

Green Group Recommendations to County Council

2016/17 Revenue Budget Amendment

The County Council is recommended to plan its budget framework for 2016/17 on the following basis:

1 Financial Direction of Travel

Delete Section 1 and replace as follows:

- 1.1 Over the past five years, Warwickshire County Council has done far more than its fair share in reducing the national deficit. We have already delivered savings of £98 million since 2010, resulting in recent years to deep cuts to frontline services like libraries, children's centres and youth services. The Conservative central government has chosen to continue a programme of savage cuts to local services rather than to fairly tax multi-nationals and the superrich. This 2016/17 budget sees a further £16 million cuts forced on the people of Warwickshire.
- 1.2 A further £34 million of cuts are projected to be necessary in 2017/18, whereas our current plan would deliver only £20 million. We are clear that the scale of challenge means we need to revisit our financial plans for 2017-20.
- 1.3 We remain committed to investing in our local sustainable transport infrastructure. This promotes growth by getting people to work and makes it easier for businesses to deliver their goods and services.
- 1.4 We will use the government's levy of 2% council tax to provide additional ring-fenced resources to fund Adult Social Care services. In addition we require an increase of 1.99% on the Council Tax for all other services too. In total, this 3.99% Council Tax increase is equivalent of an average increase of £0.92 per week for a Band D dwelling.
- 1.5 We are concerned about the impact of this increase on less well-off residents already struggling to get by with growing pressure on District and Borough Council Tax Reduction funds. We also note that in calculations of Warwickshire spending power Central Government assumes that we will raise Council Tax year on year by 3.99% for four years until 2020. Whilst we support the principle of genuine devolution of fiscal and decision making powers we deplore Conservative Central Government's political manoeuvring that forces councils like Warwickshire to both hike taxes and slash services in order to meet their legal duties.

2. Revenue Allocations

Delete paragraph 2.4 and replace with the following renumbering the subsequent paragraph:

- 2.4 While the highways budget will face considerable cost pressure this can in part be offset by a significant reduction in fuel costs and reduce maintenance requirements of LED Street Lighting. We will therefore reduce the budget for concessionary travel by £950,000 and reallocate the savings to our priority of providing a local, sustainable transport infrastructure.
- 2.5 We will increase funding for the development of both bus travel and cycling by £75,000 a year. We are committed to delivering the massive positive impact of new rail services into the west of Nuneaton with a £200,000 one-off allocation towards starting promotion of, and producing the business case for, reopening Stockingford station.
- 2.6 We will remove the proposed cuts to bus services and half the proposed cut to highway drainage maintenance in 2017/18 at a cost of £600,000.
- 2.7 We will allocate more capital funding to continue changing over to LED street lighting. Around 20% of the counties street lights are now high efficient LED models. It makes sense to increase this progressively and partly revise the 80% cut to lighting after midnight. From the approximate £180,000 annual saving from our additional capital investment £93,000 will be allocated to better lighting in key areas (increasing to £124,000 in 2017/18).
- 2.8 We will save the Arson Reduction Team from the £42,000 of planned cuts.
- 2.9 We will provide resources to protect further cuts to services for those struggling with mental health and young ex-offenders at of cost of £100,000 in 2016/17 rising to £400,000 in 2017/8 onwards.
- 2.10 We will reduce the planned cuts to Warwickshire's UK leading Youth Justice Service by £50,000 in 2016/17 and £145,000 in £2017/18.
- 2.11 We will provide a one-year allocation of £50,000 for further work on the redevelopment of in house fostering and adoption services.
- 2.12 We are determined to continue the work on in-house energy efficiency and will provide £50,000 for such work in each of the next two years.

4. Funding Sources

Delete paragraph 4.1 and replace as follows:

- 4.1 Our savings plan will generate a £17.120 million in 2016/17 and approval is given to the plans for the delivery of these savings in **Appendix B, as amended by Annex A.**

If during 2016/17 any of the savings do not materialise to the degree shown, the Head of Service in conjunction with the relevant Strategic Director and Portfolio Holder should identify alternative proposals to ensure the savings targets are delivered and report this as part of quarterly monitoring.

Delete paragraph 4.4 and replace as follows:

4.4 The total savings to be delivered over the 2014-18 Plan are £66.584 million.

Delete paragraph 4.9 and replace as follows:

4.9 We will provide sufficient resources to ensure the level of General Reserves is at least consistent with that stated by the Head of Finance as the minimum level of general reserves given the financial risks facing the authority. We will use £4.595 million of the Medium Term Contingency and £5.500 million of service reserves to support our spending plans.

