

AGENDA MANAGEMENT SHEET

Name of Committee	Cabinet
Date of Committee	27 January 2011
Report Title	2011/12 Budget - An Update
Summary	The report provides Cabinet with the latest information to be used as a basis of setting the 2011/12 budget. This includes the latest resource position and the risk assessment on the level of reserves. It also provides the opportunity for the Cabinet to outline their final 2011/12 Budget and Medium Term Financial Plan proposals in advance of setting the 2011/12 Budget at Council on 15 February 2011.
For further information please contact:	Virginia Rennie Group Accountant Tel: 01926 412239 vrennie@warwickshire.gov.uk
Would the recommended decision be contrary to the Budget and Policy Framework?	No.
Background papers	The statement made, by the Leader, to Council on 2 November 2010 and the accompanying supporting documentation. Presentation on the Local Government Finance Settlement to Cabinet on 17 December 2010.

CONSULTATION ALREADY UNDERTAKEN:

Other Committees	<input type="checkbox"/>
Local Member(s)	<input type="checkbox"/>
Other Elected Members	<input checked="" type="checkbox"/> Cllr Tandy, Cllr Roodhouse, Cllr Wright
Cabinet Member	<input checked="" type="checkbox"/> Cllr Farnell
Chief Executive	<input checked="" type="checkbox"/> Jim Graham
Legal	<input checked="" type="checkbox"/> Sarah Duxbury
Finance	<input checked="" type="checkbox"/> Dave Clarke - reporting officer

- | | | |
|--------------------------|-------------------------------------|-------|
| Other Chief Officers | <input checked="" type="checkbox"/> | SDLT |
| District Councils | <input type="checkbox"/> | |
| Health Authority | <input type="checkbox"/> | |
| Police | <input type="checkbox"/> | |
| Other Bodies/Individuals | <input type="checkbox"/> | |

FINAL DECISION NO

SUGGESTED NEXT STEPS:

- | | | |
|---|-------------------------------------|---|
| Further consideration by this Committee | <input type="checkbox"/> | |
| To Council | <input checked="" type="checkbox"/> | The 2011/12 Budget and council tax will be agreed at the Council meeting on 15 February 2011. |
| To Cabinet | <input type="checkbox"/> | |
| To an O & S Committee | <input type="checkbox"/> | |
| To an Area Committee | <input type="checkbox"/> | |
| Further Consultation | <input type="checkbox"/> | |

Cabinet - 27 January 2011

2011/12 Budget - An Update

Report of the Strategic Director, Resources

Recommendations

(1) That Cabinet notes:

- i. The latest resource information and the additional resources identified as outlined in paragraphs 3.2, 4.2 and 7.2.
- ii. The Strategic Director, Resources' risk assessment on the level of general reserves.
- iii. The Strategic Director, Resources' recommendation that the balance in the Service Realignment Fund is increased to £10 million.

(2) That Cabinet agrees, in light of the information provided, their 2011/12 budget and resolutions for recommendation to Council on 15 February 2011.

1 Introduction and Background

- 1.1 At the Council meeting, on 2 November 2010, the Leader made a statement outlining the Conservative Group's draft 2011/12 budget proposals.
- 1.2 These proposals were based on the best information available at the time. In a number of areas final information was either not known in November, or has changed over the intervening period. These areas are:
 - ❖ The provisional and final Local Government Finance Settlement.
 - ❖ The council tax taxbase for 2011/12.
 - ❖ The surplus/deficit on council tax collection from 2010/11.
 - ❖ The reductions to and distribution of specific and area based grant allocations from the Government.
 - ❖ Changes to spending/savings plans included in the draft proposals
 - ❖ Reserves and the impact of the Strategic Director, Resources reserves risk assessment.
- 1.3 In addition the Local Government Finance Settlement included additional funding for adult social care to be provided through an agreement with the PCT. This is dealt with more specifically in Section 9 below.

- 1.4 This report updates members on the latest information for each of these areas. In doing so it also provides Cabinet with the opportunity to issue their final 2011/12 revenue and capital budget resolutions.

2 The Local Government Finance Settlement

- 2.1 The provisional Local Government Finance Settlement announcement for 2011/12 and 2012/13 was made by Eric Pickles on 13 December 2010. It sets out how that grant will be distributed between authorities over the next two years and how much each individual authority will receive. The provisional settlement is the start of a statutory consultation where councils and other interested groups have the chance to comment on the proposals.
- 2.2 Our Formula Grant (the main general grant received from government), after adjusting for changes in function of £30.704 million, will decrease by £15.425 million, or -12.6%, in 2011/12 to £107.371 million. For 2012/13 our future indicative Formula Grant, after adjusting for changes in function, is £98.665 million a further decrease of -7.1%.
- 2.3 Provisional allocations of two further grants were also announced. We will receive an Early Intervention Grant of £17.336 million in 2011/12 and a Learning Disability and Health Reform Allocation of £11.716 million.
- 2.4 The government also confirmed proposals for a Council Tax Freeze Grant. This provides an authority with a grant equivalent to the value of a 2.5% increase in council tax, if the authority sets a 0% council tax increase in its budget resolution. For Warwickshire this grant is estimated to be worth £5.817 million in 2011/12.
- 2.5 As was outlined by the Strategic Director, Resources in his presentation to Cabinet on 17 December 2010, this year's local government finance settlement is extremely complex. As well as significant decreases in funding it has also been marked by funding transferring between the various categories of grant.
- 2.6 Assuming a cash freeze in relation to the Dedicated Schools Grant (DSG), the County Council will have £20.395 million less resources in 2011/12 than in 2010/11. This is before funding any inflation and other spending pressures. Details of the change in the level of resources available are shown in Table 1.
- 2.7 The final Local Government Finance Settlement for 2011/12 is due to be announced towards the end of January. At the time of writing there are no indications that any changes between the provisional and final settlements will be implemented. As a result it is felt that the £714.294 million is reasonable to be used as a basis of planning.

Table 1: Change in the Level of Resources Available 2010/11 to 2011/12			
	2010/11 Resources £m	2011/12 Resources £m	Variation £m
Formula Grant	92.092	107.371	15.279
Specific Grant/ABG*	98.386	-	(98.386)
Dedicated Schools Grant#	295.248	339.790	44.542
Learning Disability Grant	-	11.716	11.716
Early Intervention Grant	-	17.336	17.336
Council Tax Freeze Grant	-	5.807	5.807
Council Tax (0% increase)	230.544	232.274	1.730
Total Resources	716.270	714.294	(1.976)
Less adjustments for new responsibilities			
❖ Concessionary Fares	-	(6.703)	(6.703)
❖ Learning Disability	-	(11.716)	(11.716)
Adjusted Resources for Comparison	716.270	695.875	(20.395)

Note:

* Specific Grants/ABG assumed in the 2 November 2010 forecasts to be a cash standstill, with any reduction to be managed within the resources provided.

Dedicated Schools Grant is assumed to be a cash standstill, as grant levels have yet to be announced. The increase is due to £44.542 million former specific grants/ABG being reclassified as Dedicated Schools Grant

3 Council Tax Taxbase

3.1 The taxbase we must use when setting the council tax is the level notified to us by the district and borough councils in Warwickshire. For 2011/12 the taxbase is 201,403 Band D equivalent properties, an increase of 0.9% from the 2010/11 taxbase. The breakdown across the districts is shown in Table 2.

Table 2: A Comparison of the 2010/11 and 2011/12 Taxbase				
	2010/11 Taxbase Band D properties	2011/12 Taxbase Band D properties	Variation Band D properties	Variation %
North Warwickshire	21,217	21,347	+130	+0.6%
Nuneaton and Bedworth	38,905	39,357	+452	+1.2%
Rugby	35,176	35,465	+289	+0.8%
Stratford-on-Avon	51,634	51,973	+339	+0.7%
Warwick	52,631	53,261	+629	+1.2%
Total	199,563	201,403	+1,829	+0.9%

3.2 For planning purposes, for 2011/12, we had been using a 0.75% increase in the taxbase, reflecting historic trends. The actual taxbase figure of 201,403 Band D equivalent properties is higher than this. **The impact of this increase in the taxbase is additional resources of £0.406 million in addition to the figures shown in Table 1 above.**

4 Surplus/Deficit on Collection of Council Tax

- 4.1 As part of setting the council tax we also have to take into account any surplus/deficit on collection from previous years. This includes making provision in the 2011/12 budget resolutions to make good any deficit. Again this information is provided by the district and borough councils, with a statutory deadline of 25 January 2011.
- 4.2 Final information from all the district and borough councils shows a net surplus of £1.782 million. The breakdown across the districts is shown in Table 3. This is one-off money, therefore, if it is used to fund on-going spend it will create a need to identify additional savings in future years. **The impact of this surplus is to increase the resources available to support the budget, on a one-off basis, by £1.782 million in addition to the figures shown in Table 1.**

Table 3: 2011/12 Surplus/(Deficit) on Collection	
	2010/11 Surplus/(Deficit) on Collection £m
North Warwickshire	0.335
Nuneaton and Bedworth	0.583
Rugby	0.537
Stratford-on-Avon	0.327
Warwick	-
Total	1.782

5 Specific and Area Based Grant Allocations

- 5.1 **Dedicated Schools Grant**
Funding for schools and pupil services is primarily through a specific government grant called Dedicated Schools Grant (DSG). The total grant funding we receive is directly related to the number of pupils. The DSG must be spent on schools and pupil related services, and is the only ring-fenced grant remaining for 2011/12.
- 5.2 For 2011/12 a number of school related grants, totalling £44.542 million, have been mainstreamed into the overall DSG. A minimum funding guarantee has been set at -1.5% of the schools 2010/11 budget. In addition, the settlement guidance is clear that local authorities should minimise turbulence in budgets across the years.
- 5.3 The pupil premium is allocated in addition to this funding. Schools will receive £430 for each pupil currently eligible for free school meals and £200 for each pupil from a service family. Looked after children and deprived pupils in non-mainstream settings will also benefit from the premium.
- 5.4 The draft budget assumes that DSG funded services should continue to be “self-sufficient” with no top-up funding from corporate resources.

5.5 **Specific and Area Based Grant Allocations**

The authority's approach to grant funded services in the past has been that grant funded services are not part of the corporate budget process. Rather directorates have directly received the benefit of any increases in grant or have had to manage any decreases internally. The amalgamation of numerous grants into formula grant, or into larger "pots", such as the Early Intervention Grant, and the removal of all ring-fences (except for DSG) means this approach can no longer continue.

5.6 For 2011/12 we are in a half-way house. For all grants, we know the 2010/11 numbers but do not, in all cases, have the equivalent level of the grant for 2011/12. In future years we will not know any of the elements individually.

5.7 The suggestion from SDLT is that the initial approach to managing the expected reductions in grant funding should be:

- ❖ All reductions in grant are assumed to fall in the relevant service area.
- ❖ Where grants are going to increase between 2010/11 and 2011/12 they are incorporated into the base at the lower, 2010/11, level. Such an approach is consistent with the overall budget strategy of not funding any growth and that grant funded services were outside of the base used for calculating directorate savings targets.
- ❖ Where a service would still wish to receive funding for the difference between the funding in the base and the 2010/11 grant the request is taken forward as an option for receiving funding from any unallocated resources identified.

