



Agenda for a meeting of the WARWICKSHIRE COUNTY COUNCIL to be held at the SHIRE HALL, WARWICK on TUESDAY 9 FEBRUARY 2010 at 10.00 a.m.

Mobile phone/blackberry signals can interfere with the audio system in the Council Chamber. Please ensure that all mobile devices are turned off (rather than just set to silent) before the commencement of the meeting.

AGENDA

1. General

(1) Apologies for absence.

(2) Members' Disclosures of Personal and Prejudicial Interests.

Members are reminded that they should declare the existence and nature of their personal interests at the commencement of the item (or as soon as the interest becomes apparent). If that interest is a prejudicial interest the Member must withdraw from the room unless one of the exceptions applies.

Membership of a district or borough council is classed as a personal interest under the Code of Conduct. A Member does not need to declare this interest unless the Member chooses to speak on a matter relating to their membership. If the Member does not wish to speak on the matter, the Member may still vote on the matter without making a declaration.

(Forms to be completed by members in respect of individual declarations have been circulated and will be available at the meeting).

(3) Minutes

To confirm the minutes of the meeting held on 15 December 2009.

(4) Chair's Announcements, Correspondence, Petitions.

2. Corporate Business Plan 2010/13

Cabinet Portfolio Holder: Councillor Heather Timms

A report from the Assistant Chief Executive is enclosed.

3. 2010/11 Budget

Cabinet Portfolio Holder: Leader of the Council, Councillor Alan Farnell.

A report from Cabinet is enclosed.

4. Any other items of urgent business.

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

Shire Hall,
Warwick

JIM GRAHAM
Chief Executive

January 2010

Enquiries regarding these agenda papers should be made to Pete Keeley, Democratic Services, Customers, Workforce and Governance Directorate. Tel: 01926 412450. Email: petekeeley@warwickshire.gov.uk

The agenda and reports are available in large print if requested.

Minutes of the Meeting of Warwickshire County Council held on 15 December 2009

Present:

Councillor Peter Barnes (Chair)

Councillors John Appleton, Martyn Ashford, Peter Balaam, Sarah Boad, Penny Bould, Peter Butlin, Les Caborn, Alan Cockburn, Ron Cockings, Jose Compton, Richard Dodd, Mike Doody, Alan Farnell, Jim Foster, Peter Fowler Carol Fox, Eithne Goode, Mike Gittus, Colin Hayfield, Robin Hazelton, Martin Heatley, Bob Hicks, Richard Hobbs, Claire Hopkinson, Julie Jackson, David Johnston, Joan Lea, Barry Lobbett, Barry Longden, Tilly May, Frank McCarney, Brian Moss, Tim Naylor, Kate Rolfe, Jerry Roodhouse, Chris Saint, Izzi Seccombe, Martin Shaw, Dave Shilton, Bob Stevens, Ray Sweet, B.E.M., June Tandy, Heather Timms, Sid Tooth John Vereker, C.B.E., D.L., Helen Walton, Angela Warner, Claire Watson, John Whitehouse, Chris Williams, Sonja Wilson and David Wright.

Address to the Council

Before the commencement of business Councillor Martin Heatley addressed the Council, as a result of a recent Hearing Sub-Committee. He apologised to his fellow councillors for the incorrect methodology he had adopted in completing his expenses claim forms which meant that his claim forms had not always been accurate, and for his habitual use of first class rail in carrying out his duties for and on behalf of the Council. He asked the Council to accept his unreserved apology for these errors.

1. General

Apologies for absence.

Apologies for absence were received on behalf of Councillors David Bryden, Chris Davis, Bernard Kirton, Carolyn Robbins and John Ross.

(2) Members' Disclosures of Personal and Prejudicial Interests.

Councillor Colin Hayfield declared a personal interest as non-executive member of NHS Warwickshire.

Councillor Bob Stevens declared a personal interest as an associate member of NHS Warwickshire.

Councillor Izzi Seccombe, declared a personal interest as a Member of the Board of Connexions.

(3) Minutes

Resolved:

That the public minutes of the meeting held on 20 October 2009 be agreed as a correct record and be signed by the Chair.

(4) Announcements, Correspondence, Petitions.

(i) Announcements

(a) Fire Service Improvement Plan

Councillor Richard Hobbs indicated that, following a meeting with the Leader and the Deputy Leader of the Council and the Chief Fire Officer, he wished to make the following announcement about the Fire and Rescue Service Improvement proposals.

“Over the past 12 weeks, the Fire and Rescue Service had undertaken an extensive consultation programme with the public. The proposals were about making better use of our current resources across the county to improve the safety of our communities and our fire-fighters.

The formal consultation period had now come to an end. Up to 3,000 people across Warwickshire had attended 20 public consultation sessions. We were grateful to all those members of the public, neighbouring authorities and unions who had taken the time and trouble to comment on our proposals. We have made it clear throughout that we would listen to all those views and objectively analyse the totality of the responses received.

The Chief Fire Officer and his staff were now in the process of analysing the feedback from 20 public meetings, the responses to our questionnaire, the letters, petitions and other submissions that we have received. In addition, we have yet to hear from some of our key business communities, whose views must also play a key role in shaping our response, and who we are due to meet in the New Year. We also understand that petitions will be presented to the Council today.

The overall messages that we have received from the feedback so far have been varied and informative. They have given us a richer insight into some of the more specific risks and opportunities, and we want to do justice to that information. Taking into account all these considerations, we need more time before finalising proposals to deliver a robust and secure Improvement Plan.

No decisions will therefore be taken on 9 February 2010 as previously indicated. A further announcement will be made when I and the Chief Fire Officer are ready to move forward"

(b) Recent Deaths

Following comments from the Chair about the recent deaths of former County Councillors Les Rouch and Eddie Smith, Members paid tribute to the work undertaken by both councillors on behalf of the County.

The Chair also referred to the death of Councillor John Ross' daughter Jo-Anne who had passed away recently.

The Council stood in silent tribute.

(c) Warwickshire Fusiliers

The Chair reported that he had received a letter on behalf of the Regiment thanking the County Council and other councils for making the Fusiliers return a success.

(d) Post Office

The Chair indicated that he had written to the Post Office and the Communications Union offering to mediate between the parties during the current dispute.

(e) New North Leamington School

Councillor Martin Heatley reported that the Council had received an award for the best "Design" for the new North Leamington School, awarded by Forum for Constructing Excellence in Coventry & Warwickshire.

County Caterers

Councillor Heatley also reported that following an independent audit of County Caterers services to school children and local communities, they had retained their Charter Mark.

Blakemore Food Service Catering Award

Lesley Reddington, the Catering Supervisor at the Middlemarch Primary School, presented the Chair with the Blakemore Food Service Catering Award which had been obtained by the school.

(ii) Correspondence

None

(iii) Petitions

Fire Improvement Plan.

The following petitions were presented:

- (a) Councillor Alan Cockburn presented a petition relating to the future of Kenilworth Fire Station.
- (b) Councillor Richard Chattaway presented a petition relating to the future of Bedworth and Nuneaton Fire Stations.

- (c) Councillor Tim Naylor presented a petition relating to the future of Warwick Fire Station.
- (d) Hazel Wright presented a petition about the future of Studley Fire Station.
- (e) Valerie Ingram presented a petition about the future of Fenny Compton Fire Station,
- (f) Paul Whinmill presented a copy of an e-petition relating to the future of Fenny Compton Fire Station,
- (g) Bill Flemming presented a petition about the future of Bidford Fire Station,

2. Leading for Warwickshire – Identification of Mandatory Elements of the Member Development Programme

Councillor Heather Timms, Cabinet Portfolio Holder for Customers, Workforce and Governance, presented the report of the Strategic Director of Customers, Workforce and Governance.

Seconded by Councillor Bob Stevens, she moved:

- (1) That the following elements of the Member Development Programme (as explained in paragraph 2.1 of the report) be mandatory for all members:
 - Code of Conduct *
 - Governance
 - IT/Communication
 - Finance and Performance
 - Equality and Diversity*
- (2) That those members who have undertaken the training marked * above in 2009/10 will not be required to undertake the training in 2010/11 for the purpose of receiving the full year basic allowance.
- (3) That those members of Regulatory Committee (including replacement members) must undertake planning training before they can take up their place on the Committee.
- (4) That members listed in the pool of members for appointment to Staff Appointments and Appeals Committees must undertake training before they can take part in such committees, but that this is not part of the requirement for the purpose of claiming basic allowance.

That the following elements of the Member Development Programme be mandatory for Cabinet Members:

Chairing skills
Communication/Media skills
Partnership working
Effective working with O&S

That Chairing Skills be mandatory for all members who chair meetings.

That all of the above elements must be undertaken within 2009/10 or 2010/11 before the final 15% of basic allowance is paid in 2010/11.

That the detail of each element of the programme for each of the next three years be agreed annually by the Member Development Steering Group.

That previous training is taken into account, provided it has been undertaken within the current life of the Council, is up to date and appropriate and evidence of completion is provided.

(10) That, where appropriate, alternative forms of delivery be allowed, as set out in paragraph 4.2 of the report.

Councillor June Tandy, seconded by Councillor Tim Naylor, moved as an amendment:

Add

“(11) That mandatory training takes place locally with the assistance of the Area Managers with special area Committees being arranged to accommodate this if required.”

During the debate Councillor Heather Timms indicated that a written response would be given to Councillor Longden relating to the training requirements for members of the Regulatory Committee and their attendance at meetings.

The **AMENDMENT** was then put to the vote and was **LOST**.

The **MOTION**, as in the printed report, was then put to the vote and was **AGREED**.

3. Addition to the Capital Programme in Respect of Grant for School Kitchen and Dining Rooms

Councillor Izzi Seccombe, Cabinet Portfolio Holder for Children, Young People and Families, presented the report of the Strategic Director of Children, Young People and Families.

Seconded by Councillor Martin Heatley she moved and it was **Resolved:**

That Council accept Cabinet's recommendation to increase the Capital Programme in accordance with the detail set out in the report to Cabinet.

4. Monitoring of Decisions under the Urgency Procedure

Councillor Alan Farnell, Leader of the Council, presented the report of the Strategic Director of Customers, Workforce and Governance.

Resolved:

That the report be noted.

5. County Councillor David Bryden

Councillor Heather Timms, Cabinet Portfolio Holder for Customers, Workforce and Governance presented the report of the Strategic Director of Customers, Workforce and Governance.

Resolved:

That the Council approves the absence of Councillor David Bryden from meetings of the authority on the grounds of ill health.

6. Motions to Council (Standing Order 5)

(1) Elected Members' Email

Councillor Barry Longden moved the following motion and was seconded by Councillor Richard Chattaway:

"That this Council set up a small working party of no more than 1 or 2 members from each political Group plus the Independent member, (or proportionality if that applies), to examine the Code of Conduct where it allows Officers to access elected members' emails, at any time, for any purpose.

The objective of the working party would be to find a form of words that satisfies the requirement of the County Council to access elected members emails where they think that a member may have breached the Code of Conduct, or has released sensitive or confidential information, whilst allowing confidentiality between members, and between members and their constituents, and all other relevant parties that members need to contact, to be maintained.

The working party to report back to Council in February 2010 with a form of words to amend, and if possible agree, the required changes to the Code of Conduct, for immediate implementation."

Following debate the motion was put to the vote and was **LOST**.

(2) Campaign 10:10

Councillor John Whitehouse moved the following motion and was seconded by Councillor Sarah Boad:

"Climate change predictions show that without severe cuts in greenhouse gas emissions, the world will increasingly be hit by drought, flooding and famine. Many countries are already suffering from the effects of climate change, and so this is an issue of social justice as well as a call to take environmental action.

This Council believes it is vital that the UK government demonstrates political leadership in response to the climate crisis, and that this is particularly important in the context of the United Nations Climate Change summit in Copenhagen if there is to be an international agreement which will avert the worst effects of climate change.

This Council notes that action taken now to tackle the climate crisis will cost less than action taken in the future and therefore believe that immediate

practical responses to the crisis should include a massive expansion of renewable energy and energy efficiency and a commitment for all homes in Britain to be warm homes within ten years.

