

STATEMENT BY THE CHIEF FINANCIAL OFFICER

I am required to make this report by the Local Government Act 2003.

Robustness of Budgets

The preparation of the budgets started back in July. As the Head of Finance, and being a qualified and experienced accountant, I have overseen the process. The budgets have used the current year as their base. Budget Review process has shown where these do not form a reasonable basis for the following year. There has been a high level of scrutiny to the budget this year, along with budget monitoring throughout the year, from:-

- Budget Managers, the Senior Management Team (SMT) and Corporate Management Team (CMT)
- Portfolio Holders
- The Executive through the various preceding reports set out in the background papers
- Scrutiny Committees

Consequently, I am satisfied that the budgets are prepared on a robust basis.

Heads of Service should also confirm the robustness of the budgets. Officers in all Services have been actively involved in preparing the budgets with the accountants. SMT members agreed the base budget.

In preparing the Budget, in view of the tight financial climate facing the Council along with the whole of the public sector, many budgets have again not been increased for inflation, following 5 years of these budgets being reduced. With continuing improved procurement and management of contracts, better value for money should be able to be obtained from budgets. The Council is therefore committed to maintaining the procurement support that it is able to provide to budget managers. Where it is not possible to contain expenditure within budgets, there is the potential to allocate funds from the Contingency Budget. To date these reductions in budget have not had any material impact upon services, as budget managers have managed to accommodate these budget reductions.

Adequacy of Reserves

There has been much discussion over what the appropriate levels of reserves are for a local authority to hold, with various papers being issued on this subject. However, it is for each authority to determine the right level of reserves, reflecting its individual circumstances and risk appetite.

The Audit Commission in its December 2012 report "Striking a Balance" discussed the reserves held by local authorities. Whilst it recognised it was for each body to determine the level of reserves it should hold, it was important for it to be clear

why it was holding those reserves. Within the main report and Appendix 5, the Council's reserves are discussed in detail.

In the Audit Commission's Value for Money Guidance (December 2010) the following is stated:-

"Financial planning

An annual budget is not enough to secure financial resilience. Organisations should set the budget in the context of a longer-term financial strategy and a medium-term financial plan (MTFP) covering for example, a three-to five-year horizon. The MTFP needs to be realistic. Assumptions around inflation, income levels, demographics and future demand for services need to be modelled and based on reasonable predictions.

The financial position of an organisation will depend on a number of factors including the level of borrowing, receivables outstanding, investment risks, council tax collection rates and levels of reserves."

The Council's budget and financial planning regime can be demonstrated to be robust.

The Code of practice on local authority accounting requires the purpose, usage and basis of transactions of earmarked reserves to be identified clearly. This is set out in Appendix 5 of this report and Finance and Audit Scrutiny Committee have been asked to pay particular attention to this (para 3.9 of report). In accordance with best practice on reserves and balances these have therefore been reviewed as part of the annual budget preparation. In addition, there are forecasts for future years which are reflected in the medium term financial strategy. In considering the level of reserves in addition to the cash flow requirements CIPFA recommends that the following factors are considered: -

Budget assumptions	Financial standing and management
The treatment of inflation and interest rates	The overall financial standing of the authority (level of borrowing, debt outstanding, council tax collection rates).
Estimates of the level and timing of capital receipts	The authority's track record in budget and financial management.
The treatment of demand led pressures	The authority's capacity to manage in-year budget pressures.
The treatment of efficiency savings/productivity gains	The strength of financial information and reporting arrangements.
The financial risks inherent in any significant new funding partnerships, major	The authority's virement and end of year procedures in relation to budget under/overspends at authority and departmental level.

Budget assumptions	Financial standing and management
outsourcing deals or major capital developments	
The availability of other funds to deal with major contingencies	The adequacy of the authority's insurance arrangements to cover major unforeseen risks.

The Cipfa Resilience Index was launched in December 2019 compares the Council to other comparator authorities. This does not suggest any areas where the authority is notably at risk, with levels of ear-marked reserves providing much security in the short/medium term.

I have considered these matters and can advise members that they currently have a satisfactory level of reserves and balances, but need to address the medium term financial forecast in order to deliver balanced budgets in future years. Risks which may impact upon the Council's finances and the Budget, together with controls and mitigations, are set out in Section 6, and a risk assessment against the general fund reserve is set out in Appendix 4. The Council has self-insurance for small items but generally relies on external insurance for claims above £25,000, so there is no major risk in this area.

In making this assessment I have taken into account the contingency budget of £200,000 for 2020/21. The contingency provision reduces the possibility of the Council calling upon its General Fund balances

The immediate in-year budget risks to which the Council is exposed are low. However, there are currently additional risks in relation to the uncertain state of the economy and the impact of the Council leaving the EU (including on how this may impact upon the Council's partners), the current volatility of the Council's income sources, and the risks associated with capital schemes.

The medium term financial strategy has been prepared on a prudent basis given the uncertainties that face local government finance into the future. Whilst the 2020/21 budget has been prepared prudently, there are undoubtedly risks associated with it. However, with the level of reserves, the Council should be able to manage any risks throughout the year.

In considering 2021/22 there are significant uncertainties relating to the Council's share of Business Rates as result of the Fair Funding Review, the reset of the Business Rate Retention Scheme and the introduction of the 75% Business Rate Retention Scheme. Prudent estimates for business rates retention have been included from 2021/22, allowing for a significant reduction from the level budgeted for 2020/21. To help meet this reduction, the Council should be able to make use of the Business Rate Retention Volatility Reserve in the short/medium term. However, this will not be sustainable if the Council does not reduce its overall spending level to match its Business Rate income without relying on contributions from the reserve.

Members will need to address the underlying budget deficit in future years, and will need to ensure that proposals are brought forward in good time to balance the budget for future years. Within the proposed Budget there are projects as part of Fit For the Future aimed at reducing costs and ensuring service provision meets customer expectations, further projects need to be agreed by members during 2020 that will make further savings. Members need to be mindful of the underlying budget situation throughout their decision-making and ensure that the savings requirement is given due priority.

Mike Snow

Head of Finance

February 2020

WARWICK DISTRICT COUNCIL
GENERAL FUND SUMMARY

	NET EXPENDITURE			
	Actual 2018/19 £	Original Budget 2019/20 £	Latest Budget 2019/20 £	Original Budget 2020/21 £
Portfolio Service Expenditure:				
Business (Development Services)	2,782,442	1,820,000	11,998,400	1,883,700
Cultural Services	10,107,599	5,012,300	4,459,100	3,908,400
Development Services	317,983	126,500	648,200	327,900
Finance	2,233,530	2,911,600	2,748,800	2,988,400
Health & Community Protection	3,062,768	3,388,900	4,101,300	2,738,700
Housing Services - General Fund	1,390,564	1,519,600	1,846,200	1,940,100
Neighbourhood Services	6,201,987	6,252,400	6,615,800	6,123,600
Strategic Leadership	2,430,133	3,067,600	4,508,300	3,471,200
NET COST OF GENERAL FUND SERVICES	28,527,006	24,098,900	36,926,100	23,382,000
Replacement of Notional with Actual Cost of Capital				
- Deduct Notional Capital Financing Charges in Estimates	(3,328,021)	(8,271,500)	(17,488,400)	(6,521,200)
- Add Cost of Loan Repayments, Revenue Contributions and Interest Paid	108,726	603,800	361,500	466,800
Revenue Contributions to Capital	525,755	2,266,000	1,615,700	2,057,700
Contributions to / (from) Reserves	4,655,989	1,702,500	1,347,283	3,805,588
Net External Investment Interest Received	(583,032)	(472,300)	(669,800)	(508,100)
IAS19 Adjustments	(1,545,889)	(1,667,400)	(2,308,400)	(2,477,800)
Accumulated Absences Account	(17,781)	-	-	-
Contributions to / (from) General Fund Balance	(704,570)	(201,393)	6,624	-
NET EXPENDITURE FOR DISTRICT PURPOSES	27,638,183	18,058,607	19,790,607	20,204,988
Less: Revenue Support Grant	(306,736)	-	-	-
Less Business Rates	(7,780,771)	(5,268,000)	(7,000,000)	(4,161,000)
Less: General Grants	(2,515,798)	(3,374,000)	(3,374,000)	(3,726,100)
Collection Fund (Surplus) / Deficit	-	(143,000)	(143,000)	185,000
EXPENDITURE BORNE BY COUNCIL TAX - WARWICK DISTRICT COUNCIL	17,034,878	9,273,607	9,273,607	12,502,888
Aggregate Parish Council Expenditure	1,412,612	1,522,679	1,522,679	To Follow
COMBINED DISTRICT AND PARISH EXPENDITURE BORNE BY COUNCIL TAX	18,447,490	10,796,286	10,796,286	12,502,888
Warwickshire County Council Expenditure	72,805,334	79,575,948	79,575,948	To Follow
Warwickshire Police and Crime Commissioner	10,890,249	12,670,470	12,670,470	To Follow
TOTAL EXPENDITURE BORNE BY COUNCIL TAX	102,143,073	103,042,704	103,042,704	12,502,888
BAND D EQUIVALENT COUNCIL TAX:				
Warwick District Council	319.07	166.86	166.86	223.86
Parish and Town Councils (Average)	26.46	27.40	27.40	To Follow
DISTRICT & PARISH BAND D EQUIVALENT COUNCIL TAX	345.53	194.26	194.26	223.86
Warwickshire County Council	1,363.68	1,431.81	1,431.81	To Follow
Warwickshire Police Authority	203.98	227.98	227.98	To Follow
TOTAL BAND D EQUIVALENT COUNCIL TAX	1,913.19	1,854.05	1,854.05	223.86
Council Tax Base (Band D Equivalents)	53,388.87	55,577.17	55,577.17	55,851.37

ANDREW DAY
Leader of the Executive

MIKE SNOW
Responsible Financial Officer

Medium Term Financial Strategy

Appendix 3(i)

	2019/20 £'000	2019/20 latest £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Net Cost Of General Fund Services	21,062	36,926	23,382	25,006	24,938	23,780	24,055
Savings from Recurring Dev's (£'000's)					-522	-1,868	-1,762
Net Cost Of General Fund Services	21,062	36,926	23,382	25,006	25,460	25,648	25,817
Investment Interest	-472	-670	-508	-753	-773	-777	-776
New Homes Bonus-unallocated Balance							
Other Financing Adjusments	-2,531	-16,465	-2,669	-7,923	-7,191	-5,349	-5,076
Net Expenditure after adjustments	18,059	19,791	20,205	16,330	17,496	19,522	19,965
Revenue Support Grant							
NNDR (Business Rate Retention, including SBR grant)	-5,268	-7,000	-4,161	-3,285	-3,387	-3,490	-3,596
Collection Fund Balance	-143	-143	185				
New Homes Bonus	-3,359	-3,359	-3,726				
Other Grants and Government Funding	-15	-15					
Amount being from Council Tax	-9,274	-9,274	-12,503	-13,045	-13,587	-14,164	-14,607
Band D Equivalent	£166.86	£166.86	£223.86	£228.86	£233.86	£238.86	£243.86
% increase on previous year	3.09%	3.09%	34.16%	2.23%	2.18%	2.14%	2.09%
Net Expenditure after adjustments	18,059	19,791	20,205	16,330	17,496	19,522	19,965
Total Grant and Council Tax Income	-18,059	-19,791	-20,205	-16,330	-16,974	-17,654	-18,203
Deficit-Savings Required(+)/Surplus(-) future years		0			522	1,868	1,762

Appendices to Minute 108

	2019/20 £'000	2019/20 latest £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Base Cost of General Fund Services	26,699	24,098	36,926	23,382	25,006	24,938	23,780
Inflation on Controllable Expenditure	219	0	273	282	339	337	318
Recurring Growth	362	781	347	2,552	-451	-1,284	157
Items funded from Reserves	869	2,613	673	336	293	160	55
Total New time limited growth/savings	-222	217	-393	-1,266	-1,179	-1,257	-1,352
Less previous year 1 Off/Time Limited Growth	-3,851	0	-3,477	-280	930	886	1,097
Changes in Capital Charges	22	9,217	-10,967	0	0	0	0
Net Cost of General Fund Services	24,098	36,926	23,382	25,006	24,938	23,780	24,055
Less:Capital Financing Charges	-8,272	-17,488	-6,521	-6,521	-6,521	-6,521	-6,521
Less IAS19 included above	-1,667	-2,308	-2,478	-2,478	-2,478	-2,478	-2,478
add:Government Grants Deferred W/Out	0	0	0	0	0	0	0
Controllable Expenditure	14,159	17,129	14,383	16,007	15,939	14,781	15,056
Financing Charges etc.							
Loan repayments etc	604	362	467	453	458	464	470
Revenue Contributions to Capital	2,266	1,616	2,058	80	80	80	80
Contributions to/from reserves	1,703	1,347	3,805	543	1,270	3,106	3,373
External investment interest	-472	-670	-508	-753	-773	-777	-776
Total Financing Charges etc	4,101	2,655	5,822	323	1,035	2,873	3,147
Contribution to/from GF Balance	-201	7					
(Deficit)/Surplus		0					
(Deficit)/Surplus from SBR Grant							
Net Expenditure	18,059	19,791	20,205	16,330	16,974	17,654	18,203
NNDR redistributed	-5,268	-7,000	-4,161	-3,285	-3,387	-3,490	-3,596
New Burdens Self and Custom Build Housing	-15	-15					
New Homes Bonus	-3,359	-3,359	-3,726	0	0	0	0
Collection Fund Balance	-143	-143	185				
Total AEF/Collection Fund	-8,785	-10,517	-7,702	-3,285	-3,387	-3,490	-3,596
Council Tax borne expenditure	9,274	9,274	12,503	13,045	13,587	14,164	14,607
Equivalent to Band D Council Tax	166.86	166.86	223.86	228.86	233.86	238.86	243.86
% increase on previous year	3.09%	3.09%	34.16%	2.23%	2.18%	2.14%	2.09%
Council Tax Base	55,577	55,577	55,851	57,000	58,100	59,300	59,900

Medium Term Financial Strategy		Recurring Developments					Appendix 3(iii)		
Description	Appendices to Minute 108	Narrative	2019/20	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			£	latest £	£	£	£	£	£
Major Contract Renewals & Inflation at - 1% RPI (August announced September)		GM and Waste Management	30,000		4,901	1,700,000			
Waste Collection Contract		New Contract including inflationary increase				275,000			
Vehicle Leasing Saving						-50,000			
Above inflation growth		to allow for staff increments	50,000		50,000	50,000			
Fees and Charges Executive Report September 2018		Additional income 2019/20 above 2% assumed in Strategy	-145,500						
Car Parking		Repairs and Maintenance Budget	5,000						
Waste Management		New Properties Updated October 2018	31,413		44,000	40,179	32,687	28,909	28,909
Street Cleaning		New Adopted roads to be cleansed	24,511		34,332	31,350	25,505	22,557	22,557
Inflation provision		Reflection of volatility of the economy	50,000						
Auto Enrolment due October 2019		National Employment Savings Trust (NEST)	31,900		31,900				
CCTV Revenue Savings from new tender		Lower annual maintenance, no inflation	-1,160		-1,160	-1,160	-1,160	-1,160	
Community Forums		Reserve Funding 4 years from 2014-15, & slippage 2019/20	30,783						
Reduction in HB/CTB Admin Subsidy					226				
FFF15 CSC/OSS Review		Appendix I Items 2 to 18	-8,300						
FFF14 Review of Concurrent Services and Parish support		FFF Programme - June 16 Exec	-31,600						
FFF23 Reduction in Council Discretionary spend		FFF Programme - June 16 Exec	-25,000		-25,000				
FFF24 Review of Community Partnership arrangements		FFF Programme - June 16 Exec	-16,300		-30,000				
Development Services Technical support team		FFF Programme - June 16 Exec							
Pension Fund Increases		Dec 2016 Updated May 2017							
Heritage Open Days		Previously Funded from Capital Investment Reserve				4,000			
Minor Budget Changes									
IAS 19 changes									
FFF16f Reduced net exp LC budgets									
recycling credits		from new developments	-11,307		-15,838	-14,462	-11,766	-10,406	
FFF4 Local Lottery		June 2017 Executive Report	-30,000						
FFF29 Members Allowances		June 2017 Executive (2017/18 cost from Contingency Budget)	-9,900		-900				

Description	Narrative	2019/20 £	2019/20 latest £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £
FFF31 Increase Council Tax premium on long term empty properties.		-10,000						
FFF34 Reduce spend on materials for grounds maintenance.	Reduction in use of materials through new ways of working, and other sources of funding (such as 106). Saving from April 2019	-10,000						
FFF35 Reduce spending on adhoc cleansing works	Reduce the amount of additional cleansing activities which are over and above those scheduled. Better use of rapid response teams. Saving from April 2019.	-10,000						
FFF36 Reduce spending on tree works	Since the development of the SLA in 2013 there has been a greater focus on the WDC tree stock. This has now reached a point where a lot of the backlog has been addressed. Saving from April 2019.	-10,000						
FFF48 Review of pre-application advice income	This requires developers to pay for pre-application planning advice. There is potential to boost this income through better use of Planning Performance Agreements. Total income expected to be in region of £50-£60k with costs in region of £10-£15k	-10,000						
Equitrac Support after 5 year period of purchase						1,000		
NNDR increases on General Fund Properties	2017 Revaluation, Transitional relief reducing year on year	48,700		28,600	19,200	25,400		
Changes in Business Rates		25,200						
Apprenticeship Scheme	November 2017 Executive	110,000						
Creation of Sports Programme Manager post		28,000						
Creation of Sports Project officer		20,800						
Impact of National Living Wage on Pay scales (scales revised from 2019/20)	Employer Offer December 2017	50,000						
Lost income-Mack Trading, Newbold Comyn Golf Course		20,000						
£26k income from Government towards IEP, will fund post. But funding will drop out 2020/21				26,000				
20 hour Admin Post made permanent (part funded from extra pitch income)	Executive June 2018 (FFF Report)	8,000						
Advertising Income		-100,000						