5.8 The effect of this approach would initially mean reductions of £12.006 million for services previously funded by grant, of which £2.152 million relates to grants that have yet to be announced. A full list of all grants, their future funding source and the breakdown of the £12.006 million reduction are shown in **Appendix A**. Where grants are reducing and the directorate would like the allocation increased, the Appendix also includes a commentary, from the Directorate, on the consequences of the lower level of funding and the use to which any additional resources allocated would be put.

6 **Changes to Savings/Spending Plans**

6.1 The budget pressures currently included within the draft budget proposals were first quantified in September. The announcement of the provisional Local Government Finance Settlement has meant an opportune time to review the levels of these pressures to ensure the resources are still needed.

6.2 This review has now been completed and with the one exception the figures remain unchanged. The funding for adult social care demography is forecast to increase by £467,000 in 2011/12 compared to previous estimates, with further increases of £341,000 and £193,000 in future years. An updated list of

the revenue pressures funded as part of the draft budget proposals is attached at **Appendix B**.

- 6.3 A draft savings plan totaling £59.639 million was part of the supporting documentation to the Leader's statement on 2 November. The decision not to close household waste recycling centres has reduced the 2012/13 savings by £1.035 million, giving a revised total of £58.604 million.
- 6.4 Further work on the project plans behind the adult social care savings has also led to a number of changes. The level of savings from some projects has decreased or the phasing changed. A number of new savings proposals have been developed to fully compensate for these changes, both in total and between years.
- 6.5 In addition a number of the savings proposals have, as more information/work has been done become less viable:
- ❖ Both Environment and Economy Directorate (for road safety and subsidized bus services) and Children, Young People and Families have savings in the draft plan, in 2011/12, dependent on grant funding that need to be reassessed in light of the local government finance settlement.
 - ❖ As work on the property rationalisation and one-front door project takes shape, a potential double-counting of savings proposals across directorates is beginning to emerge that may impact in the later years of the savings plan.
- Directorates are currently reviewing the draft savings plans in the light of the finance settlement and any additional information available to confirm their deliverability and the phasing between years.
- 6.6 An updated savings plan is attached at **Appendix C**.

7 Reserves

7.1 General Reserves

Legislation requires that the Strategic Director, Resources make an annual statement on the adequacy of general reserves and provisions. The Strategic Director, Resources has now completed the risk assessment for 2011/12. This confirms that the minimum level of general reserves it is prudent to retain is £11.000 million, an increase of £0.150 million from the provision determined at this time last year. A copy of the risk assessment is attached at **Appendix D**.

- 7.2 The latest forecast of unencumbered general reserves of £12.048 million is above the £11.000 million specified by the Strategic Director, Resources. Therefore, £1.048 million is available to support the budget on a one-off basis.

7.3 Service Realignment Fund

The Service Realignment Fund, set aside to help with the funding of redundancy costs currently has a balance of £6.536 million. This is unlikely to be sufficient to fund the full costs of redundancy given the number of potential job losses included in the draft savings plan and a figure of nearer £10 million

at the start of 2011/12 would be prudent. Therefore, it is the strong advice of the Strategic Director, Resources that the £1.048 million available in general reserves is vired to the Service Realignment Fund in the first instance and that as part of agreeing the 2010/11 budget, Council further increase this provision to £10 million.

7.4 Other Reserves

Besides these reserves the Quarter 3 monitoring report shows the authority holding a further £21.025 million reserves, excluding schools. **All** of these reserves are ring-fenced for particular purposes and not available to support general spending.

- 7.5 Members should note that there is a cost to using reserves. Each £1 million reserves used results in a loss of earned interest on revenue balances of £5,000 to £10,000 (at interest rates of 0.5% to 1%).

8 Summary Revenue Position

- 8.1 Based on all the information and assumptions in sections 2 to 7 the summary 2011/12 budget position is set out in Table 4. This shows that, based on this information, there is currently £2.156 million available for allocation.

Table 4: 2011/12 Draft Budget	
	£m
Resources	
❖ Total resources from Table 1	(714.294)
❖ Increase in the taxbase above forecasts	(0.406)
❖ Collection fund surplus (one-off)	(1.782)
❖ Available general reserves	(1.048)
Revised Total Resources	(717.530)
Less Spending	
❖ 2010/11 on-going spending	319.363
❖ Specific grants, area based grant and DSG	393.634
❖ Cost of inflation and capital financing	7.397
❖ Cost of new responsibilities	18.419
❖ Revenue spending pressures agreed for funding	8.164
❖ Increase provision in the Service Realignment Fund	3.464
Total Spending Need	750.441
Shortfall in Funding to be Identified	32.911
Less:	
❖ Draft savings plan	(23.061)
❖ Leaving grant reductions as per government allocations	(12.006)
Resources Available for Allocation	2.156

9 Section 256 NHS Money

- 9.1 In 2011/12 PCTs will receive allocations totalling £648 million to support social care. Indicative allocations, totalling £622 million, have also been set out for 2012/13. This is in addition to the funding for reablement services that is

incorporated within recurrent PCT allocations of £150 million in 2011/12 rising to £300 million from 2012/13.

- 9.2 The NHS operating framework requires PCTs to transfer this funding to local authorities to invest in social care services to benefit health, and to improve overall health gain. Transfers will be made via an agreement under Section 256 of the 2006 NHS Act.
- 9.3 PCTs are being required to work with local authorities to agree jointly on appropriate areas for social care investment, and the outcomes expected from the investment. (This should cover both adults and children's social care where applicable).
- 9.4 For Warwickshire this equates to £6.027 million in 2011/12 and £5.808 million in 2012/13. Meetings are being held with the PCT to discuss the Section 256 NHS money and a further update will be provided at the meeting outlining any potential impact on the draft budget proposals.

10 Capital Programme

- 10.1 The draft capital programme, as at 2 November 2010, included schemes totalling £68.512 million for the period 2011/12 to 2013/14. Of this spend £3.160 million was to be financed from savings in directorates revenue budgets and the balance of £65.352 million was to be funded from additional corporate borrowing. This is broadly in line with the proposals in the Medium Term Financial Plan of providing for additional borrowing of £20 million per annum. Provision for the revenue costs, of the £65.352 million additional borrowing, was included as part of the draft revenue budget proposals.
- 10.2 Table 5 below shows the breakdown of this spending by directorate, with the list of individual schemes attached at **Appendix E**.

Table 5: 2011/12 to 2013/14 Capital Programme by Directorate			
	2011/12 £m	2012/13 £m	2013/14 £m
Corporate Borrowing			
❖ CYPF	0.300	-	-
❖ E&E – rural services	0.400	0.550	0.400
❖ E&E - transport	11.155	11.435	10.535
❖ Fire and Rescue	0.305	0.120	0.120
❖ Resources	9.776	10.628	9.628
Sub-total	21.936	22.733	20.683
Self-Financed Borrowing			
❖ E&E - transport	0.640	0.360	-
❖ Fire and Rescue	0.720	0.720	0.720
Sub-total	1.360	1.080	0.720
Total spend	23.296	23.813	21.403

10.3 In addition to these allocations it was agreed that the schools and adult social care capital programmes would be funded to the level of grant received when the government's capital settlement was announced later in the year.

10.4 **Capital Settlement**

The main elements of the capital settlement from Government were announced in December. The allocations announced to date for Warwickshire are shown in Table 6 below. In addition it was announced that all capital funding from Government will, in future, be in the form of capital grants. This is welcome news as it reduces the revenue cost of borrowing to fund capital spending up to the level announced by the Government.

10.5 There are two key parts of Government capital spending where allocations are yet to be announced:

- ❖ The replacement for the Building Schools for the Future programme, and
- ❖ Fire modernisation.

Table 6: Government Capital Settlement announced December 2010			
	2011/12 £m	2012/13 £m	2013/14 £m
Local Transport Plan	13.294	13.504	13.472
Adult Social Care Community Capacity	1.151	1.182	-
Schools Capital (authority level)	17.494	17.494	-
Total	31.939	32.180	13.472

N.B. adult social care and schools allocations have only been announced for 2 years

10.6 Of the information released to date the LTP and adult social care settlements are better than forecast, the schools settlement worse. In addition to the allocation of authority level schools capital grant, allocations to be devolved to individual schools, for minor maintenance etc. were also announced. These are of particular concern as the devolved formula capital has decreased by almost 80% and is only £1.6 million in 2011/12 to be split across all the schools in Warwickshire.

10.7 The strategy used in developing the draft capital programme was to only fund the minimum level of capital maintenance over the period of the CSR to reduce the pressure on the revenue budget. However, the receipt of capital allocations as grant rather than supported borrowing does provide members with options, which are outlined in the following paragraphs.

10.8 **Local Transport**

The Local Transport Plan capital settlement from the government is higher than the level of capital spend currently approved in the draft programme. Also as the funding is provided as grant rather than via borrowing, as had been assumed, there is the potential to increase the transport capital programme and release borrowing capacity with no additional cost to the authority.

10.9 Table 7 shows two options – using the local transport plan allocation to increase and replace either the whole of the transport capital programme or just the maintenance element – and the level of borrowing that would be freed up in each case. The recommendation from SDLT is that the local transport

capital programme should be increased to the level of the capital settlement and that any opportunities to offset the increased resource against the loss of grant funding should be explored.

Table 7: Comparison of the Local Transport Capital Settlement to the Draft Transport Capital Programme			
	2011/12 £m	2012/13 £m	2013/14 £m
Total Transport Capital Programme			
Local Transport Plan	13.294	13.504	13.472
E&E – transport draft programme	11.155	11.435	10.535
Additional Resource to E&E transport	2.139	2.069	2.937
<i>Borrowing “freed-up”</i>	<i>11.155</i>	<i>11.435</i>	<i>10.535</i>
Transport Maintenance Programme			
Local Transport Plan	13.294	13.504	13.472
E&E – transport draft programme	9.500	9.500	9.500
Additional Resource to E&E transport	3.794	4.004	3.972
<i>Borrowing “freed-up”</i>	<i>9.500</i>	<i>9.500</i>	<i>9.500</i>

10.10 Adult Social Care

The adult social care capital allocations from government are significantly higher than the £180,000 initially requested in the autumn. However, the adult social care transformation programme, including the development of extra care housing, will incur significant capital spend. Therefore the recommendation from SDLT is that the grant announced is allocated to adult social care to part fund some of the capital investment needed to deliver the transformation programme for 2011/12 and 2012/13, with the agreement of a programme for 2013/14 deferred until further government allocations are announced. This approach would be consistent with the previous commitment to fund the adult social care capital programme to the level of grant received.