The Council has signed up to the national 10:10 campaign which calls for 10 per cent greenhouse gas emission reductions by the end of 2010, and calls on all public sector bodies in Warwickshire now to make it their policy to achieve a 10 per cent reduction in greenhouse gas emissions by the end of 2010.

A report be brought to the next Full Council meeting setting out the delivery plan on how the Council's 10:10 commitment will be achieved.”

The motion was put to the vote and was **AGREED**.

(3) Young People Not in Education, Employment or Training (NEET)

Councillor Peter Balaam moved and Councillor John Whitehouse seconded the following motion:

“Given the recent information that 3,365 18-24 year olds are currently unemployed in Warwickshire, this Council commits to supporting young people in Warwickshire gain employment by setting up a Apprenticeship Scheme for Warwickshire County Council.”

Councillor Izzi Secombe then moved as an amendment and was seconded by Councillor Chris Saint

That the words “setting up a “ be replaced by “ continuing an”.

Councillor Ballaam, with the agreement of his seconder accepted the amendment.

It was then **Resolved**:

“Given the recent information that 3,365 18-24 year olds are currently unemployed in Warwickshire, this Council commits to supporting young people in Warwickshire gain employment by continuing an Apprenticeship Scheme for Warwickshire County Council.”

7. Member Question Time (Standing Order 7).

(1) Waste Recovery Facility at Brinklow Quarry

Councillor Jerry Roodhouse asked Councillor Alan Cockburn (Portfolio Holder for Environment) the following question:

“An application has recently been made by the Coventry & Solihull Waste Partnership for a waste recovery facility at Brinklow quarry. It is understood that they stated that they had considered a number of potential sites for the disposal of the incinerator ash. Can the Portfolio Holder confirm whether such a list exists of potential sites and commit to publishing it as part of the public consultation?”

Councillor Cockburn replied:

“An application has been refused by the Regulatory Committee and a list of the alternative sites that were considered as part of the application process is available on the council’s website along with details of the application. ”

(2) Use of Library Computers

Councillor Peter Balaam asked Councillor Chris Saint (Portfolio Holder for Leisure, Culture and Housing) the following question:

“Is the Portfolio Holder still confident that the £200k savings target for the charging of library computers will be achieved, considering that the charges have ‘reduced demand’ (as stated in 26/11 Cabinet papers) and that the 2010/11 forecast projection is of a £120k shortfall?”

Councillor Saint replied:

“An information sheet has already been circulated to all members. The charging scheme is a trial and it is too early to say if all of the expected savings will be achieved. At present income is below expectations. Information on the review will continue to be brought to members.”

Councillor Balaam then asked:

“Job seekers needing access to the internet through library computers can not always afford charges. Wouldn’t the money spent on the recently published library news sheet have been better spent on computer services for the unemployed.”

Councillor Saint replied

“The number of visits to Warwickshire Libraries is greater than for other areas and publicity such as the news sheet is obviously very important in encouraging use. If the member has other ideas, I am always willing to listen to suggestions.”

(3) Gritting

Councillor David Johnston asked Councillor Alan Cockburn (Portfolio Holder for Environment) the following question:

“As the Portfolio Holder will be aware the policy on precautionary gritting provides for a single route into all villages. However, despite this there is no precautionary gritting to either Ashorne nor Walton. Can you tell me when this policy is to be reviewed?”

Councillor Cockburn replied:

“The Council’s policy relates to villages whereas both Ashorne and Walton are classed as hamlets based on the number of houses.”

Councillor Ballam then asked:

“The local community forum had expressed concerns about the lack of gritting in these locations and I should be glad if the Cabinet member would re examine the policy.”

Councillor Cockburn replied:

“We are continually looking at routes for gritting. The Council grits more routes than most other authorities. Towns and Parish Councils are sent details of routes that will be gritted. The inclusion of an additional route is likely to impact on the Council’s ability to grit other routes.

The AA have recently advised that councils do not have sufficient grit for the winter. Warwickshire has sufficient grit for 79 days of gritting whereas the average call out is 52 days.”

(4) Swine Flu

Councillor David Johnston asked Councillor Heather Timms (Portfolio Holder for Customers, Workforce and Partnerships) the following question:.

“Can the Portfolio Holder inform members of the take up of Swine Flu vaccination by key staff in the County Council to ensure the resilience of essential services during the high risk period?”

Councillor Timms replied:

“The category of staff identified by the government as being key staff includes staff engaged in personal care services. Approximately 25% of staff in the Adult, Health and Community Directorate were in this category. Vaccination was not a mandatory requirement although we are encouraging staff to be vaccinated.”

7. Leader of the Council Question Time.

Accident Reduction

Councillor John Whitehouse asked

“There was an announcement in the British Medical Journal that 20 mph speed zones reduce injuries by up to 50%. The Cabinet in January agreed to proceed with pilot scheme subject to grant being made available. Twelve months later there had been no action. Why has the matter been removed from agendas where the matter was proposed to be considered without any consistent reason.”

Councillor Alan Farnell replied

“The reduction in injuries referred to relates to 20 mph zones in urban areas not rural areas.

No adequate equipment is currently available for the satisfactory introduction of such speed zones but will we continue to monitor the situation.”

Fire Review

Councillor Mrs June Tandy asked:

When can we expect a decision on the fire review bearing in mind the need for consideration in connection with the budget.

Councillor Farnell replied:

The fire review is not being undertaken for budget reasons, it is to provide a more efficient service for Warwickshire, as detailed in Richard Hobbs' statement earlier in the meeting.

In response to other comments on the fire review made by several councillors, Councillor Farnell indicated that :

The 9 February Council meeting, which had been reserved for consideration of the Fire Review, would now be used for consideration of the budget.

The issues would be considered by the Council, at a special meeting if required, as soon as a robust plan had been prepared taking into account the responses to the council's consultations.

A new Chief Fire Officer had been appointed during the review process and it had been concluded that more time was required to enable fair consideration of responses.

8. Any other items of urgent business.

There were no urgent items to consider.

9. Reports Containing Confidential or Exempt Information

The Chair moved and it was **Resolved** by 33 votes in favour and less against:

That members of the public be excluded from the meeting for the following item on the grounds that their presence would involve the disclosure of exempt information as defined in paragraph 4 of Schedule 12A of Part 3 of the Local Government Act 1972.

10. Minutes - exempt.

Resolved:

That the exempt minutes of the meeting held on 20 October 2009 be agreed as a correct record and be signed by the Chair.

The Council rose at 12.27 p.m.

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Chair of the Council

AGENDA MANAGEMENT SHEET

Name of Committee Council

Date of Committee 9th February 2010

Report Title Corporate Business Planning Framework 2010-13

Summary This briefing outlines the proposed timetable and approach for developing the Corporate Business Plan 2010-13

For further information please contact: Monica Fogarty
Assistant Chief Executive
Tel. 01926 412514

Would the recommendation decision be contrary to the Budget and Policy Framework? [please identify relevant plan/budget provision] No.

Background papers "Corporate Business Planning 2010-2013" - Cabinet Report 17.12.09

CONSULTATION ALREADY UNDERTAKEN:-

Details to be specified

- Other Committees
- Local Member(s)
- Other Elected Members Cllr Roodhouse, Cllr Tandy
- Cabinet Member Full Cabinet
- Chief Executive Jim Graham
- Legal Jane Pollard
- Finance
- Other Chief Officers
- District Councils
- Health Authority

- Police
- Other Bodies/Individuals SDLT

FINAL DECISION NO

SUGGESTED NEXT STEPS:

Details to be specified

- Further consideration by this Committee
- To Council 30 March 2010
- To Cabinet
- To an O & S Committee
- To an Area Committee
- Further Consultation

Council - 9th February 2010.

Corporate Business Planning Framework 2010-13

Report of the Assistant Chief Executive

Recommendation

That Council endorses the framework and timetable for preparing the 2010/13 Corporate Business Plan outlined in the report.

1.0 Introduction

- 1.1 The Budget and Medium Term Financial Plan are intrinsically linked to the Corporate Business Plan. Together they provide a focus to the delivery of sustainable and improving services for the citizens of Warwickshire.
- 1.2 We are committed to maximising the integration of our financial and service planning, and delivering a business-led budget:
- **The Corporate Business Plan** – Identifies where we are going by reaffirming our Vision, Priorities and outcomes for 2010 – 2013 and setting out how we will know when we have achieved them.
 - **The Budget and Medium Term Financial Plan** – Ensures that the resources are place to allow us to achieve our ambitions.
- 1.3 The Plan is currently being refreshed in the context of the developed Budget proposals for 2010-13. The final Corporate Business Plan will be considered alongside the Medium Term Financial Plan in March.

2.0 Purpose of the 2010-13 Corporate Business Plan

- 2.1 This year marks an unprecedented amount of change for the business and financial planning process as a response to the continuing financial pressures that the Authority is operating within.
- 2.2 This has necessitated a more in-depth review of the current Corporate Business Plan in terms of the implications of the financial climate on our corporate priorities and cross-cutting themes. Cabinet and SDLT are in the process of developing a paper outlining how the Authority should change over the medium term to respond to the challenges which will form the basis of the final Plan.

- 2.3 The purpose of the Corporate Business Plan 2010-13 will therefore be to articulate the overall vision and medium term priorities for the Authority. It will also outline our contribution to partnership plans such as the Sustainable Community Strategy and the Children and Young Peoples Plan.
- 2.4 The Corporate Business Plan 2010-13 will be the main reference point for understanding where the Organisation will be by 2013, in doing so it will be supported by the following elements:
- The **Corporate Improvement Programme** will contain the projects and improvement activities that will be required to deliver the Plan
 - The **Corporate Performance Report** will monitor and manage the overall performance of the Authority. Alignment of performance measures to the priorities and vision will be assured through the Review & Refresh approach which will require SDLT, Cabinet and all Overview & Scrutiny Committees to approve the content of the Corporate Performance Report for 2010/11
 - The **Medium Term Financial Plan** will set out how we intend to use and raise the resources needed to deliver our services and priorities over the medium term.
 - The **Organisational Development Strategy** will outline the cultural and organisational change that is required to deliver the Corporate Improvement Programme.
 - **Directorate Business Plans** will outline each Directorate's contribution to the delivery of the overall Plan.

3.0 Proposed content of the Corporate Business Plan 2010-13

- 3.1 The proposed framework of the Plan is provided in **Appendix A**, broadly it will continue to be structured around the following two sections:
- **The Evidence Base** – Contextual and background information at a national, local and organisational level.
 - **The “Vision for Warwickshire”** – The overall vision of where we want to be by 2013 as an authority and as a contributing partner to the Sustainable Community Strategy.
- 3.2 The Full Corporate Business Plan will be presented to Council alongside the Medium Term Financial Plan in March, Directorate Business Plans will then be signed off by Portfolio Holders at the start of April.

4.0 Next steps

4.1 The Full Corporate Business Plan will be circulated to Members for their consideration and scrutiny in advance of Full Council on 30th March. A timeline of the next steps has been outlined below.

- Feb 2010**
- Final Budget and Corporate Business Planning Framework agreed by Council (9th Feb)
 - Cabinet and SDLT to consider draft Corporate Business Plan and to test the measures and targets developed for Directorate Report Cards.
- March 2010**
- Scrutiny of draft Corporate Business Plan (w/c 1st March)
 - Consolidated Directorate Report cards presented to O&S (1st- 4thMar)
 - Final Corporate Business Plan and Medium Term Financial Plan to be agreed by Council (March 30th)

Monica Fogarty
Assistant Chief Executive

Shire Hall
Warwick

Appendix A – Proposed Corporate Business Plan content

| Chapter Heading | Content |
|--|--|
| Introduction | |
| Foreword | This section provides an introduction to the plan from the Leader and Chief Executive of the Council |
| Corporate Plan Overview | A summary of the content of the CBP |
| Context | |
| About this Plan | <p>Explanation of the relationship between the following documents and the role of each:</p> <ul style="list-style-type: none"> • State of Warwickshire & Quality of Life Report • The Corporate Business Plan • The Budget and Medium Term Financial Plan • Organisational Development Strategy • Directorate Business Plans |
| The Story of Warwickshire | An introduction to Warwickshire as a place, aligned to the Sustainable Community Strategy (SCS) and the messages from the Quality of Life and State of Warwickshire Report. |
| Vision for Warwickshire | |
| Vision for WCC | This section will articulate the key elements of the <i>Vision for the authority in 2013</i> . |
| Working in Partnership | This section will provide an overview of the SCS and a summary of how the 9 outcomes link with the corporate priorities |
| Vision for our priorities and underlying themes | |
| The Corporate Priorities | <p>(This approach will be replicated for each priority)</p> <ul style="list-style-type: none"> • Background • Where do we want to be by 2013? • What will have been achieved as a result? • What do we need to do to get there? <p>NB. The related and detailed improvement activity and measures of performance will be housed in the Corporate Improvement Programme and the Corporate Performance Report respectively</p> |
| Principles of working (Cross-cutting Themes) | An outline of the principles that will inform the way we work to deliver our vision and supporting corporate priorities. |

AGENDA MANAGEMENT SHEET

Name of Committee Council
Date of Committee 9 February 2010
Report Title 2010/11 Budget

Summary This report presents the Cabinet’s latest proposed budget for 2010/11, following consideration of the latest financial information from the Strategic Director of Resources and his risk assessment on the level of reserves.

