and Rescue Service (WFRS) was inspected by HMICFRS in the Autumn 2020. The feedback received to date indicates that the service has continued to deliver its statutory functions throughout the Covid19 pandemic effectively alongside delivering a range of other activities to support the communities of Warwickshire. The outcome report is due to be publicly released in January 2021 and will inform further change work.

Integrated Risk Management Plan (IRMP) –. A key element of the IRMP is to ensure WFRS physical assets are in the right place at the right time to deliver its statutory duties and keep our communities safe by delivering prevention, protection and response services as quickly and efficiently as possible. This involves assessing future locations for community fire stations in relation to incident activity (current and forecast) and assessing our community risk profile, ensuring that the premises the service operates from are multi-functional, support collaboration with key partners and provide a resource for the use of community partners

3.0 Strategic principles

3.1 Together the above three elements create the strategic framework for the use of Council property assets in support of the WFRS.

3.2 In this context, a focused set of principles for the use of Property in the support of the WFRS are set out below:

1. We will ensure that the **safety of Warwickshire communities** will be paramount when exploring future options for estates

2. We will take a **One Council approach** to our use of WFRS and wider Council estate

3. Our use of WFRS properties will **optimise operational capability, service performance** and **agile working**

4. We will use our estate to maximise the role of the Fire & Rescue Service in **shaping the places** and delivering our priority outcomes for the communities we serve

5. We will **work in partnership** with all public services to create opportunities for shared space

6. We will strive to ensure **best and sustainable use of our resources i**n line with our Council commitments on climate change.

3.3 These principles complement the themes and commitments set out in the Council's Property Strategy and Recovery Plan.

3.4 Subject to their approval by Cabinet they will also inform the IRMP which is due to be presented to Cabinet and Council in March 2021

3.5 Together these principles will set the reference point for future projects and activity related to the WFRS estate. The current projects and activity currently being considered are set out below in Section 4. Individual reports will be brought back to Cabinet as necessary as these initiatives develop. .

4.0 Supporting activity and projects

4.1 In support of the strategic principles are a number of key enablers and projects as set out below:

Key enablers include:

- **Blue Light collaboration in Warwickshire** – WFRS continues to identify opportunities to work more efficiently and effectively with key partners in order to provide the best possible services to the communities of Warwickshire, with a duty to collaborate with Police.

- **One Public Estate Programme** – Our commitment to effective and collaborative working across the One Public Estate Programme with the aim of making the most effective use of our collective public estate, saving money and delivering maximum benefits for services, communities and our workforce.

- **Warwickshire Property and Development Company (WPDC)** - WCC is establishing a wholly-owned property and development company which will support future investment and asset decisions as part of the Council's place shaping ambitions. A report on WPDC is on the same Cabinet agenda.

- **Distributed Operating Model** – WFRS provides a specific response to all life risk incidents based on an overarching performance standard. This is coupled with our Prevention and Protection services to mitigate and address community risk. Supporting the targeting and utilisation of resources effectively (which includes considering the future location of our fire stations) is based on detailed analysis and modelling supported by ORH, a specialist organisation in modelling for emergency services.

Key projects include:

- **Training facilities** - Corporate Board and Cabinet have already demonstrated their commitment to enabling the Fire and Rescue Service to deliver its statutory responsibilities of having competent and safe firefighters to respond to the needs of the community through prevention, protection and response activities. This is reflected in the decision to develop a range of training facilities including venues at Kingsbury, Lea Marston and Stratford.

- **Nuneaton and Bedworth –** Changes to the Nuneaton Newtown Road site that will conform to the community fire station model to allow improved partner access to WFRS premises. Potential additions to the Bedworth Park Road site to allow redistribution of wholetime crews, in line with the distributed response model.

- **Fire Control –** The potential move for Fire Control from Leamington Fire HQ into Stuart Ross House (Warwickshire Police owned premises), would enable the Control Team to work in bespoke, modern Control Room facilities with greater security and resilience. This shared use of Public Property would also stimulate improved interoperability, whilst driving improvements in Fire mobilising systems that could also work closer with Police mobilising systems, all of which will offer improved customer service. This opportunity is at an early stage of exploration with Police colleagues and a fully costed business case would be developed for further consideration by Cabinet at the appropriate stage. Subject to approval of this report, this project would be progressed to business case stage.

- **Leamington Fire Station** – FRS HQ staff will move to Warwick to work alongside Warwickshire County Council colleagues in the Council's offices. Opportunities exist to review the location of the control centre and work collaboratively with the Police (Stuart Ross House) as referred to above. Options also exist to review Leamington HQ Station site and whether there is scope, in line with the IRMP and improving service performance, to relocate within the Leamington area subject to business case and the identification of funding. Future options for Leamington Fire station site are within consideration for the Warwickshire Property and Development Company.