10.11 Schools Capital

As part of the submission of budget pressures in the autumn CYPF requested resources to fund a schools capital programme of £22.645 million in 2011/12, £27.720 million in 2012/13 and £24.770 million. These requests were to broadly maintain the programme at the same level as in previous years. The allocations, of £17.494 million for 2011/12 and 2013/14, announced are significantly lower than this. The recommendation from SDLT is that the commitment, made as part of agreeing the draft capital programme, to fund the schools capital programmes to the level of grant received should be adhered to and the agreement of a programme for 2013/14 deferred until the details of the replacement for the Building Schools for the Future programme is announced.

10.12 ‘Freed-Up’ Borrowing

If the recommendations from SDLT are accepted this would free-up borrowing of between £9.5m and £11.1 million, depending on the decision made in relation to local transport. The view of SDLT is that rather than reducing the level of borrowing funded as part of the revenue resolution the provision is retained as an unallocated capital contingency at this point in time.

- 10.13 If the borrowing allocations were to be reduced this could reduce the cost to the revenue budget by about £800,000 in 2012/13 and a further £800,000 in 2013/14. Any revenue saving in 2011/12 would be minimal.
- 10.14 This approach is suggested because final information is not yet available, particularly around the replacement for Building Schools for the Future, the impact of the reduced devolved formula capital allocations for schools and any fire capital grants. Once full information is available any additional capital capacity could be taken up to be considered between schools, any land for adult services extra care plus any costs arising from fire control and the implementation of the fire improvement plan.

11 2011/12 Budget Resolutions

- 11.1 Using the information contained in this report Cabinet are asked to approve their 2011/12 revenue and capital budget resolutions, for recommendation to Council on 15 February 2011.

DAVE CLARKE
Strategic Director, Resources

Shire Hall
Warwick

15 January 2011

Central Government Revenue Grants 2010/11- Included in the Local Government Finance Settlement Item 13 Appendix A

The 2011/12 Budget Allocation is the lower of the 2011/12 allocation or the cash level of the 2011/12 allocation carried forward

Grant / Saving Title	Type	2010/11 Grant £'000	Future Allocation Method	2011/12 Budget Allocation £'000	2011/12 Shortfall £'000	Service Consequences of Proposed Reductions	Analysis of Shortfall by Type			
							Stopped £'000	Not Yet Announced £'000	Reduced in Formula £'000	Reduced in EIG £'000
Adult, Health and Community Services										
Adult Social Care Workforce	ABG	1,316	Formula Grant	1,316	0					
AIDS Support	SG	101	Formula Grant	101	0					
Carers (80%)	ABG	1,826	Formula Grant	1,826	0					
Housing Strategy for Older People	SG	278	Formula Grant	146	(132)				(132)	
Learning & Disability Development Fund	ABG	372	Formula Grant	372	0					
Learning Disability Campus Closure	SG	388	Formula Grant	388	0					
Mental Capacity Act & Independent Mental Capacity	ABG	267	Formula Grant	267	0					
Mental Health	ABG	1,310	Formula Grant	1,310	0					
Preserved Rights	ABG	2,347	Formula Grant	2,272	(75)				(75)	
Social Care Reform	SG	2,320	Formula Grant	2,320	0					
Stroke Strategy	SG	110	Formula Grant	110	0					
Supporting People	ABG	10,147	Formula Grant	10,147	0					
AHCS sub total		20,782		20,575	(207)		0	0	(207)	0
Children, Young People and Families										
14-19 Flexible Funding Pot	ABG	155	Stopped	0	(155)	In line with the government's decision to remove all barriers and conditions on existing grants as they are streamlined, the CYPF Directorate has considered, at a strategic level, new ways to deliver services, utilising existing funding levels to meet corporate and directorate priorities.	(155)			
Designated Teacher Funding	ABG	37	Stopped	0	(37)		(37)			
Extended Schools - Start-Up Costs	ABG	681	Stopped	0	(681)		(681)			
Local Child Poverty Duties	ABG	60	Stopped	0	(60)		(60)			
Playing for Success	SG	80	Stopped	0	(80)	As a result, in broad terms, this funding would be reprioritised to new initiatives targeting;	(80)			
Primary National Strategy	ABG	274	Stopped	0	(274)		(274)			
School Development Grant	ABG	1,013	Stopped	0	(1,013)		(1,013)			
School Improvement Partners	ABG	259	Stopped	0	(259)		(259)			
School Intervention Grant	ABG	163	Stopped	0	(163)	- Early Years – Targeted Communities.	(163)			
Secondary National Strategy - Behaviour and Attendance	ABG	126	Stopped	0	(126)	- Timely Targeted Interventions	(126)			
Secondary National Strategy - Co-ordination	ABG	254	Stopped	0	(254)	- Transition for Young People	(254)			
Choice Advisors	ABG	35	Stopped	0	(35)	The funding from these grants have been built up over a number of years and have either replaced core funding or been introduced to enable CYPF to respond to national initiatives that we have been set targets for. The total funding from area based and specific grants represents about 40% of the directorate's net budget.	(35)			
Education Health Partnerships	ABG	105	Stopped	0	(105)		(105)			
Extended Rights to Free Transport	ABG	383	Stopped	0	(383)		(383)			
School Travel Advisors	ABG	71	Stopped	0	(71)		(71)			
Sustainable Travel - General Duty	ABG	42	Stopped	0	(42)		(42)			
		3,738		0	(3,738)		(3,738)	0	0	0
Services for Children in Care (Care Matters White Paper)	ABG	369	Formula Grant	369	0	Area Based Grants that were reduced during 2010/11 and other grants which are expected to stop in 2011/12 have been removed from the calculation above.				
Carers (20%)	ABG	457	Formula Grant	457	0					
Child Death Review Processes	ABG	50	Formula Grant	50	0	Any statutory duties would have to be absorbed into the existing budget preparations and will create capacity issues that will mean a re-prioritisation of our savings plan.				
Child & Adolescent Mental Health	ABG	672	Formula Grant	672	0					
LSC Staff Transfer - Special Purpose Grant	ABG	429	Formula Grant	390	(39)				(39)	
		1,977		1,938	(39)		0	0	(39)	0
Sure Start, Early Years and Childcare Grant	SG	12,105	Early Intervention			In addition, included within the Directorate's savings proposals is £2.036m relating to the reallocation of grants. In practice this means that core funded services will be funded through some of the 2011/12 grant allocation. Any reduction against the total grant levels may impact on the directorate's ability to deliver these savings.				
Two Year Old Offer Early Learning and Childcare	SG	304	Early Intervention							
Children's Social Care Workforce	ABG	119	Early Intervention							
Positive Activities for Young People	ABG	355	Early Intervention							
Short Breaks - Aiming High for Disabled Children	SG	1,697	Early Intervention							
Teenage Pregnancy	ABG	187	Early Intervention							
Think Family	SG	421	Early Intervention							
Young Persons Substance Misuse (DfE)	ABG	68	Early Intervention							
Targeted Mental Health in Schools	SG	150	Early Intervention							
Youth Opportunity Fund	SG	265	Early Intervention							
Children's Fund	ABG	940	Early Intervention							
Connexions	ABG	4,099	Early Intervention							
January Guarantee	ABG	55	Early Intervention							
Child Trust Fund	ABG	11	Early Intervention							
ContactPoint	SG	126	Early Intervention							
Early Intervention Grant		0		17,336						
		20,902		17,336	(3,566)		0	0	0	(3,566)

Central Government Revenue Grants 2010/11- Included in the Local Government Finance Settlement Item 13 Appendix A

The 2011/12 Budget Allocation is the lower of the 2011/12 allocation or the cash level of the 2011/12 allocation carried forward

Grant / Saving Title	Type	2010/11 Grant £'000	Future Allocation Method	2011/12 Budget Allocation £'000	2011/12 Shortfall £'000	Service Consequences of Proposed Reductions	Analysis of Shortfall by Type			
							Stopped £'000	Not Yet Announced £'000	Reduced in Formula £'000	Reduced in EIG £'000
Music Grant	SG	1,233	Figure not yet released	0	(1,233)	See comments on CYPF Grants, above. As part of the settlement, it was announced that funding for music is under review and will be announced in due course.		(1,233)		
Young Persons Substance Misuse Partnership (HO)	ABG	89	Figure not yet released	0	(89)	See comments on CYPF Grants, above. The 2011/12 settlement announced that the Home Office has committed to making a contribution to local government funding in 2011-12. The funding will be provided on an un-ringfenced basis and will replace the current Stronger Safer Communities Fund (HO Element) (SSC), Young People Substance Misuse (HO Element) and Community Call for Action ABG funding streams. The Home Office will announce the level of funding for 2011-12 and individual local authority allocations in mid-January. If the Home Office do not provide a breakdown of the new grant, the total amount received from the Home Office will need to be prioritised between services currently funded by Young Person's Substance Misuse, Stronger, Safer Communities (SSC) and Community Call for Action (CCA).		(89)		
		1,322		0	(1,322)		0	(1,322)	0	0
Dedicated Schools Grant (DSG)	SG	295,248	Single DSG Grant	295,248	0					
Early Years: Flexibility of Free Entitlement for 3-4 Year Olds	SG	3,113	Single DSG grant	3,113	0					
School Standards (including Personalisation)	SG	16,000	Single DSG Grant	16,000	0					
School Development Grant (schools element)	SG	15,291	Single DSG Grant	15,291	0					
Targeted Support for Primary and Secondary Strategy	SG	2,706	Single DSG grant	2,706	0					
Extended Schools - Sustainability and Subsidy	SG	3,243	Single DSG Grant	3,243	0					
One-to-One Tuition (<i>Making Good Progress</i>)	SG	2,418	Single DSG Grant	2,418	0					
Ethnic Minority Achievement	SG	1,000	Single DSG Grant	1,000	0					
School Lunch Grant	SG	771	Single DSG Grant	771	0					
		339,790		339,790	0	0	0	0	0	0
CYPF sub total		367,729		359,064	(8,665)		(3,738)	(1,322)	(39)	(1,783)

Central Government Revenue Grants 2010/11- Included in the Local Government Finance Settlement Item 13 Appendix A

The 2011/12 Budget Allocation is the lower of the 2011/12 allocation or the cash level of the 2011/12 allocation carried forward