For further information please contact: Virginia Rennie
 Group Accountant
 Tel: 01926 412239
vrennie@warwickshire.gov.uk

Would the recommended decision be contrary to the Budget and Policy Framework? No.

Background papers The provisional 2010/11 budget agreed by Cabinet at their meeting on 10 December 2009.
 Report to Cabinet 28 January 2010 and the tabled update report at that meeting.

The update report to Cabinet on 28 January was circulated to the following prior to submission to that meeting:

- Other Committees
- Local Member(s)
- Other Elected Members Leaders and Resources Spokespersons:
 Councillors Jerry Roodhouse, June Tandy, John Appleton, Mike Gittus, Chris Davis and Brian Moss.
- Cabinet Member Councillor Alan Farnell, Councillor Martin Heatley
- Chief Executive
- Legal Sarah Duxbury
- Finance Dave Clarke - reporting officer

- Other Chief Officers
- District Councils
- Health Authority
- Police
- Other Bodies/Individuals

FINAL DECISION YES

SUGGESTED NEXT STEPS:

Details to be specified

- Further consideration by this Committee
- To Council
- To Cabinet
- To an O & S Committee
- To an Area Committee
- Further Consultation

Council – 9 February 2010

2010/11 Budget

Report of Cabinet

Recommendation

That Council agree the 2010/11 Budget and Medium Term Financial Plan.

1 Introduction and Background

- 1.1 Cabinet agreed their provisional 2010/11 revenue and capital budget resolutions on 10 December 2009. The spending proposals issued by Cabinet took account of the recommendations from the Strategic Directors Leadership Team and were based on the latest financial information available at the time and on the understanding that a further update would be presented to Cabinet in January.
- 1.2 An update was issued with the agenda for our meeting on 28 January, but again, this was on the understanding that some information would not be available for the despatch of the papers and that a further update on some aspects would have to be tabled at the meeting. That further update and the Cabinet's latest proposed budget were tabled at the meeting on 28 January. The final information provided by the Strategic Director of Resources is set out in the following paragraphs and is reflected in our draft budget proposals appended to this report.

2 The Final RSG Settlement

- 2.1 The final RSG Settlement for 2010/11 was announced on 20 January 2010. It confirmed that the provisional grant figure for 2010/11 is £92.092 million. This is the same as the provisional formula grant figure announced in December and the indicative figure announced in January 2009. It does not therefore change any of the information on which the draft budget proposals were prepared.

3 Council Tax Taxbase

- 3.1 The taxbase we must use when setting the council tax is the level notified to us by the district and borough councils in Warwickshire. For 2010/11 the taxbase is 199,563 Band D equivalent properties, an increase of 0.5% from the 2009/10 taxbase. The breakdown across the districts is shown in the table below.

| Table 1: A Comparison of the 2009/10 and 2010/11 Taxbase | | | | |
|---|--|--|-----------------------------------|----------------|
| | 2009/10 Taxbase Band D properties | 2010/11 Taxbase Band D properties | Variation Band D properties | Variation % |
| North Warwickshire | 21,172 | 21,217 | +45 | +0.2% |
| Nuneaton and Bedworth | 38,831 | 38,905 | +74 | +0.2% |
| Rugby | 34,887 | 35,175 | +288 | +0.8% |
| Stratford-on-Avon | 51,330 | 51,634 | +304 | +0.6% |
| Warwick | 52,294 | 52,632 | +338 | +0.6% |
| Total | 198,514 | 199,563 | +1,049 | +0.5% |

3.2 For planning purposes, for 2010/11, we had been using a standstill taxbase to reflect the expected impact of the recession and the downturn in the housing market on the number of new properties in Warwickshire. The actual taxbase figure of 199,563 Band D equivalent properties is higher than this. The impact of this increase in the taxbase is additional resources of £1.183 million or a 0.5% reduction in the increase in council tax needed.

4 Surplus/Deficit on Collection of Council Tax

4.1 As part of setting the council tax we also have to take into account any surplus/deficit on collection from previous years. This includes making provision in the 2010/11 budget resolutions to make good any deficit.

4.2 Final information from the district and borough councils has now been received. It shows a net surplus of £0.433 million. The breakdown across the districts is shown in the table below. The impact of this surplus is to increase the resources available to support the budget by £0.433 million or a 0.2% reduction in the increase in council tax needed.

| Table 2: 2010/11 Surplus/(Deficit) on Collection | |
|---|--|
| | 2010/11 Surplus/ (Deficit) on Collection £ |
| North Warwickshire | 243,890 |
| Nuneaton and Bedworth | 122,387 |
| Rugby | (14,227) |
| Stratford-on-Avon | 80,498 |
| Warwick | 0 |
| Total | 432,548 |

5 Allocation of Area Based Grant

- 5.1 At the time the initial budget proposals were prepared in December the 2010/11 Area Based Grant (ABG) was estimated to be £33.444 million. Since that time a number of government departments have made minor adjustments to their elements of ABG. The latest ABG figure for 2010/11 is £33.584 million and this will increase the top-sliced contribution to fund the overall budget from £0.468 million to £0.471 million.
- 5.2 Cabinet in December recommended that those elements of ABG not linked to partnership working or directly to the LAA priorities and targets should be allocated directly to the services concerned with the remainder of the ABG to be allocated towards funding existing commitments through the continued use of the broader partnership “themed pots” recommended by the Public Service Board in 2009/10. For each of the themed pots the relevant Strategic Director/Head of Service have consulted the key partnership about the allocation of the resource.
- 5.3 This consultation took place through the following forums:
- The Warwickshire Safer Communities Partnership met on 14 January 2010 to discuss the allocation of the funding for the “Safe and Sustainable Travel” and the “Safer and Stronger Communities Fund” themed blocks.
 - The Warwickshire Children’s Trust Board met on 12 January 2010 to discuss the allocation of the funding for the “School Improvement and Support”, “School Transport” and the “Empowering Children, Young People and Families” themed blocks
 - The Healthier Communities and Older People’s LAA Block met on 12 January 2010 to discuss the allocation of the funding for the “Supporting Independent Living” and “Social and Community Care” themed blocks.

6 Availability of General Reserves

- 6.1 Legislation requires that the Strategic Director, Resources make an annual statement on the adequacy of general reserves and provisions. The Strategic Director, Resources has now completed the risk assessment for 2010/11 which confirms that the minimum level of general reserves it is prudent to retain is £10.850 million, an increase of £2.350 million from the provision determined at this time last year. (A copy of the risk assessment is attached as an Appendix).
- 6.2 At the end of 2008/09 general reserves were £8.897 million. However, there are a number of known changes since 31 March 2009. During the year, there have been a number of actual/expected calls on general reserves reported as part of the quarterly budget monitoring. The effect of these is a net call on reserves of £1.616 million. As a result the forecast level of general reserves at 1 April 2010 is £7.281 million.

- 6.3 The latest forecast of unencumbered general reserves of £7.281 million is below the £10.850 million specified by the Strategic Director, Resources and this shortfall needs to be made good. Our proposals on reserves are set out at paragraph 2.3 of our recommendations.

7 Conclusion

The Cabinet's draft 2010/11 budget recommendations are set out in the attached appendices. These may be subject to further amendments between the despatch of this report and the Council consideration on 9 February.

Councillor Alan Farnell
Leader of the Council
Warwickshire County Council
Shire Hall
Warwick
CV34 4RR
February 2010

Risks Influencing the Level of General Reserves

| Risk Area | Level of Risk | Provision |
|--|---------------|------------------------|
| The potential for "Bellwin" type emergencies. Assuming such costs would attract grants under the Bellwin scheme, this provision would support circa £10 million of spend - sufficient for a major emergency. | Low to Medium | £2.500 million |
| The possibility of overspending on the "Other Services" budget due to the unpredictable and potentially volatile nature of interest rates or capital receipts not being delivered as planned in the financing of the capital programme. | High | £0.500 million |
| The likelihood of members making additional, in-year budget allocations to Directorates, or where members have arranged for Directorates to either not repay overspends or phase the repayment of any overspends over a period of more than one year, or where there are difficulties in delivering efficiency savings. | Medium | £2.000 million |
| The possibility of any further costs arising from legal judgements which would fall on the County Council within one year. | High | £1.500 million |
| Pay and conditions review. A possibility that the provision made to cover the cost of the implementation of the pay and conditions review is insufficient. | High | £1.000 million |
| Atherstone-on-Stour costs. The inquiry into the Atherstone-on-Stour incident has yet to publish its findings. In the meantime the authority is continuing to incur significant costs supporting the investigation. By the end of 2009/10 these are expected to be £0.650 million, with further costs anticipated in future years. | High | £1.000 million |
| Fire Improvement Plan. The decision on the Fire Improvement Plan has been deferred. Therefore, until the shape of the final proposal is known a provision is included for actions arising from the IRMP, pending any decisions on the Fire Improvement Plan. | Medium | £0.350 million |
| Personal Care at Home. There is a proposal that free personal care for people with the highest needs will be introduced from October 2010, over a third of which is to be funded from efficiencies. Given the level of savings adult social care is already planning to balance the budget there is a risk that sufficient additional efficiencies may not be deliverable. | Medium | £1.000 million |
| 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. These could absorb up to £3 million of costs. | Medium | £1.000 million |
| Sub-total | | £10.850 million |
| Outstanding Council Tax information. Provision to meet any deficits on collection where these are not known at the time the 2010/11 budget is agreed | Medium | £0.350 million |
| Total | | £11.200 million |

Note:

The risk assessment excludes the technical impact of any changes in the accounting treatment the collection fund that may be introduced.

2010/11 Revenue Budget Resolution

Cabinet Recommendations to County Council

The County Council is recommended to plan its budget framework for 2010/11 on the following basis:

1 Service Objectives

1.1 This budget proposal fully supports Warwickshire County Council's vision:

“Working in Partnership to put Customers First; Improve Services and Lead Communities”.

1.2 Along with our medium term financial plan, this budget proposal has been developed to deliver the key priorities as set out in the Corporate Business Plan:

- Raising levels of educational attainment,
- Maximising independence for older people and adults with disabilities,
- Pursuing a sustainable environment and economy, and
- Protecting the community and making Warwickshire a safer place to live.

1.3 This proposal emphasises the importance of the corporate priorities and, to that end, service plans and all documents that make up the Council's policy framework should reflect this.

1.4 We have developed these proposals in a very different economic climate to the one we have had in previous years. Historically the focus has been on moving the organisation forward in an evolutionary way, where stability has been valued. The financial climate means the pace of organisational change needs to accelerate and our budget proposal reflects this. Our overriding imperative has been to agree a budget and medium term financial plan that would enable us to deliver effective and sustainable services over the period of the administration.

1.5 As well as a range of suggested spending allocations and savings plans that deal with the immediate financial problem, our proposals, more critically, also include draft savings plans for the following three financial years. These indicate the scale of change necessary and are accompanied by a medium term financial planning framework that scopes the extent of the further work needed to meet the financial challenge facing us.