Description	Narrative	2019/20 £	2019/20 latest £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Appendices to Minute 108								
Assets Team re-design from October 2018 (General Fund Share)	August 2018 Executive, costings revised October 2018	81,100						
ICT procurement savings on ICT contracts		-30,000						
ICT procurement savings on ICT contracts (£30k) used to fund new ICT products to develop new ways of working		29,000						
Media room Hay regrade		2,200						
HR Health & Wellbeing		20,000						
HR Restructure, £18,000 2020/21 recurring					-18,000			
Car Park Project Manager made permanent	July 2018 Executive	45,900						
Homelessness /housing advice legal fees increase in costs 2018/19		12,000						
Loss of LLC1 land charges fee, fee now administered and paid to the Land Registry w.e.f. 11 July 2018		6,300						
Open Space - Rents Others. Latest Rent Estimates		-10,300						
Bereavement Salaries 2019/20		40,100						
Increments, new pension member & increased hours								
Culture minor budget changes on salaries (various)		17,100						
Health and Community Protection minor budget changes on salaries (various)		10,100						
Phase 1 Consultants fees no longer required		-3,700						
Catering service charges - bring budget income in to line with expenditure budget		-3,100						
Strategic Leadership various minor budget changes		6,200						
Private Sector Housing salaries		4,100						
Car Park Project Manager made permanent - Regraded from C to D		4,700						

Description	Narrative	2019/20 £	2019/20 latest £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Appendices to Minute 108								
Assume 2019/2020 ICS Grant and HB		-7,300						
Admin Subsidy is the same as for								
Stratford District Council Shared NNDR		-10,800						
Contribution								
Reduce Provision for Internal Audit Fees		-4,500						
going forward								
Finance Salary Changes - General Fund		66,800						
Strategic Finance Manager Post Increased		7,100						
from 33hrs to 37hrs								
Development Services Salary Changes -		12,100						
General Fund								
IAS19 changes		-8,800	641,000	14,000				
Committee services joint post contribution		1,300		20,900	700	200		
Reduced estimated advertising income				73,000				
NEST Contingency - assumed built into		-31,900						
budgets								
National Living Wage contingency -		-98,000						
assumed built into budgets								
Remove Price Inflation Allowance		-50,000						
Reduce estimated Advertising income		85,000						
Performance Management		30,000						
Corporate postages 10% increase in fees		6,600						
from Jan 2019 (Graham Leach bid for								
CWLEP growth hub (Bill Hunt bid for		13,400						
growth item)								
CWLEP growth hub (Bill Hunt bid for		1,600						
growth item)								
Additional Planning income		-140,000						
CIL Contribution		-60,000						
Policy & Projects -		500						
Policy & Projects - Mileage		400						

Description	Narrative	2019/20 £	2019/20 latest £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Appendices to Minute 108								
Other minor changes		97,800						
Annual clean Victoria Park Tennis Courts	Contingency item in 2018/19 ongoing budget required. Emails 22/1/19 refer			4,800				
Contribution to Floodlight annual maintenance Myton School	Emails 22/1/19 refer			1,800				
Electoral registration salaries Hay regrades				7,000				
Electoral registration /Committee Services salaries Hay regrades additional				6,300				
ICT salaries amount misentered at estimates time				10,000				
Reception salaries not updated on estimates working paper for 2019/20				9,200				
Reception salaries member of staff not in super				-4,600				
Salaries re-grade - February 2019				5,100				
Rectify imbalance between Animal Establishment inspection fees and recovery of the costs				-500				
Spa Centre credit card costs - increased activity based on last year				3,400				
Spa Centre booking fee income - activity based on last year				-43,500				
Community Forums reduction in base budget £800 per Forum base budget incorrect s/be £3,000 per Forum.				-5,600				
Rectify imbalance between Animal Establishment inspection fees and recovery of the costs - further adjustment to Row 23				-500				
Dem rep & man subscriptions due to increase in ICO registration fee				2,400				
Payments processing - increase in no of online payments being offered and received by the Council				5,500				
Housing Advice & Allocations salary estimate correction				7,200				

Description	Narrative	2019/20 £	2019/20 latest £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £
New contract terms for Internal Health and Safety IT system - AssessNet	Exec 10th July 19 Item 12			11,240				
AV Town Hall maintenace & support	Exec 10th July 19			2,400				
The Arts - casual employees - increased activity			40,000					
Finance Customer Contact Changes approved by Emp Cttee 31/01/18 but salary budgets not altered			3,600					
Finance Customer Contact Changes approved by Emp Cttee 31/01/18 but salary budgets not altered			500					
Finance Customer Contact Changes approved by Emp Cttee 31/01/18 but salary budgets not altered			400					
Reduced HB Admin Subsidy and LCTS Grant			33,500					
Inflation increase GF shared legal services legal fees budgets 2% increase from 2019/20			8,300					
Legal fees budgets required various Environmental services/community protection cost centres current budget insufficient based on previous years expenditure			11,200					
Car parks rent increase Square West & Westgate			2,900					
Chase Meadow Devolved Repairs - Service Charges no longer paid by WDC			-1,500					
Chase Meadow Premised Insurance - CMCC now insure the premises directly			-1,800					
Restoration of Principal Accountant Post to Full Time			2,500	7,500				
Edmondscote Sports Track NNDR chargeable from April 2017 (2019/20 charge)			4,300					
Kenilworth Public Service Centre - Fuel Oil Budget not required as Gas Central Heating Installed in 2018			-15,000					
Removal of reduced advertising income - duplication				-72,700				
Fees and Charges				-93,900				

Description	Narrative	2019/20 £	2019/20 latest £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Appendices to Minute 108								
Salary Budget Changes				154,700				
Car Park income				-32,300				
Rent Free period 32 Hamilton Terrace, L/Spa until 9/12/2020					-2,500			
Building Control no Longer pay Rent for use of Offices at Rugby Borough Council			-11,500					
Fees and Charges				-76,800				
Street name & numbering income				900				
Dem rep & man Ni budget insufficient			1,800					
Catering Contract Service charges exp/income out of sync				-400				
Cemetery lodge rents - new letting			-2,200					
Removal of SLA budget held from last restructure and now used to fund Civil Contingencies Post & other salary changes			-10,000					
Insurance premium new contract			-50,000	-33,000				
CCTV Savings				-51,000				
Cleaning Contract (GF Element)				217,800				
Cleaning Contract below Budget				-26,300				
Misc Items				-14,000				
High value Lease Rental Income Inflation	Inflation added to High Value Lease rental income removed as it should not have been included			6,600				
New Housing / Asset Appraisal Software	GF 50% / HRA 50%		10,000					
Housing Restructure	Executive November 2019			225,500				
Housing Restructure	Executive November 2019			-169,800				
IAS19 changes				-150,100				
Reception recurring saving on computer equip in 19/20		-10,200						
WDC Trees new contract		-30,000		-30,000				
Water Charges			5,000					
National Bowls - car parking management.			7,000					
Christmas Lights and Events			45,000					
Market concession.			6,600					
Elections - tablets for Electoral registration.			10,000					
Legal Fees - Privates Sector			28,000					
Housing/Homelessness								

Description	Narrative	2019/20 £	2019/20 latest £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Bid levy	Appendices to Minute 108		5,000					
Gas Costs				21,600				
Water charges at Abbey Fields				3,000				
Recurring due to Planning Consultancy				47,000				
Recruitment portal				6,000				
Increased cost of Financial Management System				40,000				
Elections - Training				5,000				
Planning Policy Assistant				33,000				
Local Plan				5,000				
Senior Management Team Review				47,000				
Kenilworth Leisure - revenue implications of proposed development					500,000			
Other Grounds Maintenance Increase				4,700				
Waste collection contract				-16,700				
Street Cleansing				15,000				
Hedge Maintenance				-4,000				
Observer status of the West Midlands Combined Authority				25,000				
Savings required	February 2020			1,706	53	-522,657	-1,323,581	105,868
Total Recurring Developments		362,065	781,110	346,608	2,552,360	-450,791	-1,283,680	157,334

Medium Term Financial Strategy		Non Recurrent Developments					Appendix 3(iv)		
Description	Appendices to Minute 108	Narrative	2019/20	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			£	latest £	£	£	£	£	£
Contribution to / from GF Balance		Start with agreed balanced budget		-201,000					
Election Costs in year		net of those built into Reserve Funding	50,000					35,000	
Internal Audit Review		Every 5 years			3,500				
Refuse Containers Delivery (declassified Capital)			40,000		40,000	40,000	40,000	40,000	40,000
FFF16g Leisure Options		Contract Starts June 2017	-635,425		-922,544	-1,252,456	-1,230,591	-1,331,721	-1,391,653
New Burdens Self and Custom Build Housing			15,000						
Revenue Budget Savings to contribute to			-4,000		-4,000	-4,000	-1,000		
few leases for Printing Devices									
Printing Devices, Revenue Lease Costs net of Equipment Renewal Funding			10,923						
Contributions to Enterprise Reserve from Revenue Surplus			-23,700						
Self & Custom Build House Register (£15,000.00)		Revenue Contributions in Advance Reserve	-15,000						
Vacant Property - 32 Hamilton Terrace, L/Spa. New Lease from 1/12/17?			4,400						
£28,500PA. Assume first 18 months rent free									
2020/21 Art Gallery Revaluation £2,500					2,500				
Homelessness Prevention Grant			-228,000						
Litter Bins(new Team) £98k cost non rec			98,000		98,000				
2018/19 for 3 years									
Litter Bin emptying £10k cost over same period			10,000		10,000				
Recharge of salary to Whitnash Town Council re Whitnash Hub			-6,000						
Health and Community Protection minor budget changes on salaries (various)			-4,400						
Strategic Leadership various minor budget changes			-16,100						
Additional Interim Accountancy Support, Interim SFM and Project Accountant			54,200						
Development Services Salary Changes - General Fund			-16,100						
Committee services joint post contribution			3,500						

Description	Narrative	2019/20	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
		£	latest £	£	£	£	£	£
Joint post contribution with Stratford Data protection officer	Ear Marked Reserve overlooked to be funded from General Fund Balance (2017/18 Surplus)	10,000						
Contingency Budget		237,000						
Waterloo HA from New Homes Bonus		146,200						
Community Stadiums Officer - transferred to capital		-44,800						
Lottery decision deferred		30,000			27,600			
St. Mary's Lands - Revenue elements	New Homes Bonus Funded	62,000						
Current Cost of Temporary 1 Year Benefit Assistant Not Reflected in Revenue Budgets			6,000					
VEP and RTI Referrals Grant, HB Circular S10/2019			-33,800					
Committee services server migration re CMIS			3,800					
Private sector housing additions to budget per var from HMO licencing fees			39,600					
Private sector housing additions to budget per var from HMO licencing fees			-39,600					
One-Off cost of Energy Performance Certificates for Commercial Properties			40,200					
Benefits New Burdens Funding & Welfare Reform Changes			-63,103					
Edmondscote Sports Track NNDR chargeable from April 2017 (2017/18 and 2018/19} arrears			8,300					
Business Transformation Officer post			17,000					
Newbold Comyn master plan legal fees estimate			5,000					
Trade effluent charges St Nix Pool September 16 to June 17			7,400					
Relocation Kenilworth Wardens legal fees			5,000					
Stratford Road legal fees			5,000					
ICT £25k budget from 2020/21 brought forward to 2019/20 re ICT project as requested by Ty re software upgrade & extend contract			25,000	-25,000				

Description	Narrative	2019/20 £	2019/20 latest £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Appendices to Minute 108								
Kenilworth School PPS charges			5,000					
Severance package for Strategic Economic Development Officer as per August Executive item 14			12,600					
Salary Budgets			-173,700	25,000	26,100	12,500		
Fees and Charges			55,500					
Rent Free period 32 Hamilton Terrace, L/Spa until 9/12/2020			21,400	16,800				
Advertising Fees not Achievable due to Project Officer Secondment			15,000					
Insurance Admin Fee for Leaseholder Cover Reduced			1,200	1,400				
Agency staff to covered vacant Posts/VRT			32,200					
Planing Fee Income Reduced forecast			250,000					
Net impact of recharge changes				-135,700				
Misc changes			17,000					
Understated Property Rent	Temporary Increase until September 2020		-8,300	-4,300				
Neighbourhood Savings	Following November Budget Review		-11,500					
Policy & Projects EMR given up	Unsuccessful Channel 4 bid		-14,500					
MHCLG Interventions				132,100				
MHCLG Intervention Grant Funding				-132,100				
Net impact of recharge changes	£57700 1 off 2020/21			-57,700				
General market contract overpayments			20,000					
Q2 surplus allocated to contingency			125,000					
Insurance Savings			-41,000					
Items agreed at Dec exec			3,000					
Items agreed at Dec exec			12,000					
Items agreed at Dec exec				20,000				
Correction of discretionary budget error				4,400				
Elections - Printing			25,000					
Elections - Postages			25,000					
District By-election December 2019			17,000					
HR Business Parter	FTC to 31/3/21			34,000				
Newbold Comyn grounds maintenance contract. Long term depends on outcome of options appraisal.				40,000				
VE Day celebrations	Community Forum Funding			8,000				

Description	Narrative	2019/20 £	2019/20 latest £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Appendices to Minute 108								
Planning Policy Assesment				-14,000				
Local Plan - reduced first year cost				-3,000				
HR Support Officer				6,000				
Recruitment costs. Head of Ict and				20,000				
Programme Director								
Contingency Budget				200,000				
Community Rail Partnership 20/21-21/22, to				5,000	5,000			
be reviewed.								
Europa Farm - Farm House additional				12,000	12,000			
revenue costs								
Cease contributions to Equipment Renewals	Equipment Renewal Reserve				-100,000			
Reserve for 2 years								
Trans-Midlands Trade Corridor				7,500	7,500			
Misc items			4,000					
Waterloo	New Homes Bonus Funded			125,800				
Project Legal Costs	New Homes Bonus Funded			65,300				
Total Non-Recurrent Developments		-222,302	216,697	-393,444	-1,265,856	-1,179,091	-1,256,721	-1,351,653

Medium Term Financial Strategy		Reserve Funded Developments					Appendix 3(v)		
Description	Appendices to Minute 108	Narrative	2019/20	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			£	latest	£	£	£	£	£
Election costs		Elections Reserve	90,000					105,000	
Grounds Maintenance		Commuted Sums Reserve	4,682		3,539	3,539	2,358	2,358	2,358
Grounds Maintenance (Gog Brook Farm)		Commuted Sums Reserve	18,515	18,515	18,515	18,515	18,515	18,515	18,515
from Commuted sums Reserve									
Millpool Meadows		Commuted Sums Reserve	5,945	5,945	5,945	5,945	5,945	5,945	5,945
		Commuted Sums Reserve		748	748	748	748	748	748
Community Forums		4 years Reserve Funded	6,663						
ICT equipment reserve funded		Revised ICT Replacement Reserve	108,652		124,246	127,398	127,398	135,479	135,479
		Schedule							
Hill Close Gardens		5 year agreement (2015/16 funded from	20,000						
		Revenue non, rec)							
Heritage Open Days		From CIR, then Revenue future years	4,630		4,000				
Media Printing Devices July 2017 - Finance		Equipment Renewal Reserve	20,800		18,800	18,800	4,700		
Lease above									
Colour Copier Rental		Equipment Renewal Reserve	16,485		16,485	16,485	16,485		
Building Control 2017/18 Slippage		Building Control Reserve	16,400		16,400	16,400	16,400	16,400	16,400
Priority Families		Service Transformation Reserve	6,667						
Fixed term (6 months) marketing			6,800						
communications officer from STR									
Contingency Officer £11k for STR ,		Service Transformation Reserve	5,500						
September 2018 to September 2019 £11k									
Corporate support team scanning budget to		Service Transformation Reserve	5,400						
fund temp staff									
SMT review phase 1 per Chris Elliott		Service Transformation Reserve		12,000					
delegated powers									
SMT review phase 1 per Chris Elliott		Service Transformation Reserve		-3,900					
delegated powers									
HR Business Partner		Service Transformation Reserve		46,800					
Transforming our workplace from STR		Service Transformation Reserve	80,000						
Project Accountant - July 2019 - June 2023		Service Transformation Reserve	39,000		52,000	52,000	13,000		
Project Manager for new FMS. New Post for		Services Transformation Reserve		39,000	52,000	52,000	13,000		
3 years approved by CMT/Executive 9/2/19									
and funded from the Transformation									
Reserve. Figures are already included in									
Richard's Reserves 19/20 to 23/24									
Spreadsheet but the budget has not been									
included on TOTAL in error.									