- **Rugby fire station**– provision of FRS facility to serve the new development at Holton partially funded by S.106 monies. Opportunities to review wider FRS site presence in Rugby and consider a potential northern site subject to the identification of appropriate funding which could release the existing site.

5.0 Next steps

5.1 Subject to Cabinet's consideration and approval of the strategic direction, the principles outlined in Section 3.0 will be incorporated into the IRMP and the WFRS Asset Management Plan for the financial year 2021/22 onwards.

5.2 The business cases for the projects referred to above will be aligned to the above principles and will be developed and brought to Cabinet for approval as necessary.

6.0 Financial Implications

6.1 There are significant financial considerations to all aspects of the Property Strategy and WFRS specific projects. These will be considered within the detail of each business case and the overall Property Strategy, Capital Programme and Capital Investment Fund.

7.0 Environmental Implications

7.1 Environmental implications will be a critical part of each project and the overall strategy. This could include, but not be limited to, making better use of space, reducing travel times, producing a more carbon-efficient fire estate, and contributing to a much more carbon efficient approach across the whole WCC estate in line with our Climate Change Commitments.

8.0 Background papers

8.1. None.

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

Chair and Vice Chair and Party Spokes of the Resources and FRS OSC – Cllr Warwick, Cllr Singh Birdi, Cllr Board, Cllr O-Rourke, Cllr Falp

Local Member(s):

Cllr Caborn, Cllr Chilvers, Cllr Cockburn, Cllr Davies, Cllr Gifford, Cllr Redford, Cllr Shilton, Cllr Williams, Cllr Dahmash, Cllr Kaur, Cllr O’Rourke, Cllr Roberts, Cllr Jerry Roodhouse, Cllr Simpson-Vince, Cllr Webb, Cllr Timms

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Agenda Item 14

Cabinet

28 January 2021

Targeted Youth Support – Strategic Approach

Recommendations

That Cabinet:

1) Endorses the Warwickshire Targeted Youth Services Approach 2020-2023 set out in the Appendix

2) Asks that the Children and Young Peoples Overview and Scrutiny Committee agree to including in its work programme consideration of an Annual Report detailing outcomes and progress in 12 months' time.

1.0 Targeted Youth Support

1.1 £12m of additional one-off funding will be invested into the Children and Families service across all areas of work between 2020/21 to 2022/23 (a small amount of funding was received in 2019/20). The council has been successfully awarded £3.993m from the Department for Education (DfE) and the remainder of the £12m is provided by the Council's Children Transformation fund (sourced from two years of social care grants and residual Children and Families Transformation funds) agreed by the Council in February 2019 and 2020.

1.2 The money will be spent across an ambitious 29 different work areas, two of those being focussed on Targeted Youth Services:

1: To expand the Targeted Youth Support offer

2: To establishing a Youth Community Fund

From the total investment fund a total of £1.497m has been agreed by Council to be invested within Youth Services between 2020/21 to 2022/23.

1.3 Our approach across the Children & Families Service and Targeted Youth is to deliver services in a restorative manner, in line with the principles of Restorative Practice. The organisational direction to become a well-connected and child friendly organisation.

1.4 Targeted Youth Support has developed a new approach for 2020-2023. The Appendix sets out how the investment will be allocated and the outcomes the County Council intends to achieve through the additional investment.

1.5 In summary the approach taken is to ensure a mixed economy of services. This means expanding the offer from the Council Council's own delivery of Targeted Youth Services. In addition, we value and want to support the excellent work of Voluntary and Community groups providing Youth Work within their localities. To this end the approach includes a Youth Community Fund and the establishment of new youth work alliance to provide support to the voluntary and community sector.

1.6 Our ambition is to create learning and development opportunities to enable more youth work to be delivered in Warwickshire of a high standard and with strong risk based knowledge of issues such as child exploitation and bladed weapon crime, for example, to have the sufficient practical application of that in-depth knowledge.

1.7 Warwickshire County Council is utilising £900,000 [£100,000 training investment fund and £800,000 direct funding) from the 1.497m investment to enable Targeted Youth Support in the development of Voluntary and Community Youth groups to help them increase capacity and capability. The fund will be split into "funding windows" over a 24-month period. Voluntary and Community sector groups will be supported to apply to a panel which includes members from across Political Parties within the County Council and senior officers.

1.8 There will be an expectation that successful groups will agree to work in collaboration with WCC Targeted Youth support and agree to the funding terms and conditions.

1.9 The Youth Work Alliance will be established, inviting all Warwickshire groups to participate. It is an expectation that successful bidders will collaborate with the alliance in order to shape the support for young people in Warwickshire in the future. The County Council will through the alliance provide training to the sector, linked to Youth Work Standards and a quality assurance process with a Warwickshire Youth Work Quality Mark. This will recognise good quality youth work practice, young person participation and management.