1.6 This budget proposal should be viewed as a “one plus three” year budget that solves the immediate financial problem for 2010/11 whilst outlining the work and decisions needed to bring the organisation into balance as a lean, focussed organisation that applies its scarce resources to optimum effect over the medium term.

1.7 Cabinet and Overview and Scrutiny Committees will continue to receive quarterly reports on service performance, financial performance and progress on the delivery of the savings plans.

2 Revenue Allocations

- 2.1 Approval is given to the additional budget allocations for 2010/11 shown in Table 1, to be applied as detailed in **Appendix A**.

| Table 1: 2010/11 Revenue Allocations | | | |
|---|--------------------------------|-----------------------------|-------------------------|
| Directorate | Time-Limited Allocation | Permanent Allocation | Total Allocation |
| | £ | £ | £ |
| Adult, Health and Community Services | 675,000 | 6,169,000 | 6,844,000 |
| Children, Young People and Families | 600,000 | 2,173,000 | 2,773,000 |
| Customers, Workforce and Governance | 0 | 117,000 | 117,000 |
| Environment and Economy | 973,000 | 1,906,000 | 2,879,000 |
| Fire and Rescue | 0 | 20,000 | 20,000 |
| Partnership and Performance | 0 | 1,000 | 1,000 |
| Resources | 0 | (158,000) | (158,000) |
| Other Services | 0 | 6,882,000 | 6,882,000 |
| Total | 2,248,000 | 17,110,000 | 19,358,000 |

- 2.2 Projecting these known areas of cost pressure and our medium term financial planning strategy forward the allocations on which we intend to base our planning in 2011/12 through to 2013/14 are also set out in Appendix A. These are the medium term costs of pressures funded or deferred in 2010/11. However, these indicative allocations will be subject to a full review both of the need for and level of any budget provision before the allocations are confirmed.
- 2.3 The current general reserves risk assessment, from the Strategic Director, Resources, suggests that a minimum prudent level of general reserves would be £10.850 million. We will incorporate the £0.716 million Local Authority Business Growth Initiative reserve into general reserves and in addition provide a further £2.853 million to ensure general reserves are at least at the minimum level.
- 2.4 As part of these proposals we have made a four-year allocation, of £675,000 a year, to Libraries, Learning and Culture. At the end of this period we expect to have completed the transformation to a service fully integrated into our one-front-door vision for access to services. By delivering savings year-on-year the transformation will also generate sufficient resource to fully make good any overspend at the end of 2009/10 by the end of the transformation period.
- 2.5 In July we considered a report titled "Narrowing the Gaps – Where do we Want to be in Four Years' Time?" In the current economic climate and the expected further tightening of resources in the future we have not found it possible to fund additional spending on specific Narrowing the Gaps initiatives. This decision has been made in light of the service consequences of the additional savings we would have needed to identify and the likelihood of being able to sustain any additional investment into the future. We remain committed to Narrowing the Gaps and in particular to delivering on the five issues identified as priorities for the next four years and beyond. These issues are:
- Older people, particularly those facing health inequality issues
 - Young people not in employment, education or training
 - Enhancing jobs and skills opportunities
 - Enhancing personalisation of services, and
 - Developing community leaders/advocates/champions.

We are, therefore, tasking Portfolio Holders to work with Strategic Directors to identify opportunities for redirecting existing resources to deliver on these priority areas. The redirection should be targeted at specific geographies and communities of need, deliberately allocating a greater share of available resources to those in greatest need to actively work towards reducing the size of the various gaps that exist across the County. This work will be coordinated through the Portfolio Holder for Economic Development and the Narrowing the Gaps Corporate Working Group.

- 2.6 We are committed to the delivery of the Transforming Education/Transforming Communities Programme as a key strand of our work on Narrowing the Gaps. The programme is the basis of our expression of interest on how we will deliver the Government's Building Schools for the Future programme within Warwickshire. The programme will deliver regeneration; through the creation of local jobs and investment as well as access to community facilities and the provision of integrated public services in particular localities, as well as the key corporate priority of raising levels of educational attainment through the improvement of educational facilities, engaging communities and raising aspirations to support future attainment. The first project within the overall programme is valued at £120 million. Within our revenue spending allocations we have provided, in line with government requirements, for the phased costs of procurement of £3.4 million over the next three years, to ensure we are ready to deliver the programme.

3 Area Based Grant Allocations

- 3.1 For 2010/11 the County Council's Area Based Grant (ABG) is estimated to be £33.584 million. We propose that, for 2010/11, the process for the allocation of ABG remains broadly the same as used for allocating the 2009/10 grant:
- Those elements of ABG not linked to partnership working are allocated directly to the services concerned.
 - The remainder of the ABG is allocated to the broader partnership "themed pots" introduced in 2009/10. For each of the themed pots the key partnership has been consulted about the allocation of the resource.
 - A 3% efficiency top-slice has been applied to ABG. This will ensure services funded by ABG are subject to the same requirement to deliver year-on-year efficiencies as all County Council services. The efficiency top-slice has been applied on the following basis:
 - Where the allocation has gone down services receive the 2010/11 cash allocation.
 - Where the allocation has gone up then services are allocated the higher of the 2010/11 allocation less 3% or the 2009/10 cash standstill.
- 3.2 Our recommendations on the allocation of ABG reflect the discussions and agreements reached at the partnership meetings. This is a clear demonstration of our on-going commitment to partnership working for the benefit of the citizens of Warwickshire.
- 3.3 This proposal allocates £33.113 million to services. We will use the £0.471 million generated via the efficiency top-slice to support our 2010/11 budget proposals. The overall position is summarised in Table 2 below, with full details of the allocations in **Appendix B**.

| Table 2: 2010/11 Area Based Grant Allocations | |
|--|-------------------|
| Directorate | £ |
| Adult, Health and Community Services | 17,697,000 |
| Children, Young People and Families | 6,670,000 |
| Customers, Workforce and Governance | 472,000 |
| Environment and Economy | 3,857,000 |
| Other Services - allocations to partners | 4,417,000 |
| Total Allocation | 33,113,000 |
| | |
| Efficiency top-slice to fund the 2010/11 budget | 471,000 |
| | |
| 2010/11 Area Based Grant | 33,584,000 |

4 Funding Sources

- 4.1 We are committed to delivering the medium term savings targets approved as part of the 2009/10 budget resolution in 2010/11. Our savings plan will generate £9.813 million in 2010/11 and approval is given to the savings targets shown in Table 3.

| Table 3: 2010/11 Savings Targets | |
|---|-----------------------------|
| Directorate | Savings Target £ |
| Adult, Health and Community Services | 4,453,000 |
| Children, Young People and Families | 2,026,000 |
| Customers, Workforce and Governance | 654,000 |
| Environment and Economy | 1,853,000 |
| Partnership and Performance | 70,000 |
| Resources | 757,000 |
| Total | 9,813,000 |

- 4.2 Our plans for the delivery of these savings are shown in **Appendix C**. However, if during 2010/11 any of the savings do not materialise to the degree shown, the Strategic Director in conjunction with the relevant portfolio holder should identify alternative proposals to ensure the savings targets are delivered.
- 4.3 In addition to the savings targets in Table 3, Children, Young People and Families directorate will maintain the funding for Kingsbury swimming pool for a further twelve months whilst a community-based long term solution for the operation of the facility is developed.
- 4.4 Beyond 2010/11 we are proposing minimum savings targets of 3% for all services. Savings of this level are significant. There are clear risks with the deliverability of the projects that will be undertaken to deliver savings at this level of an annual basis. We have therefore identified costed savings proposals over the medium term that will enable a greater understanding of the impact of savings plans and the difficult choices we have had to make. These are also detailed in Appendix C.
- 4.5 The savings targets are shown against the Directorate initiating the project that results in savings. Therefore, the Strategic Director, Resources has the delegated

authority to adjust budgets between Directorates, where savings fall, to ensure the targets are delivered.

- 4.6 Over half of the authority's spending each year is on staffing. Therefore, it is inevitable that any proposals to deliver savings of this level will require, in some areas, a reduction in the number of posts. Policies and processes are in place to enable us to get smarter at redeploying people. However, it has to be recognised, some redundancies may be necessary, resulting in a need to fund redundancy costs. We have already agreed that £7.1 million be set within reserves for realigning services, or more specifically to fund the up-front costs of redundancy. However, over the medium term this is unlikely to be sufficient unless a way is found to replenish the provision. To maximise the value allocations from the Service Realignment Fund will be made on a repayable basis, wherever possible. Services will be able to phase their repayments over a longer period. This option to extend the phasing will allow, as a maximum, services to benefit from 50% of any savings immediately. The full saving would then be delivered once the full upfront redundancy cost has been repaid. The Strategic Directors of Resources and Customers, Workforce and Governance, in conjunction with the relevant portfolio holders, will draw up a protocol for the use of the Fund, before 31 March 2010. All allocations from the Fund must be in accordance with the agreed protocol.
- 4.7 The council tax will be increased by 2.4%, which, together with other funding resources identified, will fund the proposals contained within this resolution.

5 Medium Term Financial Planning Framework

- 5.1 Within the restricted financial environment expected over the medium term we will continue to focus our efforts to ensure the delivery of value for money across the authority and the provision of cost-effective services. Our aim remains to ensure value for money (through a cost to performance comparison) is upper quartile for all services.
- 5.2 The funding proposals outlined in this resolution balance the 2010/11 budget. However, based on current forecasts, there remains a significant deficit to be closed in each of the next three years. These deficits are after applying 3% a savings targets to all services on an annual basis. Therefore, this framework is only the start of our work on medium term financial planning. We will continue our work to eradicate these forecast deficits, as each year's budget is likely to require more fundamental decisions about the future direction and priority of services than the last. We recognise that such changes will require significant upfront planning and have longer implementation timeframes.
- 5.3 Our work to balance the budget over the medium term incorporates four additional areas of work:
- To manage future spending pressures
 - To deliver step changes in services to significantly reduce costs
 - To identify opportunities to generate additional income, and
 - To deliver maximum value from our existing and future assets
- 5.4 The future spending pressures are in relation to two main areas – adult services demography and the cost of waste disposal. Managing the latter is being dealt with through Project Transform, the PFI project being developed in conjunction with Coventry and Solihull. The former is a potentially more significant and longer term challenge. In 2010/11 an additional £4.171 million is being built into the budget to meet the costs of a demographic growth and increasing care needs in adult social care. Current estimates are that a further £4 million to £5 million a year will be needed

to keep pace with the expected growth in future years. These costs, because of their sheer size, have the potential to undermine the sustainability of the whole budget at a time of diminished resources. We will therefore undertake an urgent review of the demographic pressures in adult social care to identify opportunities and options for managing the pressure for future years. This work will begin immediately and be completed before the detailed work on the 2011/12 budget begins in the late summer. The Chief Executive is to come forward with proposals before the end of March 2010 detailing how this work will be taken forward.

5.5 To deliver step changes in services to significantly reduce costs we will take forward the work of the Heads of Service, as part of this year's Star Chamber process, on areas where potentially significant savings are believed to exist. These will be used to deliver directorate savings targets in the first instance, with any additional savings contributing towards closing the forecast medium term shortfall in resources. The areas of work include:

- Management Restructure – the move to a smaller, leaner managerial core as the organisation changes to meet the financial challenges ahead. The implementation plan for this significant change programme should be available for consideration by members by the end of May.
- Accommodation – as staffing levels reduce our accommodation should also be reduced by at least a corresponding amount and savings realised through property disposals.
- Transport – the rationalisation of transport provision across the authority. There are three strands of work that we believe have the potential to deliver the savings – changes in our transport policies, more sophisticated mapping of routes to minimise the distances travelled and the procurement of transport. The cross-directorate working group commissioned to begin this work should report back on the potential savings and delivery timescales by the end of May.
- Mobile and flexible working – wherever possible we support the move to more mobile and flexible ways of working. We would expect this to provide further opportunities for accommodation rationalisation.
- ICT – Investment in ICT is a key factor in supporting service change and the delivery of efficiencies. The delivery of efficiencies should be prioritised in the allocation of the Corporate ICT Development Fund. We see flexible and mobile working, communications through continued work on the web site, the Customer Service Centre and One Stop Shop arena and continuing to improve our general ICT infrastructure as particular areas of importance.

