

**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.

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**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.

<b>Table 1: A Comparison of the 2009/10 and 2010/11 Taxbase</b>				
	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%
<b>Total</b>	<b>198,514</b>	<b>199,563</b>	<b>+1,049</b>	<b>+0.5%</b>

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.

<b>Table 2: 2010/11 Surplus/(Deficit) on Collection</b>	
	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
<b>Total</b>	<b>432,548</b>

## **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
<b>Sub-total</b>		<b>£10.850 million</b>
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
<b>Total</b>		<b>£11.200 million</b>

**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**.

<b>Table 1: 2010/11 Revenue Allocations</b>			
<b>Directorate</b>	<b>Time-Limited Allocation</b>	<b>Permanent Allocation</b>	<b>Total Allocation</b>
	<b>£</b>	<b>£</b>	<b>£</b>
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
<b>Total</b>	<b>2,248,000</b>	<b>17,110,000</b>	<b>19,358,000</b>

- 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**.

<b>Table 2: 2010/11 Area Based Grant Allocations</b>	
<b>Directorate</b>	<b>£</b>
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
<b>Total Allocation</b>	<b>33,113,000</b>
<b>Efficiency top-slice to fund the 2010/11 budget</b>	<b>471,000</b>
<b>2010/11 Area Based Grant</b>	<b>33,584,000</b>

## 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.

<b>Table 3: 2010/11 Savings Targets</b>	
<b>Directorate</b>	<b>Savings Target £</b>
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
<b>Total</b>	<b>9,813,000</b>

- 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)
	<b>311,616,744</b>	<b>19,358,000</b>	<b>(471,000)</b>	<b>(9,813,000)</b>	<b>320,690,744</b>
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
<b>Basic amount of Council Tax (Band D)</b>	<b>1,155.25</b>

## 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
<b>Adult, Health and Community Services</b>							
	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
<b>Sub-Total</b>		<b>675</b>	<b>6,169</b>	<b>6,844</b>	<b>627</b>	<b>642</b>	<b>663</b>
<b>Children, Young People and Families</b>							
	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)
<b>Sub-Total</b>		<b>600</b>	<b>2,173</b>	<b>2,773</b>	<b>1,528</b>	<b>206</b>	<b>(565)</b>
<b>Customers, Workforce and Governance</b>							
	Medium term financial plan allocation	0	17	17	0	0	0
CWG-03	Intranet	0	100	100	0	0	0
<b>Sub-Total</b>		<b>0</b>	<b>117</b>	<b>117</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Environment and Economy</b>							
	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
<b>Sub-Total</b>		<b>973</b>	<b>1,906</b>	<b>2,879</b>	<b>70</b>	<b>(847)</b>	<b>(196)</b>

## 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
	<b>Fire and Rescue</b>						
	Medium term financial plan allocation	0	20	20	0	0	0
	<b>Sub-Total</b>	<b>0</b>	<b>20</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Partnership and Performance</b>						
RE-02	Medium term financial plan allocation	0	1	1	0	0	0
	<b>Sub-Total</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Resources</b>						
RE-02	Medium term financial plan allocation	0	(158)	(158)	0	0	0
	Carbon reduction commitment	0	0	0	109	(1)	(108)
	<b>Sub-Total</b>	<b>0</b>	<b>(158)</b>	<b>(158)</b>	<b>109</b>	<b>(1)</b>	<b>(108)</b>
	<b>Other Services</b>						
	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
	<b>Sub-Total</b>	<b>0</b>	<b>6,882</b>	<b>6,882</b>	<b>408</b>	<b>210</b>	<b>160</b>
	<b>TOTAL</b>	<b>2,248</b>	<b>17,110</b>	<b>19,358</b>	<b>2,742</b>	<b>210</b>	<b>(46)</b>

## 2010/11 Area Based Grant Allocations

Themed Pot/Direct Allocation	Element of ABG Grant	2010/11 ABG Allocation £000
<b>Direct Allocations</b>		
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
	<b>Direct Allocations Total</b>	<b>5,160</b>
<b>Themed Pot</b>		
Safe and Sustainable Travel	Environment and Economy	1,572
	<b>Total</b>	<b>1,572</b>
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
	<b>Total</b>	<b>566</b>
School Improvement and Support #	Children, Young People and Families	3,060
	<b>Total</b>	<b>3,060</b>
School Transport #	Children, Young People and Families	481
	<b>Total</b>	<b>481</b>
Empowering Children, Young People & Families #	Connexions	4,099
	Children, Young People and Families	2,637
	<b>Total</b>	<b>6,736</b>