Description	Narrative	2019/20 £	2019/20 latest £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Appendices to Minute 108								
ICT project funded from STR per August 2019 Exec			19,500					
Temporary Senior EHO Post funded from Planning and Investment Reserve 60% Service Transformation Reserve 40% (split)	Service Transformation Reserve	18,120		1,600				
Commonwealth games Project Manager from 2018/19 Commonwealth Games Reserve & Service Transformation Reserve for 3 years after	March 2018 Executive	44,900	-44,900					
STR element of Commonwealth Games PM above (subject to NHB) with additional £1,100 cost	Service Transformation Reserve	1,100	-1,100					
Local Football Facilities project officer. 3 year funding at £41,600 = £124,800. July 19 Exec	Service Transformation Reserve		20,800	41,600	41,600	20,800		
Climate Action Plan - Greenwatt Technology proposal £27,000 from STR - MS accepts this will make it O/D - MS email 23/10/19	Service Transformation Reserve		27,000					
From 2018/19 £25k Analyse Local £25k pa from Business Rates Volatility Reserve		25,000						
20% Increase in Planning Fees Transferred to Planning Investment Reserve		-260,000		-260,000	-260,000	-260,000	-260,000	-260,000
Tourism Project	Tourism Reserve		2,000					
2 years fixed term, 2 x Business Support Officers (to be funded from Car Park Surplus 2017/18 (B909-B543))	Car Park Repairs & Maintenance Reserve	50,600		33,700				
4 x Fixed Term Ranger Officers (2 x 2 years fixed term & 2 x 1 year fixed term (to be funded from car park surplus 2017)	Car Park Repairs & Maintenance Reserve	79,700		53,100				
Temporary Senior EHO Post funded from Planning and Investment Reserve 60% Service Transformation Reserve 40% (split)	Planning and Investment Reserve	27,180	20	2,300				
Green Space Development Officer from Planning investment Reserve	Planning and Investment Reserve	39,600						

Description	Narrative	2019/20 £	2019/20 latest £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Development Monitoring Officer and Site Planning Officer (Coventry South) Funded from Planning Investment Reserve	Planning and Investment Reserve	30,100		30,100	30,100	30,100	30,100	30,100
CIL Officer Funded from Planning Investment Reserve	Planning and Investment Reserve	29,400		29,400	29,400	29,400	29,400	29,400
Principal Planners Regrade, Enforcement Officer and Discharge of Conditions Officer funded from Planning Investment Reserve	Planning and Investment Reserve	53,000		53,000	53,000	53,000	53,000	53,000
SLA for Flood Advice with Warwickshire County Council	Planning Investment Reserve		9,500					
Line above - decrease / increase	Planning Investment Reserve		-2,500	7,000	7,000	7,000	7,000	7,000
Corporate Property R & M Programme Per Executive Report April 2019 - Up To £943,500 In 19/20 And Potential Amounts For Future Years (Not Approved)	Corporate Asset Reserve		943,500					
Enterprise Team - Salary Budget Changes		-12,500						
Building Control Salary Changes (including Pay Award)	Building Control Reserve	16,400		16,400	16,400	16,400	16,400	16,400
Commonwealth Games further allocation of initial £100k Reserve (Salaries £39,000 already entered)	Commonwealth Games Reserve	34,800	44,900					
Additional staffing costs	Commonwealth Games Reserve		35,300	100,000	100,000	100,000		
Additional Grounds Maintenance person for bowling greens	Commonwealth Games Reserve		20,000	20,000	20,000	20,000		
Junior Bowls	Commonwealth Games Reserve			30,000	30,000	30,000		
Kenilworth Development Brief (Local Plan Delivery Reserve) & Planning Officer	Planning Appeal Reserve	51,900		31,838				
Site Delivery Officer Funded from S106 Admin Fee Income	Planning Appeals Reserve	1,500						
Local Plan Consultancy	Planning Appeals Reserve		423					
Balance Of £100,000 Decentralisation And Local Planning Grant After In Year Spend.	Planning Appeals Reserve		58,464					
Earmark In Future Years For Neighbourhood Planning Referendums .								
Contribution re proposed secondary School Bishop's Tachbrook	Planning Appeals Reserve		50,000					

Description	Narrative	2019/20 £	2019/20 latest £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Chase Meadow Community Centre 3 Year Grant Funding from Community Projects Reserve	Community Projects Reserve		11,500	11,500	11,500			
Arts Active Framework	Community Projects Reserve		76,500	58,500	13,800			
£22,000 St Marys Lands Hotel Work	Community Projects Reserve		12,000					
£66,000 (£33,000 In Both 18/19 And 19/20)	Community Projects Reserve		33,000					
St Marys Lands Plincke Homelessness Prevention Grant monies allocated as approved January 2018	Homeless Prevention Reserve	169,100						
Executive Housing advice & allocations addition to budget per Var	Flexible homelessness grant		1,100					
Vehicle Leasing	Business Rate Volatility Reserve		15,000	15,000				
Slippage, Planning Assistant Funded from New Burdens Self & Custom Build Housing Grant until 30/09/20	Revenue Grant / Contribution In Advance Monitor - Self And Custom Build House Register	15,000						
Arts Exhibitions Advance funding B/Fwd from 18/19	Revenue Contributions In Advance Reserve		4,568					
Additional Benefits Salaries- grant received / used in 19/20	Revenue Contributions In Advance Reserve Government Grant Re Additional Benefits Staff		39,541					
Earmarked Reserves b/f from 18-19	Earmarked Reserve		1,101,268					
Temporary Project Officer - funded June 19 to December 19	Leisure Options Reserve		22,600					
The Building Control fees and charges budget on TOTAL is incorrect. Fees were increased by 10% from 1 April 2019. The budget in Appendix A of last year's Fees and Charges Report was £836,000.	Building Control Reserve		-76,000					
Project Manager for 2019/20 (remaining 2 years funded from revenue budgets - see Budget Report 2020/21)	Business Rate Volatility Reserve		15,000					
Misc Items				-14,300				
ICT restructure	Service Transformation Reserve			6,000	121,800	28,200		
ICT restructure	Digital by design Reserves			86,300				
Cremator Reline and Bier	Equipment Renewal Reserve		55,100	7,700				
Total Reserve Funded Developments		871,039	2,613,192	673,416	336,230	293,449	160,345	55,345

APPENDIX 4

Risks Influencing the Level of General Fund Balance

Risk Area	Provision
The possibility the Council overspends – risk increased with budgets reduced to reflect prior year underspends, reductions in “non-contractual” budgets.	£0.1 million
Economic cycle issues affect the budget – over and above what can be expected to be contained within routine monitoring procedures, including the potential risks from the Council leaving the EU.	£0.3 million
Development control income adversely affected by planning policies and economic cycle.	£0.2 million
Costs of environmental prosecution or public enquiry. This is always a possibility and is difficult to forecast in terms of cost.	£0.1 million
Car parking income doesn’t achieve budget forecast.	£0.15 million
Uninsurable event – eg environmental or asbestos claim outside terms of insurance policies.	£0.15 million
Costs of potential planning appeals.	£0.2 million
Possible impacts of budget reductions by other public agencies on this council and the area of Warwick District.	£0.1 million
Reduction in Retained Business Rates	£0.1million
Cost arising from unanticipated risks	£0.1 million
Total	£1.5 million

Name of Reserve & Purpose	Use of Reserve / Balance	Management and Control	Review Mechanism
General Fund Reserves			
Art Gallery Gift Reserve To provide finance for major Art Gallery and Museum purchases linked to the specific conditions imposed by the original gift of the money to the Council	Items to be financed from this reserve are charged to the Art Gallery and Museum Account during the year and notified to Finance. An appropriate amount is then transferred to the General Fund as part of the final accounts process.	The Head of Cultural Services has delegated authority to make such purchases as necessary from this reserve subject to reporting retrospectively to the Executive. The movements in and out of the reserve are monitored against the approved or expected pattern by Finance at least three times a year.	This reserve is reviewed during the final accounts process but as the reserve was created by a private donation and has conditions of use attached to it, levels and potential closure are not applicable
Building Control Reserve The fee earning part of the Building Control service should not make a loss over a rolling three year period. This reserve has been created to assist in this with annual surpluses being paid into it and any annual losses being funded from it. It also funds any improvements required in the service.	Annual surpluses / deficits are credited / debited to this reserve as necessary. If funding improvements e.g. IT, reserve makes the necessary contribution to either the General Fund or Capital Financing as appropriate.	Approval for expenditure to be met from this reserve is delegated to the Head of Development Services and Head of Finance, in consultation with the relevant portfolio holder. The movements in and out of the reserve are monitored against the approved or expected pattern by Finance at least three times a year.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
Business Rate Retention Volatility Reserve	Reserve established to provide finance for “smoothing out” future retained Business Rate revenues.	Executive to approve usage.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the <u>balance or complete closure.</u>
Capital Investment Reserve To provide finance for the Council's General Fund capital programme not met by other resources such as capital receipts, RCCO, external contributions, other reserves.	This reserve provides the balancing figure for financing the Council's General Fund capital programme and the relevant amount is transferred to the Capital Adjustment Account as part of the final accounts process. Annual “repayments” in respect of recently financed schemes are made to the reserve from the General Fund.	The General Fund capital programme and its financing is approved by the Executive. This sets the contribution from this reserve. Any variation to this figure will be formally agreed by the Executive either as part of the final accounts process or as part of the normal process of revising the General Fund Capital Programme. In addition the reserve is monitored by Finance on a regular basis to provide information for reviews of capital programme resources.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the Estimates and Final Accounts processes where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure. In addition the adequacy of the reserve is reviewed as part of the financial strategy and capital programme setting processes. Normal practice is to keep the level at around £1,000,000.
Car Parks Displacement Reserve	Substantial work is required to be carried out in respect of some of the Council's car parks in forthcoming years.	Transfers to and from this reserve will be approved by the Executive as part of the Budget and Final Accounts processes.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
Car Parks Repairs and Maintenance Reserve	Reserve created from car parks revenue repairs and maintenance budget in order to provide resources for future years.	Transfers to and from this reserve will be approved by the Executive as part of the Budget and Final Accounts processes.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the <u>balance or complete closure.</u>
Cemetery Land Purchase Reserve	To purchase land for cemetery extensions	The General Fund capital programme and its financing is approved by the Executive. This sets the contribution from this reserve. Any variation to this figure will be formally agreed by the Executive either as part of the final accounts process or as part of the normal process of revising the General Fund Capital Programme. In addition the reserve is monitored by Finance on a regular basis to provide information for reviews of capital programme resources.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.

Summary of Reserves and Balances

Appendix 5a

Name of Reserve & Purpose	Use of Reserve / Balance	Management and Control	Review Mechanism
Commonwealth Games (Bowls) Reserve	To set aside funds towards funding the project in future years.	The use of this reserve will be agreed by the Chief Executive in consultation with the Leader.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
Community Forums Reserve	To provide finance for the annual programme of Community Forum Grants	February 2013 Executive approved 4 year programme 2014/15 to 2017/18, and subsequently included in core budgets.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
Community Projects Reserve	Reserve created from 2017/18 New Homes Bonus to provide finance for various District wide community projects.	Approval for project spend will be way of reports to the Executive.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
Corporate Assets Reserve	To provide finance for refurbishment of facilities following Stock Condition Surveys.	Subject to future Executive reports, approvals from the reserve have been delegated to SAG and the Section 151 Officer in consultation with the portfolio holders for Assets and Finance.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
Covent Garden Multi Storey Reserve	To provide finance to cover lost income and first year's debt charges when the car park is redeveloped.	Authority to spend is delegated to the Head of Finance in line with the actual lost net income and debt charges. Executive to be informed of the use of the reserve and its balance.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
Election Expenses Reserve To provide finance to fund the expense incurred in holding the District Council elections every four years.	The cost of the election is charged to a service account and a contribution from this reserve is credited to the General Fund from this reserve as part of the final accounts process. In the years where no election is held an annual contribution of £30,000 is made to the reserve.	The movements in and out of the reserve are monitored against the approved or expected pattern by Finance at least three times a year.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
Enterprise Projects Reserve	Reserve is used to smooth surpluses / deficits	Transfers to and from this reserve will be approved by the Executive as part of the Budget and Final Accounts processes, with delegations over usage agreed by Executive (August 2017) to the Head of Development Services up to £20k..	Reserve reviewed by Finance as part of budget estimates and closedown procedures.
Equipment Renewal Reserve To finance a rolling programme of equipment and property replacement and renewal.	Revenue Items to be financed from this reserve are charged to the service accounts during the year. An appropriate amount is then transferred to the General Fund as part of the final accounts process.	Items proposed to be financed from this reserve are first approved by the Executive. Use of reserve is subsequently controlled by SMT, which considers a business case requesting release of funding from the reserve and may approve, if appropriate, followed by approval from Chief Executive and relevant portfolio holders. The standard business case template to be used for SMT's consideration was presented and approved by the September 2011 Executive.	Reserve reviewed as part of Estimates and closedown procedures. Balance increased on basis of Executive approval.
General Fund Early Retirement Reserve To provide finance to cover the one-off pension costs to the General Fund as a result of the early retirement of officers and to provide finance to cover redundancy costs to the General Fund.	Items to be financed from this reserve are charged to the Service Accounts during the year and notified to Finance. An appropriate amount is then transferred to the General Fund as part of the final accounts process.	Approval for expenditure to be met from this reserve is subject to a report to the Executive which previously has been agreed with Finance. The movements in and out of the reserve are monitored against the approved or expected pattern by Finance at least three times a year.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.

Summary of Reserves and Balances

Appendix 5a

Appendix 5a Name of Reserve & Purpose	Use of Reserve / Balance	Management and Control	Review Mechanism
Harbury Lane Reserve	A reserve has been created over a number of years to fund this project.	The use of this reserve will be agreed by the Chief Executive in consultation with the Leader.	The level and continued requirement of this reserve will be reviewed by Finance in conjunction with the Chief Executive and the Leader.
Hill Close Gardens Reserve	This reserve will be used to help fund maintenance of Hill Close Gardens.	Reviewed as part of the Council's budget setting process.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the <u>balance or complete closure</u>
Homelessness Prevention Reserve	From Government grants received in 18/19 and 19/20 towards Homelessness Prevention. A balance of £40k is committed for Rough Sleepers Initiative Interventions.	The Head of Housing Services has delegated authority to draw down from the Reserve in conjunction with the Service Portfolio Holder, Head of Finance and Finance Portfolio Holder.	This money is ring-fenced to prevent or deal with homelessness, with the funding being allocated to the reserve until Council has determined how this money will be spent.
ICT Replacement Reserve To provide finance for the Council's ICT Replacement programme	This reserve has been established in order to provide certainty of finance for the Council's ICT replacement programme.	The ICT Services Manager has delegated authority to spend from this reserve in consultation with the Head of Finance and relevant Portfolio Holders	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer and ICT Manager essentially three times a year: a) when the Financial Strategy is updated b) at budget setting and c) final accounts where depending on the need. A recommendation to the Executive can include increasing / decreasing the balance or complete closure. In addition the adequacy of the reserve is taken into account when revising the capital programme.
Insurance Reserve To provide finance to cover the Council's self insurance against potential claims and to pay for security improvements to the Council's General Fund properties. The reserve also holds sufficient funds to cover any potential claim with regard to the Municipal Mutual Insurance "clawback" re previous claims settled.	Self insurance claims and Security Improvements are charged to the service accounts and the comparable amount is credited to the General Fund from this reserve as part of the final accounts process.	The Insurance Officer has authority to spend up to £15,000 (£1,000 per project) in any one year on security improvements. Items above these thresholds have to be authorised by the Head of Finance. The movements in and out of the reserve are monitored against the approved or expected pattern by Finance at least three times a year.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
Investment Volatility Reserve	Set up to capture a portion of the gain on corporate equity funds to be used to smooth possible future fluctuations	Authority to spend from this reserve is delegated to the Head of Finance.	The use of this reserve will be included within future Budget reports to be agreed by the Executive.
Leisure Options Reserve	This reserve has been established to cover such items as the reduction in income whilst the Leisure Centre refurbishment programme is under way and also the first year and a half's debt charges arising from the prudential borrowing for this project. The reserve will also fund the re-profiling of the contractor concessions arising from the outsourcing of the Leisure Centres operation.	Authority to spend from this reserve is delegated to the Head of Finance in line with the actual lost income and debt charges incurred.	The continuing need for the reserve will be reviewed by Finance in conjunction with the S151 Officer and Head of Cultural Services, and depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.

Name of Reserve & Purpose	Use of Reserve / Balance	Management and Control	Review Mechanism
Local Plan Delivery Reserve	The reserve is used for items of work required to help the implementation of the Local Plan. This would include detailed work on a specific proposal to help turn it from a proposal to reality.	Approval to spend from this reserve is delegated to the Chief Executive, Head of Finance and Head of Development Services in consultation with the Deputy Leader (responsible for the Local Plan) and all group leaders.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the <u>balance or complete closure.</u>
Other Commuted Sums Reserve Commutated Sums are received from developers in respect of the adoption of public open space or other facilities to be maintained at the Council's expense.	Credits are made annually to the General Fund based on (usually) 1/13 th of the capital sum starting from the year in which the maintenance of the facility begins. This date notified by the relevant Service Area.	The General Fund Estimates and its financing is approved by the Executive. This sets the contribution to / from this reserve. The movements in and out of the reserve are monitored against the approved or expected pattern by Finance at least three times a year.	The balance on this reserve is dictated by receipts from developers.
Planning Appeal Reserve Originally created to provide finance to cover the costs incurred by the Council with regard to appeals against its planning decisions. The Reserve also now pays for issues relating to planning policy, for example the costs associated with the Local Plan, and associated research.	Items to be financed from this reserve are charged to the Planning service account during the year and notified to Finance. An appropriate amount is then transferred to the General Fund as part of the final accounts process.	Approval for expenditure to be met from this reserve is proposed to be delegated to the Head of Development and Head of Finance, in consultation with the relevant portfolio holder. The movements in and out of the reserve are monitored against the approved or expected pattern by Finance at least three times a year.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
Planning Investment Reserve	Creation of a reserve into which the 20% uplift in planning fees will be allocated.	To be apportioned by the Head of Finance.	The level and continuing need for the reserve is reviewed by Finance followed by a recommendation to the Executive can include increasing / decreasing the balance or complete closure
Public Amenity Reserve	To provide finance for play area and public open space improvements	The General Fund capital programme and its financing is approved by the Executive. This sets the contribution from this reserve. Any further upward variation in the contribution would have to be approved by the Executive either as part of a report on the particular scheme in question or as part of a revision of the capital programme during the budget monitoring process. The movements in and out of the reserve are monitored against the approved or expected pattern by Finance at least three times a year.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
Public Open Spaces Planning Gain Reserve	Expenditure from this reserve will be charged to service accounts during the year. An appropriate amount is then transferred to the General Fund as part of the final accounts process.	The Head of Neighbourhood Services, in agreement with the Head of Finance, has delegated authority to spend from this reserve.	This reserve is reviewed during the final accounts process but as the reserve was created from S106 contributions which generally have conditions of use attached to them, levels and potential closure are not <u>applicable</u>
Riverside House Maintenance Reserve	This reserve will be used to fund backlog maintenance on Riverside House.	Approval to spend from this reserve is delegated to the Asset Manager and Head of Finance in consultation with the relevant portfolio holders.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure. It is expected that this <u>reserve will be liquidated.</u>
Services Transformation Reserve	Reserve created to enable services to continue to be provided pending delivery of required savings and to finance "Fit For the Future" schemes so as to help the Council secure the savings needed in its Medium Term Financial strategy.	The responsibility for the authorisation of expenditure from this reserve is proposed to be with the Chief Executive and Head of Finance in consultation with the relevant portfolio holders, subject to being reported within subsequent budget reports.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the <u>balance or complete closure.</u>

Summary of Reserves and Balances

Appendix 5a

Name of Reserve & Purpose	Use of Reserve / Balance	Management and Control	Review Mechanism
Tourism Reserve To provide finance for initiatives relating to the Council's ongoing promotion of tourism	Items to be financed from this reserve are charged to the service accounts during the year. An appropriate amount is then transferred to the General Fund as part of the final accounts process.	Authority to spend delegated to Deputy Chief Executive in consultation with the Development Services Portfolio Holder, Finance Portfolio Holder and S 151 Officer.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the <u>balance or complete closure</u> .
Warwick District Climate (Fund) Reserve <i>To provide district-wide funds to met the Climate Emergency Declaration aims by 2025</i>	This reserve will be used to fund changes required throughout the District to meet the Climate Emergency Declaration. It will include Council-led initiatives and grants / contributions to external organisations.	The responsibility for the authorisation of expenditure from this reserve is proposed to be with the Executive.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the <u>balance or complete closure</u> .