5.6 As part of ensuring value for money, as well as our work to identify and deliver savings, we will continue to modernise the organisation and our service offer. Our major change programme for the authority includes:

- One front door and access
- Support services and the business partner model
- Commissioning and/or outsourcing where it is in the interests of the authority
- Fire and Rescue Service change management
- Libraries transformation
- The skills agenda
- Our working with the Third Sector
- Benchmarking and learning from other councils
- Opportunities to generate additional income
- Delivering maximum value from the use of our assets

- 5.7 Our detailed medium term financial plan to be approved in March 2010 will reflect the financial implications of these major change programmes. We expect full business cases, with options, on how to take each of these major change programmes forward to be available by the end of June 2010.
- 5.8 We will continue to work closely with partners, in particular our district and borough councils and other neighbouring authorities, where we are committed to increased effectiveness and efficiency by exploring shared services.
- 5.9 The systematic use of business cases should be prepared for all future investment in services. These must clearly define quantifiable pay back times and benefits from the outset. These should then be monitored through regular review processes.

6 Strategic Director, Resources Statement

- 6.1 That the following statement from the Strategic Director, Resources be noted.

"The Local Government Act 2003 requires me as "Chief Finance Officer" to report on:

- ◆ *The robustness of the revenue estimates made for the purposes of the budget calculations; and*
- ◆ *The adequacy of the proposed financial reserves.*

The budget information used in preparing this revenue budget resolution has undergone extensive scrutiny by:

- ◆ *Strategic Directors and their staff;*
- ◆ *Staff within the Resources Directorate;*
- ◆ *Strategic Directors Leadership Team;*

In addition to this I have worked closely with members, and particularly the Conservative Budget Group, in preparing this budget resolution. The level of one-off resources being used to fund this budget is less than the level of one-off allocations and therefore, I can confirm, will not cause additional revenue funding pressures in the future. In overall terms I am of the view that this revenue budget has been prepared on realistic assumptions and that it represents a robust budget.

Members should, however, note the considerable financial pressures which the authority will face in future years and which have been highlighted in various reports to Cabinet. As yet these pressures are unresolved and there remains a need for significant and prompt action to address them.

I have also undertaken a risk analysis of the adequacy of financial reserves. This highlighted the need to retain a minimum of £10.850 million in general reserves. This resolution makes provision for this level of reserves, taking account of the latest projections reported to members as part of the corporate budget monitoring process. I am therefore of the view that this budget does provide for an adequate level of reserves."

7 Summary of Service Estimates

7.1 Approval be given to the individual service net revenue estimates of:

| | Base Budget £ | Revenue Allocations £ | Area Based Grant Allocations £ | Funding Sources £ | Total £ |
|-------------------------------------|--------------------|-----------------------------|---|-------------------------|--------------------|
| Adult, Health & Community Services | 123,919,901 | 6,844,000 | 17,697,000 | (4,453,000) | 144,007,901 |
| Children, Young People & Families | 101,974,860 | 2,773,000 | 6,670,000 | (2,026,000) | 109,391,860 |
| Customers, Workforce & Governance | 3,683,041 | 117,000 | 472,000 | (654,000) | 3,618,041 |
| Environment & Economy | 57,954,126 | 2,879,000 | 3,857,000 | (1,853,000) | 62,837,126 |
| Fire & Rescue | 22,534,133 | 20,000 | 0 | 0 | 22,554,133 |
| Partnership & Performance Resources | (38,091) | 1,000 | 0 | (70,000) | (107,091) |
| Resources | 1,362,806 | (158,000) | 0 | (757,000) | 447,806 |
| Other Services | 38,291,221 | 6,882,000 | (29,167,000) | 0 | 16,006,221 |
| Less: Depreciation | (38,065,253) | 0 | 0 | 0 | (38,065,253) |
| | 311,616,744 | 19,358,000 | (471,000) | (9,813,000) | 320,690,744 |
| Contributions to/(from) reserves: | | | | | |
| General Reserves | 0 | 3,569,000 | 0 | 0 | 3,569,000 |
| Service/earmarked savings | 0 | 0 | 0 | (716,000) | (716,000) |
| Virtual Bank | (475,500) | 0 | 0 | 0 | (475,500) |

8 Budget Requirements

8.1

| | Base Budget £ | Revenue Allocations £ | Area Based Grant Allocations £ | Funding Sources £ | Total £ |
|--|------------------|-----------------------------|---|-------------------------|-------------|
| Approval to be given to a budget requirement for the general expenses of the County Council for the year ending 31 March 2011 of | 311,141,244 | 22,927,000 | (471,000) | (10,529,000) | 323,068,244 |

8.2

| The basic amount of the Council Tax for a Band D property, for the year ending 31 March 2011 be calculated as follows: | £ |
|--|-----------------|
| Budget Requirement | 323,068,244.00 |
| Less Redistributed National Non-Domestic Rates | (80,414,702.00) |
| Less Revenue Support Grant | (11,676,961.00) |
| Add Council Tax Deficit on Collection | (432,548.00) |
| | 230,544,033.00 |
| Divided by aggregate Council Tax Base for the County Area | 199,562.75 |
| Basic amount of Council Tax (Band D) | 1,155.25 |

9 Council Tax

9.1 Approval be given to Council Tax amounts for each category of property as follows:

| | £ |
|--------|------------|
| Band A | 770.1639 |
| Band B | 898.5245 |
| Band C | 1,026.8852 |
| Band D | 1,155.2458 |
| Band E | 1,411.9671 |
| Band F | 1,668.6884 |
| Band G | 1,925.4097 |
| Band H | 2,310.4916 |

10 Precepts

10.1 The Chief Executive issue 2010/11 precepts on the Warwickshire billing authorities, as follows:

| | £ |
|-------------------------------------|---------------|
| North Warwickshire Borough Council | 24,510,758.17 |
| Nuneaton & Bedworth Borough Council | 44,944,838.67 |
| Rugby Borough Council | 40,636,488.01 |
| Stratford-on-Avon District Council | 59,649,546.84 |
| Warwick District Council | 60,802,401.31 |

11 Budget Management

11.1 The Chief Executive is directly responsible for the implementation of the budget.

11.2 The Chief Executive and Strategic Director, Resources are authorised to vire revenue budgets between Directorates where such virements are as a direct consequence of the specific spending allocations, delivery of the savings targets, invest-to-save projects and funding strategies contained in this resolution and the accompanying capital budget resolution.

11.3 The Chief Executive and Strategic Director, Resources, in consultation with the Leader, are authorised to reverse allocations made as part of this budget process where the investment does not progress.

11.4 The Strategic Director, Resources is authorised to draw down from reserves accumulated from previous years' savings and vire money between reserves where these adjustments are as a direct consequence of the specific spending allocations, delivery of the savings targets, invest-to-save projects and funding strategies contained in this resolution and the accompanying capital budget resolution.

11.5 The Chief Executive is instructed to remind all Strategic Directors that budgets must not be overspent and that effective budget management arrangements should be the cornerstone of Directorates' work to secure value for money.

11.6 Directorates, and also schools, are encouraged to take a medium term view of spending commitments and ensure a prudent approach is adopted in entering into

initiatives which create commitments in future years and developing clear strategies for the utilisation of service reserves.

- 11.7 All member bodies, members and Strategic Directors are instructed to comply with the prescriptive legal duties placed upon the Council and the Chief Executive and Strategic Directors be instructed to ensure that the implementation of policies complies with legal requirements.
- 11.8 That authority is given for all necessary tenders to be obtained and contracts to be completed to give effect to this budget.

2010/11 Spending Allocations

| Reference | Description | 2010/11 Time Limited Allocation £000 | 2010/11 Permanent Allocation £000 | 2010/11 Total Allocation £000 | 2011/12 Indicative Extra Cost /(Saving) £000 | 2012/13 Indicative Extra Cost /(Saving) £000 | 2013/14 Indicative Extra Cost /(Saving) £000 |
|---|---|--|--|--|--|--|--|
| Adult, Health and Community Services | | | | | | | |
| | Medium term financial plan allocation | 0 | 1,157 | 1,157 | 0 | 0 | 0 |
| AHCS-02 | Demographic pressure | 0 | 2,843 | 2,843 | 0 | 0 | 0 |
| AHCS-03 | Increasing care needs in Learning Disability Services | 0 | 1,328 | 1,328 | 0 | 0 | 0 |
| AHCS-05 | Carers services | 0 | 561 | 561 | 562 | 564 | 569 |
| AHCS-06 | Appointeeship services for vulnerable adults | 0 | 109 | 109 | 65 | 78 | 94 |
| AHCS-08 | Safeguarding | 0 | 171 | 171 | 0 | 0 | 0 |
| | Libraries planned four-year transformation programme | 675 | 0 | 675 | 0 | 0 | 0 |
| Sub-Total | | 675 | 6,169 | 6,844 | 627 | 642 | 663 |
| Children, Young People and Families | | | | | | | |
| | Medium term financial plan allocation | 0 | 691 | 691 | 0 | 0 | 0 |
| CYPF-02 | Social care placements for Looked After Children | 0 | 923 | 923 | 413 | 488 | 511 |
| CYPF-04 | Legal case work | 0 | 205 | 205 | 115 | 118 | 124 |
| CYPF-05 | Special Educational Needs transport | 0 | 354 | 354 | 0 | 0 | 0 |
| CYPF-09 | Transforming Education / Transforming Communities project | 600 | 0 | 600 | 1,000 | (400) | (1,200) |
| Sub-Total | | 600 | 2,173 | 2,773 | 1,528 | 206 | (565) |
| Customers, Workforce and Governance | | | | | | | |
| | Medium term financial plan allocation | 0 | 17 | 17 | 0 | 0 | 0 |
| CWG-03 | Intranet | 0 | 100 | 100 | 0 | 0 | 0 |
| Sub-Total | | 0 | 117 | 117 | 0 | 0 | 0 |
| Environment and Economy | | | | | | | |
| | Medium term financial plan allocation | 0 | 1,906 | 1,906 | 0 | 0 | 0 |
| EE-03 | Highways maintenance drainage | 250 | 0 | 250 | 250 | (500) | 0 |
| EE-09 | Grass cutting - contribution to District & Borough Councils | 200 | 0 | 200 | (200) | 0 | 0 |
| EE-10 | PFI procurement costs for Project Transform. | 273 | 0 | 273 | 195 | (347) | (121) |
| EE-11 | Preparation of statutory mineral and waste plan documents | 0 | 0 | 0 | 75 | 0 | (75) |
| EE-12 | Development regulations - reduction in developer income | 250 | 0 | 250 | (250) | 0 | 0 |
| Sub-Total | | 973 | 1,906 | 2,879 | 70 | (847) | (196) |

2010/11 Spending Allocations

| Reference | Description | 2010/11 Time Limited Allocation £000 | 2010/11 Permanent Allocation £000 | 2010/11 Total Allocation £000 | 2011/12 Indicative Extra Cost /(Saving) £000 | 2012/13 Indicative Extra Cost /(Saving) £000 | 2013/14 Indicative Extra Cost /(Saving) £000 |
|-----------|--|--|--|--|--|--|--|
| | Fire and Rescue | | | | | | |
| | Medium term financial plan allocation | 0 | 20 | 20 | 0 | 0 | 0 |
| | Sub-Total | 0 | 20 | 20 | 0 | 0 | 0 |
| | Partnership and Performance | | | | | | |
| RE-02 | Medium term financial plan allocation | 0 | 1 | 1 | 0 | 0 | 0 |
| | Sub-Total | 0 | 1 | 1 | 0 | 0 | 0 |
| | Resources | | | | | | |
| RE-02 | Medium term financial plan allocation | 0 | (158) | (158) | 0 | 0 | 0 |
| | Carbon reduction commitment | 0 | 0 | 0 | 109 | (1) | (108) |
| | Sub-Total | 0 | (158) | (158) | 109 | (1) | (108) |
| | Other Services | | | | | | |
| | Medium term financial plan allocation | 0 | 2,921 | 2,921 | 0 | 0 | 0 |
| OS-02 | Disposal costs of council properties | 0 | 250 | 250 | 0 | 0 | 0 |
| OS-02 | Loss of courts income | 0 | 88 | 88 | 124 | 0 | 0 |
| AHCS-09 | Capital financing costs - care homes fire regulations | 0 | 20 | 20 | 34 | 0 | 0 |
| EE-02 | Capital financing costs - highways maintenance & road safety | 0 | 60 | 60 | 160 | 160 | 160 |
| EE-07 | Capital financing costs - Stratford Parkway station | 0 | 20 | 20 | 51 | 32 | 0 |
| EE-08 | Capital financing costs - Kenilworth rail station | 0 | 19 | 19 | 39 | 18 | 0 |
| Corporate | Single Status - phase 2 on-going costs | 0 | 3,000 | 3,000 | 0 | 0 | 0 |
| Corporate | Capacity Building Fund | 0 | 504 | 504 | 0 | 0 | 0 |
| | Sub-Total | 0 | 6,882 | 6,882 | 408 | 210 | 160 |
| | TOTAL | 2,248 | 17,110 | 19,358 | 2,742 | 210 | (46) |