Grant / Saving Title	Type	2010/11 Grant £'000	Future Allocation Method	2011/12 Budget Allocation £'000	2011/12 Shortfall £'000	Service Consequences of Proposed Reductions	Analysis of Shortfall by Type			
							Stopped £'000	Not Yet Announced £'000	Reduced in Formula £'000	Reduced in EIG £'000
Customers, Workforce and Governance										
Stronger, Safer Communities	ABG	584	Figure not yet released	0	(584)	<p>See comments on Young Persons Substance Misuse Partnership (HO) element, above.</p> <p>A total of 24 posts are funded by Stronger, Safer Communities, most of which are employed by partners. 3 full time members of staff are employed by WCC, one of which is partly funded from non-grant sources. On 11 November 2010 a Community Safety Seminar took place at which county priorities for 2011/12 were identified and agreed. It was agreed that the following core priorities for Communities would be the focus in future years:</p> <ul style="list-style-type: none"> • Alcohol (and drugs) • Anti Social Behaviour • Offender Management • Violence (to include a focus on domestic abuse) <p>Depending on the level of grant announced allocated to SSC, some of the current services not prioritised above may cease to be funded.</p>		(584)		
Petitions	ABG	18	Stopped	0	(18)	<p>The Local Democracy, Economic Development and Construction Act 2009 placed new statutory duties on local authorities to respond to petitions and to provide e-petition facilities. In 2010/11, the money is supporting staffing costs and is being used to develop the petition scheme, purchasing and developing an e-petitions facility, administering the new scheme and dealing with petitions in accordance with those requirements since the legislation came into force.</p> <p>As this is a statutory function, removal of the grant will increase the overall savings required from CWG.</p>	(18)			
Community Call for Action	ABG	12	Figure not yet released	0	(12)	<p>See comments on Young Persons Substance Misuse Partnership (HO) element, above.</p> <p>This funding goes to support the overall activity of the Overview and Scrutiny Committees. The grant is to meet the new statutory requirements on local authorities imposed by the Police and Justice Act 2006 and Local Government and Public Involvement in Health Act 2007.</p> <p>In terms of the role of overview and scrutiny committees this provided extended formal rights to question members of the authority, gather information from partner authorities as well as the new rights for all members to refer issues to overview and scrutiny committees relating to their local areas. These new provisions provide a statutory framework to help members hold local public service providers to account and ensure they are able to obtain relevant information.</p> <p>Funding contributes towards staff time, withdrawal of the funding would require a reduction in staff and leave the local authority at risk of not meeting its statutory obligations. 0.33 FTE is currently funded by this grant.</p>		(12)		
Local Involvement Networks	ABG	214	Formula Grant	214	0	The County Council would not be able to fulfil its statutory duty to ensure that a local involvement network is in place to facilitate patient and carer involvement in the provision and improvement of health and social care services. These responsibilities will be expanded through the Health Bill which includes advice, information and patient advocacy services.				
CWG sub total		828		214	(614)		(18)	(596)	0	0

Central Government Revenue Grants 2010/11- Included in the Local Government Finance Settlement Item 13 Appendix A

The 2011/12 Budget Allocation is the lower of the 2011/12 allocation or the cash level of the 2011/12 allocation carried forward

Grant / Saving Title	Type	2010/11 Grant £'000	Future Allocation Method	2011/12 Budget Allocation £'000	2011/12 Shortfall £'000	Service Consequences of Proposed Reductions	Analysis of Shortfall by Type			
							Stopped £'000	Not Yet Announced £'000	Reduced in Formula £'000	Reduced in EIG £'000
Environment and Economy										
Detrunking	ABG	1,193	Formula Grant	1,615	(2,250)	EED's savings proposals include reducing a number of services funded from grant:				
Road Safety Grant	ABG	1,572	Formula Grant							
Rural Bus Subsidy	ABG	1,100	Formula Grant						(2,250)	
						<p>- £1.1m through switching off some streetlights, stopping revenue funding for resurfacing and stopping renewal of non statutory road markings.</p> <p>- £0.6m from a reduction in Road Safety.</p> <p>- Further savings from removing the subsidy from evening bus services and bus routes serving Coleshill Parkway Station.</p> <p>The Directorate plans to prioritise available funding to Detrunking in the first instance, followed by Rural Bus Services and then Road Safety. If, after those allocations, the remaining funding is insufficient to meet the savings planned, above, the Directorate will have to find additional savings in other areas, and by necessity will have to ask members to revisit decisions to further reduce budgets for highway maintenance, and/or to close one or more Household Waste Recycling Centres.</p>				
Animal Health Enforcement	SG	131	Formula Grant	95	(36)	Animal Health is regarded as one of the highest priority areas of activity within Trading Standards, and has therefore not been included in any of the savings proposals. It is essential in protecting public health, e.g. in preventing outbreaks of foot and mouth disease, and in supporting the rural economy. If this grant was cut the directorate would have to find alternative funding to deliver its regulatory role in this area. Five posts involved in delivering the service would have to be reduced and alternative savings identified.			(36)	
Cycling	SG	15	Figure not yet released	0	(15)	DfT Cycling Grant supports the provision of cycle training schemes. If this bid for funding was not successful, the training scheme would be terminated. It is not currently included in the directorate's savings proposals.		(15)		
Economic Assessment Duty	ABG	65	Formula Grant	65	0	The Directorate has anticipated the reduction in funding for delivering the Local Economic Assessment Duty, and has planned accordingly. Therefore, this funding can be used to support the Directorate's priorities or the pressure on the savings plan caused by the reduction in other grants, above.				
E&E sub total		4,076		1,775	(2,301)		0	(15)	(2,286)	0
Fire and Rescue										
New Dimension Grants	SG	42	Figure not yet released	0	(42)	<p>The New Dimension programme, collaboration between Communities and Local Government (CLG) and the Fire and Rescue Service (FRS), has enhanced the ability of the FRS to respond to major disruptive events involving CBRN materials, collapsed or unstable structures, and to displace large volumes of water.</p> <p>WFRS was given 2 New Dimension assets – a high volume pumping appliance (HVP) and an incident response unit (IRU). During 2010/11 we signed the agreement with CLG to take ownership of these assets, but CLG is continuing to provide funding through the above grant to ensure that refresher training is undertaken, competence on the equipment maintained and that the capabilities remain operationally fit for purpose.</p> <p>WFRS expect that the grant funding for these assets will continue.</p>		(42)		
Fire Control	SG	177	Figure not yet released	0	(177)	The Regional Fire Control project has now been cancelled. WFRS has not identified any consequences from the removal of this funding, except that it will need to continue with the interim plans to replace the existing Command & Control Systems.		(177)		
F&R sub total		219		0	(219)		0	(219)	0	0
Total Grants		393,634		381,628	(12,006)		(3,756)	(2,152)	(2,532)	(1,783)

Notes

Excludes grants expected in 2011/12 for transfers of functions - learning disability, concessionary fares

2011/12 to 2013/14 Revenue Pressures - Funding Proposals as at 2 November 2010, updated for later information

Revenue Bid	Bid Title	Description	2011/12 Total Cost £000	2012/13 Extra Cost £000	2013/14 Extra Cost £000
	Adult, Health and Community Services				
R-AHCS-02	Demand - Older People	<p>The client groups that adult social care demand impacts upon are:</p> <ul style="list-style-type: none"> Older people (65+ years) including older people with mental health needs (OP). People with learning disabilities (LD). Adults (18-64 years) with physical disabilities (PD). <p>The pressure on demand for adult social care services is often referred to as demographic pressure however that term tends to create a focus on changes in headcount when in fact changes in demand cause three different pressures:</p> <ul style="list-style-type: none"> An increase in net headcount of customers because of increasing numbers of older people and adults with disabilities. The net pressure is the difference between the rate of new customers transitioning in and the rate of existing customers transitioning out. An increase in the average level of need per head because of increasing levels of need and disability and increasing length of life with such needs increasing because of improvements in health, social care, and other services meaning that customers can survive and retain independence with higher levels of need than were previously possible. An increase in real terms prices driven by demand increasing in relation to supply. This impact on price is different to changes in price that are due to general inflation. General inflation pressures are accounted for separately. <p>The actual unavoidable pressure on local authority budgets does not have to follow in direct proportion to the changes in headcount, need, and prices. It is naturally mitigated by some factors before it becomes a funding issue for the local authority, for example:</p> <ul style="list-style-type: none"> Improvements in healthy life expectancy and life expectancy free from disability. Impacts of interventions and actions by other agencies, e.g. public health improvements in falls prevention, smoking prevalence, etc. Increasing wealth of older people due to the property market (although in the medium term the recession may reverse this effect). Increasing numbers of economically active older people, both in terms of paid work and voluntary work. <p>There are also management actions that the local authority can take to further mitigate the pressure of demand on costs such as customer access, prevention and early intervention, reablement and intermediate care, reducing residential care and increasing extra care and supported living and reducing unit costs by reducing more expensive services</p> <p>These are factored into the estimate of the cost pressure and reduce it.</p> <p>These pressures make the assumption that increases in demand only result in increased service package spending. In other words they assume no increase in spending on care management, assessment and commissioning functions. This in turn assumes that the productivity of those functions improves such that they can both meet future savings targets against them and service this increase in demand.</p>	1,395	1,786	1,176
R-AHCS-03	Demand - Learning Disabilities - Current Services		1,291	787	577
R-AHCS-04	Demand - Physical Disabilities		314	155	125
R-AHCS-06	Independent Living Fund	<p>The Independent Living Fund (ILF) is an Executive Non-Departmental Public Body of the Department for Work and Pensions, and was set up as a national resource dedicated to the financial support of disabled people. The ILF provides discretionary cash payments directly to disabled people so they can purchase care from an agency or pay the wages of a privately employed Personal Assistant (PA). This support enables disabled people to choose to live in the community rather than in residential care.</p> <p>The demands on the ILF have escalated in recent years. From a £1.35m budget supporting 890 applicants in its first year; it had grown in 2009 to 21,668 people in the UK in receipt of ILF funding totalling £341m, an average of £302 per week per person. Recently demand has outstripped supply and applications will now only be accepted where applicants are receiving at least £340 per week in council funding and are working more than 16 hours per week, excluding those on means-tested benefits.</p> <p>The pressure on the ILF budget was such that in June it said it would refuse all applications for the rest of 2010/11 and not meet the rising costs of existing service users' packages. Eligible applicants were turned away, something the ILF can do as a discretionary fund but had not done before. The removal of ILF funding does not remove the need to provide services and the cost falls unavoidably on the local authority. If customers meet FACS criteria then they must be provided with services and we must charge customers according to our charging policy. Councils will in future have to pay the full care costs of new service users who would have been eligible for ILF funding under the previous eligibility criteria, and will have to meet any increases in costs for existing ILF customers.</p>	167	56	-
	Sub-Total		3,167	2,784	1,878