Summary of Reserves and Balances

Appendix 5a

Appendix 5a Name of Reserve & Purpose	Use of Reserve / Balance	Management and Control	Review Mechanism
Housing Revenue Account (HRA)			
<i>Housing Revenue Account balance</i> To provide a contingency reserve to protect the HRA against any unexpected and adverse revenue or capital cash flows arising during the year.	The balance will be applied as necessary to finance housing landlord revenue or capital budget variations.	The budgets which affect the balance are monitored during the year by Finance and Housing with the effect on the balance being taken into account in future years' projections to ensure the balance conforms to minimum acceptable requirements within the Self Financing Business Plan.	The adequacy of the balance is assessed as part of reviewing the Self Financing Business Plan. The Self Financing Business Plan is based on maintaining a minimum £1.25m balance.
<i>HRA Early Retirement Reserve</i> To provide finance to cover the pension one off costs to the HRA as a result of the early retirement of Housing officers and to provide finance to cover redundancy costs properly chargeable to the HRA.	Items to be financed from this reserve are charged to the HRA during the year and notified to Finance. An appropriate amount is then transferred to the HRA as part of the final accounts process.	Approval for expenditure to be met from this reserve is subject to a report to the Executive which previously has been agreed with Finance. The movements in and out of the reserve are monitored against the approved or expected pattern by Finance at least three times a year.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the <u>balance or complete closure</u> .
<i>HRA Rough Sleeping Initiative Reserve</i>	To fund a rough sleeping initiative at the William Wallsgrove hostel, from Government grant received in 2018/19.	To match-fund expenditure incurred by the HRA in 2019/20, up to the level of the Reserve.	The reserve will be extinguished during 2019/20.
<i>Housing Capital Investment Reserve</i> To provide finance for new build projects.	To provide finance for new build projects.	The budgets which affect the balance are monitored during the year by Finance and Housing with the effect on the balance being taken into account in future years' projections to ensure the balance conforms to minimum acceptable requirements within the Self Financing Business Plan in order to achieve the required number of new build homes.	The adequacy of the balance is assessed as part of reviewing the Self Financing Business Plan .
<i>Major Repairs Reserve</i> To provide funding for major capital works to the Council's housing stock	The relevant amount required to finance the HRA capital programme is transferred to the Capital Adjustment Account as part of the final accounts process.	The contribution made from this reserve towards capital expenditure is dictated by the developing needs of the HRA Self Financing Business Plan and will be reviewed as part of the formal Business Plan governance process.	The operation of this reserve will be reviewed as part of the ongoing monitoring of the Self Financing Business Plan.

GENERAL FUND AND HOUSING REVENUE ACCOUNT RESERVES AND BALANCES

APPENDIX 5b

Reserve	Use of Reserve 2019/20 to 2023/24	Balance 1/4/2019 £000	Estimated Balance 1/4/2020 £000	Estimated Balance 1/4/2021 £000	Estimated Balance 1/4/2022 £000	Estimated Balance 1/4/2023 £000	Estimated Balance 1/4/2024 £000
GENERAL FUND RESERVES - EARMARKED							
Art Gallery Gift Reserve	Balance on this reserve includes monies transferred from Art Fund Reserve. Currently there is no expenditure to be met from this reserve. External donations of approximately £1k per annum will be credited to this reserve.	21	22	24	25	26	27
Building Control Reserve	Approvals from this reserve currently cover marketing consultancy (£19k), scanning of paper files (£5k), future improvements to IT systems (£32k) and Building Control salary changes (£48k). Commitments relating to the foregoing not currently in the budgets will reduce the uncommitted 1/4/2024 balance to £117k	179	238	222	206	189	173
Business Rate Retention Volatility Reserve	Reserve set up to "smooth" receipt of business rate income	4,535	7,175	6,462	3,894	1,663	1,257
Capital Investment Reserve	This reserve is currently funding £1.125m of General Fund capital expenditure over the period 2019/20 to 2023/24. The reserve will receive top ups amounting to £750k over the same period in respect of RUCIS capital schemes. Included in the balance on the reserve is £200k committed to future Spencers Yard projects and £40k re the Asset Management Plan. The uncommitted balance on the reserve at 31/3/2024 is estimated to be £736k, below the £1m minimum balance recommended for this reserve.	1,206	1,127	950	950	950	950
Car Park Displacement Reserve	Substantial work is required to be carried out in respect of some of the Council's car parks in forthcoming years.	604	485	370	370	370	370
Car Parking Repairs and Maintenance Reserve	Reserve created in order to provide resources for future years repairs and maintenance programmes. It is currently funding replacement pay & display ticket machines and temporary parking at Edmondscote Track. The balance will be extinguished by 2021/22.	383	148	-	-	-	-
Cemetery Land Purchase Reserve	Reserve established to provide finance for the purchase of land for cemetery extensions. Currently no such purchases are included in the General Fund Capital Programme. Future contributions to the reserve will be provided for by a surcharge imposed on out of area burial fees.	16	16	16	16	16	16
Commonwealth Games (Bowls) Reserve	This reserve is currently funding the Project Manager salary costs and various ancillary costs. Taking into account future salary commitments and New Homes Bonus contributions the reserve is predicted to have £7k by the end of the Games in 2022.	42	7	7	7	7	7
Community Forums Reserve	Reserve created from 2013/14 New Homes Bonus to provide finance for the Community Forum Grants.	21	14	14	14	14	14
Community Projects Reserve	Reserve created from New Homes Bonus since 2017/18 to provide finance for various District wide community projects. Allocations not currently factored into budgets are expected to reduce the balance on this reserve to a negative £35k by the end of 2023/24	1,824	1,844	405	280	280	280

GENERAL FUND AND HOUSING REVENUE ACCOUNT RESERVES AND BALANCES

APPENDIX 5b

Reserve	Use of Reserve 2019/20 to 2023/24	Balance 1/4/2019 £000	Estimated Balance 1/4/2020 £000	Estimated Balance 1/4/2021 £000	Estimated Balance 1/4/2022 £000	Estimated Balance 1/4/2023 £000	Estimated Balance 1/4/2024 £000
Corporate Assets Reserve	Reserve created from 2012/13 budget surplus to provide finance for refurbishing facilities following the Stock Condition Survey. An Executive report from April 2018 identified potential calls on this reserve amounting to £1.292m which if spent will reduce the balance on this reserve to £429k by the end of 2023/24, taking account of the latest PPM report. Drawdown from reserve subject to future Executive reports.	2,129	1,088	1,088	1,088	1,088	1,088
Covent Garden Multi Storey Reserve	Reserve created from 2015/16 budget surplus to subsidise the lost car park income and debt financing costs on borrowing for any site redevelopment to be taken out to finance the rebuild. No allocations from this reserve are currently included in the budgets.	900	900	900	900	900	900
Election Expenses Reserve	£35k per annum will be credited to the reserve to help defray the costs of General Elections and £90k subsequently released toward funding the General Elections, based on a 4-year cycle.	105	15	50	85	120	15
Enterprise Projects Reserve	Reserve set up to "smooth" future years surplus/deficits, currently only contributions to the reserve are forecast.	170	216	263	309	356	402
Equipment Renewal Reserve	Projects will be approved by SMT, Chief Executive and relevant Portfolio Holders prior to going ahead. The reserve will receive top ups of £100k per annum and is being used to support a number of projects detailed in appendix 7. If all projects contained in the appendix are approved and spent the reserve will have a negative balance of £792k at the end of 2023/24.	621	684	568	533	612	712
General Fund Early Retirements Reserve	This reserve is to fund redundancy and early retirement costs arising from service reorganisations. £15k is being added from the 20/21 New Homes Bonus.	85	71	86	86	86	86
Harbury Lane Reserve	This reserve will provide funding towards the proposed travellers site in Harbury Lane	84	84	84	84	84	84
Hill Close Gardens Reserve	Reserve created from 15/16 New Homes Bonus and will be used to make payments to the Hill Close Gardens Trust for ongoing expenditure until exhausted in 2019/20.	20	-	-	-	-	-
Homelessness Prevention Reserve	From Government grants received in 18/19 and 19/20 towards Homelessness Prevention. A balance of £40k is committed for Rough Sleepers Initiative Interventions.	522	580	580	580	580	580
ICT Replacement Reserve	This reserve is to provide for planned ICT replacements and revenue costs. The reserve will be topped up by £1.25m between 2019/20 and 2023/24 but is projected to become negative at the end of 2021/22.	76	94	-45	-200	-354	-496
Insurance Reserve	This reserve will be used to cover self insurance against claims and to provide finance for security improvements to mitigate future claims.	274	274	274	274	274	274
Investment Volatility Reserve	Set up to smooth possible future fluctuations on corporate equity funds.	100	100	100	100	100	100

GENERAL FUND AND HOUSING REVENUE ACCOUNT RESERVES AND BALANCES

APPENDIX 5b

Reserve	Use of Reserve 2019/20 to 2023/24	Balance 1/4/2019 £000	Estimated Balance 1/4/2020 £000	Estimated Balance 1/4/2021 £000	Estimated Balance 1/4/2022 £000	Estimated Balance 1/4/2023 £000	Estimated Balance 1/4/2024 £000
Leisure Options Reserve	Balance from Phase 1 of leisure improvements, set up to cover delayed contractor concession payments, compensation payments, project management salary costs and management fee payments. £740k to be added from New Homes Bonus in 20/21.	63	40	780	780	780	780
Local Plan Delivery Reserve	The reserve is funding £63k of the Tachbrook Country Park capital budget. As a result this reserve will be exhausted at the end of 2019/20.	12	44	-	-	-	-
Other Commuted Sums Reserve	Contributions of around £29k will be made to the General Fund each year to fund maintenance of adopted land. In addition, the reserve will fund part of the cost of the Green Spaces Team Leader.	420	390	361	333	305	277
Planning Appeal Reserve	This is funding consultancy for Local Plan, HS2, Kenilworth development brief and site development officer salary etc. costs. Taking commitments not yet in the budgets into account, the reserve balance at 31/3/2024 is expected to be £1.787m.	2,019	1,857	1,825	1,825	1,825	1,825
Planning Investment Reserve	This reserve will receive income amounting to £1.364m from 2019/20 to 2023/24 from the uplift in planning fees. Various posts e.g. temporary Senior EHO, Development Monitoring Officer, CIL Officer etc. are being funded from this reserve.	177	170	331	495	659	823
Public Amenity Reserve	This reserve will provide the finance for the play equipment capital programme. £140k to be added from New Homes Bonus in 20/21.	337	104	140	140	140	140
Public Open Spaces Planning Gain Reserve	Reserve receives a reduced amount of S106 planning development contributions for one-off improvement of Public Open Spaces. It contributes towards capital play area improvements. £140k is being added from the 20/21 New Homes Bonus.	473	413	36	37	38	40
Riverside House Maintenance Reserve	Reserve used to fund maintenance directly attributable to Riverside House.	11	11	11	11	11	11
Services Transformation Reserve	Current approvals from this reserve include contribution to Warwick Sea Scouts' hut, 'Transforming Our Workplace' and various temporary posts. The reserve received a top up of £500k from the 2019/20 New Homes Bonus and will receive £707.3k from the 20/21 NHB.	281	871	1,337	1,023	916	916
Tourism Reserve	Reserve established to help fund tourism initiatives within the District e.g. Warwick Town Council grant re Ambassador scheme.	27	25	25	25	25	25
Digital By Default Reserve	Towards the ICT restructure 2020	114	114	28	28	28	28
Warwick District Climate (Fund) Reserve	Tackling the climate emergency declaration	-	-	2,904	5,868	8,889	11,973
GENERAL FUND RESERVE TOTAL		17,851	19,221	20,197	20,166	20,977	23,676
Change in GF reserves (+ increase / - decrease)			1,370	976	-31	811	2,699

BALANCES

GENERAL FUND AND HOUSING REVENUE ACCOUNT RESERVES AND BALANCES

APPENDIX 5b

Reserve	Use of Reserve 2019/20 to 2023/24	Balance 1/4/2019 £000	Estimated Balance 1/4/2020 £000	Estimated Balance 1/4/2021 £000	Estimated Balance 1/4/2022 £000	Estimated Balance 1/4/2023 £000	Estimated Balance 1/4/2024 £000
General Fund	A core balance of around £1.5m will be maintained as a contingency reserve.	2,019	1,818	1,818	1,818	1,818	1,818
Housing Revenue Account (HRA):							
Housing Capital Investment Reserve	Under self financing, this reserve provides the finance for investment in new housing stock	30,763	15,886	19,455	24,598	27,732	30,866
Major Repairs Reserve	Under Self Financing this reserve provides the major element of funding for capital maintenance works to the Council's housing stock.	8,099	6,377	2,220	2,752	3,278	3,799
Housing Revenue Account balance	To provide a contingency reserve to protect the Housing Revenue Account against adverse in year revenue or capital cash flows arising from unexpected major repairs etc.	1,454	1,482	1,511	1,539	1,568	1,596
Housing Early Retirements Reserve	Contributions of £20k in each year will be made. The reserve is funding £25k redundancy and early retirement costs in respect of the Asset Management Team design in 18/19.	21	1	21	41	61	81
HRA Rough Sleeping Initiative Reserve	To fund scheme at the William Wallsgrove hostel	46	-	-	-	-	-
HRA TOTAL		40,383	23,746	23,206	28,930	32,639	36,342

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	£	£	£	£	£	£	£	£	£
Microsoft Licences									
Microsoft Desktop Licences	141,215	141,215	141,215	165,928	165,928	165,928	194,965	194,965	194,965
Microsoft Server Licences	31,510	31,510	31,510	37,024	37,024	37,024	43,503	43,503	43,503
DataCentre									
ESX Servers (x 5)				60,000					
C Class (inc SAN Switch, Ethernet Switch)		30,000					33,000		
Fibre Switches (HP 24 Port)		15,000					17,500		
Storage Area Network (SAN)		125,000					130,000		
Backup Solution				100,000					
UPS	12,000					13,500			
Physical Server Replacement	26,000			20,000	15,000		25,000		20,000
Infrastructure (General)	13,500	13,500	13,500	14,500	14,500	14,500	15,000	15,000	15,000
Network									
Network Devices LAN (Core)			150,000					150,000	
Network Devices WAN (Remote Sites)			35,000					35,000	
Wireless Access Controllers		45,000							
CyberSecurity (Firewalls, IPS/IDS)			35,000					35,000	
Intrusion Prevention		5,000							
Network General	23,500	13,500	13,500	14,500	14,500	14,500	15,000	15,000	15,000
Telephony									
VoIP Telephony	75,000					80,000			
Contact Centre	8,000					8,000			
Desktop									
Desktop Infrastructure	27,000	30,000	30,000	48,000	30,000	30,000	33,000	52,000	33,000
View Servers (x 5)	60,000					60,000			
Totals	417,725	449,725	449,725	459,952	276,952	423,452	506,968	540,468	321,468

Appendices to Minute 108

	Capital / Revenue	2015/16	2016/17	2017/18
Microsoft Licences				
MS Windows Server DataCenter (SA)	Capital	£9,500		
MS SQL Server (SA)	Capital	£16,980		
MS Exchange Server Licences	Capital	£1,117		
Additional SQL Licences	Capital			£15,000
DataCentre				
ESX Servers	Capital	£19,500		
Storage Area Network (SAN)	Capital		£110,000	
Backup Solution	Capital			
Infrastructure (General)	Capital	£12,500	£12,500	£12,500
Network				
Fibre Switches (Fabric)	Capital			£30,000
Network Devices LAN (Core)	Capital			£70,000
Network Devices WAN (Remote Sites)	Capital			£20,000
Telephony				
VoIP Telephony	Capital			£75,000
Desktop				
PC Replacements	Capital	£35,000	£35,000	£35,000
View Servers	Capital	£13,000		£7,000
Totals		£107,597	£157,500	£264,500
Reserve Capital Split		£149,573	£161,500	£267,500
Re Profile Difference		-£41,976	-£4,000	-£3,000

Appendices to Minute 108

2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
£10,355			£11,287			£12,303	
£27,762			£30,261			£32,984	
£1,218			£1,327			£1,447	
£13,500		£21,000			£12,500		
			£120,000				
£80,000						£80,000	
£12,500	£13,500	£13,500	£13,500	£13,500	£14,500	£14,500	£14,500
		£30,000					£35,000
					£75,000		
					£25,000		
			£75,000				
£35,000	£37,000	£37,000	£35,000	£40,000	£40,000	£40,000	£40,000
£20,000		£13,500		£6,250	£18,750		
£200,335	£50,500	£115,000	£286,375	£59,750	£185,750	£181,234	£89,500
£102,256							
£98,079							

Total

£1,698,041

Equipment Renewal Schedule February 2020, by Year

Appendix 7a

<u>Portfolio</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2028/29</u>	<u>Grand Total</u>
Culture		731	110						841
Health and Community Protection - Environment		36	10	6		10	5		67
Neighbourhood Services	55	8	9	39					111
Strategic Leadership - CST		5						5	10
Strategic Leadership - Member Services		115			48				163
Strategic Leadership - Property Services		14							14
Strategic Leadership - Media Team			205						205
Grand Total	55	909	334	45	48	10	5	5	1411

Equipment Renewal Schedule February 2020, by Year

Appendix 7b

Year and Description	£'000s
2019/20	55
Automatic Bier Replacement	55
2020/21	846
B&K 2250 sound Level Meter/ Matron & calibrator(yellow)	10
1 Monitor Labs Nox Monitor - Mn9841 With Floppy Drive	8
1 Monitor Labs Nox Monitor - Mn9841A	8
250 ballot boxes	11
Beachamp Gardens Tennis Courts	75
Cad System	7
Fujitsu fi-5750C scanner	5
Noise Equipment 2250 (Green) SLM	10
R.P.R. Ag&M - Local History Gallery Refurbishment (WDC assumed externa	100
Refurbishments of Abbey Fields Tennis Courts	65
Replacement Carpet - St Nicholas Park LC All Weather Pitch	350
Town Hall chairs	40
AV system in Council Chamber.	80
3 Scanners for Individual electoral registration forms and postal vote appli	24
Hearth in Cremator #1	8
Moving lights	35
Cinema Projector	10
2022/23	462
B&K 2250 sound Level Meter/ Matron & calibrator(red)	10
Replacement sound desk and lighting - Spa Centre	110
Victoria Park Tennis Courts resurfacing	128
MFDs (Multi Functional Devices), plus Colour Copier	205
Hearth in Cremator #2	9
2023/24	141
1 Monitor Labs O3 Monitor - MI9812	6
digital projector	40
Reline of Cremator #1	39
Front of House / Backstage PA	55
MagiCard Rio Pro badge printer (LIC)	1
2024/25	69
150 packflat polling screens	48
O3 monitor	7
NOX monitor	8
ATP Machine x 4 (FOSH)	4
Didgital probes x 7 (FOSH)	2
2025/26	10
B&K 2250 sound Level Meter/ Matron & calibrator(blue)	10
2026/27	5
Portable Weather Station	5
2028/29	5
Fujitsu fi-5750C scanner	5
Grand Total	1,593