1.10 A Senior Youth Worker has been appointed as the vital link between WCC and the youth work voluntary sector. This post will co-ordinate the operational access to both strands of funding.

2.0 Targeted Youth Support Services

2.1 The new approach illustrates the range of services and support offered by Warwickshire County Council Targeted Youth Support. Following feedback from schools and other partner agencies we have established Early Help group work which will be delivered within schools at no cost to schools, involving activities and discussion groups aimed at young people needing support to prevent escalation in behaviours that could be detrimental to meeting their potential. Through to specialist help, such as 1-2-1 support with a Targeted Support Youth Worker, Health store or residentials. Our approach will continue to evolve and adapt to meet the changing needs of young people

3.0 Young Persons Participation

3.1 Young people are key in shaping the services delivered by targeted Youth Support. To ensure this opportunity is available all young people can have a voice in what affects them and their communities in Warwickshire through the area forums and youth council. The Area forums represent the 5 areas of Warwickshire and focus on more local issues affecting young people. This project is open to all young people who are interested in making a difference in their communities.

3.2 Warwickshire Youth Council is affiliated with the British Youth Council and is an active member of the regional Midlands branch enabling Warwickshire young people's voices to be heard. The Council is made up of elected young people who represent the area they live. It meets monthly at Shire Hall and regularly online. Young people choose what issues they want to influence, challenge and support.

4.0 Impact and outcomes

4.1 Targeted Youth Support are implementing a new measuring and recording method which will allows more effective evaluation of the youth work delivery. A substantial piece of development work to improve recording in the electronic recording system MOSIAC has been completed, which will enable outcomes for young people to be recorded and reported more effectively. It is proposed an annual update on progress, including a focus on the outcomes and impact for young people is provided to Children & Youth Peoples Overview and Scrutiny Committee.

5.0 Financial Implications

5.1 Details of the financial implications of the proposals as set out in this report can be found in section 1 and the appendix.

6.0 Environmental Implications

6.1 Targeted youth work and services delivered through youth centres will in some instances include environmental enhancements for the community.

Background Papers

None

Appendix

Targeted Youth Strategic Approach

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This report has been considered by

- Children and Families Overview and Scrutiny Committee on the 17th November 2020
- Corporate Board 2nd December 2020

Warwickshire Youth Work Approach

Warwickshire County Council (WCC) has committed to invest in and support young people in Warwickshire. WCC has ***Targeted Youth Support (TYS),*** which is a team of dedicated, professionally qualified youth workers who use their knowledge, skills and experience to build positive relationships with young people aged 11 to 18 years. According to the 2018 ONS, there are 50,224 young people between these ages, 51% Male and 49% Female in Warwickshire within these age brackets.

The aim is to prevent escalation by tailoring a response to both voluntary and community sector youth work providers to support children and Young People at a universal and extra help level, as well as the direct delivery of targeted and specialist help.

The foundations of our approach is that we will have a mixed economy of services. Warwickshire County Council will deliver targeted youth support but will also have a role in supporting and good quality voluntary and community youth provision across the county. Our aim is that Children and Young People in Warwickshire have fun and experience and happy and healthy childhood and to support all young people we aim to develop a *Child Friendly Warwickshire.*

Child Friendly Warwickshire: We will be a restorative, well connected and child friendly organisation and WCC will work WITH local businesses to embed child friendly approaches. In addition, we will support organisations we commission or support to understand restorative approaches and we will model this approach in all our interactions

Targeted Youth Approach: This approach sets out our aims for the next three years and how we plan to meet the needs of young people in Warwickshire. The approach has been written with the views and thoughts of young people in Warwickshire.

The Key Principles of Youth Work

1. Youth work is always young person centred and focuses on the young persons identified need. This approach is closely aligned to Warwickshire's restorative practice. **Restorative practice** is the theory of change that has been adopted by the Children and Families Service in Warwickshire.

2. Support is voluntary, young people can **choose** to work with a youth worker and are always in control of the support they are receiving.

3. The importance of **safeguarding** in providing a safe environment for young people is recognised and adhered too.

4. Understanding how to establish **boundaries**, manage challenging behaviour and de-escalate conflict, as this keeps the young people and the workers safe

5. Knowledge of how young people **develop** during adolescence and knowing what appropriate support they might need.

Warwickshire’s 10-point Vision

In Warwickshire, TYS want to deliver the best Youth Work they can  and have an ambition to work in partnership with the community and voluntary sector to achieve the following 10-point vision:

What do we want for our young people?

(1) We will enable the young people we work with to **develop their voice,** so they feel able to influence what is **important to them**

(2) We will help them find **their place in society** in order that they reach their **full potential**

(3) We will ensure that there are **no barriers to engaging,** such as disability, sexuality, gender, poverty, mental health issues, religion or any other characteristic.