Revenue Bid	Bid Title	Description	2011/12 Total Cost £000	2012/13 Extra Cost £000	2013/14 Extra Cost £000
	Children, Young People and Families				
R-CYPF-02	Placement of Looked after Children	<p>Warwickshire's numbers of looked after children (LAC) have continued to rise in common with national trends. In July 2007 Warwickshire's LAC population was 479, and by July 2010 the numbers of LAC had risen to 596 an increase over 3 years of 117 children, a 25% increase. Furthermore, in the past twelve months the numbers requiring very specialist residential placements has risen from 16 to 20. The average cost of a residential place is approximately £150,000.</p> <p>In addition to this there has been an increase in the numbers of children for whom the local authority pay adoption, residence or special guardianship allowances as an alternative to foster care. In July 2009 there were 159 children being supported in this way, In July 2010 this had risen to 177 (11%) at a total cost of £815,000 per annum. This represents an annual increase of £93,000 and is included in the total pressure identified.</p> <p>This is a statutory responsibility of local authorities.</p> <ul style="list-style-type: none"> • <u>Children Act 1989</u> - established the principle that the welfare of the child is paramount, and placed a general duty on local authorities to safeguard and promote the welfare of children within their area. • <u>Children and Young Persons Act 2008</u> This act sets out legislation to improve outcomes for children and young people who are looked after by the state, or who are at risk of needing to be looked after. This includes a new duty on local authorities to secure sufficient accommodation for looked-after children. • <u>Children (Leaving Care) Act 2000</u> This act strengthens provision for care leavers by placing a duty on local authorities to assess and meet the needs of young people aged 16 and 17 who are in care or care leavers, and to keep in touch with care leavers until they are at least 21. 	2,230	1,720	1,720
R-CYPF-03	Preventative Safeguarding	<p>The numbers of Warwickshire children subject to child protection plan have continued to rise in accordance with national trends. In July 2008 there were 328 children in Warwickshire who were subject to a child protection plan. In July 2010- this had risen to 472, a 2 year increase of 43.9%. During the period July 2008 to July 2009 the numbers of referrals rose from 378 to 482, an increase of 27.5% to 482. For this same period the number of contacts rose from 432 to 496 an increase of 14.8%, while the numbers of initial assessments rose from 213 to 389, an increase of 82.6%. The attendant activity costs have risen accordingly.</p> <p>The <i>Children Act 1989</i> sets out in detail what local authorities and the courts should do to protect the welfare of children. It charged local authorities with the "duty to investigate if they have reasonable cause to suspect that a child who lives, or is found, in their area is suffering, or is likely to suffer, significant harm" (section 47). Local authorities were also charged with a duty to provide "services for children in need, their families and others" (section 17).</p>	105	10	10
R-CYPF-04	Legal Case work	<p>CYPF Directorate needs support from Legal Services to meet the Directorates statutory requirements, particularly in relation to duties to protect vulnerable children from harm. An increase in demand for these services has led to;</p> <ul style="list-style-type: none"> • An increasing number of child protection cases being referred to Legal Services • Increasing referrals from legal services to barristers / specialist legal services. • Increasing need for medical /psychological/drug alcohol tests. <p>The CYPF Directorate have seen a substantial increase in demand over the last three years, which has been reflected in an increase in case hours of between 20% & 12% each year since April 2006. Case hours in 2006/07 were 19,828, forecast case hours for 2010/11 are 37,368, an 88% increase. The bid contains a modest assumption of growth in 2012/13 and future years.</p>	743	302	332
	Sub-Total		3,078	2,032	2,062

Revenue Bid	Bid Title	Description	2011/12 Total Cost £000	2012/13 Extra Cost £000	2013/14 Extra Cost £000
R-EE-02	Environment & Economy Concessionary Travel	<p>The provision of free concessionary bus travel for older and disabled passengers will transfer to the County Council with effect from April 2011.</p> <p>Management and administration of the service is currently dispersed across the five travel concession authorities (TCAs) in Warwickshire. The costs are presently funded from central government. It is exceptionally difficult to ascertain exactly how much the total grant is across the county as this has been paid through a combination of Revenue Support Grant and special grants over a period of many years following numerous changes in legislation as the scheme has evolved from a local half fare to a national free scheme.</p> <p>The government has committed to announcing changes to the funding formula before 1 December 2010, when there is a legal requirement upon local authorities to publish scheme details for the following year. Until this figure is known three areas of potential additional costs have been identified:</p> <ul style="list-style-type: none"> The coalition government is looking to reduce costs nationally by around £120m, proportionately for Warwickshire this would equate to £795,000. An additional capacity claim, founded on the principle that if the concessionary travel scheme did not exist, the operator would reduce his levels on certain services to reflect the reduced number of passenger journeys that he would carry. Claims for additional capacity in respect of each of the last three years are presently being negotiated. The operator is claiming £1.250m and the TCAs are offering £344,000. It is likely to be settled at a figure of around £700,000 per annum across the county. This will be the responsibility of the current TCAs up to 31 March 2011 but if a simpler, more definitive formula is not applied by central government for 2011 and beyond, then this additional figure will continue to have to be paid by the County Council. No provision has been made for this cost at this stage. The anticipated management, administrative and services costs associated with this statutory requirement. <p>Funding to be provided in an earmarked reserve corporately and only allocated to the directorate when actual costs are known. The level of pressure to be reviewed once the RSG settlement is published in December.</p>	846	788	297
R-EE-10	Combined County Highways, Bridge and Street Lighting Maintenance, and Additional "Drainage & Flood Mitigation Work" – Revenue Bid	Sustained investment is required to address the continuing backlog of work to reduce potential repeat flooding of property and roads. This includes £57,000 to fund the cost of grass cutting.	307	0	0
	Sub-Total		1,153	788	297
R-RE-02	Resources Implementation of the CRC Energy Reduction Scheme	<p>In November 2008, the Government passed the Climate Change Bill, which provides the legal framework for the operation on the Carbon Reduction Commitment (CRC). The CRC makes it a duty for eligible UK organisations, including WCC, to take part in a carbon trading scheme. We have to purchase enough carbon credits each year to cover our likely emissions from all our buildings (including schools) and street lighting.</p> <p>The introductory phase of the CRC began in April 2010 and will last three years. The current year is a recording year only and the purchase of credits commences in April 2012. Each year we will be required to purchase enough carbon credits to cover our anticipated level of emissions. The price of carbon will be fixed at £12/tonne for the introductory phase, but will be auctioned from April 2013.</p> <p>The resources requested represent a worst case scenario. This may prove to be a pessimistic assessment but at this stage, given the "newness" of the scheme and the wide level of participants from both the public and private sector it feels appropriate. It should be noted that this bid does not reflect any additional costs associated with undertaking measures to improve our position within the league table and thereby mitigating our potential liability.</p> <p>Funding to be provided in an earmarked reserve corporately and only allocated to the directorate when actual costs are known.</p>	715	59	80
	Sub-Total		715	59	80
	Other Services				
	Capital Financing (b/fwd from Capital Pressures Summary)	To be funded at the level required by the proposed capital spending proposals	51	173	166
	Sub-Total		51	173	166
	TOTAL		8,164	5,836	4,483

2011/12 to 2013/14 Savings Plan - Proposals as at 2 November 2010 by directorate, updated for latest information

Item 13 Appendix C

Reference	Savings Proposal Title	Description	Cumulative Cash Saving			Potential Number of Staff Redundancies in Each Year			Number of Staff in Affected Area
			2011/12 £'000	2012/13 £'000	2013/14 £'000	2011/12 Impact	2012/13 Impact	2013/14 Impact	
Adults, Health & Community Services (AHCS)									
ASC-01	Learning Disabilities Services - Care Funding Calculator, Residential Care and Supported Living Services, Choice and Control	(1) Challenging and reducing high cost packages using the Care Funding Calculator. (2) Creating more supported living opportunities and moving customers out of residential care into supported living where appropriate - this creates lower costs and better outcomes. (3) Developing self directed support for LD customers and ensuring the money put into personal budgets is commensurate with the transforming size and shape of LD services (4) Reducing traditional day services and recycling the money into personal budgets and more modern and lower cost day opportunity services.	982	2,580	4,181	16	0	0	216
ASC-04	Domiciliary Care Recommissioning	Review current domiciliary care contracts with an aim to gain better value for money from tendered services by reducing unit costs. Move significant numbers of customers onto better value for money block contracts. Improved engagement with providers to better understand their savings ideas. Externalisation of specialist dementia care services. Full implementation of electronic visit recording for block contract providers that will reduce the internal transactions costs for invoice processing and enable payment on actual care provided. Introduce specialist services e.g. for stroke reablement to reduce high cost care packages. Include carers short breaks services in future tender arrangements to achieve economies of scale.	150	150	150	157	0	0	310
ASC-05	Reablement, Intermediate Care and Homecare Modernisation	(1) Internal homecare service will change to concentrate on the delivery of reablement. Eventually the service will be offered to all customers, however at present only 'new' customers and customers leaving hospital with a social care need are eligible for reablement. (2) Development of an integrated reablement and intermediate care service with health. (3) Existing internal homecare maintenance and dementia service are to be externalised to reduce their costs and to ensure that the core business of reablement can be developed to meet savings targets. (4) Reducing the number of high cost care packages. Improved use of telecare, adaptations and equipment will help to promote independence and will be a key part of the transformation programme.	2,117	3,183	3,188				
ASC-09	Older People (1) Residential Care and (2) Extra Care	(1) Decommissioning high cost residential care and recommissioning lower cost residential care. (2) Development and promotion of extra care as an alternative to residential care.	367	1,100	1,900	100	67	67	335
ASC-10	Adult Social Care charging review	Taking the subsidies out of charges for services and moving in a phased and controlled manner towards full cost charging, with the application of the nationally recommended level of income protection for customers with low savings and low earnings. This review will include the implementation of a fairer contribution policy. This proposal is included for completeness. Following an extensive consultation Cabinet agreed to implement the fairer charging proposals at their meeting on 14 October 2010.	2,344	3,240	3,250	0	0	0	-
ASC-11	Day Care Services for Older People & Older People Mental Health (OPMH)	Decommission existing traditional services and recommission modern and personalised alternatives.	130	184	184	0	0	0	-
ASC-12	Adults with Physical Disabilities - Reducing high cost community and residential packages, reducing numbers of customers in residential care, reviewing day services	Challenging and reducing high cost packages of care. Creating supported living opportunities as an alternative to residential care where appropriate. Decommissioning of some existing day services, for example closure of WCC directly provided service with a review of existing customers to assess their needs and associated FACS eligibility. Offering direct payments and personal budgets as an alternative to traditional services.	239	502	647	14	0	0	230
ASC-13	Reduce staffing levels in adult social care by 20%	Savings across a number of staffing groups - management, administration, commissioning and care management	0	0	2,000	64	85	75	925
ASC-15	Mental health transformation	Review of service contracts, decommissioning of non-statutory functions	404	548	578	0	0	0	-
ASC-16	Reduced spending on service development	As service transformation is delivered the need for spending on service development will reduce. This will result in savings on staffing and contract costs	410	510	610				
ASC-17	Housing support	Contract savings from efficiencies and reductions in Supporting People programme	400	800	1,200				
ASC-18	Workforce development	Savings on IT consultants and on quality payments to providers	116	250	350				
ASC-19	Mental capacity	Reduction in spending relating to deprivation of liberty safeguards and mental capacity services	52	52	52				
ASC-20	Carers	Reduction in spending on carers contracts from recommissioning	166	250	350				
ASC-21	Information, advice and low level services	Decommissioning of the Warwickshire Welfare Rights service	184	245	245				
		AHCS sub total	8,061	13,594	18,885	351	152	142	

2011/12 to 2013/14 Savings Plan - Proposals as at 2 November 2010 by directorate, updated for latest information