2010/11 Area Based Grant Allocations

| Themed Pot/Direct Allocation | Element of ABG Grant | 2010/11 ABG Allocation £000 |
|--|---|--------------------------------------|
| Direct Allocations | | |
| Supporting People Administration | Adult Health and Community Services | 255 |
| Preserved Rights | Adult Health and Community Services | 2,347 |
| Child Death Review Processes | Children, Young People and Families | 49 |
| Detrunking, Economic Assessment Duty and Rural Bus Subsidy | Environment and Economy | 2,285 |
| Local Involvement Networks and Community Call for Action | Customers, Workforce and Governance | 224 |
| | Direct Allocations Total | 5,160 |
| Themed Pot | | |
| Safe and Sustainable Travel | Environment and Economy | 1,572 |
| | Total | 1,572 |
| Safer Communities | Customers, Workforce and Governance | 248 |
| | Warwickshire Police Authority | 57 |
| | Warwick District Council (on behalf of South Warwickshire CDRP) | 131 |
| | Rugby Borough Council | 14 |
| | Nuneaton and Bedworth Borough Council | 58 |
| | North Warwickshire Borough Council | 38 |
| | Warwickshire Probation | 20 |
| | Total | 566 |
| School Improvement and Support # | Children, Young People and Families | 3,060 |
| | Total | 3,060 |
| School Transport # | Children, Young People and Families | 481 |
| | Total | 481 |
| Empowering Children, Young People & Families # | Connexions | 4,099 |
| | Children, Young People and Families | 2,637 |
| | Total | 6,736 |

Note

The Childrens Trust are currently undertaking a review of the funding for extended services. Once this review is complete they may come back to Cabinet/Council with revised proposals for the use of ABG allocated to CYPF.

2010/11 Area Based Grant Allocations

| Themed Pot/Direct Allocation | Element of ABG Grant | 2010/11 ABG Allocation £000 |
|-------------------------------|--------------------------------------|--------------------------------------|
| Supporting Independent Living | Adult, Health and Community Services | 629 |
| | Total | 629 |
| Social and Community Care | Adult, Health and Community Services | 4,319 |
| | Children, Young People and Families | 443 |
| | Total | 4,762 |
| Supporting People | Adult, Health and Community Services | 10,147 |
| | Total | 10,147 |
| | Themed Pot Total | 27,953 |
| Summary | | |
| Directorate Allocations | Adult, Health and Community Services | 17,697 |
| | Children, Young People and Families | 6,670 |
| | Customers, Workforce and Governance | 472 |
| | Environment and Economy | 3,857 |
| | 28,696 | |
| | Partner Allocations | 4,417 |
| | Total Allocations | 33,113 |
| | 3% Efficiency Top-Slice | 471 |
| | FUNDING TOTAL | 33,584 |

Medium Term Savings Plan

| Savings Area | | Description of Savings Option | Saving 2010/11 £'000 | Extra Saving 2011/12 £'000 | Extra Saving 2012/13 £'000 | Extra Saving 2013/14 £'000 |
|---|--|---|----------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Adult, Health and Community Services | | | | | | |
| AH1 | Customer Access | Streamline the adult customer journey, supported by increased mobile working and conversion to a more efficient assessment process, to meet the same needs. The option includes a review of team manager posts. | 232 | 38 | 400 | 92 |
| AH2 | PHILLIS | Recommission the PHILLIS service with a view to reducing costs through delivery by the voluntary sector and/or existing teams. | 150 | 150 | 0 | 0 |
| AH3 | Continuing Health Care | Ensure all community health care packages are appropriate and where this is found not to be the case recover costs from the NHS. | 104 | 104 | 0 | 0 |
| AH4 | Reablement | Invest in an internal reablement service, so reducing the cost of traditional care packages. | 1,302 | 1,246 | 188 | 0 |
| AH5 | Extra Care and Residential Care | Invest in more specialist residential care and extra care, removing the excess capacity in residential care services. | 139 | 243 | 52 | 449 |
| AH6 | Adult social care charging policy | Increase the charges for community based adult social care services. This will include reviewing the level of and subsidy, raising the ceilings on charges and reducing the minimum income protection provided. | 769 | 2,007 | 324 | 0 |
| AH7 | Homecare | Full year effect of the reduction in costs following the review of operational practices, terms and conditions and the overall mix of provision of homecare. | 685 | 222 | 114 | 214 |
| AH8 | Day services and voluntary sector provision | Reduce the provision of day care services (voluntary sector, internally and externally provided) and reinvest 50% of the savings into personalisation. | 349 | 272 | 373 | 246 |
| AH9 | Transport costs | Rationalise transport services in line with the day services review (AH8). | 37 | 71 | 65 | 25 |
| AH10 | Application of the Fair Access to Care Services criteria | Review care packages with low contact hours to ensure compliance with the substantial or critical level of care need required for continued funding. | 154 | 0 | 0 | 0 |
| AH11 | Reviewing Service | Reassess the cost of care packages where reviews have been undertaken by the Reviewing Service and implement efficiencies in the service. | 75 | 100 | 100 | 0 |

Medium Term Savings Plan

| Savings Area | | Description of Savings Option | Saving 2010/11 £'000 | Extra Saving 2011/12 £'000 | Extra Saving 2012/13 £'000 | Extra Saving 2013/14 £'000 |
|--|--|--|----------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| AH12 | Residential care homes | Reduce costs associated with spending on empty residential care beds. | 160 | 0 | 0 | 0 |
| AH13 | Management structures - community support services | Reduce the number of management posts | 202 | 0 | 0 | 0 |
| AH14 | Management structures - adult social care | Reduce the number of management posts | 163 | 58 | 151 | 0 |
| AH15 | Allowance for double counting of Adult Social Care savings | The adult social care savings initiatives have the potential to impact on the same services. A 5% overall reduction in the savings options is included as an allowance for any duplication. | (200) | (222) | (81) | (52) |
| AH20 | Funding pressures not known at this stage | Higher savings made in the plan's early years to ensure the service does not overspend as a result of slippage or any emergent spending pressure. | (69) | (1,473) | 1,542 | 0 |
| AH21 | Unidentified Adult, Health and Community Services savings | Further savings required to meet the savings target in future years. | 131 | 512 | 210 | 2,588 |
| AH28 | Libraries, Heritage and Cultural Services | Rationalise the services to deliver savings to the level identified and to resolve the underlying structural overspend in the library service including the reimbursement of the 2009/10 overspend by the end of 2013/14. | 70 | 70 | 70 | 70 |
| | | | 4,453 | 3,398 | 3,508 | 3,632 |
| Children, Young People and Families | | | | | | |
| CY1 | Post 16 transport | Remove transport arrangements for home to college transport. | 379 | 550 | 371 | 0 |
| CY2 | Music Service | Reduce the subsidy for the County Music Service and investigate the potential for sub-regional collaboration on this service with Coventry and Solihull, to generate compensating savings in order to minimise the impact on clients of the service. | 323 | 327 | 245 | 0 |
| CY3 | Integrated Youth Support Services | Streamline IYSS activities and places of service delivery to reflect the level of need in a locality, using Youth Panels and Youth Forums to reprioritise service provision. | 300 | 300 | 0 | 0 |
| CY4 | Arts Zone | Review the service provision as part of reducing the cost and subsidy provided to cultural services. | 117 | 0 | 0 | 0 |

Medium Term Savings Plan

| Savings Area | | Description of Savings Option | Saving 2010/11 £'000 | Extra Saving 2011/12 £'000 | Extra Saving 2012/13 £'000 | Extra Saving 2013/14 £'000 |
|--------------|--|---|----------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| CY5 | Accommodation | Increase the use of mobile working and further integrate and rationalise services in localities leading to a reduction in the need for accommodation. | 140 | 63 | 0 | 0 |
| CY6 | ICT investment and new ways of working | Invest in ICT and new ways of working to deliver more efficient services. This includes mobile working for social workers, streamlining cost centre manager support and only using electronic communications with schools. | 100 | 100 | 100 | 100 |
| CY7 | Management structures | Move to a locality based structure, with a reduced management structure, to support and deliver children's services. The transition will take three years to implement. | 0 | 360 | 500 | 0 |
| CY8 | Sub-regional working | Maximise front-line capacity and reduce bureaucracy by working on a sub-regional basis. Includes investigating sub-regional approaches for services including fostering and adoption, youth support, youth offending, traded services with schools, education psychologists and school improvement to reduce costs. | 20 | 200 | 100 | 100 |
| CY9 | Commissioning | Continue progress towards a commissioning-based approach, using evidence to streamline and decommission services. | 130 | 50 | 100 | 100 |
| CY10 | REACCH Service | Mainstream the activity through care plans, monitored through children's panels to integrate the statutory requirement in social work practice. | 55 | 0 | 0 | 0 |
| CY11 | Grounds Maintenance management | Centralise and manage grounds maintenance within the Resources Directorate as part of facilities management. | 40 | 0 | 0 | 0 |
| CY12 | Developer Contributions management | Manage developer contributions corporately to reduce duplication between directorates. | 30 | 0 | 0 | 0 |
| CY13 | Student Finance | When responsibility for student finance transfers to the Student Loans Company from April 2011 the service will no longer be required. | 0 | 70 | 0 | 0 |
| CY14 | Youth Services Development Grants | Reduce the number of grants given out to third sector organisations. | 25 | 0 | 0 | 0 |

Medium Term Savings Plan

| Savings Area | | Description of Savings Option | Saving 2010/11 £'000 | Extra Saving 2011/12 £'000 | Extra Saving 2012/13 £'000 | Extra Saving 2013/14 £'000 |
|--|---|--|----------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| CY15 | Special Educational Needs Transport (including taxi usage) | Implement the proposals in the business process improvement review of special educational needs transport, to make the service more efficient and introduce independent travelling arrangements for young people with disabilities aged 14+. | 75 | 0 | 0 | 0 |
| CY16 | Outdoor Education Centres | Make the outdoor education centres at Marle Hall and Kingsbury Water Park self financing | 0 | 10 | 35 | 0 |
| CY17 | Early Intervention Service | Complete the development of integrated working and locality working, removing the need for project capacity. | 80 | 50 | 0 | 0 |
| CY18 | Early Years Advisors and the Integrated Disability Service 0-5 team | Integrate and streamline the work of the IDS 0-5 team and the Early Years Advisor role to reduce costs. | 100 | 0 | 0 | 0 |
| CY19 | Looked after children in residential care. | Support looked after children in family settings whenever possible, reducing the need to fund residential care placements. | 100 | 0 | 0 | 0 |
| CY20 | Parenting and family support services | Rationalise the processes and procedures in the provision of parenting and family support services to eliminate duplication. | 25 | 0 | 0 | 0 |
| CY21 | Unidentified savings | | (13) | (49) | 616 | 1,756 |
| | | | 2,026 | 2,031 | 2,067 | 2,056 |
| Customers, Workforce and Governance | | | | | | |
| CW1 | Core Legal budget | Reduce the core legal and insurance budget. | 37 | 0 | 0 | 0 |
| CW3 | School governance | Reduce the range of free services provided to governors. | 15 | 0 | 0 | 0 |
| CW4 | Audit and Risk Management | Reduce the audit and risk team by one member of staff. | 25 | 0 | 0 | 0 |
| CW5 | Workforce Strategy and Development | Reduce staff levels across the division. | 154 | 0 | 0 | 0 |
| CW6 | Communications | Reduce staff and services, do not renew leases on equipment. | 42 | 4 | 3 | 0 |
| CW7 | Registration | Consolidate registration services into key offices. | 9 | 12 | 12 | 0 |
| CW8 | Customer Complaints and Customer Service | Reduce the commissioning of external investigations into complaints. | 17 | 0 | 0 | 0 |
| CW9 | Equality and Diversity | Reduce grant schemes | 14 | 9 | 8 | 0 |