How will we do it?

(4) We will support the young people we work with to **develop holistically**, facilitating their personal, social and educational development through creative sessions

(5) We will work with community and voluntary sector youth work providers to create a **community of learning** so that we can **share skills** and **increase confidence** among the sector

(6) We will develop workers that have comprehensive knowledge of their communities and have positive links and support networks to help young people in their local areas

(7) We will help youth workers develop their practice in order to deliver the best service for them

(8) We will have the freedom to be creative and support young people through a range of interventions that meets their needs at the right time, including embracing digital delivery.

(9) We will support voluntary and community sector youth work partners with work with young people at a universal and extra help level, as well as other targeted projects. Using data and evidence to ensure services meet local need.

(10) WCC will support the most vulnerable young people by delivering targeted and specialist support

Locality Youth Work

Youth workers are part of the local community.

As youth workers we know the importance of really understanding the area we are delivering youth work. Knowing the relevant staff in the local schools, working with the local police, knowing where young people hang out and who is friends with who. Listening to what young people are saying about their community and what their local needs are.

As a service we also have good relationships with anyone working with young people in the local area. Voluntary youth provisions, the local Connexions worker, the sexual health clinic or Princes Trust Co-ordinator. We use information about the locality such as parental school surveys with parents who feedback their thoughts of what is needed.

This ensures we are all working with the young people that need us and that we can support them safely to the services they need. We know the demographics of the area's we work in – who is living here and what do they need?

Knowing an area also lets us know what is missing for young people and we can liaise on their behalf to address this. This can be addressed via the **Youth Work Alliance** as well as making sure that groups such as the Area Behaviour Partnership and the Antisocial Behaviour Meetings which we always attend. This will also be linked with the new **Youth Work Fund** which aims to increase and support youth work in Warwickshire.

Our workforce

The skills and knowledge of youth workers in Warwickshire are greatly appreciated and there is commitment to grow and develop the existing team of qualified and highly experienced youth workers by developing their skills to meet the needs of a range of young people.

Our current delivery team at **Warwickshire County Council** is made up of:

- 2 team leaders
- 8 full time youth workers
- 2 trainee youth workers
- 14 part time youth work staff (2.59 full time equivalents).
- 2 apprentice youth workers who have an 18-month placement.

We are proud that Targeted Youth Support Workers in Warwickshire have been with the council for a long time. 50% of the team have been in post for over 15 years and 50% have been in post for up to 14 years. The acquired skills and knowledge the team have can be shared amongst other agencies to support their mission to work with young people effectively.

We want to increase the opportunity for people to become trained as JNC professionally qualified Youth workers and become part of our team. WCC is embarking on an exciting transformation journey:

DfE funding will enable the recruitment of

- 2 full time JNC qualified youth workers for 2 years
- 4 trainee Youth workers who will study an MA in Youth Work at DMU Leicester for 2 years.

These new staff will work alongside our existing workforce allowing us to develop our delivery and support for young people across Warwickshire, some of which will be supporting and developing groups in the voluntary and community sector. The ambition is to create learning and development opportunities to enable more youth work to be delivered in Warwickshire of a high standard and with strong risk based knowledge of issues such as child exploitation and knife crime, for example, to but have the sufficient practical application of that in-depth knowledge.

How will Targeted Youth Support help Voluntary and Community Youth groups?

Warwickshire County Council has £900,000 to invest in the development of **Voluntary and Community Youth** groups to help them **increase capacity and capability.** The fund will be split into "funding windows" over a 24-month period and the County Council will produce data set to **target need and gaps** but welcome other applications based on evidence of need. The process will be easy and straightforward, and Voluntary and Community sector groups can apply by:

- Looking at the criteria and assessing to whether their group meets the conditions.
- Having an ambition to tackle some of the issues our young people today are facing.
- Submitting an expression of interest.

If the expression of interest is successful, groups will be invited to submit a formal bid for pots of money between £30,000 and £60,000. There will be support from a senior youth officer to support and enable groups to make an application; and there is an expectation that successful groups will agree to work in collaboration with WCC Targeted Youth support, and agree to the funding terms and conditions. The referral process has been designed to ensure that the process is easy to access, and support will be given throughout by the Senior Youth Worker who will work through a self-assessment process and project action plan with each organisation.

A training fund of £100,000 will be available over the 24-month period which will support the maturity of excellent youth work practice in Warwickshire. Allowing access to NVQ Youth work training and other relevant courses tailored for working with young people such as managing challenging behaviour and Child Protection for the period of this time.

The training will also link to Youth Work Standards and a quality assurance process with a **Warwickshire Youth Work Quality Mark** which all participating groups can be part of.

The Warwickshire Mark will recognise good quality youth work practice, young person participation and management. The Youth Impact UK Outcomes Framework which has also been endorsed by the National Youth Agency, will measure this.