Item 13 Appendix C

Reference	Savings Proposal Title	Description	Cumulative Cash Saving			Potential Number of Staff Redundancies in Each Year			Number of Staff in Affected Area
			2011/12 £'000	2012/13 £'000	2013/14 £'000	2011/12 Impact	2012/13 Impact	2013/14 Impact	
Childrens, Young People & Families (CYPF)									
CY-S-01	Transforming services for children and families	The ability to deliver these savings is co-dependent on corporate initiatives such as One-Front-Door, the accommodation strategy, ICT etc. The following proposals will also be considered: (1) Cease ineffective partnership working. (2) Move to a locality based structure, with a reduced management structure, to support and deliver children's services. The transition will take three years to implement. (3) Maximise front-line capacity and reduce bureaucracy by working effectively on a sub-regional basis including investigating sub-regional approaches for services such as adoption, youth support and traded services with schools, etc. (4) Reduce the business support service which helps the directorate in developing new ways of working (5) Continue progress towards a commissioning-based approach, using evidence to streamline and decommission services.	715	1,632	2,540	15	35	115	760
CY-S-02	Reconfigure services for vulnerable children (Learning Difficulties and Disabilities)	This proposal includes the following: (1) Reducing staffing in the Special Educational Needs and Inclusion Service. (2) Reducing the number of educational psychologists available to schools and families. (3) Removing the council's contribution to the speech and language therapy service resulting in a clinic rather than a school based service. (4) To reduce the amount of commissioned social work training. (5) Review the approach to delivering the Integrated Disability Service through accommodation. (6) Reducing out of county placements for disabled children (7) Reviewing and reducing funding of short breaks for disabled children.	836	1,319	1,734	6	12	4	258
CY-S-03	Reconfigure services for Looked After Children	This proposal includes the following: (1) Ceasing funding for the Warwickshire Leaving Care Association. (2) Ceasing payment of nursery and childminding fees for Looked After Children. (3) Ceasing subscriptions to professional organisations. (4) Limiting options for the commissioning of external placement provision for Looked After Children. (5) Reducing support costs relating to the education of Looked After Children.	361	461	561	0	0	0	-
CY-S-04	Review services to schools and families	These proposals would lead to: (1) Reducing the size and scope of the Education Social Work Service to a residual enforcement service. (2) Offering the County Music Service as a traded service. (3) Reviewing and reducing the healthy schools programme. (4) Reducing local authority funded targeted support to vulnerable children.	1,171	2,524	2,524	64	206	0	352
CY-S-05	Review of the Safeguarding Service	This proposal includes the following: (1) A significant reduction in the use of social care sessional work staff. (2) The Schools Forum being asked to pick up the costs of CRB checks in schools. (3) The funding of the 'Education Safeguarding Service' either through DSG or offered as a traded service. (4) The introduction of a charging scheme for child performance licenses in order to recover the costs of administering the scheme.	387	489	489	3	2	0	5
CY-S-06	Community and Play- reduction in services	Cease the whole of the youth service and PAYP. Some provision may be outsourced with reduced budgets.	1,873	3,690	4,611	71	102	186	359
CY-S-07	School/College Transport	This proposal includes the following: (1) Increasing the charge for all post-16 students, including students with learning difficulties and disabilities, from £540 to £660, a figure close to the commercial rate. (2) Introducing the same charge for new eligible pupils attending denominational (faith) schools with effect from 1st September 2012. (3) Removing passenger assistants on vehicles operating to mainstream primary schools. (4) Ending the provision of centrally funded transport for students in KS4 attending courses in colleges or schools other than their own.	1,087	2,614	3,114	0	0	0	-
CY-S-08	Alternative use of grants within Children, Young People and Families directorate	CYPF Directorate receives significant funding from specific grants. Most of these grants were originally ring-fenced but are now released for local decision making. The savings proposal is to review the use of these grants and re-direct them to high priority services. This may affect services such as Children's Centres, Early Years and Connexions.	750	992	2,336	16	0	0	16
		CYPF sub total	7,180	13,721	17,909	175	357	305	

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			2011/12 £'000	2012/13 £'000	2013/14 £'000	2011/12 Impact	2012/13 Impact	2013/14 Impact	
Customers, Workforce & Governance (CWG)									
CW-CL-01	Restructure Community Safety and Localities management and teams	Reduce management posts within teams and rationalise administration.	20	111	191	10	5	2	40
CW-CL-08	Reconfiguration of Locality arrangements	Reduce management and administration costs but retain 5 area service outlets.	10	10	160				
CW-CL-14	Reduction of Customers, Workforce and Governance Directorate support services		0	13	30				
CW-CL-07	Anti-Social Behaviour PCSOs	Remove The Funding Given To The Police Which Provides For Anti-Social Behaviour (ASB) Police Community Support Officers (PCSOs)	51	128	128	0	0	0	-
CW-CL-10	DAAT Commissioning	Saving made through the commissioning arrangements and service modernisation agenda being undertaken by the Drugs And Alcohol Action Team (DAAT)	0	34	34	0	0	0	-
CW-CL-12	Additional income generation in Equality and Diversity and Complaints Handling	To both extend the range of services provided and to increase the number of customers we provide services to - if this is unsuccessful the services would contract. This includes interpretation and translation services.	0	0	65	0	0	0	-
CW-CL-13	Reshaping the approach to the Voluntary & Community Sector & Community Grants	Commissioning new infrastructure and support services, and reducing direct community grants	284	562	562	0	0	0	-
CW-CC-02	Library Services reconfiguration	There is already a £675,000 savings target to be achieved by 2013/14, so the total saving required is £2 million. This would involve taking £1 million out of management, support and overhead costs. The remainder would be achieved by changing the service offer including closing libraries. The service would be reconceptualised using alternative methods of delivery as much as possible, including maximising the use of new electronic service delivery methods.	400	861	1,332	85			334
CW-CC-03	Integrated model for communications	Rationalise the management and delivery of communications	52	95	188	3	0	0	20
CW-CC-05 and LG-02	Transformation of Corporate Governance support	Transformation of Council wide approach to corporate governance. Bringing democratic services, school governance and information governance into one unit with consequent reductions in staffing and management of each of the three services.	130	214	271	4	2	2	25
CW-LG-03	Reduce core legal discretionary services	Core Legal aims to meet its savings target through changes to service delivery and increased charges for external work	36	72	75	0	0	0	-
CW-LG-04	Restructure the Insurance function	Change in management structure for Insurance function.	44	44	44	0	0	0	-
CW-LG-05	Restructure Audit & Risk Assurance	Reduction in staff through not filling vacancies	25	25	25	1	0	0	16
CW-WS-01	Learning & Development	Delete the entire Front-line First Budget from 2012/13. The activities resourced therein would , as far as possible, be accommodated within the mainstream learning and development budget.	0	79	79	0	0	0	-
CW-WS-02	Healthy Workforce	Reduction on discretionary spend relating to healthy workforce and well being	70	70	70	1	0	0	1
CW-WS-03	HR Advisory Service - proportionate reduction	As the overall size of the workforce diminishes the HR Advisory service should reduce staffing levels. However, these reductions will need to follow, rather than occur simultaneously with the wider workforce reductions.	0	30	100	0	2	2	26
CW-WS-04	HR Business Partnership	As the overall size of the workforce diminishes, there will be an effect on the demands of the HR Business Partnership, albeit in a less direct way than for the HR Advisory service.	0	0	18	0	0	1	13
CW-WS-05	HR Transactions	Implementation of ongoing efficiency savings, productivity improvements and income generation in HR Service Centre	107	158	158	7	3	0	65
CW-WS-06	Management restructure in Workforce, Strategy and Development	Reduction in senior management posts (from five to four senior managers), deletion (upon retirement) of post of PA to the Head of Service and reduction in hours of HR Policy and Project Officer	31	33	113	0	0	1	5
CW-WS-07	Completion of Pay & Conditions review	£62,000 has been diverted from the HR Advisory Service to fund the Pay & Conditions Review until 31/03/2011. It is proposed to delete this funding, rather than transfer it back into the Advisory Service budget on 1st April 2011,	62	62	62	0	0	0	-
		CWG sub total	1,322	2,601	3,705	111	12	8	

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Environment & Economy (E&E)									
EE-ER-01 and 02	Rationalisation of Household Waste Recycling Centre and Services	The service (and its costs) are driven by the volumes of waste processed and the nature of the processing (with landfill becoming progressively more expensive due to Landfill Tax). Therefore the key issue is to move to a situation where people create less waste, and we use other forms of waste disposal for the remaining waste. Partnership working with both neighbouring authorities and the waste collection authorities (WCAs) is vital to achieve savings. This involves a reduction in the operation of household waste recycling centres.	453	2,002	3,090	0	0	0	-
EE-ER-03 and 04	Rural Services : Review of rents and income generation	Increase rental income from County Farms and Smallholdings in line with the County Farms and Smallholdings Strategy 2010-2025 and progress actions from the Country Parks Business Plan	52	75	85	0	0	0	-
EE-ER-05	Savings in staffing in environment and resources division of EED	Savings in salary costs by reconfiguring staffing and permanent removal of vacant posts from the establishment	27	33	46	0	0	0	-
EE-HC-01	Reduction in the Arts for Health budget	This is a direct cut in the revenue budget for this area and means that current work supporting vulnerable people via arts projects will significantly reduce.	59	59	59	0	0	0	-
EE-HC-02	Reduction in the Heritage Education staffing	This represents a reduction in staffing from the Heritage Education team. This saving can be made without compromising the outcome of the transformation of Heritage and Cultural Services.	26	26	26	0	0	0	-
EE-HC-03	Reduction in Museums Service staffing	This represents a reduction in staffing from this area. This early saving can be made without compromising the outcome of the transformation of Heritage and Cultural Services.	26	26	26	0	0	0	-
EE-HC-04	County Records Office On-Line development	This involves the digitisation of parish registers and sale-on-line via an international provider. This will generate commission based income for the County Council.	10	20	20	0	0	0	-
EE-HC-05	Transformation of Heritage and Cultural Services	To streamline and downsize Heritage and Cultural Services in order to re-focus with a prioritised service offer across Archaeology, Archives, Arts, Ecology, Heritage Education and the Museum Service operating with a revenue budget reduced by 30%.	0	35	216	0	6	6	50
EE-SC-01	Development of a new Local Enterprise Partnership	The new coalition government has announced plans to enable the creation of new Local Enterprise Partnerships (LEPs) to replace the current RDAs. The LEP would provide strategic leadership for the sub-region and support the strategic role of development and growing the economy. Work is at a formative stage but it is anticipated that savings would come from posts being removed and more efficient ways of working e.g. joint working with sub-regional partners. Some strategic skills would need to be retained in-house to ensure we achieve the right outcomes for Warwickshire.	17	380	452	8	7	0	52
EE-SC-02	Increase income from business property. Transfer Opportunities Centre to an alternative provider		176	187	187	0	0	0	-
EE-SC-03	Reduce costs and increase income from gypsy and traveller settled sites	Savings and cost reductions will be delivered as a result of improvements to settled sites and potentially taking on management of sites on behalf of other local authorities.	32	52	57	0	0	0	-
EE-SC-04	Removal of County Planner post	Savings in salary costs by reconfiguring staffing and permanent removal of vacant posts	48	48	99	0	0	0	-
EE-SC-05	Education Business Partnership - agree exit strategy	The timing of the closure is crucial, as although EBP is funded on a financial year basis, services have agreements which operate on academic years.	50	50	100	16	0	0	16
EE-TS-01	Develop a sub-regional Emergency Management function	This project is well developed and involves joined up delivery of Emergency Planning Services with Coventry and Solihull. We will retain local teams but work to a common plan with our sub-regional partners and rationalise management within the County Council. This will involve a reduction in management	7	22	64	2	0	0	2
EE-TS-02	Reduce Trading Standards pro-active work	Reduction in preventative/pro-active Trading Standards work.	7	66	107	0	4	0	28
EE-TS-03	Reduce Trading Standards front-line enforcement	The reduced work will be focussed on the lower risk areas. Given the relative flexibility within our enforcement workforce we are optimistic that these reductions can be made though natural wastage if we target the savings in 2013/14.	0	25	81				
EE-TS-04	Reduce Trading Standards support for vulnerable consumers	The TS service currently offers support to vulnerable consumers who are experiencing difficulty with contracts/ traders. This saving will mean that this service is reduced to an absolute minimum i.e. we will intervene when the circumstances are the most serious.	0	41	66				
EE-TS-05	Reduce Trading Standards support service and management	This involves a change in the way we organise and manage Trading Standards services and will result in a reduction in staff numbers.	122	196	209	4	0	0	52
EE-TW-01	Stop all bespoke community transport other than flexi bus	This service is one of the two highest in terms of subsidy per passenger journey and would consequently impact the least number of people.	114	198	198	1	0	0	1
EE-TW-02	Stop all subsidised evening bus services	This service is one of the two highest in terms of subsidy per passenger journey and would consequently impact the least number of people.	450	450	450	0	0	0	-
EE-TW-03	Stop all survey work to collect traffic data	With little capital available for new infrastructure the need for traffic information to direct capital spend will diminish	12	200	200	5	0	0	5
EE-TW-04	Reduction in safety camera activity		620	620	620	6	0	0	7
EE-TW-05	Reviews of Traffic Regulation Orders for civil parking enforcement areas (Stratford District, Warwick District & Rugby Borough) would be limited to one (variation to each District Consolidation Order) per year	These areas have the least impact on effective traffic management and congestion experienced by people.	120	120	120	1	0	0	1