Medium Term Savings Plan

| Savings Area | | Description of Savings Option | Saving 2010/11 £'000 | Extra Saving 2011/12 £'000 | Extra Saving 2012/13 £'000 | Extra Saving 2013/14 £'000 |
|--------------------------------|--|---|----------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| CW10 | One-Stop Shops and Customer Contact | Reduce funding for projects, reduce staff levels through integration with libraries and the CSC. | 168 | 0 | 0 | 0 |
| CW11 | Information Management | Reduce costs through the generation of external funding, efficiency improvements and viewing the level of subsidy provided. | 6 | 0 | 0 | 0 |
| CW12 | Resources | Streamline administrative support provided to the directorate. | 35 | 0 | 0 | 0 |
| CW13 | Judges House | Reduce spending at Judges House in anticipation of the courts transfer to Leamington Spa. | 8 | 0 | 0 | 0 |
| CW14 | Community Grants | Reduce grants. | 106 | 42 | 41 | 0 |
| CW15 | Localities and Communities Team | Reduce staff numbers and spending. Some savings to be delivered as part of the management structure review the balance through the possible merger of area offices. | 18 | 26 | 25 | 0 |
| CW16 | Community Safety | Reduce administrative posts | 0 | 29 | 28 | 0 |
| CW17 | Management Structures | Reduce the number of management posts. | Not costed yet | Not costed yet | Not costed yet | Not costed yet |
| CW18 | Core Services and Processes Review | Core services and processes are constantly under review. At this stage it is too early to quantify the reductions that are achievable. | Not costed yet | Not costed yet | Not costed yet | Not costed yet |
| CW19 | Unidentified savings | Savings to be identified from the reviews listed above. | 0 | 253 | 255 | 368 |
| | | | 654 | 375 | 372 | 368 |
| Environment and Economy | | | | | | |
| EE1 | Economy and Development - provision of a strategic and commissioning service | Rationalise services themselves and the approach to delivery of services, curtailing activity which other agencies can do effectively. | 255 | 0 | 70 | 70 |
| EE2 | Economy and Development signature projects and sub-regional working | The long term challenges will require sub-regional cooperation (with maintained cross-authority political cohesion). There are opportunities to take forward external funding on a sub-regional basis e.g. SUD alongside a greater focus of activity on fewer but significant "signature" projects. Refocus activity on co-ordination rather than delivery. | 140 | 0 | 0 | 0 |

Medium Term Savings Plan

| Savings Area | | Description of Savings Option | Saving 2010/11 £'000 | Extra Saving 2011/12 £'000 | Extra Saving 2012/13 £'000 | Extra Saving 2013/14 £'000 |
|--------------|--|--|----------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| EE3 | Economy and Development - shared services | Share costs with other agencies (e.g. with AWM in relation to feasibility studies) and review payments to outside bodies & consultants (e.g. BIDs where the pilot is being brought to a close). | 150 | 0 | 0 | 0 |
| EE4 | Economy and Development - increase income | Refocus the service to reduce time spent on non-funded activities (such as EBP) and generate more income from the business property portfolio. | 80 | 90 | 25 | 25 |
| EE5 | Gypsy and Traveller Services. | Increase income and reduce costs following improvements to sites. | 55 | 0 | 15 | 15 |
| EE6 | Economy and Development - management structure | Implement the third tier restructuring & take advantage of opportunities for further downsizing in 2010 as managers retire. | 200 | 0 | 50 | 50 |
| EE7 | Economy and Development - unidentified savings | | 0 | 31 | 26 | 31 |
| EE8 | Waste Disposal - service reconfiguration. | Reconfigure the service with more emphasis on partnership working with neighbouring authorities and the waste collection authorities to reduce costs. This will include higher levels of recycling and composting and a move away from landfill to alternative forms of waste treatment such as Energy from Waste. | 175 | 0 | 0 | 0 |
| EE9 | Environment - reduce services | Reconfigure services, including the reduction in opening times of Household Waste Recycling Centres. | 0 | 100 | 150 | 150 |
| EE10 | Environment - ICT projects | Reduce ICT project funding. | 10 | 0 | 0 | 0 |
| EE11 | Country Parks | Increase visitor numbers and associated income. | 50 | 0 | 0 | 0 |
| EE12 | Smallholdings - increased income | Increase fees and charges and rents above RPI. Develop new ventures with third parties that generate income and/or visits and/or profit share arrangements. | 0 | 10 | 20 | 20 |
| EE13 | Smallholdings - estate management | Put the management of the estate onto a proactive footing with a focus on maximising its value as a long term asset for WCC, promoting the enhancement of the Warwickshire landscape and public accessibility and maximising the food and agricultural diversification opportunities. | 20 | 0 | 0 | 0 |
| EE14 | Environment - management structure | Reduce the number of management posts. | 0 | 50 | 50 | 50 |

Medium Term Savings Plan

| Savings Area | | Description of Savings Option | Saving 2010/11 £'000 | Extra Saving 2011/12 £'000 | Extra Saving 2012/13 £'000 | Extra Saving 2013/14 £'000 |
|--------------|---|--|----------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| EE15 | Resources | Restructure and rationalise service provision. | 51 | 0 | 0 | 0 |
| EE17 | Environment - unidentified savings | | 0 | 270 | 232 | 270 |
| EE18 | Trading Standards Service - reprioritisation | Refocus the frontline resource by customising the National Intelligence Model (NIM) for identifying priorities. This will allow a reduction in staff numbers. | 75 | 0 | 0 | 0 |
| EE19 | Development Regulations | Rationalise monitoring/administration | 15 | 0 | 0 | 0 |
| EE20 | Trading Standards Service & Emergency Planning Unit shared services and partnership working | Introduce a shared approach for regulatory and emergency management delivery. Savings will derive from economies of scale, sharing management and specialist capacity. | 0 | 0 | 25 | 75 |
| EE21 | Trading Standards, Regulation and EM - travel costs | 10% saving on travel costs | 14 | 0 | 0 | 0 |
| EE22 | Trading Standards - BPI review of key processes. | Review and develop processes to eliminate waste, thereby reducing costs. | 0 | 0 | 50 | 0 |
| EE23 | TSREM support services | Streamline all activity that isn't direct frontline service delivery. Maximising the opportunities afforded by joint working within the directorate. | 0 | 10 | 0 | 0 |
| EE24 | TSREM - income generation | Generate additional income from S38 and Green Travel Plans | 12 | 0 | 0 | 0 |
| EE25 | TSREM - management structure | Reduce number of management posts | 0 | 50 | 50 | 50 |
| EE26 | TSREM - unidentified savings | Rationalise and reconfigure services to deliver further savings | 0 | 84 | 97 | 104 |
| EE27 | Street Lighting and other efficiencies | Reduce street lighting energy usage through a policy of switching off/dimming some street lights at certain times and other efficiencies. | 50 | 100 | 100 | 100 |
| EE28 | Park and Ride | Increase in income from Stratford Park and Ride. | 10 | 20 | 20 | 20 |
| EE29 | Highway Maintenance | Reduce the cost of highways maintenance delivered by the new maintenance contract. Secure efficiencies through the Customer Service Centre. | 0 | 300 | 100 | 100 |
| EE30 | Transport and Highways - management structure | | 0 | 50 | 100 | 100 |

Medium Term Savings Plan

| Savings Area | | Description of Savings Option | Saving 2010/11 £'000 | Extra Saving 2011/12 £'000 | Extra Saving 2012/13 £'000 | Extra Saving 2013/14 £'000 |
|--|--|---|----------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| EE31 | County Highways | Rationalise services and deliver efficiencies | 300 | 0 | 0 | 0 |
| EE32 | Rights of Way | Rationalise services and deliver efficiencies | 50 | 50 | 50 | 50 |
| EE33 | Transport Planning | Reduce accommodation costs, reduce the transport development budget & equipment purchases. | 75 | 0 | 0 | 0 |
| EE34 | Road Safety | Reduce staff numbers and withdraw from or increase income from road safety education and training activity. | 20 | 0 | 0 | 0 |
| EE35 | Traffic Projects | Withdraw funding for minor works, e.g. provision of "signs and lines". | 25 | 0 | 0 | 0 |
| EE36 | Transport Operations | Reduce spending through e-procurement and ongoing efficiency savings. | 28 | 0 | 0 | 0 |
| EE37 | Transport and Highways - reduce services or the cost of services | Reductions in services, to be determined. | 0 | 175 | 275 | 275 |
| EE38 | Leadership Team | Reduction of one Head of Service post | 0 | 100 | 0 | 0 |
| EE39 | Unidentified savings | | (7) | (91) | (42) | (20) |
| | | | 1,853 | 1,399 | 1,463 | 1,535 |
| Fire and Rescue | | | | | | |
| <p><i>At this stage all proposals for savings in the Fire and Rescue Service are provisional and will be considered as part of the consideration of the Fire Improvement Plan, following the current consultation. This will take account of the need over the longer term for the Fire and Rescue Service to deliver savings along with all other services.</i></p> | | | | | | |
| Performance and Partnerships Unit | | | | | | |
| PP1 | Unidentified savings | | 70 | 40 | 40 | 39 |
| | | | 70 | 40 | 40 | 39 |
| Resources | | | | | | |
| RE1 | Re-organisation and restructuring | Reorganisation and restructuring across the directorate. | 77 | 132 | 70 | 126 |
| RE2 | Administrative support | Review admin processes and the deployment of support staff across the directorate to reduce costs. | 40 | 0 | 0 | 0 |

Medium Term Savings Plan

| Savings Area | | Description of Savings Option | Saving 2010/11 £'000 | Extra Saving 2011/12 £'000 | Extra Saving 2012/13 £'000 | Extra Saving 2013/14 £'000 |
|--------------|--|--|----------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| RE3 | Training | Reduce training budgets across the directorate. | 25 | 0 | 0 | 0 |
| RE4 | Learning and Development Academy | End funding for the project manager post once business case has been developed. | 43 | 21 | 0 | 0 |
| RE5 | One-off savings | One-off income generation through the secondment of staff. | 43 | (45) | 4 | 8 |
| RE6 | Facilities and Asset Management - market testing | Market test elements of direct service delivery. The exact nature of the service delivered following market testing and the level of any savings will be determined by the results of the testing exercise. | 0 | Not known at this stage | Not known at this stage | Not known at this stage |
| RE7 | Facilities and Asset Management - contribution from trading activities | Improve efficiency within existing in-house traded services leading to an increased contribution. | 50 | 0 | 0 | 0 |
| RE8 | Strategic Asset Management Service and County Offices | Restructure administrative support, re-organisation of fire security duties and efficiencies from new Property/FM systems to reduce costs. | 47 | 20 | 20 | 0 |
| RE9 | Car Park service | Remove the car park attendant service. | 42 | 0 | 0 | 0 |
| RE10 | Property Portfolio | Rationalise the property portfolio across the County by occupying our buildings in a more effective way (either individually or with partner organisations) and/or utilising the results of disposals. | 0 | Not known at this stage | Not known at this stage | Not known at this stage |
| RE11 | Accommodation | Decrease our need for accommodation by undertaking a thorough review, across all services, to identify those suitable for modern and flexible working followed by a managed plan to implement appropriate arrangements . | 0 | Not known at this stage | Not known at this stage | Not known at this stage |
| RE12 | Financial Management - authority-wide | Implement the new financial system and associated process and structural changes. | Not known at this stage | Not known at this stage | Not known at this stage | Not known at this stage |
| RE13 | Corporate Finance | Streamline processes in Corporate Finance as a result of implementing new financial systems. | 2 | 80 | 19 | 38 |
| RE14 | Car loans | Stop offering employee car loans. | 0 | 15 | 0 | 0 |
| RE15 | Payslips | Stop providing payslips to staff with self service access to HRMS. | 10 | 0 | 0 | 0 |
| RE16 | Financial support to VFM and the MTFP | Reduce support to corporate financial planning processes. | 0 | 12 | 29 | 0 |
| RE17 | Strategic Procurement | Reduce support to sustainable procurement. | 0 | 0 | 0 | 45 |