CAPITAL VARIATIONS

Appendix 8

	2019/20 £'000's	2020/21 £'000's	2021/22 £'000's	2022/23 £'000's	2023/24 £'000's	TOTAL £'000's
<u>ORIGINAL BUDGETS PER 2019/20 BUDGET BOOK:</u>						
Original General Fund Capital Budgets	4,199.8	448.8	576.8	551.8	Not published	5,777.2
Original Housing Investment Programme	22,156.3	4,633.2	4,636.0	4,638.9		36,064.4
TOTAL	26,356.1	5,082.0	5,212.8	5,190.7		41,841.6

ORIGINAL GENERAL FUND CAPITAL BUDGETS PER 2019/20 BUDGET BOOK	4,199.8	448.8	576.8	551.8	Not published	5,777.2
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Items slipped from 2018/19 and added to 2019/20 Budgets (see Final Accounts Report 2018/19 for detail on individual schemes - Approved by Executive 10/07/19)	2,604.0	N/A	N/A	N/A	N/A	2,604.0
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Items brought forward from 2019/20 to 2018/19 (see Final Accounts Report 2018/19 for detail on individual schemes- Approved by Executive 10/07/19)	-87.0	N/A	N/A	N/A	N/A	-87.0
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Overspend in 2018/19 on scanners,laptops & letter-openers for postal votes. Budget approved in 2019/20	-7.2	N/A	N/A	N/A	N/A	-7.2
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Rounding adjustments	2.5	N/A	N/A	N/A	N/A	2.5
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TOTAL adjustments arising from Final Accounts Report:	2,512.3	N/A	N/A	N/A	N/A	2,509.8
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INCREASES TO SCHEMES:

Desktop Infrastructure		60.0				60.0
Network		10.0	50.0			60.0
Physical Server Replacement		1.0				1.0
Whitnash Community Hub	415.2	-	-	-		415.2
Leisure Refurbishments Phase 1	34.2					34.2
Leisure Centre Refurbishments Phase 2(includes legal fees)	252.1	257.2				509.3
Community Stadium Project legal fees	12.6					12.6
Scanners, laptops and letter-openers for postal votes	11.5					11.5
Project Officer Whitnash/Kenilworth Phase 2	15.8	47.4	47.4	31.5		142.1
Tach Brook Country Park			2,080.7			2,080.7
St Mary's Lands Masterplan MUGA-virements see	29.4	-	-	-	-	29.4
TOTAL Increase to Schemes:	770.8	375.6	2,178.1	31.5		3,356.0

NEW APPROVALS:

Desktop Infrastructure					48.0	48.0
Infrastructure Replacement					60.0	60.0
Infrastructure General					14.5	14.5
Backup Solution					100.0	100.0
Network					14.5	14.5
Physical Server Replacement					20.0	20.0
Power supply to new offices/MSCP	97.8	-		-	-	97.8
Rural & Urban Initiatives					150.0	150.0
Recycling & Refuse Containers					80.0	80.0
Local Football Facilities	10.0	140.0				150.0
AV System in Council Chamber at Town Hall	-	80.0				80.0
Kenilworth School HIF Grant	9,591.0	-	-	-	-	9,591.0
St Peter's New Pay On Foot System-virement from Leamington Parking Displacement (£36k) and Car Park Display Machines (£40k).	76.0					76.0
Skate Park in St. Nicholas Park-approved July 2018-virement from 2nd Warwick Sea Scouts	40.0					40.0
Health & Community Protection IT system		300.0				300.0
Financial management system		600.0				600.0
Bowling Greens (Commonwealth Games)	100.0	100.0	-			200.0
Purser Drive Path-funded from Section 106	24.0					24.0
Comonwealth Games Cycleway Upgrade		50.0				50.0
2nd Warwick Sea Scouts	89.2					89.2
2nd Warwick Sea Scouts - New Homes Bonus		350.0				350.0
Europa Way Option To Buy Former Farmhouse (Heathcote Farm)		996.8				996.8
Community Stadium Project		69.0	41.6	31.2		176.9
CFS Aeroproducts Reloaction to Warwick - loan	240.0	100.0	100.0			440.0

CAPITAL VARIATIONS

Appendix 8

	2019/20	2020/21	2021/22	2022/23	2023/24	TOTAL
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Kenilworth School Loan		2,000.0				2,000.0
Station Approach Land Purchase	200.0					200.0
Leper Hospital Site Regeneration	115.2	932.8				1,048.0
TOTAL New Approvals:	10,618.3	5,718.6	141.6	31.2	487.0	16,996.7

CAPITAL VARIATIONS

Appendix 8

	2019/20 £'000's	2020/21 £'000's	2021/22 £'000's	2022/23 £'000's	2023/24 £'000's	TOTAL £'000's
TOTAL General Fund New/Increases to Capital Approvals during 2019/20:	11,389.1	6,094.2	2,319.7	62.7	487.0	20,352.7

SLIPPAGE/BUDGET B/FWD - Changes to start dates or delays on projects mean that it is proposed to slip resources into future years/bring forward from future years - identified as part of budget review

Physical Server Replacement		25.0	-25.0			
Transforming Our Workplace	-19.5	19.5				
Whitnash Community Hub	-1,200.0	1,200.0				-
Play Area Improvements	-493.0	493.0				-
Tach Brook Country Park	-44.0	44.0				-
St John's Flood Alleviation	-100.0	100.0				-
Leamington Parking Displacement	-160.0	160.0				-
Car Park Pay & Display Machines	-16.0	16.0				-
Skate Park in St. Nicholas Park- virement from 2nd Warwick Sea Scouts	-40.0	40.0				-
2nd Warwick Sea Scouts						-
Conservation Action Programme - Warwick Town Wall	-100.0		100.0			-
Kenilworth School HIF Grant	-1,387.0	1,387.0				-
St Mary's Lands Masterplan Cycleway	-285.0	285.0				-
St Mary's Lands Masterplan Extension to Bread & Meat Close Car Park	-83.0	83.0				-
St Mary's Lands Masterplan Main Entrance Improvements	-45.0	45.0				-
St Mary's Lands Masterplan Maintenance & Management Plan	-40.0	40.0				-
Castle Farm Sports Pitch Drainage	-73.0	73.0	-	-	-	-
TOTAL General Fund Capital Slippage identified during 2019/20:	-4,085.5	4,010.5	75.0	-	-	-

SCHEMES DELETED / REDUCED /SAVINGS/VIREMENTS:

Desktop Infrastructure	-5.0	-	-50.0			-55.0
Scanners, laptops and letter-openers for postal votes	-2.3					-2.3
CCTV Replacement System	-100.0					-100.0
Leamington Parking Displacement - saving	-105.0					-105.0
Leamington Parking Displacement - virement to St. Peter's New Pay On Foot System	-36.0					-36.0
Car Park Pay & Display Machines - virement to St. Peter's New Pay On Foot System	-40.0					-40.0
Play Area Budgets - to bring inline with reserves	-107.0					-107.0
2nd Warwick Sea Scouts - virement to Skate Park in St. Nicholas Park	-40.0					-40.0
Norton Lindsey New Village Hall Grant	-88.8					-88.8
St Mary's Lands Masterplan Cycleway - virement to St. Mary's Lands MUGA	-17.4		-	-		-17.4
St Mary's Lands Masterplan Bread & Meat Close Car Park - virement to St. Mary's Lands MUGA	-7.0					-7.0
St Mary's Lands Masterplan Main Entrance - virement to St. Mary's Lands MUGA	-5.0					-5.0
TOTAL General Fund Reductions / Savings:	-553.5	-	-50.0	-	-	-603.5

PROPOSED GENERAL FUND CAPITAL PROGRAMME FOR 2020/21 BUDGET BOOK:	13,462.2	10,553.5	2,921.5	614.5	487.0	28,038.7
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	Latest Budget 2019/20 £'000	Proposed Expend. 2020/21 £'000	Proposed Expend. 2021/22 £'000	Proposed Expend. 2022/23 £'000	Proposed Expend. 2023/24 £'000	TOTAL 2019/20 to 2023/24 £'000
CAPITAL PROGRAMME SUMMARY						
Strategic Leadership & CWLEP	237.4	264.5	277.0	277.0	257.0	1,312.9
Health & Community Protection	1,119.5	1,623.7	23.7	15.7		2,782.6
Culture Portfolio	879.3	673.9	23.7	15.8		1,592.7
Finance Portfolio	150.0	750.0	150.0	150.0	150.0	1,350.0
Neighbourhood Portfolio	998.1	883.0	2,160.7	80.0	80.0	4,201.8
Development Portfolio	10,077.9	6,358.4	286.4	76.0		16,798.7
TOTAL GENERAL FUND CAPITAL PROGRAMME	13,462.2	10,553.5	2,921.5	614.5	487.0	28,038.7
STRATEGIC LEADERSHIP & CWLEP						
Desktop infrastructure	39.0	87.0	30.0	30.0	48.0	234.0
Infrastructure replacement					60.0	60.0
Infrastructure general	30.0	13.5	13.5	13.5	14.5	85.0
Backup solution					100.0	100.0
Voice of IP telephone system		75.0				75.0
Storage Area Network (SAN)			170.0			170.0
Network devices LAN & WAN	20.0	23.5	63.5	233.5	14.5	355.0
Contact Centre		8.0				8.0
Physical server replacement	35.0	26.0			20.0	81.0
UPS		12.0				12.0
Transforming Our Workplace	13.6	19.5				33.1
Power supply to Covent Gardens MSPC	97.8					97.8
Scanners, laptops and letter-openers for postal votes	2.0					2.0
TOTAL STRATEGIC LEADERSHIP & CWLEP PORTFOLIO	237.4	264.5	277.0	277.0	257.0	1,312.9
HEALTH & COMMUNITY PROTECTION						
St John's flood alleviation		100.0				100.0
CCTV replacement system	900.0					900.0
Whitnash Community Hub	219.5	1,223.7	23.7	15.8		1,482.7
Health & Community Protection IT system		300.0				300.0
TOTAL HEALTH & COMMUNITY PROTECTION PORTFOLIO	1,119.5	1,623.7	23.7	15.8		2,782.7
CULTURE PORTFOLIO						
Castle Farm sports pitch drainage		73.0				73.0
Leisure refurbishments	44.9					44.9
Leisure centre refurb phase 2 Kenilworth	724.4	280.9	23.7	15.8		1,044.8
Local football facilities	10.0	140.0				150.0
AV system in Council Chamber at Town Hall		80.0				80.0
Bowling Greens - Commonwealth Games	100.0	100.0				200.0
TOTAL CULTURE PORTFOLIO	879.3	673.9	23.7	15.8		1,592.7
FINANCE PORTFOLIO						
Rural & Urban Initiatives	150.0	150.0	150.0	150.0	150.0	750.0
Financial management system		600.0				600.0
TOTAL FINANCE PORTFOLIO	150.0	750.0	150.0	150.0	150.0	1,350.0
NEIGHBOURHOOD PORTFOLIO						
Leamington parking displacement	118.9	160.0				278.9
Car park pay & display machines	67.5	16.0				83.5
St Peter's new pay on foot system	76.0					76.0
Recycling and refuse containers	79.4	80.0	80.0	80.0	80.0	399.4
Play area improvement programme	383.9	493.0				876.9
Pump Rooms Gardens restoration	195.5					195.5
Tach Brook Country Park	52.9	44.0	2,080.7			2,177.6
Purser Drive path	24.0					24.0
Commonwealth Games cycleway upgrade		50.0				50.0
Skate park in St. Nicholas Park		40.0				40.0
TOTAL NEIGHBOURHOOD PORTFOLIO	998.1	883.0	2,160.7	80.0	80.0	4,201.8
DEVELOPMENT PORTFOLIO						
Warwick Town Wall			100.0			100.0
2nd Warwick Sea Scouts' headquarters	249.1	350.0				599.1
Norton Lindsey Community Hub	38.5					38.5
Norton Lindsey new village hall	101.2					101.2
Playbox Theatre loan	11.1					11.1
Kenilworth Wardens relocation	400.0					400.0
Community Stadium project	92.5	113.8	86.4	76.0		368.7
Europa Way option to buy former farmhouse (Heathcote Farm)		996.9				996.9
CFS Aeroproducts relocation to Warwick loan	240.0	100.0	100.0			440.0
Kenilworth School loan	378.6	2,000.0				2,378.6
Kenilworth School HIF grant	8,203.9	1,387.0				9,590.9
Station Approach land purchase	200.0					200.0
St Mary's lands masterplan - cycleway		285.0				285.0
St Mary's lands masterplan - MUGA @ RCW	47.8					47.8
St Mary's lands masterplan - extension to Bread & Meat Close car park		83.0				83.0
St Mary's lands masterplan - main entrance improvements		45.0				45.0
St Mary's lands masterplan - reservoir enhancement		5.0				5.0
St Mary's lands masterplan - Jubilee Wood improvements		5.0				5.0
St Mary's lands masterplan - improve drainage to playing fields		15.0				15.0
St Mary's lands masterplan - maintenance & management plan		40.0				40.0
Leper Hospital regeneration	115.2	932.7				1,047.9
TOTAL DEVELOPMENT PORTFOLIO	10,077.9	6,358.4	286.4	76.0		16,798.7

Housing Investment Programme (HIP) 2019/20 to 2023/24

Appendix 9 Part 2

	Proposed Expend. 2019/20 £'000's	Proposed Expend. 2020/21 £'000's	Proposed Expend. 2021/22 £'000's	Proposed Expend. 2022/23 £'000's	Proposed Expend. 2023/24 £'000's
Housing Revenue Account (HRA) Related HIP Expenditure:					
Construction / Acquisition of Housing	32,083.7	4,327.5	0.0	0.0	
Improvement / Renewal Works	8,166.3	10,510.1	5,797.5	5,803.4	5,809.3
Total Housing Revenue Account Related HIP	40,250.0	14,837.6	5,797.5	5,803.4	5,809.3
Housing General Fund Related HIP Expenditure:					
Improvement Schemes (Private Sector Housing)	0.0	0.0	0.0	0.0	
Total Housing General Fund Related HIP	0.0	0.0	0.0	0.0	0.0
Total Housing Investment Programme (HIP)	40,250.0	14,837.6	5,797.5	5,803.4	5,809.3
Housing Revenue Account Related HIP Expenditure:					
Construction / Acquisition of Housing:					
Repurchase of Ex-Council Housing					
Cloister Way House Purchases	565.7				
Bremridge Close	4,101.0				
Purchase of property	10,827.0				
Purchase of property		4,327.5			
Purchase of property	3,840.0				
Construction of Property	1,750.0				
Purchase of land	11,000.0		0.0		
Total Construction / Acquisition of Housing	32,083.7	4,327.5	0.0	0.0	0.0
Improvement / Renewal Works:					
Aids & Adaptations	647.1	647.1	647.1	647.1	647.1
Roof Coverings	1,317.6	925.0	525.0	525.0	525.0
Defective Flooring	59.3	59.3	59.3	59.3	59.3
Door Entry/Security/Safety Systems	150.0	150.0	150.0	150.0	150.0
Window/Door Replacement	687.4	535.0	535.0	535.0	535.0
Kitchen & Bathroom Fittings / Sanitaryware Replacement	1,223.0	1,225.0	1,225.0	1,225.0	1,225.0
Electrical Fitments / Rewiring	612.4	612.4	612.4	612.4	612.4
Central Heating Replacement	1,239.8	1,239.8	1,239.8	1,239.8	1,239.8
Water Services	9.1	9.1	9.1	9.1	9.1
Structural Improvements	19.7	19.7	19.7	19.7	19.7
Improved Ventilation	4.7	4.7	4.7	4.7	4.7
Thermal Improvement Works	518.4	141.3	141.3	141.3	141.3
Major Garage Works	74.6	24.6	24.6	24.6	24.6
Environmental Works	75.0	75.0	75.0	75.0	75.0
Environmental Works: Tenant Participation Projects	37.7	37.7	37.7	37.7	37.7
Environmental Works: Environmental Neighbourhood Improvements	100.0				
Codependant Asbestos Removal	200.0	200.0	200.0	200.0	200.0
Special capital works		3,143.0			
Fire safety in high-rise / sheltered properties	910.0	1,175.3			
Capital Salaries for Improvement / Renewal Works	280.5	286.1	291.8	297.7	303.6
Total Improvement / Renewal Works	8,166.3	10,510.1	5,797.5	5,803.4	5,809.3
Total Housing Revenue Account Related HIP	40,250.0	14,837.6	5,797.5	5,803.4	5,809.3

General Fund Capital Programme Financing 2019/20 to 2023/24

Appendix 9 Part 3

Source	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000
Internal / External Borrowing	738.4	3,240.6	1,074.6	76.0		5,129.6
Capital Receipts	453.9	257.2				711.1
External Contributions	10,316.7	2,702.5	1,192.5			14,211.7
Revenue Contributions to Capital Outlay	156.3	80.0	80.0	80.0	80.0	476.3
Service Transformation Reserve	128.4	87.4	47.4	31.6		294.8
Equipment Renewal Reserve		80.0				80.0
Public Amenity Reserve	232.5	104.5				337.0
Planning Public Open Space Reserve	84.4	388.5				472.9
Local Plan Delivery Reserve	18.9	44.0				62.9
Community Projects Reserve	496.3	1,368.8	100.0			1,965.1
Car Parks R & M Reserve	143.5	61.0				204.5
Corporate Assets Reserve	97.8					97.8
Parking Displacement Reserve	118.9	115.0				233.9
ICT Replacement Reserve	124.0	264.5	277.0	277.0	257.0	1,199.5
Capital Investment Reserve	352.2	323.0	150.0	150.0	150.0	1,125.2
Total General Fund Capital Funding	13,462.2	9,117.0	2,921.5	614.6	487.0	26,602.3