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EE-TW-06	Minor sign and carriageway marking schemes, other than those funded from Area Committee delegated budgets, would not be carried out		70	70	70	0	0	0	-
EE-TW-07	Stop resurfacing work from revenue	The first priority for highway maintenance is funding immediate need i.e. routine maintenance at the expense of longer term structural maintenance.	500	500	500	0	0	0	-
EE-TW-08	Street Light switch-off / trimming	These reductions will have least impact on people travelling in and through Warwickshire on our highways.	0	0	500	0	0	0	-
EE-TW-10 & 15	Scaling back of Countryside Access activities	The first priority for highway maintenance is funding immediate need. These reductions will have least impact on people travelling in and through Warwickshire on our highways.	325	500	500	18	0	0	18
EE-TW-11	Reducing the amount of condition survey work	The first priority for highway maintenance is funding immediate need. These reductions will have least impact on people travelling in and through Warwickshire on our highways.	50	100	150	0	0	0	-
EE-TW-12	Street Light Energy Savings		500	500	500	0	0	0	-
EE-TW-13	Stratford Park and Ride		20	40	60	0	0	0	-
EE-TW-14	Term maintenance contract savings (HMC 2011)		0	0	500	0	0	0	-
EE-TW-16	Passenger Transport – Revision of passenger transport network serving Coleshill Parkway and Birmingham International		200	200	200	0	0	0	-
EE-TW-17	Changes to on-street parking charges across the County		100	100	100	0	0	0	-
EE-TW-18	Stop replacing non-regulatory carriageway markings		100	100	100	0	0	0	-
		E&E sub total	4,293	7,041	9,758	61	17	6	
Fire & Rescue (F&R)									
FR-05	Restructure and realignment of management and support staff within Fire and Rescue	The Service has carried out a review of all management and support posts (all staff excluding front line firefighters) and has identified the potential to reduce the management and support staff establishment by about 18%. In addition, the service has agreed an income target of £100,000 to support community fire safety initiatives.	400	500	500	14	0	0	83
		F&R sub total	400	500	500	14	0	0	
Partnership & Performance Unit (PPU)									
PPU-01	Reduced external assessment and inspection and related overheads	Statutory requirements for performance management and inspection are changing providing an opportunity to review how and what we do in the future	12	12	12	4	0	0	16
PPU-03	Transformation of Performance & Improvement Services workforce	Reconfiguration of the performance and improvement services in line with the repositioning of the Partnership and Performance Unit with removal of vacant posts.	223	223	223				
PPU-04	Re-patterned Working Arrangements in PPU	Opportunities for members of the Unit to reduce their hours of work or change their working patterns.	16	16	16				
PPU-02	Generating income through charging for consultation activities		12	47	77	0	0	0	-
		PPU sub total	263	298	328	4	0	0	

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Resources									
RE-FI-01	Financial process efficiencies - savings will result from the implementation of new corporate financial systems and the upgrade/development of supporting systems.	Evidence from other authorities is of substantial savings from the rationalisation of processes. Core functions including paying bills, paying staff and collecting income would remain, but less time would be spent on such transactional activity. Increased standardisation around a new system would also allow staff to support managers in more than one service/directorate	340	1,125	1,850	10	34	17	255
RE-FI-03	Reduction in financial support to both members and managers	Savings would be sought through the implementation of a new model of financial management within the authority where service managers had much less day-to-day support. From a member perspective this will mean a reduction in support to the corporate revenue and capital budget process, less research and project work and the development of fewer options							
RE-FI-04	Shared financial services	Working with partners would allow overheads and expertise to be shared and potentially hosting the systems for other authorities or providing a full financial service.							
RE-IT-01 to 03	ICT savings via hours reduction, restructuring and general efficiencies	Some staff are looking for more flexible arrangements to support their quality of life ambitions. We may be able to support these and achieve down-sizing and efficiency savings if arrangements can be agreed that maintain service levels. Opportunities are being investigated as part of the Resource Integration Initiative, where service levels can be maintained with reduced resources by the removal of any duplication identified. A review of subscription services is planned for after the ICT strategy review in 2011/12.	183	180	193	0	11	15	283
RE-IT-04	Stopping the ICT Training initiative	These are recently introduced additional services and reflect that such training has not always been a priority.	0	50	50				
RE-IT-05	Removing the ICT extended out of hours support cover outside 8:30 to 5:30	Many authorities operate with less formal arrangements than Warwickshire in terms of providing services outside core hours.	0	0	250				
RE-IT-06 to 10	Reductions in the ICT Development Fund, ICT strategy and research and development and the staff associated with them	Cut back on HRMS development, cut the ICT Development Fund by 20% and the ICT Strategy and R&D budget by 25%. The budgets relate to "tomorrow's service" rather than our current mandatory delivery. It allows the protection of essential ICT infrastructure services such as the production environment, networks that support the current public services.	250	650	800				
RE-PR-01	Market test traded services	This incorporates the rationalisation of cleaning/caretaking and catering management. Any savings will be to the benefit of schools rather than WCC overall.	0	0	0	0	14	0	40
RE-PR-02 and 03	Rationalise existing accommodation - There are three aspects to this work - release, disposal and better utilisation - as well as the rationalisation of professional support	Work already undertaken has shown 24% of stock has better utilisation potential, 7.5% long term development potential and 6% is currently surplus. Also as services downsize and reconfigure the way they operate there will be less demand for property. There is a potential reduction in professional support as a result of the reduction in the asset base.	769	2,727	4,376	1	0	0	2
		Resources sub total	1,542	4,732	7,519	11	59	32	
		WCC Total Savings Identified	23,061	42,487	58,604	727	597	493	

Risks Influencing the Level of General Reserves

Risk Area	Level of Risk	Provision
The potential for "Bellwin" type emergencies. Assuming such costs would attract grants under the Bellwin scheme, this provision would support circa £10 million of spend - sufficient for a major emergency.	Medium	£2.500 million
The possibility of overspending on the "Other Services" budget due to the bank base rate staying low over the medium term.	Low	£0.500 million
The likelihood of members making additional, in-year budget allocations to Directorates, or where members have arranged for Directorates to either not repay overspends or phase the repayment of any overspends over a period of more than one year, or where there are difficulties in delivering efficiency savings.	High	£2.500 million
The possibility of any further costs arising from legal judgements which would fall on the County Council within one year.	High	£1.500 million
Pay and conditions review. A possibility that the provision made to cover the cost of the implementation of the pay and conditions review is insufficient.	Medium	£1.000 million
Atherstone-on-Stour costs. The inquiry into the Atherstone-on-Stour incident has yet to publish its findings. In the meantime the authority is continuing to incur significant costs supporting the investigation.	High	£1.000 million
Introduction of Academies. Depending on the pace of change there is a risk that services to schools will not be scaled back quickly enough and there will be a loss of economies of scale.	High	£0.500 million
New Homes Bonus/Council Tax Freeze Grant. The Government has made provision for the cost of these grants in the Comprehensive Spending Review. However, if the provision is insufficient, the extra funding will be top-sliced from Formula Grant.	Medium/ Low	£0.500 million
General contingency. This could be supplemented in any one year by a sizeable proportion of earmarked reserves, providing these were replenished as part of the budget process. These could absorb up to £3 million of costs.	Low	£1.000 million
Total		£11.000 million

Note:

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

2011/12 to 2013/14 Capital Investment – Draft Proposals as at 2 November 2010

Capital Bid Ref	Bid Title	Description	2011/12 Cost £000	2012/13 Cost £000	2013/14 Cost £000
	Children, Young People and Families				
C-CYPF-01	Early Years and Sure Start Children's Centres	Government funding ends on 31/03/2011. Projects completing after this date will not receive funding and any residual expenditure will fall to WCC. There are a number of projects that are committed and are at risk of completing beyond 31/03/2011. This bid is for the residual expenditure that will fall to WCC and has been calculated via assessment of the risk of delay using recent tenders or estimates. N.B. Other capital bids have been submitted and are "on hold" pending further government announcements.	300	0	0
	Sub-Total		300	0	0
	Environment & Economy				
C-EE-06	Rural Services Capital Maintenance	The County Farms and Smallholdings Estate comprises 46 equipped holdings (with farm houses, buildings and land), a further 22 cottages and other land totalling over 5,000 acres. The County Farms and Smallholdings Strategy adopted by Council 29 June 2010 detailed the assets and their potential for realising very significant capital receipts for the Council in the medium term. There are however obligations on the authority as landowner and as landlord. The rural estate also includes Warwickshire's Country Parks. In order to maintain and increase visitor footfall and associated income it is essential to maintain the facilities and infrastructure to a reasonable standard. This bid is exclusively for replacement infrastructure. We are cautious about creating additional infrastructure within the country parks. Recent infrastructure growth has been funded by partners, and/or the commercial and not for profit ventures delivering services in partnership with us.	400	550	400
C-EE-07	Nuneaton to Coventry Rail Line upgrade	In 2008 a partnership was set up with Coventry City Council and Centro to progress a scheme to improve the Coventry – Nuneaton rail line which was called 'NUCKLE Phase 1' (Nuneaton-Coventry-Kenilworth-Leamington). The County Council has so far contributed a total of £120,000 towards the development costs of the scheme. This has been a significant but relatively small contribution towards the overall costs of developing the scheme which totalled £1,050m by the end of 2009/10. Accordingly, there is an expectation that Warwickshire will contribute £670,000 in 2011/12 and £50,000 in 2012/13 to maintain maximum momentum in delivering the scheme. The £20.2m cost of NUCKLE Phase 1 means that the only realistic means of funding the scheme is through a Major Scheme Bid to the Department for Transport (DfT). In March 2010 Cabinet authorised the submission of a joint bid with Coventry City and Centro to the DfT. Funding is subject to formal confirmation from Coventry/Centro of their commitment to the scheme and the detail behind the CSR indicating grant funding for the main works contract is likely to be available.	670	50	0
C-EE-10A	Combined County Highways, Bridge and Street Lighting Maintenance, and Additional "Drainage & Flood Mitigation Work" – Capital Bid	Capital investment is essential to maintain the structural integrity and user safety of Warwickshire's Highway network. The network extends to some 3,820km, some 1,150 highway bridges, 300 major foot bridges, 49,000 street lighting columns, 7,500 illuminated signs, and some 2,000 minor countryside access bridges. Sustained investment in maintenance reduces "full replacement" costs and minimises the "wasted costs" of doing reactive maintenance and is a key principle of effective asset management. There are four elements to the bid: <ul style="list-style-type: none"> <u>Highways Maintenance</u> - The capital allocation over the past 6 years has fluctuated between £9m and £11m and has allowed Warwickshire roads to be maintained in a "satisfactory to good to satisfactory" condition <u>Flood Mitigation</u> - The 2007 Floods resulted in nearly 2,000 properties being flooded across some 75 communities. The floods nearly trebled the scheduled backlog of highway drainage problems. Members allocated additional funding for a three year period following the 2007 Flood event. This element will reinstate funds of £250,000 per year for 3 years. <u>Bridge Stock</u> - The County Council owned bridge stock includes approximately 1150 highway bridges and retaining walls and approximately 300 significant footpath structures. In addition, there are approximately 500 privately owned, highway related structures. <u>Street Lighting</u> - The street lighting stock consists of 49,000 columns, and 7,500 illuminated signs, bollards and vehicle activated signals. With a typical design life of steel columns set at 25 years, this would suggest a 4% replacement budget is required of some £2m/year. The first budget pressure is the capital funding used to replace any damaged or irreparable equipment and any lighting stock which fails the structural testing. The second budget pressure is for a modest column replacement programme to deal with the increasing age profile of our street lighting stock. <p>The level of investment will not be sufficient to arrest the increased rate of network deterioration being measured and reported since 2007/08.</p>	9,500	9,500	9,500

Capital Bid Ref	Bid Title	Description	2011/12 Cost £000	2012/13 Cost £000	2013/14 Cost £000
C-EE-11	Bridge Design – Capital Portobello Bridge, Leamington	Portobello Bridge over the River Avon is on a heavily used route between Leamington and Warwick and is located between Greville Road and Rugby Road junctions on the A445 Emscote Road. The existing bridge is substandard with the northern footway being closed to pedestrians. Fundamentally the bridge needs to be strengthened to reduce the risk of accidental vehicle overloading and its consequences. There is a high public expectation for this scheme to be delivered after the consultation exercise last year and the current bridge strengthening proposals are supported by Members and were endorsed by Warwick Area Committee in September 2009.	0	0	1,000
C-EE-12	Rugby Western Relief Road	From June 2011 there is a potential liability for land compensation payments. Property Services have advised that £2m should be allowed as the estimate for these payments.	900	1,100	0
C-EE-13	West Midlands Transport Information System	Traveline is a partnership of local authorities and transport operators formed to provide public transport information in Great Britain. Within the West Midlands region, the Traveline facility is provided by a single call centre, operated by West Midlands Transport Information Services Ltd, which is a joint company with partners representing shire county authorities, Centro, the three unitary authorities and local bus operators in the region. The call centre can provide details of all bus services registered within the West Midlands region. The call centre also holds certain information on public transport links to other areas of Great Britain and details of local rail services and selected coach services. The County Council, along with all other scheme partners, entered into an agreement to fund the further development of infrastructure within the call centre over a period of 5 years.	35	35	35
C-EE-14	M40 Junction 14 Congestion safety improvement	Congestion on Europa Way Leamington, leads to traffic tailing back onto the M40 between junctions 14 and 15. This creates a safety hazard to M40 traffic. Warwickshire Police have written to WCC urging us to implement a solution.	50	750	0
C-EE-15	Street Lighting electricity cost and CO2 reduction (self financing)	At present all of WCCs street lights are fitted with photocells that switch the street light on at approximately half an hour after dusk and then the lights operate all night until approximately half an hour before dawn when the photocell switches the light off. Over the past 5 years there has been a significant rise in energy costs. If WCC decides as a policy to change the operation of some of its street lights to part night operation then there would be a cost in buying and fitting the equipment in order to enable the change in operating regime.	640	360	0
Sub-Total			12,195	12,345	10,935
Fire & Rescue					
C-FR-01	Vehicle Replacement Programme (self-financing)	The Fire and Rescue Service has an annual vehicle replacement programme that includes both operational and other small vehicles which is fundamental to the delivery of our core service to respond to emergency incidents and protect the public, and to fulfil our duty of care to staff through the provision of safe and effective vehicles and equipment. This bid relates to the replacement of three fire appliances each year at approximately £240,000 each a separate bid (C-FR-02) has also been submitted for the equipping of these appliances. Although this is a self financing programme this bid has been submitted to gain members support for the continuation of the borrowing facility.	720	720	720
C-FR-02	Equipment for New Fire Appliances	The Fire and Rescue Service has a rolling programme for the replacement of fire appliances (see bid C-FR-01) this bid relates to the equipping of these new appliances. The programme involves equipping each appliance with rescue ladders, hydraulic rescue equipment, vehicle stabilisation equipment, thermal imaging equipment, portable pumps and chemical protection equipment.	120	120	120
C-FR-03	Emergency Fire Control Call Handling & Mobilising System	The Fire Authority has a statutory duty to make arrangements to deal with emergency calls under the Fire and Rescue Services Act 2004. The Command and Control Systems within Fire and Rescue Headquarters are fundamental to how the authority discharges this responsibility. These systems are increasingly ageing and represent an increasing and critical risk of failure. The existing systems are now well beyond what would be considered to be an appropriate working life for the systems. The Command and Control System is over 20 years old and the Integrated Communications Control System is over 10 years old. Suppliers are having difficulty in delivering the expertise and replacement components to maintain the systems and have now informed us that they can not guarantee to maintain the service – the suppliers are instead maintaining the system with best endeavours only. This situation has arisen as the Authority has been preparing to changeover to the Regional Control Centre which should have gone live in 2008. The situation is now however different in that the Regional Control has been delayed again and we are awaiting further announcements from CLG regarding when the changeover will occur. Hence the need to make provision for a replacement local system.	185	0	0
Sub-Total			1,025	840	840

Capital Bid Ref	Bid Title	Description	2011/12 Cost £000	2012/13 Cost £000	2013/14 Cost £000
	Resources				
C-RE-01	Non School Capital Asbestos & Safe Water Remedial Works (Base Programme)	Compliance with legislation dictated the requirement to identify and manage the presence and location of asbestos for all of the Property stock and to carry out safe water risk assessments. This bid is for the estimated capital funding required to carry out the identified higher risk asbestos and water remedial works to all non school properties.	287	437	437
C-RE&CYPF-02	School Capital Asbestos & Safe Water Remedial Works. (Base Programme)	Compliance with legislation dictated the requirement to identify and manage the presence and location of asbestos for all of the property stock, and to carry out safe water risk assessments. This bid is for the estimated capital funding required to carry out the identified higher risk asbestos and water remedial works to all school properties.	1,380	1,380	1,380
C-RE-03	Non Schools Planned Capital Building, Mechanical and Electrical backlog Maintenance (Base Programme)	To manage the unavoidable deteriorating Non School condition property risks associated with maintaining a functional, safe and secure environment. This bid excludes Smallholdings, which is included on a separate bid. There currently exists within the overall backlog valuation a significant capital funding requirement for "Bad" and "Poor" condition elements. The current value of backlog works for which Maintenance & Minor Works Group is responsible, classified as "Bad" and "Poor" is: <ul style="list-style-type: none"> D2 - Bad (Requires attention within next 2 years) = £4,632K (Inc Fees) C2 – Poor (Requires attention within next 2 years) = £4,841K (Inc Fees) C3 – Poor (Requires attention within next 3-5 years) = £3,481K (Inc Fees). 	1,649	2,351	2,351
C-RE&CYPF-04	Schools Planned Capital Building, Mechanical and Electrical backlog Maintenance (Base Programme)	To manage the unavoidable deteriorating school condition property risks associated with maintaining a functional, safe and secure environment. There currently exists within the overall backlog valuation a significant capital funding requirement for "Bad" and "Poor" condition elements. The current value of backlog works for which the Authority is responsible, classified as "Bad" and "Poor" is: <ul style="list-style-type: none"> D2 - Bad (Requires attention within next 2 years) = £14,833 K (Inc fees) C2 - Poor(Requires attention within next 2 years) = £26,367K (Inc fees) 	3,460	3,460	3,460
C-RE&CWG-05	Improving the Customer Experience / One Front Door Improvements	In the 2007/08 budget, Members allocated £3,000,000 of capital resource to deal with some longstanding Disability Discrimination Act issues and to improve the customer experience for customers. The allocation is now exhausted and additional funding is now requested to allow the improvement process to be continued. As the Council's work on establishing its arrangements to service delivery through the One Front Door (OFD) programme is now well progressed the bid is submitted as a joint bid from Resources and CWG as any capital resource allocated is likely to be deployed by Resources in support of the overall programme administered by CWG. This is an invest-to-save proposals, linked to the savings proposals from CWG and Resources in relation to property rationalisation and the development of the One-Front Door transformation programme	1,000	1,000	1,000
C-RE-08	Rationalisation of the Council's Property	The Council's property estate has a both a significant value and has a significant cost and therefore the effective utilisation of the property assets is a key challenge for the organisation. To make the transition from the current state to a new state will require investment in the property that we retain, to reorganise it so that it is used to its optimum, to provide appropriate facilities and the right public image to deliver a greater range of joined up services, to provide facilities for modern and flexible working, to provide entirely new fit for purpose property solutions in order to dispose of multiple outdated, poor performing property, and to expand our best facilities in order to concentrate our occupation and utilisation. This is an invest-to-save proposal, linked to the savings proposals from CWG and Resources in relation to property rationalisation and the development of the one-front door transformation programme.	2,000	2,000	1,000
	Sub-Total		9,776	10,628	9,628
	TOTAL SPEND		23,296	23,813	21,403
	Less self-financed borrowing		(1,360)	(1,080)	(720)
	TOTAL BORROWING		21,936	22,733	20,683