Medium Term Savings Plan

| Savings Area | | Description of Savings Option | Saving 2010/11 £'000 | Extra Saving 2011/12 £'000 | Extra Saving 2012/13 £'000 | Extra Saving 2013/14 £'000 |
|--------------|--|--|----------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| RE18 | Corporate Finance - minor savings | | 2 | 0 | 0 | 0 |
| RE19 | ICT - corporate applications development | Rationalise corporate funding for applications development and research. Utilise more generic facilities via the internet, develop more flexible systems and continue consolidation of ICT systems. | 50 | 0 | 100 | 0 |
| RE20 | ICT - research | Reduce research. | 0 | 0 | 32 | 0 |
| RE21 | ICT - staffing | Reduce ICT staffing. | 6 | 78 | 0 | 52 |
| RE22 | ICT staff training facilities | Introduce and embed improved ICT staff training facilities. | 0 | 0 | 0 | 15 |
| RE23 | ICT - increase efficiency | Streamline technical support, support at the Service Desk and to the PC roll-out programme as number of authority users reduces. | 31 | 31 | 38 | 47 |
| RE24 | ICT - management support | Rationalise management support, marketing, events etc partially offset by improved efficiency and e-communication to staff. | 0 | 0 | 33 | 0 |
| RE25 | Quantity surveyors | Replace external contractor contracts by more efficient use of use of in-house quantity surveyors. | 40 | 0 | 0 | 0 |
| RE26 | Property and Construction Services - procurement | Review sub regional opportunities for better procurement. | Not known at this stage | Not known at this stage | Not known at this stage | Not known at this stage |
| RE27 | Property and Construction Services - process reengineering | Deliver efficiencies from process re-engineering and the new property FM systems | 37 | 47 | 10 | 45 |
| RE28 | Design and Construction Service | Streamline the Design and Construction Service in the light of anticipated reductions in the capital programme. Generate efficiencies by re-engineering functions, including Clerk of Works. This may include increasing fees. | 64 | 11 | 0 | 0 |
| RE29 | Schools Technical Support | Remodel and reduce the STS service. | 85 | (28) | 0 | 0 |
| RE30 | Strategic Resource Development increase efficiency | Increase efficiency from implementation of new financial processes and the implementation of the new financial/property systems. | 17 | 9 | 48 | 13 |
| RE31 | Directorate training | Reduce training budgets | 40 | 20 | 0 | 0 |
| RE32 | Development capacity | Reduce development capacity across the support functions | 0 | 28 | 31 | 46 |

Medium Term Savings Plan

| Savings Area | | Description of Savings Option | Saving 2010/11 £'000 | Extra Saving 2011/12 £'000 | Extra Saving 2012/13 £'000 | Extra Saving 2013/14 £'000 |
|--------------|---|-------------------------------|----------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| RE33 | Strategic Resource Development minor savings | | 6 | 0 | 0 | 0 |
| | | | 757 | 431 | 434 | 435 |
| | | | | | | |
| | | | 9,813 | 7,674 | 7,884 | 8,065 |

CAPITAL PROGRAMME 2010/11 - 2013/14

ANALYSIS OF CAPITAL PAYMENTS BY START YEAR

| | Start Year (1) | Before 31.03.10 (2) £000 | 2010/11 (3) £000 | 2011/12 (4) £000 | 2012/13 (5) £000 | 2013/14 and later years (6) £000 | Total Scheme Cost (7) £000 |
|----------|-------------------------------------|-----------------------------------|------------------------|------------------------|------------------------|--|--|
| 1 | Starts in 2009/10 and earlier years | 489,194 | 71,834 | 4,062 | 532 | - | 565,622 |
| 2 | 2010/11 Starts | - | 68,943 | 18,040 | 2,000 | 2,000 | 90,983 |
| 3 | TOTAL PROGRAMME | 489,194 | 140,777 | 22,102 | 2,532 | 2,000 | 656,605 |

ANALYSIS OF CAPITAL PAYMENTS BY DIRECTORATE

| | Directorate (1) | Before 31.03.10 (2) £000 | 2010/11 (3) £000 | 2011/12 (4) £000 | 2012/13 (5) £000 | 2013/14 and later years (6) £000 | Total Scheme Cost (7) £000 |
|----------|--------------------------------------|-----------------------------------|------------------------|------------------------|------------------------|--|--|
| 1 | Adult, Health and Community Services | 8,460 | 7,202 | | | | 15,662 |
| 2 | Children, Young People and Families | 210,739 | 62,468 | 10,800 | 32 | | 284,039 |
| 3 | Customers, Workforce and Governance | 1,493 | 862 | | | | 2,355 |
| 4 | Environment and Economy | 218,928 | 60,270 | 9,653 | 2,000 | 2,000 | 292,851 |
| 5 | Fire and Rescue | 2,172 | 1,785 | | | | 3,957 |
| 6 | Resources | 47,402 | 8,190 | 1,649 | 500 | | 57,741 |
| 7 | TOTAL PROGRAMME | 489,194 | 140,777 | 22,102 | 2,532 | 2,000 | 656,605 |

ANALYSIS OF CHANGES TO THE CAPITAL PROGRAMME

| | Details (1) | Notes (2) | Before 31.03.10 (3) £000 | 2010/11 (4) £000 | 2011/12 (5) £000 | 2012/13 (6) £000 | 2013/14 and later years (7) £000 | Total Scheme Cost (8) £000 |
|-----------|--|--------------|-----------------------------------|------------------------|------------------------|------------------------|--|--|
| A. | Grand total for all years as reported to Cabinet 28th January 2010, adjusted for Government allocation announcements | 1 | 489,194 | 136,927 | 13,922 | 532 | | 640,575 |
| B. | New Items - gross cost of schemes | | | | | | | |
| 1 | <u>Adult, Health & Community Services</u> Care Homes Fire Regulations | 2 | | 600 | | | | 600 |
| 2 | <u>Environment and Economy</u> Highways Maintenance and Road Safety | 2 | | 2,000 | 2,000 | 2,000 | 2,000 | 8,000 |
| | Stratford Parkway Station | 2 | | 650 | 5,710 | | | 6,360 |
| | Kenilworth Station | 2 | | 600 | 470 | | | 1,070 |
| 3 | TOTAL | | | 3,850 | 8,180 | 2,000 | 2,000 | 16,030 |
| C. | Council Resolutions | | 489,194 | 140,777 | 22,102 | 2,532 | 2,000 | 656,605 |

Note :-

- Figures quoted in Appendix A of 'Projected 2009/2010 Capital Outturn as at quarter 3' report, adjusted for the 2010/11 capital grant allocations announced by Government on 20/1/10. The only changes are a reduction in the Safer and Stronger Communities Fund from £173,400 to £86,000 and an adjustment to include grant-funded expenditure on the development of a Common Assessment Framework in Adult Social Care, approved by Cabinet on 19 March 2009, the details of which have recently been confirmed.
- See the 2010/11 Capital Budget Resolution .

PRUDENTIAL BORROWING

| | Details (1) | Notes (2) | 2010/11 (3) £000 | 2011/12 (4) £000 | 2012/13 (5) £000 | 2013/14 and later years (6) £000 | Total Scheme Cost (7) £000 |
|-----------|--|--------------|------------------------|------------------------|------------------------|--|--|
| A. | Total for all years as reported to Cabinet 28th January 2010. | | 45,046 | 2,534 | 532 | | 48,112 |
| B. | New Items - gross cost of schemes funded by borrowing | | | | | | |
| 1 | <u>Adult, Health & Community Services</u> Care Homes Fire Regulations | 1 | 600 | | | | 600 |
| 2 | <u>Environment and Economy</u> Highways Maintenance and Road Safety | 1 | 2,000 | 2,000 | 2,000 | 2,000 | 8,000 |
| | Stratford Parkway Station | 1 & 2 | 650 | 800 | | | 1,450 |
| | Kenilworth Station | 1 | 600 | 470 | | | 1,070 |
| 3 | Total borrowing for new items | | 3,850 | 3,270 | 2,000 | 2,000 | 11,120 |
| C. | TOTAL | | 48,896 | 5,804 | 2,532 | 2,000 | 59,232 |

Notes :-

1 See the 2010/11 Capital Budget Resolution.

2 The Department for Transport has allocated £4,910,000 towards the cost of Stratford Parkway Station

Prudential Indicators

Annex B

| PRUDENTIAL INDICATOR (1). AFFORDABILITY PRUDENTIAL INDICATORS | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 |
|--|------------------|------------------|-------------------|-------------------|-------------------|
| | estimate | estimate | estimate | estimate | estimate |
| Capital Expenditure | £'000 115,531 | £'000 140,777 | £'000 22,102 | £'000 2,532 | £'000 2,000 |
| Ratio of financing costs to net revenue stream | % 9.84 | % 11.28 | % 11.28 | % 10.99 | % 10.64 |
| Net borrowing requirement | £'000 | £'000 | £'000 | £'000 | £'000 |
| brought forward 1 April | 305,142 | 372,824 | 403,722 | 403,672 | 401,120 |
| carried forward 31 March | 372,824 | 403,722 | 403,672 | 401,120 | 398,065 |
| in year borrowing requirement | 67,682 | 30,899 | (50) | (2,553) | (3,055) |
| In year Capital Financing Requirement | £'000 37,486 | £'000 30,799 | £'000 (13,833) | £'000 (16,414) | £'000 (16,125) |
| Capital Financing Requirement as at 31 March | £'000 366,732 | £'000 397,530 | £'000 383,697 | £'000 367,283 | £'000 351,158 |
| Affordable Borrowing Limit | £ | £ | £ | £ | £ |
| Position as agreed at March 2007 Council | 7.05 | | | | |
| Increase per council tax payer | | | | | |
| Position as agreed at February 2008 Council | 14.80 | 9.33 | | | |
| Increase per council tax payer | | | | | |
| Position as agreed at March 2009 Council | 22.46 | 16.10 | 2.17 | | |
| Increase per council tax payer | | | | | |
| Updated position of Current Capital Programme | 15.28 | 22.46 | 9.50 | -3.44 | -5.19 |
| Increase per council tax payer | | | | | |
| PRUDENTIAL INDICATOR (2). TREASURY MANAGEMENT PRUDENTIAL INDICATORS | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 |
| | approved | estimate | estimate | estimate | estimate |
| Authorised limit for external debt - | £'000 | £'000 | £'000 | £'000 | £'000 |
| Borrowing | 463,481 | 489,204 | 467,927 | 467,773 | 465,660 |
| other long term liabilities | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 |
| TOTAL | 475,481 | 501,204 | 479,927 | 479,773 | 477,660 |
| Operational boundary for external debt - | £'000 | £'000 | £'000 | £'000 | £'000 |
| Borrowing | 386,234 | 407,670 | 389,939 | 389,811 | 388,050 |
| other long term liabilities | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| TOTAL | 396,234 | 417,670 | 399,939 | 399,811 | 398,050 |
| Upper limit for fixed interest rate exposure | | | | | |
| Net principal re fixed rate borrowing / investments | 100% | 100% | 100% | 100% | 100% |
| Upper limit for variable rate exposure | | | | | |
| Net principal re variable rate borrowing / investments | 25% | 25% | 25% | 25% | 25% |
| Upper limit for total principal sums invested for over 364 days | £ | £ | £ | £ | £ |
| (per maturity date) | £0 | £0 | £0 | £0 | £0 |

| Maturity structure of new fixed rate borrowing during 2009/10 | upper limit | lower limit |
|---|-------------|-------------|
| under 12 months | 20% | 0% |
| 12 months and within 24 months | 20% | 0% |
| 24 months and within 5 years | 60% | 0% |
| 5 years and within 10 years | 100% | 0% |
| 10 years and above | 100% | 0% |