Housing Investment Programme (HIP) Financing 2019/20 to 2023/24

Appendix 9 part 4

	Proposed Expend. 2019/20 £'000's	Proposed Expend. 2020/21 £'000's	Proposed Expend. 2021/22 £'000's	Proposed Expend. 2022/23 £'000's	Proposed Expend. 2023/24 £'000's	Total £'000's
Housing Revenue Account (HRA) Related HIP:						
Capital receipts: UCR	420.0					420.0
Capital Receipts: One for One replacement	3,157.0		1,500.0			4,657.0
HRA Capital Investment Reserve	18,099.7		-1,500.0	0.0		16,599.7
Major Repairs Reserve	7,624.0	10,387.6	5,674.7	5,680.4	5,685.1	35,051.8
Housing Revenue Account (RCCO)	122.3	122.5	122.8	123.0	124.2	614.8
Capital Grant						0.0
HRA Additional Borrowing	10,827.0	4,327.5				15,154.5
Housing Revenue Account Related HIP Financing	40,250.0	14,837.6	5,797.5	5,803.4	5,809.3	72,497.8
	0.0	0.0	0.0	0.0	0.0	
Housing General Fund Related HIP Financing	0.0	0.0	0.0	0.0	0.0	
Overall Housing Investment Programme (HIP) Financing:						
Capital Receipts: UCR	420.0	0.0	0.0			420.0
Capital Receipts: One for One replacement	3,157.0	0.0	1,500.0			4,657.0
HRA Capital Investment Reserve	18,099.7		-1,500.0	0.0		16,599.7
Major Repairs Reserve	7,624.0	10,387.6	5,674.7	5,680.4	5,685.1	35,051.8
Housing Revenue Account (RCCO)	122.3	122.5	122.8	123.0	124.2	614.8
Capital Grant	0.0	0.0	0.0			0.0
HRA Additional Borrowing	10,827.0	4,327.5				15,154.5
					0.0	
Total Housing Investment Programme Financing	40,250.0	14,837.6	5,797.5	5,803.4	5,809.3	72,497.8
Estimated Housing Investment Programme Resources at:-						
	31/3/2019 £'000's	31/3/2020 £'000's	31/3/2021 £'000's	31/3/2022 £'000's	31/3/2023 £'000's	31/3/2024 £'000's
Any Purpose Capital Receipts	6,634.9	6,612.4	7,009.9	7,407.4	7,804.9	8,202.4
Capital Receipts: One for One replacement	1,757.0	0.0	1,400.0	1,300.0	2,700.0	4,100.0
HRA Capital Investment Reserve	30,660.4	16,573.7	19,268.8	24,230.9	27,364.9	30,498.9
Major Repairs Reserve	8,098.7	6,401.2	2,220.1	2,751.9	3,278.0	3,799.4
S 106	1,110.8	1,110.8	1,110.8	1,110.8	1,110.8	1,110.8
Decent Homes Grant	361.6	361.6	361.6	361.6	361.6	361.6
Total	48,623.3	31,059.7	31,371.2	37,162.5	42,620.2	48,073.1

General Fund Programme & Resources

Appendix 9 Part 5

Capital Programme 2019/20 to 2023/24

	Proposed expenditure					Total £'000
	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	
Capital summary						
Strategic Leadership & CWLEP Portfolio	256.9	149.0	302.0	277.0	237.0	1,221.9
Health & Community Protection Portfolio	1,119.5	1,323.7	23.7	15.8	-	2,482.7
Culture Portfolio	939.1	593.9	23.7	15.8	-	1,572.5
Finance Portfolio	150.0	150.0	150.0	150.0	150.0	750.0
Neighbourhood Portfolio	958.1	1,030.0	80.0	80.0	80.0	2,228.1
Development Portfolio	10,057.9	5,794.6	286.4	76.0	-	16,214.9
Total capital programme (A)	13,481.5	9,041.2	865.8	614.6	467.0	24,470.1
Capital resources brought forward						
Usable Capital receipts	9.0	-	-	-	-	
Capital Investment Reserve	1,205.7	1,127.0	950.0	950.0	950.0	
Public Amenity Reserve	337.0	104.5	-	-	-	
Equipment Renewal Reserve	620.9	603.6	668.3	733.0	811.8	
ICT Replacement Reserve [#]	76.2	93.5	70.3	-109.1	-263.5	
Total capital resources brought forward (B)	2,248.8	1,928.6	1,688.6	1,573.9	1,498.3	
Additions in year to resources						
Borrowing / leasing	738.4	-	-	-	-	738.4
Capital receipts	436.0	257.3	-	-	-	693.3
External contributions	-	-	-	-	-	-
Revenue Contributions to Capital Outlay (RCCO)	13.7	-	-	-	-	13.7
Capital Investment Reserve (net increase)	278.1	150.0	150.0	150.0	150.0	878.1
Other reserves used for capital financing	124.0	264.5	277.0	277.0	257.0	1,199.5
Total additions to capital resources in year (C)	1,590.2	671.8	427.0	427.0	407.0	3,523.0
Total available capital resources (B+C)	3,839.0	2,600.4	2,115.6	2,000.9	1,905.3	3,523.0
less : Capital programme expenditure as above (A)	13,481.5	9,041.2	865.8	614.6	467.0	24,470.1
Capital resources carried forward (B+C-A)	-9,642.5	-6,440.8	1,249.8	1,386.3	1,438.3	
Reduction in capital resources brought forward (C - A)	-11,891.3	-8,369.4	-438.8	-187.6	-60.0	-20,947.1

Note: [#] ICT Reserve is expected to have a negative balance in 2022/23

Appendices to Minute 108

PPM Budget Setting Report: Table to be used in Exec Budget Setting Report

High Level Cost/Balance report	Sum of Budget
Capital	
Corp Operational	
Royal Spa Centre, Leamington Spa	£15,000
Pump Rooms, Leamington Spa	£50,000
Cricket Pavilion, Victoria Park, Archery Road, Leamington Spa	£78,000
Abbey End Toilets, Abbey End, Kenilworth	£2,200
Town Hall, The Parade, Leamington Spa	£80,000
Oakley Woods, Banbury Road, Bichops Tachbrook	£20,000
Riverside House, Leamington Spa	£60,000
Corporate Stock	£50,000
Corp Operational Total	£355,200
Corp Non-Operational	
First and Second Floor, 10 Hamilton Terrace, Leamington Spa	£20,000
Newbold Comyn Barn, Newbold Terrace East, Leamington Spa	£30,000
Corp Non-Operational Total	£50,000
Open Spaces	
Pageant Gardens, Castle Lane, WARWICK	£22,000
Open Spaces Total	£22,000
Car Parks	
Linen Street Multistorey Car Park, Linen Street, Warwick	£20,000
Car Parks Total	£20,000
Corp M&E	
Riverside House, Leamington Spa	£85,000
Corp M&E Total	£85,000
Capital Total	£532,200
PPM	
Corp Operational	
Pump Rooms, Leamington Spa	£23,000
South Lodge, Jephson Gardens, The Parade, Leamington Spa	£4,500
Bowls Pavilion, Victoria Park, Archery Road, Leamington Spa	£13,500
Pageant House, Jury Street, Warwick	£500
South Lodge Leamington Cemetery, 118 Brunswick Steet, Leamington Spa	£3,500
Jubilee House, 19 Smalley Place, Kenilworth	£3,500
Spencers Yard, Avenue Road, Leamington Spa	£1,600
Town Hall, The Parade, Leamington Spa	£2,000
Harbury Lane Recreational Ground, Harbury Lane, Leamington Spa	£4,300
Jephson Gardens, Leamington Spa	£1,500
Milverton Cemetery, Old Milverton Road, Leamington Spa	£2,000
Newbold Comyn Sports Pavilion, Newbold Terrace East, Leamington Spa	£3,000
Oakley Woods, Banbury Road, Bichops Tachbrook	£44,000
Leamington Closed Churchyards, Leamington Spa	£2,000
Warwick Cemetery, Warwick	£6,000
First Floor Offices (MP), Jubilee House, 19 Smalley Place, KENILWORTH	£500
Riverside House, Leamington Spa	£17,000
Restaurant - Jephson Gardens, The Parade, Leamington Spa	£3,000
North Lodge, Jephson Gardens, The Parade, Leamington Spa	£1,000
Public Open Space	£20
Corp Operational Total	£136,420
Corp Non-Operational	
Lodge Buildings, Kenilworth Cemetery, Oaks Road, Kenilworth	£3,000
26 Hamilton Terrace, Leamington Spa	£800
Tennis Courts, Victoria Park, Archery Road, Leamington Spa	£7,480
Corp Non-Operational Total	£11,280
Open Spaces	
Newbold Comyn Park, Leamington Spa	£4,000
Pageant Gardens, Castle Lane, WARWICK	£600
Jephson Gardens, Leamington Spa	£1,700
Milverton Cemetery, Old Milverton Road, Leamington Spa	£4,060
Paths & Drives, Newbold Comyn, Newbold Terrace East, Leamington Spa	£700
Riverside Walk, Leamington Spa	£150
External, Royal Spa Centre, Newbold Terrace, Leamington Spa	£300
Leamington Closed Churchyards, Leamington Spa	£7,870
Victoria Park, Leamington Spa	£207,618
York Road Open Space, York Road, Leamington Spa	£93,856
Open Spaces Total	£320,854
Car Parks	
Abbey End Car Park, Abbey End, Kenilworth	£1,000
Chandos Street Car Park, Chandos Street, Leamington Spa	£2,000
Castle Lane Car Park, Castle Lane, Warwick	£2,000
Myton Fields Car Park, Myton Road, Warwick	£1,000
New Street Car Park, New Street, Warwick	£2,000
St Marys Land (4), Sainsbury's Car Park, Warwick Road, Kenilworth	£1,000
Westgate Car Park, Puckerings Lane, Warwick	£1,000
Riverside House, Leamington Spa	£10,000

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Linen Street Multistorey Car Park, Linen Street, Warwick	£24,200
St Peters Multistorey Car Park, Augusta Place, Leamington Spa	£5,000
Covent Garden Multistorey Car Park, Russell Street, Leamington Spa	£2,000
Land at Station Approach	£2,000
Car Parks Total	£53,200
Corp M&E	
Bowls Pavilion, Victoria Park, Archery Road, Leamington Spa	£10,000
Newbold Comyn Sports Pavilion, Newbold Terrace East, Leamington Spa	£4,250
Althorpe Enterprise Hub, Leamington Spa	£3,500
Corp M&E Total	£17,750
PPM Total	£539,504
Grand Total	£1,071,704

Funding Analysis	£
Expenditure	
2020/21 PPM	£1,071,704
Total Expenditure	£1,071,704
Available Funding	
2020/21 PPM Budget	-£413,000
Draw Down From Corporate Assets Reserve	-£658,704
Total Funding	-£1,071,704
2020/21 Net Financial Position (Expenditure less Funding)	£0

Corporate Assets Reserve Balance	£
2019/20 Corporate Assets Reserve Balance	£1,087,522
Plus estimated 2019/20 PPM Underspent Budget	£20,000
Less 2020/21 PPM Reserve Drawdown	-£658,704
2020/21 Closing Balance of Corporate Assets Reserve	£448,818

Warwick District Council Financial Strategy 2020/21-2024/25

1 INTRODUCTION

“Money” is one of 3 keys strands of the Council’s Fit for the Future Programme. The others are People and Services. This document supports the delivery of the Council’s services and the projects within the Programme, as well as supporting all Council Strategies to deliver its aims and objectives.

It considers the major funding issues facing the Council in the Medium Term (the next 5 years). Extending the Strategy beyond this period would rely on broad estimates and many uncertainties. It would not be prudent to base the Strategy on a shorter period as risks and significant issues arising in the medium term could occur before the Council has developed the means of managing these. Forecast future levels of Funding are projected alongside other known constraints and opportunities.

The Council has a Code of Financial Practice and Code of Procurement Practice which underpin the Strategy.

Monthly Budget Review Reports are considered by the Senior Management Team, with Members of the Executive being updated on a quarterly basis. Alongside this, regular updated 5 year Financial Projections are included. Full Council receive the latest 5 Year Forecast alongside this Strategy within the Budget and Council Tax Reports presented in February of each year.

2. BACKGROUND

2.1 The Economic Background, as provided by Treasury Advisors, Link Asset Services – their Report is reproduced as Annex 1.

2.2 Recent years have seen many changes to the nature of Funding Local Authorities receive from Central Government. The new Business Rate Retention Scheme was introduced from 1st April 2013. Whilst setting the NNDR Baseline, Government then allowed Council to retain a share of any growth above this Baseline. There is a safety net whereby the Authority would receive a top up payment should actual Business Rates collected fall more than 7.5% below their Baseline.

Alongside this, the proportion of Business Rates to Revenue Support Grant has increased since this scheme was introduced. The 4 year settlement announced in December 2015 and January 2016 saw Revenue Support Grant become zero in 2019/20, having reduced significantly over the 3 year period. The Council’s other main income source is its local Council Tax payers.

2.3 In December 2017, the government announced the intention to increase the level of business rates retained by local government from the current 50% to

the equivalent of 75% from April 2020. During 2019/20 selected authorities piloted this scheme. This Council will closely monitor further developments as the scheme evolves. The proposals surrounding the 75% Business Rate Retention show that Revenue Support Grant will cease.

- 2.4 The Financial Strategy and projections have been updated in line with the 2020/21 Government Settlement Figures announced in December 2019. The Council's Financial Strategy is based upon the absence of Revenue Support Grant announced by the Government and its own Business Rates forecasts using the NNDR1 and NNDR3 returns and local intelligence, including support from "Analyse Local", independent Business Rates Consultants.
- 2.5 As referred to above, from 2013/14, the District Council retains 20% of any growth in business rates above the pre-determined Baseline. The Council's Baseline for 2019/20 is £3.392m. This is the amount the Council retains. If the actual amount collected varies to the Baseline, the Council will retain more or less income, working out at the Council retaining 20% of any increased revenues. Conversely, if there is any reduction in the new business rate receipts, the Council will bear 20% of this cost. There is a Safety Net whereby the Council will not be able to receive less than £3.137 million, this being within 7.5% of the Baseline retained income figure. However, this Authority has entered into Pooling arrangements. This means the Safety Net payment would be paid to the Pool rather than the actual authority falling into the Safety Net.

The Baseline has been inflated annually since the scheme commenced in 2013 until 2021, when there is due to be a "reset" of the system. The proposed changes to the Business Rate Scheme are discussed in more detail in Section 3.5 of the Budget Report.

The Council entered into a "pooling" arrangement with the other Warwickshire councils. Under this arrangement the amounts due to be paid to Central Government under the Levy should greatly reduce, meaning more income will be retained locally. Whilst there are risks attached to pooling, especially if income should substantially decline, however, based on the latest projections, the Council should benefit from remaining in the pool in 2020/21.

- 2.6 The Council also receives Government Support by way of New Homes Bonus (NHB) for 2020/21 this is £3.726 million. A proportion of this is allocated to the Waterloo Housing Association as part of the WC Housing Joint Venture. Initially, NHB was funded on a 6 year rolling time limited basis. After consultation the Government phased a reduction for this from 6 (2016/17) to 4 years from 2018/19. It is paid on a rolling basis. To date the Council has not had to use New Homes Bonus to support recurring expenditure on core service provision. This prudence has proved wise so far, whilst allowing the Council to support new schemes and replenish Reserve balances.

- 2.7 The Council are permitted to increase their share of Council Tax by either 2% or £5 (per band D equivalent) without triggering a Referendum. However, it is proposed to hold a Referendum, and to increase this by an additional £1 per week (£52 per year per band D equivalent) to £223.86 per year. The additional monies generated will be used to fund items within the Climate Emergency Agenda (Appendix 12).
- 2.8 In March 2012 the Housing Revenue Account (HRA) borrowed £136.2m to make a one off 'buy out' payment when the Housing Subsidy system was replaced by 'Self Financing'. This debt is serviced from HRA rental income, in place of the payments previously made to the National Housing Rent Pool under the Housing Subsidy system. A 50 year Business Plan is maintained to demonstrate the viability of the HRA and the capacity to invest in the service and provide new homes.
- 2.9 A 'Prudential Framework' for borrowing was introduced from 2004/05. Local authorities no longer have to obtain Government approval before borrowing. Control is by prudential limits based on the authority's revenue resources. The Council can borrow if it can afford the revenue consequences.
- 2.10 The Council reviews its budgets on a monthly basis, amending these as changes are identified, rather than reporting upon variations and updating its current year's budgets once at part of the following year's budget setting process. The process will be constantly reviewed to identify further efficiencies so that data can be produced in the most timely and accurate manner.
- 2.11 The Council made great strides with publishing the 2018/19 Statement of Accounts, on time and signed by external audit, following the failure to publish its 2017/18 Accounts within statutory deadline. Processes were thoroughly reviewed and scrutinised with an Action plan drawn up, with regular updates provided to members. Internally formal procedures were created, and training was provided to all people involved within the final accounts process.

3. CORPORATE STRATEGY AND FIT FOR THE FUTURE PROGRAMME

- 3.1 The Council's Organisational Purpose being:

"Warwick District: a great place to live, work and visit".

- 3.2 During 2010, the Council adopted its Fit For the Future programme as its Corporate Strategy to provide an organisation framework to progress these objectives. As well as focusing on delivering quality services that its customers' need, the programme and subsequent updates have set challenging savings targets to be delivered. Achieving these will assist the Council in delivering its services in the future in light of uncertainty

surrounding the economic climate, and future reductions in Central Government Support.

This programme needs to stay up to date and relevant in providing the strategic framework for the Council to meet the challenges it faces. Projects within the programme will be adjusted to reflect opportunities and challenges arising from Government initiatives and legislation as well as the Council's own Local Priorities.

These include-

The impact of Brexit on the economy and changes in legislation as Britain leaves the European Union is still uncertain.

In his Autumn Statement 2019, the Chancellor announced that the National Living Wage rise from £8.21 to £8.72 in April 2020.

- 3.3 As well as these initiatives, other major issues that will affect the Council's finances over this period are:
- (i) Monitoring the medium term financial forecast will identify this Council's progress in meeting its various savings initiatives and the profile of the savings still to be identified.
 - (ii) The impact of pressures to improve environmental sustainability, and meet the climate change agenda.
 - (iii) Energy costs which are extremely volatile.
 - (iv) Major developments that may occur, such as, Kenilworth School Relocation, Europa Way and other potential strategic opportunities.
 - (vi) Major investment in multi storey car parks that will require structural renewal.
 - (vii) The Council completed condition surveys on its Corporate Assets. The Council continues to strive to ensure its Corporate Asset properties are maintained at a reasonable standard. So far it has been able to resource these costs. Ongoing Funding for future liabilities will need to be found.
 - (viii) The potential to work with partners and realising savings by pooling resources.
 - (ix) Capital receipts have reduced considerably and any for the future are extremely uncertain.
 - (x) The volatility of many of the Council's income budgets.
 - (xi) The rate of economic recovery and investment interest returns.
 - (xii) Trees throughout the district need replacing for which funding will need to be sought.
 - (xiii) Ongoing reviews on how the Council manages and delivers its services.
 - (xiv) Development of the Fit for the Future Programme and the Council's ability to adapt to change.
 - (xv) Efficient procurement to deliver quality services at minimum cost.