To coordinate these functions, a Senior Youth Worker who will be appointed as the vital link between WCC and the youth work voluntary sector. This post will co-ordinate the operational access to both strands of funding. The Senior Youth Worker will also involve the Warwickshire Youth Council in the assessment and evaluation of the funded youth work projects.

Linked to this work is the plan to map all youth work delivery and youth workers in Warwickshire so that we know what our 'Warwickshire Youth Work Workforce' is and where the gaps are. We will map all buildings that 'host' youth clubs and identify the gaps.

Youth Work Alliance

This will be set up, inviting all Warwickshire youth projects to participate. It is an expectation that successful bidders will participate and collaborate with the alliance in order to shape the support for young people in Warwickshire in the future. Regular meetings will be set up with the aim of sharing good practice and identifying issues within local areas. Further details about how to apply will be posted on TYS webpage **https://www.warwickshire.gov.uk/youthservice**

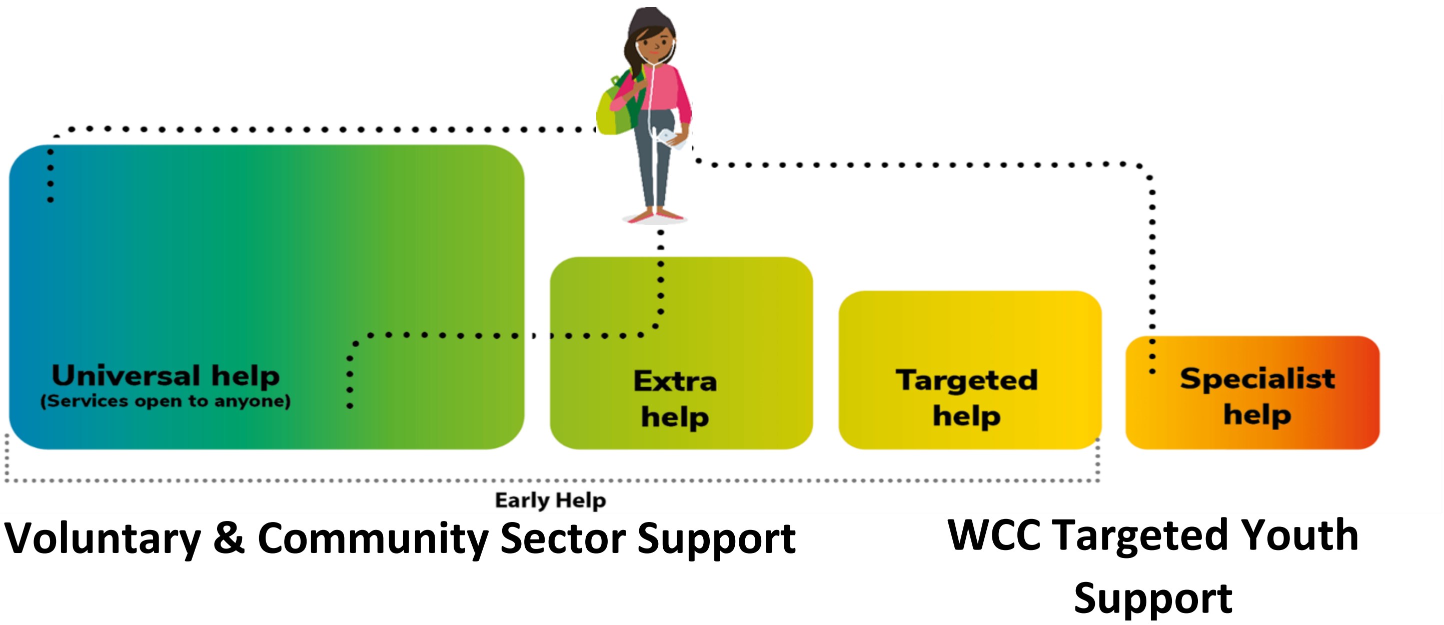
Where do the different levels of youth work sit?

In Warwickshire, The Stepped Approach has been developed to help families and practitioners identify what support is available to them at a level that best meets their needs. Support is available over a spectrum, from Universal Services which is available for anyone to access, such as an informative website (Family Information Service webpages for young people, for example), right through to intensive support services for complex needs.

Youth Work provision in Warwickshire can seemingly sit at two ends of the spectrum. The voluntary and community sector delivering sessions in localities across Warwickshire at a Universal and Extra Help level and Targeted Youth Support deliver support at the most Targeted and Specialist level.

It has been recognised however, that there is an emerging gap in knowledge in voluntary and community sector groups at how to deal with the emergence of what is becoming more concerning issues faced by our young people today.