### 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
	<b>Total</b>	<b>629</b>
Social and Community Care	Adult, Health and Community Services	4,319
	Children, Young People and Families	443
	<b>Total</b>	<b>4,762</b>
Supporting People	Adult, Health and Community Services	10,147
	<b>Total</b>	<b>10,147</b>
	<b>Themed Pot Total</b>	<b>27,953</b>
<b>Summary</b>		
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
	<b>28,696</b>	
	Partner Allocations	4,417
	<b>Total Allocations</b>	<b>33,113</b>
	<b>3% Efficiency Top-Slice</b>	<b>471</b>
	<b>FUNDING TOTAL</b>	<b>33,584</b>

## 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
<b>Adult, Health and Community Services</b>						
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
			<b>4,453</b>	<b>3,398</b>	<b>3,508</b>	<b>3,632</b>
<b>Children, Young People and Families</b>						
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
			<b>2,026</b>	<b>2,031</b>	<b>2,067</b>	<b>2,056</b>
<b>Customers, Workforce and Governance</b>						
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
			<b>654</b>	<b>375</b>	<b>372</b>	<b>368</b>
<b>Environment and Economy</b>						
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)
			<b>1,853</b>	<b>1,399</b>	<b>1,463</b>	<b>1,535</b>
<b>Fire and Rescue</b>						
<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>						
<b>Performance and Partnerships Unit</b>						
PP1	Unidentified savings		70	40	40	39
			<b>70</b>	<b>40</b>	<b>40</b>	<b>39</b>
<b>Resources</b>						
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
<b>3</b>	<b>TOTAL PROGRAMME</b>	<b>489,194</b>	<b>140,777</b>	<b>22,102</b>	<b>2,532</b>	<b>2,000</b>	<b>656,605</b>

### 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
<b>7</b>	<b>TOTAL PROGRAMME</b>	<b>489,194</b>	<b>140,777</b>	<b>22,102</b>	<b>2,532</b>	<b>2,000</b>	<b>656,605</b>

### 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
<b>A.</b>	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>B.</b>	<b>New Items - gross cost of schemes</b>							
1	<u>Adult, Health &amp; 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
<b>3</b>	<b>TOTAL</b>			<b>3,850</b>	<b>8,180</b>	<b>2,000</b>	<b>2,000</b>	<b>16,030</b>
<b>C.</b>	<b>Council Resolutions</b>		<b>489,194</b>	<b>140,777</b>	<b>22,102</b>	<b>2,532</b>	<b>2,000</b>	<b>656,605</b>

#### 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
<b>A.</b>	Total for all years as reported to Cabinet 28th January 2010.		45,046	2,534	532		48,112
<b>B.</b>	<b>New Items - gross cost of schemes funded by borrowing</b>						
1	<u>Adult, Health &amp; 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	<b>Total borrowing for new items</b>		<b>3,850</b>	<b>3,270</b>	<b>2,000</b>	<b>2,000</b>	<b>11,120</b>
<b>C.</b>	<b>TOTAL</b>		<b>48,896</b>	<b>5,804</b>	<b>2,532</b>	<b>2,000</b>	<b>59,232</b>

**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
<b>Capital Expenditure</b>	£'000 115,531	£'000 140,777	£'000 22,102	£'000 2,532	£'000 2,000
<b>Ratio of financing costs to net revenue stream</b>	% 9.84	% 11.28	% 11.28	% 10.99	% 10.64
<b>Net borrowing requirement</b>	£'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)
<b>In year Capital Financing Requirement</b>	£'000 37,486	£'000 30,799	£'000 (13,833)	£'000 (16,414)	£'000 (16,125)
<b>Capital Financing Requirement as at 31 March</b>	£'000 366,732	£'000 397,530	£'000 383,697	£'000 367,283	£'000 351,158
<b>Affordable Borrowing Limit</b>	£	£	£	£	£
<b>Position as agreed at March 2007 Council</b>	7.05				
Increase per council tax payer					
<b>Position as agreed at February 2008 Council</b>	14.80	9.33			
Increase per council tax payer					
<b>Position as agreed at March 2009 Council</b>	22.46	16.10	2.17		
Increase per council tax payer					
<b>Updated position of Current Capital Programme</b>	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
<b>Authorised limit for external debt -</b>	£'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
<b>TOTAL</b>	<b>475,481</b>	<b>501,204</b>	<b>479,927</b>	<b>479,773</b>	<b>477,660</b>
<b>Operational boundary for external debt -</b>	£'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
<b>TOTAL</b>	<b>396,234</b>	<b>417,670</b>	<b>399,939</b>	<b>399,811</b>	<b>398,050</b>
<b>Upper limit for fixed interest rate exposure</b>					
Net principal re fixed rate borrowing / investments	100%	100%	100%	100%	100%
<b>Upper limit for variable rate exposure</b>					
Net principal re variable rate borrowing / investments	25%	25%	25%	25%	25%
<b>Upper limit for total principal sums invested for over 364 days</b>	£	£	£	£	£
(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%