- (xvi) Superannuation Fund and pensions changes further to the changes to the Local Government Pension Scheme introduced in April 2014. The pensions fund, in common with most others, continues to carry a projected deficit, although plans are in place to seek to ensure the fund is in surplus.
 - (xvii) In June 2016, the country voted to leave the European Union. The initial impact saw a reduction in interest rates and a drop in the pound against other currencies. As there is still a lot to be agreed in terms of the arrangement for UK withdrawal from the EU, this situation will need to be kept under review, with the impact on the Council's finances routinely assessed. The Council will amend its medium term financial forecasts as necessary to reflect any impact and related issues e.g. changes in legislation such as VAT.
 - (xviii) Renewal of the Council's major contracts in 2021/22.
- 3.4 The Council will plan replacements and renewals of equipment (including ICT Resources), and repair and maintenance in a careful manner concentrating on the sustainability of services as a first priority. In addition, the Council needs to continually review its reserves in the light of a very ambitious programme of change, and constant uncertain external pressures on the planning regime.
- 3.5 The Council continues to promote agile working and the electronic storage of records. These link to the asset management plan strategy of reducing office space needs.
- 3.6 During 2017/18, the major refurbishment of 2 of the Council's Leisure Centres, Newbold Comyn and St Nicholas Park Leisure Centres was completed. The Council now moves to Phase 2 of its plan to develop all of its Leisure Centres and redevelop the 2 Kenilworth ones, consulting with Stakeholders prior to undertaking the development. Following the consultation, the Council has selected suitable options for each leisure centre and is progressing to RIBA stage 3 on each. From June 2017, the Council outsourced the management of its Leisure Centres. A private contractor will be able to operate in a more cost efficient way, benefitting from Mandatory Rate Relief and achieving economies of scale from operating many Leisure Centres across the country. From 2019, this Council will receive an annual concession from the Operator. There is potential to receive more income from a "Profit Share" arrangement. In the interests of prudence, none of this 'profit share' has been factored into the Financial Forecasts.
- 3.7 Several Major Projects are currently being worked on, with further reports due to members.
- Demolition of the old Covent Garden Car Park to enable the development of the new Multi Storey Car Park, housing and Council HQ, enhancing the parking offering to residents and visitors and delivering savings on the current HQ running costs.

- Working with partners to develop the land at Europa Way and deliver housing and a new stadium.
- Preparation for the Commonwealth Games Bowls in 2022 at Victoria Park which offers a significant opportunity to promote the Town and its attractions and support the local economy.
- Delivery of the St Marys Lands Masterplan to enhance and promote the landscape character creating a natural open green space and promote St. Mary's Lands as a visitor destination supporting the many organisations within it.
- Phase 2 of the Leisure Centres refurbishment project
- A number of significant housing projects, delivering both private and social housing.

4. FINANCIAL PRINCIPLES

4.1 The following are the principles (for both the General Fund and the Housing Revenue Account) that underpin the Financial Strategy:

- (i) Savings and developments will be based upon corporate priorities as set out in the Council's Fit for the Future programme.
- (ii) In order to achieve further savings the Council continues to explore all avenues including
 - Shared services and joint working
 - Outsourcing where other providers can deliver a minimum of the same standard of service more efficiently
 - Efficient Procurement
 - Benchmarking costs and income and understanding differences
 - Increasing fees and paying customers where there is spare capacity and looking for opportunities to maximize income
 - Accessing grants to assist with corporate priorities
 - Controlling costs
 - Workforce planning
 - More efficient and greater use of technology
- (iii) The Council has ambitions to effectively manage its resources. In setting both its Council Tax and Housing Rents, the Council takes account of its budget requirement, the support it receives from Central Government, inflation and the affordability of its local tax and rent payers.
- (iv) The Council's base policy for Council house rent increases is currently to follow Central Government guidance. Any diversion from this policy will be requested in the annual Rent Setting report to Council, and reflected in the HRA Business Plan.

- (v) Whilst the Council will aim for Fees and Charges to be increased so that income is at least maintained in real terms, it will be mindful of the reality of the current economic conditions and its competitors. The Council is committed to making good use of the ability to raise funds through charges and put them to good use for the community.
- (vi) The Council still needs to develop its ability to benchmark all services across the Council.
- (vii) This Council takes a positive approach to partnership working, realising the following benefits: -
 - a) Levering in additional external funding.
 - b) Ensuring improved use of sites, whether or not in the ownership of the Council.
 - c) Ensuring the future sustainability of projects.
 - d) Sharing/Reducing costs
 - e) Strengthening the resilience of the service
 - f) Enhancing quality of services
- (viii) The Financial Strategy takes account of all revenue effects of the capital programme to ensure that the decisions taken are sustainable into the future.
- (ix) The Council will hold reserves for specific purposes, as to be agreed by Executive.
- (x) The Capital Investment Reserve shall be maintained with a minimum uncommitted balance of £1m and a General Fund Balance of £1.5m.
- (xi) Any unplanned windfalls of income, whether service specific or more general, will be reported to the Executive who will prioritise how such income is used as part of setting future balanced budgets and meeting the Council's priorities.

5. PROCESS & MONITORING

Preparing budgets

- 5.1 The budget setting process is consistent with the service area planning process and the Fit for the Future Programme with recent years focusing on reductions in budgets and efficiencies.
- 5.2 When the Capital Programme is approved by Council the capital schemes will still be subject to individual approval on the basis of an evaluation and Business Case in accordance with the Council's Capital Strategy.

Monitoring and managing budgets

- 5.3 Under the monthly “Budget Review” Process, Budgets are amended as soon as changes are identified. The Financial Code of Practice is regularly updated to incorporate any changes in practice. The Financial Code of Practice was reviewed and updated in 2015 to reflect changes in this process and procurement practices.
- 5.4 Accountants work with Service Areas to identify budget variances and changes; these are reported to the Senior Management Team on a monthly basis. Regular reports are submitted for consideration by the Executive and Scrutiny Committees. The Council continues to review and refine its current processes, putting tighter controls in place to improve the quality and accuracy of the review process.

Consultation

- 5.5 The Council has a track record of consulting both partner organisations and the public this is an important contribution to assist identifying options and in learning lessons.
- 5.6 There is extensive consultation with partners on Fit For the Future, and the Sustainable Community Strategy.
- 5.7 The Council takes a strategic 5 year approach to determine how budgets are set and service prioritised.
- 5.8 The Council has a record of consulting where appropriate on the development of individual schemes.

6 ASSUMPTIONS

- 6.1 The following assumptions will be used in bringing forward proposals on the budget
 - (i) Forecasts for Business Rates income are based upon the Council’s local forecasts and out-turns. The Council uses a company called Analyse Local to forecast its provision for appeals.
 - (ii) Interest projections will continue to be based on the rates projected by Link Asset Services Treasury Solutions, the treasury management advisers.
 - (iii) It is assumed general inflation will increase by 2% per annum. Where the Council is contractually bound to increase costs and the Business Rates multiplier are increased by the relevant percentages.

7. HOUSING REVENUE ACCOUNT (HRA)

- 7.1 Housing Self Financing was implemented on 1st April 2012. A 50 year HRA Business Plan has been developed to ensure sufficient funds will be available to service the £136.2m debt taken out with the PWLB in order to 'buy' the Council out of the existing Housing Subsidy system, provide the necessary funding to maintain the stock and enable the building of new homes over the life of the Business Plan.
- 7.2 There is a requirement to follow Central Government National Housing Rent Policy when determining rents on HRA dwellings. With effect from April 2016, the rent charged by local authorities has had to be reduced by 1% per year for 4 years. When a new tenancy begins the Council can re-let at Target Social Rent, in time bringing all social housing rents in line with 2002 Convergence policy. From April 2020 social rents policy will change, allowing the rent charged to be increased by CPI + 1% each year. The council does have discretion over the setting of garage rents, Warwick Response charges and rents for HRA owned shops and commercial properties.

8. REVENUE FORECASTS

- 8.1 Revenue forecasts will be drawn up in line with this strategy, and the strategy itself will be reviewed every year when the budget is set. The current forecasts are set out in the February 2020 Budget Report, which reported savings required as follows:

	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Deficit-Savings Required(+)/Surplus(-) future years	0	522	1,868	1,762
Change on previous year	0	522	1,346	-106

These are indicative based on current assumptions, and assumes that savings are achieved and maintained.

- 8.2 The forecasts are reviewed throughout the year, with the Executive being informed of the latest projections as part of the Budget Process.

9. ASSET RESOURCE BACKGROUND

- 9.1 Set out below is a summary of the Council's assets and its existing plans to use its resources to invest for the future.
- 9.2 The Council's assets as shown in the balance sheet as at 31st March 2019 are summarised below: -

	No	Value £'000
Operational Assets		
HRA		
Operational Land and Buildings	7,524	395,186
Surplus Assets/Work in Progress	-	0
Vehicles, Plant, Furniture and Equipment	-	501
General Fund		
Operational Land and Buildings	119	74,391
Surplus Assets/Work In Progress	3	745
Vehicles, Plant, Furniture and Equipment		2,234
Community Assets	-	7,638
Infrastructure	-	2,001
Heritage Assets	-	8,315
Total	7,646	491,011
Investment Properties	88	10,966

- 9.3 A summary of the proposed capital programme for the period to March 2024 is given below. This programme gives an indication of the level of the Council's available capital resources that are to be devoted to capital expenditure during this period.

	Latest Budget 19/20 £'000's	Proposed Expend. 20/21 £'000's	Proposed Expend. 21/22 £'000's	Proposed Expend. 22/23 £'000's	Proposed Expend. 23/24 £'000's	TOTAL 2019/20 to 2023/24 £'000's
Strategic Leadership & CWLEP	237.4	264.5	277.0	277.0	257.0	1,312.9
Health & Community Protection	1,119.5	1,623.7	23.7	15.7		2,782.6
Culture Portfolio	879.3	673.9	23.7	15.8		1,592.7
Finance Portfolio	150.0	750.0	150.0	150.0	150.0	1,350.0
Neighbourhood Portfolio	998.1	883.0	2,160.7	80.0	80.0	4,201.8
Development Portfolio	10,077.9	6,358.4	286.4	76.0		16,798.7
Housing Investment	40,250.0	14,837.6	5,797.5	5,803.4	5,809.3	72,497.8
Total Capital Programme	53,712.2	25,391.1	8,719.0	6,417.9	6,296.3	100,536.5

10. CAPITAL PRIORITIES

10.1 The main focus of the programme is:

- Realising local aspirations as expressed within the Corporate Strategy (which incorporates the Community Plan and the Council's Resource Strategies) and it's Fit for the Future Programme;
- Maintaining, and where possible enhancing, the condition of the Council's existing assets so as to reduce future maintenance liabilities and to encourage their effective use. Where appropriate this will include working in partnership with others such as the Friends of the Pump Room Gardens, Jockey Club and Golf Centre on St Marys Lands. Supporting capital schemes that provide revenue savings to the Council, in particular supporting investment in Information and Communication Technology so as to modernise activities and release resources for other purposes.
- Achieving regeneration and economic vitality in main population centres.

10.2 Key particular projects that link to the corporate strategy are: -

- Enabling developments across the district that improve the environment such as Europa Way, and the improvement of Leamington Old Town.
- To continue to maintain the Government's "decent homes" standard.
- To increase the number of affordable houses in the district.
- Enhanced Leisure Facilities

11. FINANCING THE CAPITAL STRATEGY

11.1 The Capital Strategy needs to have regard to the financial resources available to fund it. The main sources of funding are detailed below: -

- Capital Receipts – primarily resulting from the sale of the Council's assets as other receipts have fallen in recent years. This income is lumpy and limited, although there are still schemes being considered that could realise further capital receipts.
- The Council is required to sell homes to eligible tenants at a significant discount under the right-to buy (RTB). A proportion of such receipts are taken by the Treasury; with the balance retained by the Council, some having to be to provide for new dwellings and the remainder the Council having flexibility over its use.
- Capital Contributions – including contributions from developers (often under Section 106 Planning Agreements and now from the Community Infrastructure Levy as well) and grants towards specific schemes.
- Use of Council's own resources – either by revenue contributions to capital, or use of earmarked reserves.
- Borrowing – the Council has freedom to borrow under the Prudential System provided it can demonstrate that it has the resource to service the debt.
- Leasing – the Council now requires that, where appropriate, an options appraisal is undertaken in order to identify the most efficient source of financing capital purchases. In certain cases this may take the form of either a lease.

12. REVIEW

- 12.1 This strategy will be subject to annual review to ensure that changes are included and that development issues have been implemented. It has been reviewed in the light of the Fit for the Future programme.

13. RISKS

- 13.1 Previous years have demonstrated that the Council needs to consider the risk in setting and managing its budgets.
- 13.2 The key risks that could arise and ways in which they should be managed are set out in the main February Budget report and associated appendix.
- 13.3 The Council maintains a Significant Business Risk Register which is reviewed bi-annually by the Executive and quarterly by the Senior Management Team. Each Service Area has its own Service Risk Register. These are presented for the consideration of the Finance and Audit Scrutiny Committee on a quarterly rotating basis.
- 13.4 All major projects the Council undertakes have their own separate Risk Register.
- 13.5 There is a separate section on Risk in all Committee Reports to Members.

ANNEX 1

Link Asset Services Economic Background

UK

- **General election** December 2019 returned a large Conservative majority on a platform of getting Brexit done. UK left the EU on 31 January 2020.
- There is still considerable uncertainty about whether the UK and EU will be able to agree the details of a **trade deal** by the deadline set by the prime minister of December 2020. This leaves open the potential risks of a no deal or a hard Brexit.
- **GDP growth** has been weak in 2019 and is likely to be around only 1% in 2020.
- **November MPC meeting and Bank of England quarterly Monetary Policy Report** (formerly called the Inflation Report). MPC voted 7-2 to keep rates on hold. Increase in concerns among MPC members around weak UK growth caused by weak global economic growth and the potential for Brexit uncertainties to become entrenched and so delay UK economic recovery.
- **MPC meeting on 30 January 2020** again voted 7-2 to keep rates on hold. Their key view was that there was currently 'no evidence about the extent to which policy uncertainties among companies and households had declined' i.e. they were going to sit on their hands and see how the economy goes in the next few months.
- If economic growth were to weaken considerably, the MPC has relatively little room to make a big impact with **Bank Rate** still only at 0.75%. It would, therefore, probably suggest that it would be up to the Chancellor to provide help to support growth by way of a **fiscal boost** e.g. tax cuts, infrastructure spending etc.
- **CPI inflation** has been hovering around the Bank of England's target of 2% during 2019, but fell again in both October and November to a three-year low of 1.5%. It is likely to remain close to, or under 2% over the next two years and so it does not pose any immediate concern to the MPC. However, if there was a hard or no deal Brexit, inflation could rise towards 4%, primarily because of imported inflation on the back of a weakening pound.
- **Labour market.** Employment growth has been quite resilient through 2019 until the three months to September where it fell by 58,000. However, there was an encouraging pick up again in the three months to October to growth of 24,000, which showed that the labour market was not about to head into a major downturn. The unemployment rate held steady at a 44-year low of 3.8%. Wage inflation has been steadily falling from a high point of 3.9% in July to 3.5% in October (3-month average regular pay, excluding bonuses). This meant that in real terms, (i.e. wage rates higher than CPI inflation), earnings grew by about 2.0%. As the UK economy is very much services sector driven,

an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months. The other message from the fall in wage growth is that employers are beginning to find it easier to hire suitable staff, indicating that supply pressure in the labour market is easing.

USA

- **Growth** in 2019 has been falling after a strong start in quarter 1 at 3.1%, (annualised rate), to 2.0% in quarter 2 and then 2.1% in quarter 3. The economy looks likely to have maintained a growth rate similar to quarter 3 into quarter 4; fears of a recession in 2020 have largely dissipated.
- The strong growth in **employment numbers** during 2018 has weakened during 2019, indicating that the economy had been cooling, while inflationary pressures were also weakening.
- **CPI inflation** rose from 1.8% to 2.1% in November, a one year high, but this was singularly caused by a rise in gasoline prices.
- **The Fed** finished its series of increases in rates to 2.25 – 2.50% in December 2018. In July 2019, it cut rates by 0.25% as a 'midterm adjustment' but flagged up that this was not intended to be seen as the start of a series of cuts to ward off a downturn in growth. It also ended its programme of quantitative tightening in August, (reducing its holdings of treasuries etc.). It then cut rates by 0.25% again in September and by another 0.25% in its October meeting to 1.50 – 1.75%.
- At its September meeting it also said it was going to **start buying Treasuries again**, although this was not to be seen as a resumption of quantitative easing but rather an exercise to relieve liquidity pressures in the repo market. In the first month, it will buy \$60bn, whereas it had been reducing its balance sheet by \$50bn per month during 2019.
- The Fed left rates unchanged in **December**. However, the accompanying statement was more optimistic about the future course of the economy so this would indicate that further cuts are unlikely.
- **Trade war with China**. The trade war is depressing US, Chinese and world growth. In the EU, it is also particularly impacting Germany as exports of goods and services are equivalent to 46% of total GDP. It will also impact developing countries dependent on exporting commodities to China. However, progress has been made in December on agreeing a phase one deal between the US and China to roll back some of the tariffs; this gives some hope of resolving this dispute.

EUROZONE

- **Growth** has been slowing from +1.8 % in 2018 to around half of that at the end of 2019; there appears to be little upside potential in the near future.
- **The European Central Bank (ECB)** ended its programme of quantitative easing purchases of debt in December 2018, which then meant that the central

banks in the US, UK and EU had all ended the phase of post financial crisis expansion of liquidity supporting world financial markets by quantitative easing purchases of debt.