This knowledge that was typically needed by youth workers dealing with the most complex cases is now required by colleagues running community and voluntary sector groups to ensure that their practice is up to date with the latest guidance. The ambition is to support these groups get access to this knowledge through the Youth Work Alliance and build capacity and capability through the awarding of bid monies.



How will WCC deliver youth support?

Youth Centres: Targeted Youth Support manage two youth centres: Lillington Youth Centre (Warwick) and The Ratcliffe Centre (North Warwickshire). We also facilities at Hatters Space and Camp Hill Education and Sports Centre CHESS (Nuneaton). We will be delivering youth work at other centres in Warwickshire including, The Saltway Centre Youth Room (Stratford), Bloxham Centre (Rugby) and Rugby and Wellesbourne Fire Stations.
Using all these Centres we run youth clubs and other specialist projects. These projects allow young people to access a wide range of activities such as sports, gardening and crafts whilst also being able to access the support of youth workers. The clubs are open to all young people that live locally from ages 11 – 18.

Group work is an integral part of youth work delivery. This skilled role enables a group of young people to come together and learn from each other in a safe and contained environment. This safe environment fosters learning where young people can speak freely and can participate fully in the session or project.

Detached youth work is a model of **youth work** practice, targeted at vulnerable young people. It takes place on young people's own territory such as streets, cafe and parks at times that are appropriate to them and on their terms. The key to success is in the positive relationships built and this requires time, commitment and good negotiation skills from the worker. Detached youth work can support an alternative curriculum such as minimising alcohol misuse or other risky behaviours, for example.

121 work: This work delivered by a qualified youth worker, working directly with the young person in a confidential setting. This work take can take place when a young person is at the their most vulnerable. It is important that the youth worker takes time to build a supportive and purposeful relationship that allows the young person to lead on positive changes they want to make in their lives.

Online Delivery

Youth workers are skilled at reaching young people in whatever way they can. Developments in online support creatively meet the needs of young people, enabling more support sessions to be delivered with young people. This ranges from virtual youth clubs, targeted group work and specialist 121 support, which can be delivered online. Many other specialist projects have been adapted for virtual delivery, including bike maintenance projects and gardening projects.

The **Youth Council** and **Area Youth Forums** are successfully delivered online and this medium of delivery has seen an increase in participation.

Targeted Help – what we deliver

Schools Early Help Group Work Offer

WCC Early Help group work offer takes place within school time. It involves activities and discussion groups aimed at young people needing support to prevent escalation in behaviours that could be detrimental to meeting their potential. Our programmes can change to meet the needs raised by young people.

Schools identify young people who would be eligible to attend and work with WCC targeted Youth support to deliver the session. have already started an Early Help Pathway to Change Plan to support them but this is not obligatory. These are all **FREE** to access for Warwickshire Secondary schools.

Homelessness Awareness

A short awareness raising session that helps secondary age young people understand homelessness. The session will aim to prevent young persons' homelessness by encouraging them to remain living at home by helping them understand the reality of living alone, and the need to make plans for the future. The session is sensitive to the fact that when a home is not safe, there is help and support available for young people to access. The session will:

- Explore the issues that could lead to homelessness and provide advice on dealing with these issues.
- Raise awareness of the realities of living alone (costs, budgeting, skills required)
- Leave young people and teachers with a lasting message about homelessness and the providers available to help.

Sharp Edge
Focusing on peer group pressure and knife crime. This course would be useful for young people who you feel are at risk of being involved in **antisocial behaviour** out of school. This is the Early Help tackling **Bladed Weapon Crime** offer.

Managing Feelings
Learning skills on how to manage anger and exploring reasons behind challenging behaviours. This course would be useful for young people who are struggling to keep it together. This is primarily about **preventing exclusion** from school.

Respectful Relationships
Looking at healthy relationships by exploring gender socialisation, personal rights and boundaries. This course would be useful for young women who might be a risk of being in a controlling relationship and young men who have a stereotyped idea of how men should behave. This links to the **Domestic Abuse** agenda.

Digital Tattoo
Exploring issues around social media and **Child Exploitation**. This course would be useful for young people who may be struggling to manage their social media presence and need support in setting themselves some safer boundaries

Different Thinking
Looking at the decision-making process behind **alcohol** use and building practical skills to empower young people to address alcohol concerns.

My Body, My Options.
Linked to our Health Store Project offer this course looks at good decision making around **sexual health,** keeping safe, consent and where to go for support and help.

Targeted Help – what we deliver

<u>Detached Youth Work Project</u>

Detached youth work is delivered by WCC youth workers in specific geographical locations. This is in response to knowledge and data from partners such as the Police and district and borough councils, which highlights challenges or areas of need. The work will mainly take place in the evening and aims to build relationships with the hardest to reach young people on their own territory. Agencies such as the police are directing us to the places they feel we should go.

Detached Youth Work enables us to reach young people in on their terms in their space. They can choose to engage with us and they choose what they want to talk about. Using youth work skills we are able to develop positive relationships to offer them further support either individually as a peer group.

Summer Streets
An increased offer of detached youth work in liaison with local agencies to engage with young people who are out on are streets over the summertime.

Summer Youth Hubs.
Young people will have opportunities to take part in a variety of activities as well as gaining extra support. The aim is to give young people space to be free and have fun whilst also offering access to social education and creative activities.

Specialist Help

1-2-1 support with a Targeted Support Youth Worker is for specialist support. Referrals are taken from social workers and family support officers and will be linked to the overall programme of family support the family and Young Person is receiving. It is important that young people are involved in the referral process and have chosen to seek support from a youth worker to enable to support to be effective.

The Youth Worker assesses the young person's needs, with them and they jointly create an action plan.

The support offered is time limited to 6 -12 sessions, dependant on need and complexity. This supports the focus of the action plan and enables targeted changes to occur. Wherever possible, a young person can choose where and how they would like to be supported, it might be at school, at home or out and about.

Residentials
Targeted Youth Support are committed to offering residential experiences for young people in Warwickshire. These opportunities are tailored to meet the needs of the groups referred. For example, groups that focus on learning coping skills around anxiety.

Health Store

Run in collaboration with Sexual Health Warwickshire, NHS, Doorway and supported by Borough and County Councils, we offer a free, confidential and easily accessible service to under 19's for up to 5 sessions a week from our project base at Hatters Space, Nuneaton.

Teenage pregnancy

The under 18s conception rate (ages 15-17) and under 18s birth rate (ages 15-17) are published by Public Health England. The most recent period available is 2018 and the table below illustrates that there are particularly high rates of Teenage Pregnancy in Nuneaton and Bedworth, but the birth rate being lower than the West Midlands average.

Area	Conceptions rate per 1,000	Births rate per 1,000
England	16.7	4.5
West Midlands	19.1	5.6
Warwickshire	13.9	3.9
North Warwickshire	14.2	7.1
Nuneaton and Bedworth	23.2	5.0
Rugby	13.2	2.6
Stratford-on-Avon	10.8	2.0
Warwick	7.5	1.6

WCC has an **ambition to extend health store** to enable access in other areas of the county.

The Health Store offers general advice and guidance, pregnancy testing and support, long term contraception and repeat prescriptions. It also provides emergency contraception, the morning after pill and condom distribution.

The Health Store links to the Early Help groupwork offer to schools **'My Body, My Options'** to raise awareness of services available.

Bike Project

The Bike Project (funded by the OPCC for the last two years) enables connection between young people who have been referred into Targeted Youth Support to become part of a group. They learn valuable life skills such as communication, teamwork, leadership, resilience and determination while learning practical skills around recycling bikes and riding them safely. Encouraging young people to use bikes is also environmentally friendly and supports their physical and mental wellbeing.

The project offers practical knowledge in a productive, safe and supportive environment. Youth workers build positive relationships with young people to raise self-esteem and this enables a catalyst for change to support positive changes in a young person's lives.

Young people aged 12 to 18 that have poor educational attendance and are at risk of or are involved in antisocial behaviour are those eligible to participate. Currently the Bike Project is delivered in Warwick and Atherstone and there is an ambition to expand this to add a new project based in the Rugby area.

The ambition is to ensure that funding is continued beyond 2020.

GRITT

Gaining Resilience in Tough Times (GRITT) is a youth group project targeted at young people aged 11 to 18 living in Warwickshire who are experiencing mental health challenges.

The group aims to increase young people's understanding of mental health, for them to understand about how it impacts on their lives and helps them to build the skills to cope with their future.

Referrals are taken from Lead Professionals across Warwickshire. The types of issues this group can support young people to develop coping skills are anxiety, depression and isolation. The group also aims to support young people to access other mental health support when needed such as Rise.

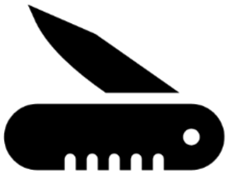
Specialist projects

Specialist Projects

Targeted Youth Support are flexible and offer projects that reflect the needs of the young people in Warwickshire. The current specialist projects are as follows:

Bladed Weapon Crime and Anti-Social Behaviour

Knife crime, or the use of sharp implements with the intent to cause harm (known as Bladed Weapon Crime), is growing problem nationally. Targeted Youth Support see this as crucial work. The Office for National Statistics (ONS) revealed that Warwickshire saw the highest increase in overall bladed weapon crime, with a rise of 52% in 2019.