- However, the downturn in EZ growth in the second half of 2018 and into 2019, together with inflation falling well under the upper limit of its target range of 0 to 2%, (but it aims to keep it near to 2%), has prompted the ECB to take new measures to stimulate growth. At its March meeting it announced a **third round of TLTROs**; this provides banks with cheap borrowing.
- However, since then, the downturn in EZ and world growth has gathered momentum; at its meeting on 12 September it cut its deposit rate further into negative territory, from -0.4% to -0.5%, and announced a **resumption of quantitative easing purchases of debt for an unlimited period**.
- At its October meeting it said these purchases would start in November at €20bn per month - a relatively small amount compared to the previous buying programme. It also increased the maturity of the third round of TLTROs from two to three years. However, it is doubtful whether this very limited loosening of monetary policy will have much impact on growth and, unsurprisingly, the ECB stated that governments would need to help stimulate growth by 'growth friendly' fiscal policy.
- There were no policy changes in the December meeting, which was chaired for the first time by the new President of the ECB, Christine Lagarde. However, the outlook continued to be down beat about the economy; this makes it likely there will be further monetary policy stimulus to come in 2020. She also announced a thorough review during 2020 of how the ECB conducts monetary policy, including the price stability target.
- Several EU countries have **coalition governments**. More recently, Austria, Spain and Italy have been in the throes of trying to form coalition governments with some unlikely combinations of parties i.e. this raises questions around their likely endurance. The latest results of German state elections has put further pressure on the frail German CDU/SDP coalition government and on the current leadership of the CDU.

CHINA

- Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and shadow banking systems. In addition, there still needs to be a greater switch from investment in industrial capacity, property construction and infrastructure to consumer goods production.

JAPAN

- It has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

WORLD GROWTH – reversal of globalisation

- Until recent years, world growth has been boosted by **increasing globalisation** i.e. countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth, and, by lowering costs, has depressed inflation. However, the rise of China as an economic superpower over the last thirty years, which now accounts for nearly 20% of total world GDP, has unbalanced the world economy. The Chinese government has targeted achieving major world positions in specific key sectors and products, especially high tech areas and production of rare earth minerals used in high tech products. It is achieving this by massive financial support, (i.e. subsidies), to state owned firms, government directions to other firms, technology theft, restrictions on market access by foreign firms and informal targets for the domestic market share of Chinese producers in the selected sectors. This is regarded as being unfair competition that is putting western firms at an unfair disadvantage or even putting some out of business. It is also regarded with suspicion on the political front as China is an authoritarian country that is not averse to using economic and military power for political advantage. The current trade war between the US and China therefore needs to be seen against that backdrop. It is, therefore, likely that we are heading into a period where there will be a **reversal of world globalisation and a decoupling of western countries** from dependence on China to supply products. This is likely to produce a backdrop in the coming years of weak global growth and so weak inflation.
- **Central banks are, therefore, likely to come under more pressure to support growth by looser monetary policy measures and this will militate against central banks increasing interest rates in 2020 and beyond.**
- The trade war between the US and China has been during 2019, and still is, a major concern to **financial markets** due to the synchronised general weakening of growth in the major economies of the world, compounded by fears that there could even be a recession looming up in the US, (though such fears have largely dissipated towards the end of 2019).
- These concerns resulted in **Government bond yields falling in 2019** in the developed world. If there were a major worldwide downturn in growth, central banks in most of the major economies will have limited ammunition available, in terms of monetary policy measures, when rates are already very low in most countries, (apart from the US). There are also concerns about how much distortion of financial markets has already occurred with the current levels of quantitative easing purchases of debt by central banks and the use of negative central bank rates in some countries. The latest PMI survey statistics of economic health for the US, UK, EU and China have all been predicting a downturn in growth; this confirms investor sentiment that the outlook for growth during the year ahead is weak.

Appendix 12

Council Tax Referendum

Operational Issues

Budget Report – Executive February 2020

The main recommendation in the report is for setting an excessive level of Council Tax.

The report includes details of how the anticipated extra income will be allocated. This will be on Climate Emergency initiatives that are above of the Council's core recurring Budget.

The report covers how the cost of the referendum will be paid for. Assuming the vote is in favour of the increase, it will be possible for this to be funded from the additional council tax income from the excessive increase.

The report addresses the issues if the vote is not in favour of the increase. It would be imprudent not to include these details in the report, and should be included as a potential risk which could have a major impact on the Council's finances.

Costs

Financially, the costs to the Council will include:-

The cost of the referendum (estimated £300k).

The cost of re-billing (estimates £200k). These costs will need to include the costs of:-

- Software changes
- Printing and postage of bills
- Additional staff costs to answer telephones, billing, recovery etc.
- Staff overtime

Impact upon Service

The Council Tax service may be impacted for months. Whilst the Council may be able to set substitute council tax relatively quickly, it could be some months before new bills can be sent out.

The main delay and cost is likely to be the software provider writing the software. In the days of Council Tax Capping (1990's and early 2000's) when several authorities were impacted each year, it is understood bills were often not issued until the Autumn.

With the delay in new bills being sent, this is likely to impact the service in several ways. Whilst these will undoubtedly have a cost to the Council, this will be more of an opportunity cost which it is not possible to easily quantify: -

- Increased correspondence and telephone contacts from council tax payers. Council tax has been subject to significant processing delays in recent years. In recent months there have been significant improvements. However, this has taken substantial effort by the whole team. If the correspondence levels do increase, it may be many years before processing times return to an acceptable level. Additional staff are likely to be sought to help manage this.
- Complexities in calculating the raising bills for those having a change in circumstance over this period.
- In addition to Council Tax, the impact on Council Tax Reduction (council tax benefit), and the calculations of awards will need to be updated. This would also result in more contact from our CTR recipients, who are often the more vulnerable.
- Potential delays to recovery processes will in due course result in increased arrears. This in turn will increase the eventual level of write-offs. Again, there are likely to be additional costs here.

Numbers going to bailiffs and the impact on the most vulnerable

Over the last 3 financial years c.2,000 Council Tax cases have been passed to the Council's Enforcements Agents; with an excessive increase to the Council Tax this could place further hardship on a number of customers and increase this figure. If the vote in the referendum was unsuccessful, this could cause a huge delay on recovery and prevent legal action from being taken until much later in the financial year, this could result in cases not being passed to the Enforcement Agents until the following financial year, when customers are then also having to pay their current liability. On the most vulnerable customers, the impact of this would be hugely negative.

Impact of phone service demand on the rest of the organisation's customers

During normal main billing time (March & April) Revenues & Benefits already receive the highest number of calls, and have the largest percentage of unanswered calls (15-21%). Should the vote be unsuccessful, it is expected that this level would continue for the period until new revised bills could be issued. As highlighted previously, if this took until the Autumn, this could mean 6-7 months of increased calls and high percentages of unanswered calls, resulting in a very poor customer experience. During these busy periods, customers who have been unable to get through on the Council Tax or Benefits line have resorted to using other departments contact numbers within the Council, who then have their lines tied up with calls they cannot transfer due to phone lines being constantly full.

The 85% cap means that the most vulnerable will have to use their living cost income to meet the extra council tax

Benefit rates have been frozen now since 2016 in addition to various caps placed on the total benefits that can be received, but during that time Council Tax has continued to increase annually placing an added burden to these customers. Those on maximum Council Tax Reduction will be due to pay 15%

of any increase in Council Tax (with pensioners still eligible for up to 100% reduction). The DWP have announced that there will be a 1.7% increase to benefits from April 2020, however the outcome of the impending general election could have an effect on this. A single person over 25 on JSA would currently receive £73.10 a week and on an average Band D would pay £278.36 (15%) Council Tax. In 2020 JSA could increase to £74.35, however with the proposed excessive Council Tax increase, their Council Tax liability would increase to £296.32 (15%) (subject to final council tax increases by all preceptors giving a weekly increase of 34p, this equates to a third of their potential benefit increase solely on Council Tax.

Cost of likely additional temporary staff needed to meet extra demand

An untrained temporary member of staff would cost around £500+vat per week to employ. An experienced and pre-trained member of temporary staff would command nearer £900+vat a week. Based on the assumed increases in workload it could be very conservatively anticipated that at least 2 extra staff for dealing with phone calls (this would allow us to increase the number of lines coming in to the department) and at least 3 extra staff for the back office Revenues Team to deal with all correspondence and the associated recovery issues would be required. At these rates, additional staff for 6 months would cost in the range £65k-£117k.

Potential health and well-being impact on staff dealing with queries should the vote be lost

As Council Tax is a very emotive subject, the reaction to the proposed increase, the referendum and the outcome of the referendum would be huge. Complaints and opinions from tax payers would be constant and this will have a negative effect on staff. Morale and motivation would be greatly challenged when faced with this level of increase in negative contacts, potentially this would lead to higher sickness levels. During busiest times, currently reduced numbers of staff are allowed to be on Annual Leave, however it would be unfair to impose this for a longer period, yet in order to meet the increased work volumes, this would be a consideration that would have to be made, again causing a negative impact on the staff in the department.

Having a large backlog in correspondence in recent years has been very demoralising for staff; the team have been pleased to see the more recent improvements that they have achieved. The expected increase in correspondence and potential backlog in correspondence will have a negative impact on staff.

Appendix A

Warwick District Council

Council Tax 2020/21

Substitute Calculations

1. Summary

By opting for an increase in Council tax of £52.00 per annum per band D property the Council will breach the principles of excessiveness as defined by the Secretary of State. This means that the Council, in proposing an excessive increase in council tax must hold a local referendum and obtain a "yes" vote before being able to maintain the increase. An authority proposing to set an excessive council tax level is also required to make substitute calculations which will take effect if the proposed amount of Council tax is rejected in a referendum, this is presented in this report.

Members are required to agree the substitute level of council tax and other changes to the recommendations in the main Budget report which will take effect if the proposed amount of council tax in the main report is rejected.

2. Recommendations

The Executive recommend to Council to approve the following recommendations to apply in place of the original specific recommendations (as referenced as applicable) within the Budget report to apply if the proposed amount of council tax is rejected in a referendum:-

- 2.1 The proposed Budget for 2020/21 with Net Expenditure of £17,300,716 taking into account the changes detailed in section 3.3, with a deficit of £1,600,100 prior to use of reserve, as summarised in Appendix B. (Replaces recommendation 2.4)
- 2.2 Subject to approval of the above Budget for 2020/21, the Council Tax charges for Warwick District Council for 2020/21 before the addition of Parish/Town Councils, Warwickshire County Council and Warwickshire Police and Crime Commissioner precepts, for each band is agreed by Council as follows (3.6.7) (replaces recommendation 2.5):-

	£
Band A	114.57
Band B	133.67
Band C	152.76

Band D	171.86
Band E	210.05
Band F	248.24
Band G	286.43
Band H	343.72

- 2.3 Approve the 2020/21 New Homes Bonus of £3,726,100 is allocated as follows, (replaces recommendation 2.12):-

New Homes Bonus – 2020/21 Allocation	£
Waterloo Housing Association	125,800
Commonwealth Games Reserve	150,000
Sea Scout's Headquarters	350,000
Masters House	250,000
Climate Change Programme Director - 3 yr post	105,000
Public Amenity Reserve	140,000
Leisure Options Reserve - Kenilworth Leisure interim development costs	370,000
Financial Management System	600,000
H&CP System	300,000
General Fund Early Retirements Reserve	15,000
Food waste collection implementation and setup	533,000
Council Tax Referendum	500,000
Project Legal Costs	98,000
Service Transformation Reserve	189,300
Total Allocated	3,726,100

- 2.4 Agree changes to other appendices within the main Budget Report are made to reflect the changes to the Budget proposed within this report.

3. Reasons for Recommendations

- 3.1 The Council's net General Fund budget for 2020/21 for service provision, excluding any allocation to the Climate Change Reserve is £17,300,716, as shown within Appendix B. This is the sum to be financed from retained business rates, Government Grant and Council Tax. Within this budget, no allocation is being made to the Climate Change Reserve.
- 3.2 Subject to approval of the above Budget 2020/21, the Council Tax charges for Warwick District Council for 2020/21 before the addition of Parish/Town Councils, Warwickshire County Council and Warwickshire Police and Crime Commissioner precepts, for each band is agreed by Council as follows (3.6.7) (replaces recommendation 2.5):-

	£
Band A	114.57
Band B	133.67
Band C	152.76
Band D	171.86
Band E	210.05
Band F	248.24
Band G	286.43
Band H	343.72

- 3.3 The Council's New Homes Bonus for 2020/21 is proposed to be allocated as follows:-

New Homes Bonus – 2020/21 Allocation	£
Waterloo Housing Association	125,800
Commonwealth Games Reserve	150,000
Sea Scout's Headquarters	350,000
Masters House	250,000
Climate Change Programme Director - 3 yr post	105,000
Public Amenity Reserve	140,000

Leisure Options Reserve - Kenilworth Leisure interim development costs	370,000
Financial Management System	600,000
H&CP System	300,000
General Fund Early Retirements Reserve	15,000
Food waste collection implementation and setup	533,000
Council Tax Referendum	500,000
Project Legal Costs	98,000
Service Transformation Reserve	189,300
Total Allocated	3,726,100

3.4 The changes to the New Homes Bonus allocations in this report to the Budget report are as follows:-

- Climate Change Director (£105,000). It is proposed to fund the first year of this post from 2020/21 NHB, and the two subsequent years from NHB for 2021/22 and 2022/23.
- Masters House. £250,000 funded from 2020/21 New Homes Bonus and the remaining £250,000 from 2021/22 NHB.
- Leisure Options Reserve – Kenilworth Leisure Centre. £370,000 funded from 2020/21 New Homes Bonus and the remaining £370,000 from 2021/22 NHB.
- Referendum (£500,000) – the cost of holding the Council Tax referendum and subsequent impact on re-billing for Council Tax are proposed to be funded from NHB.
- Allocation to Service Transformation Reserve (£189,300).

3 It will be noted that it is proposed to commit some future New Homes Bonus for 2021/22 and 2022/23. As discussed within the Budget report (paragraph 3.7.3), based on the Government proposals for NHB, the Council will expect to receive “legacy” NHB payments for both of these years. The amounts expected and proposed allocations are shown below:-

	2021/22	2022/23
	£000	£000
Total Proposed Allocation	2,226	1,278
Future commitments		
CommonWealth Games	150	150
Waterloo	88	45
Masters House	250	
Climate Change Programme Director - 3 year post	105	105
Kenilworth Rugby Club - replenish prior year funded from	300	
Kenilworth Leisure - interim costs during development	370	
Total commitments	1,263	300
Balance	963	978

As referred to in the Budget report, there is a possibility that these NHB legacy payments are not agreed as part of future Local Government Financial Settlements, in which case the Council will need to seek alternative sources of funding or to seek to cease these allocations.

- 3.5 The changes to the Budget, level of Council Tax and use of New Homes Bonus, will impact on many of the appendices included with the main Budget Report. In addition to Appendix 2 (General Fund Budget Summary, included with this report), these will include changes in respect the Medium Term Financial Strategy (Appendix 3), Reserves (Appendix 5), Capital (Appendices 8 and 9).

WARWICK DISTRICT COUNCIL

GENERAL FUND SUMMARY

	NET EXPENDITURE			
	Actual 2018/19 £	Original Budget 2019/20 £	Latest Budget 2019/20 £	Original Budget 2020/21 £
Portfolio Service Expenditure:				
Business (Development Services)	2,782,442	1,820,000	11,998,400	1,883,700
Cultural Services	10,107,599	5,012,300	4,459,100	3,908,400
Development Services	317,983	126,500	648,200	327,900
Finance	2,233,530	2,911,600	2,748,800	2,988,400
Health & Community Protection	3,062,768	3,388,900	4,101,300	2,738,700
Housing Services - General Fund	1,390,564	1,519,600	1,846,200	1,940,100
Neighbourhood Services	6,201,987	6,252,400	6,615,800	6,656,600
Strategic Leadership	2,430,133	3,067,600	4,508,300	4,076,200
NET COST OF GENERAL FUND SERVICES	28,527,006	24,098,900	36,926,100	24,520,000
Replacement of Notional with Actual Cost of Capital				
- Deduct Notional Capital Financing Charges in Estimates	(3,328,021)	(8,271,500)	(17,488,400)	(6,521,200)
- Add Cost of Loan Repayments, Revenue Contributions and Interest Paid	108,726	603,800	361,500	466,800
Revenue Contributions to Capital	525,755	2,266,000	1,615,700	1,807,700
Contributions to / (from) Reserves	4,655,989	1,702,500	1,347,283	13,316
Net External Investment Interest Received	(583,032)	(472,300)	(669,800)	(508,100)
IAS19 Adjustments	(1,545,889)	(1,667,400)	(2,308,400)	(2,477,800)
Accumulated Absences Account	(17,781)	-	-	-
Contributions to / (from) General Fund Balance	(704,570)	(201,393)	6,624	-
Surplus / (Savings Required)	-	-	-	-
NET EXPENDITURE FOR DISTRICT PURPOSES	27,638,183	18,058,607	19,790,607	17,300,716
Less: Revenue Support Grant	(306,736)	-	-	-
Less Business Rates	(7,780,771)	(5,268,000)	(7,000,000)	(4,161,000)
Less: General Grants	(2,515,798)	(3,374,000)	(3,374,000)	(3,726,100)
Collection Fund (Surplus) / Deficit	-	(143,000)	(143,000)	185,000
EXPENDITURE BORNE BY COUNCIL TAX - WARWICK DISTRICT COUNCIL	17,034,878	9,273,607	9,273,607	9,598,616
Aggregate Parish Council Expenditure	1,412,612	1,522,679	1,522,679	To Follow
COMBINED DISTRICT AND PARISH EXPENDITURE BORNE BY COUNCIL TAX	18,447,490	10,796,286	10,796,286	9,598,616
Warwickshire County Council Expenditure	72,805,334	79,575,948	79,575,948	To Follow
Warwickshire Police and Crime Commissioner	10,890,249	12,670,470	12,670,470	To Follow
TOTAL EXPENDITURE BORNE BY COUNCIL TAX	102,143,073	103,042,704	103,042,704	9,598,616
BAND D EQUIVALENT COUNCIL TAX:				
Warwick District Council	319.07	166.86	166.86	171.86
Parish and Town Councils (Average)	26.46	27.40	27.40	To Follow
DISTRICT & PARISH BAND D EQUIVALENT COUNCIL TAX	345.53	194.26	194.26	171.86
Warwickshire County Council	1,363.68	1,431.81	1,431.81	To Follow
Warwickshire Police Authority	203.98	227.98	227.98	To Follow
TOTAL BAND D EQUIVALENT COUNCIL TAX	1,913.19	1,854.05	1,854.05	171.86
Council Tax Base (Band D Equivalents)	53,388.87	55,577.17	55,577.17	55,851.37

ANDREW DAY
Leader of the Executive

MIKE SNOW
Responsible Financial Officer