> "*Youth services play a vital role in supporting young people and making the transition to adulthood. In tackling serious violence, youth services should be seen as central in supporting young people who are at risk of or involved in serious youth violence and knife crime*."
>
> *APPG Knife Crime & Violence Reduction 2020*

In Warwickshire, the ambition is creating a network of support to enable young people to address the issues behind the weapon carrying behaviour. There will be youth workers working out on the streets starting an important dialogue with young people and moving it into other areas of their lives. In addition to the network of voluntary and community sector partners and colleagues in schools who we will give information and guidance too, so that messages are consistent and repetitive.

Targeted Youth Workers have a group work course that can be delivered in schools, enabling young people to look at issues behind their behaviours.

If required, for those young people identified as at risk, Youth Workers would work in partnership with Youth Justice Service to enable direct support the young person through their prevention route.

Out of Court Disposals (OOCD)

Targeted Youth also work in close partnership with the Warwickshire Youth Justice Service and will collaborate to support young people who are on the cusp of or have committed offending behaviour. Managers from Targeted Youth attend a weekly Out of Court Disposal Panel with Managers from Youth Justice to ensure that there is oversight and support for identified young people. An Out-of-Court Disposal does not involve trial or sentencing in a court. Instead, the aim is to divert the child from future involvement in the criminal justice system, in the best interests of both the child and justice. They are most suited to children who are not regular offenders but have committed a low-level offence.

This approach is supported by this collaboration and seeks to enable the young people to access Early Help support both ways, 1. As a step down from OOCD 2. step up to access support from Youth Justice to prevent criminal behaviour.

Alcohol

Alcohol admissions in Young People (aged 0-18)

Admission episodes for alcohol-specific conditions in under 18s is published by Public Health England and it combines 3 years of data as the numbers are relatively small. For 2016/17 to 2018/19, there were 175 admissions in Warwickshire; this is a rate of 50.9 per 100,000 population aged 0-18.

This is significantly worse than the England rate (31.6 per 100,000 population) and the rate for the West Midlands region (26.1 per 100,000).

At District / Borough level, Nuneaton and Bedworth and Warwick are both significantly worse than the England rate, whereas the other districts and boroughs are similar to the England rate.

Included in the table below is the most recent local annual data from March 2019 to February 2020 relating to alcohol poisoning (including overdose).

Area	Alcohol admissions Crude rate per 100,000	Alcohol poisoning (including overdose)
England	31.6*	Local Data
West Midlands	26.1	
Warwickshire	**50.9**	
North Warwickshire	26.8	29
Nuneaton and Bedworth	**66.1** **(* Double national average)**	**111**
Rugby	42.1	48
Warwick	61.6	38
Stratford-on-Avon	35.4	46

This clearly evidences a concern for your Warwickshire young people, Targeted Youth Support will support young people to look at this issue through focused group delivery in schools, continued project work in youth clubs and also with young people on the streets through detached work. This will include targeting times of higher alcohol use (such as end of term proms and Christmas) coupled with the use of locality data, to look at the development of projects and preventive work. Encouraging young people to look at what is influencing their behaviour is a key part of youth work delivery.

In addition to the above, we have an ambition to create network of voluntary and community sector partners and colleagues in schools who we will give information and guidance too, so that messages are consistent and repetitive.

We have a referral system agreed with Compass who will refer any young people that have alcohol and drugs issues and need youth work support. (Compass take referrals directly from A and E).

Hearing the voices of our young people

Warwickshire Youth Council and Area Youth Forum

Warwickshire Youth Council is affiliated with the British Youth Council and is an active member of the regional Midlands branch enabling Warwickshire young people's voices to be heard. The Council is made up of elected young people who represent the area they live. It meets monthly at Shire Hall and regularly online.

The Area forums represent the 5 areas of Warwickshire and focus on more local issues effecting young people. This project is open to all young people who are interested in making a difference in their communities. The aim is to ensure that all young people are able to have a voice in what effects them and their communities in Warwickshire.

Young people choose what issues they want to campaign on. Climate change and Votes at 16 have been recent campaigns.

Impact & Outcomes

Targeted Youth Support are implementing a new measuring and recording method which will allows more effectively evaluation of the youth work delivery. A substantial piece of development work to improve recording in the electronic recording system MOSIAC has been completed, which will enable outcomes for young people to be recorded and reported more effectively.

Using the national outcomes framework and in consultation with WCC Practice Improvement team, a system of recording and reporting that more effectively measures the impact of youth work is as follows

- Qualitative: A feedback survey for young people to comment on how they have experienced the service and what impact it has had on their lives to progress positive change
- Quantitative: MOSAIC will record all interactions in terms of individual sessions, group work and links to the outcome's framework.

The Targeted Youth Support are committed to Thematic Audit work to aid service improvement as the ambition is to deliver the best youth work provision possible and work in partnership with other through the Youth Work Alliance to support others to do the same.

Youth work in Warwickshire is amazing!

Information on all our service offers can be found on:

https://www.warwickshire.gov.uk/youthservice

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Agenda Item 16

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Agenda Item 17

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