7. Summary of Service Estimates

Delete paragraph 7.1 and replace as follows:

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

	Controllable Budget £	Revenue Allocations £	Funding Sources £	Total £
Economic Growth	22,667,672	454,000	(479,000)	22,642,672
Education and Learning	87,004,803	700,000	(2,454,000)	85,250,803
Localities and Community Safety	9,102,303	284,000	(428,000)	8,958,303
Public Health	19,990,960	415,000	(800,000)	19,605,960
Transport and Highways	26,789,522	1,155,000	(1,624,000)	26,320,522
Childrens Social Care and Safeguarding	41,366,777	4,433,000	(1,525,000)	44,274,777
EarlyHelp and Targeted Support	9,448,430	218,000	(354,000)	9,312,430
Professional Practice and Governance	6,863,609	122,000	(190,000)	6,795,609
Social Care and Support	114,409,136	8,224,000	(3,250,000)	119,383,136
Strategic Commissioning	15,481,501	366,000	(1,651,000)	14,196,501
Customer Services	8,284,596	255,000	(402,000)	8,137,596
Finance	4,098,571	170,000	(250,000)	4,018,571
Human Resources and OD	6,228,561	146,000	(347,000)	6,027,561
Information Assets	10,160,789	293,000	(567,000)	9,886,789
Law and Governance	914,894	50,000	(30,000)	934,894
Physical Assets	11,192,425	439,000	(1,111,000)	10,520,425
Service Improvement and CM	2,975,600	74,000	(200,000)	2,849,600
Fire and Rescue	19,427,624	588,000	(818,000)	19,197,624
Other Services (inc. schools and funding)	(19,207,960)	661,000	(135,059,000)	(153,605,960)
	397,199,813	19,047,000	(151,539,000)	264,707,813
Contributions to/(from) reserves:				
- Service Reserves	(10,752,000)	0	(5,500,000)	(16,252,000)
- Medium Term Contingency	0	0	(4,595,030)	(4,595,030)
Budget Requirement	386,447,813	19,047,000	(161,634,030)	243,860,783

Note: The controllable budget for each service excludes support service overheads and the estimated cost of depreciation arising from the service's use of assets. The authority's borrowing costs are part of the 'Other Services - Spending' estimates.

All other Sections remain unchanged.

Amendments to the 2016/17 Savings Plan

Add/amend Appendix B for the proposals listed below

Savings Proposal	Proposed 2016/17 £'000	Proposed 2017/18 £'000
Localities and Community Safety		
Remove the need for savings from Warwickshire Youth Justice Service	50	145
Transport and Highways		
Reduction in street lighting energy costs linked to the additional capital investment	(60)	(180)
Reduce concessionary travel budget in line with the reduced eligibility and take-up	(950)	(950)
Remove the planned saving in subsidised public transport services	0	500
Reduce the savings from highway drainage maintenance	0	100
Strategic Commissioning		
Reduce the savings required from housing related support specifically linked to the services provided to young people, mental health, care leavers and young homeless support needs	100	400
Fire and Rescue		
Remove the planned saving from the reduction in staffing in Arson Reduction Team	42	42
Other Services and Authority Wide Savings		
Reduction in the provision for borrowing costs	(40)	(200)
Total Additional Savings	(858)	(143)

2016/17 Capital Budget Amendment

Green Group Recommendations to County Council

1 Financial Direction of Travel

In paragraph 1.1 after 'requirements.' insert:

We also need to invest to make our assets more energy efficient.

Delete paragraphs 1.3 and 1.4 and replace as follows:

- 1.3 We will limit borrowing to £18 million a year so the amount spent on servicing borrowing decreases and we will continue with the separation of maintenance and the development programmes that has brought benefits in terms of reducing bureaucracy.
- 1.4 In 2014/15 we introduced a new approach to the development of the capital programme. This has given services the benefits of certainty about funding levels over the medium term whilst enabling the authority to take advantage of key development opportunities that arise during the year. We do not propose any changes to this approach for 2016/17.

Delete paragraph 1.6 and replace as follows:

- 1.6 We require £2.000 million each year of the transport capital grant to be allocated equally to each member and £0.350 million each year to be allocated to casualty reduction schemes. We will supplement the funding for casualty reduction schemes by an additional £350,000; this doubling of funding for casualty reduction schemes will allow more progress to be made on these important projects.

Add paragraphs 1.7 to 1.9 and renumber the remaining paragraphs accordingly:

- 1.7 We will stop the Bermuda connectivity project, responding to the wishes of the local community when only just over one third of the respondents to the project's public consultation supported the project. We will use £0.5 million of the funding this releases to be spent on improved walking and cycling routes to Bermuda Park and better signage and improvements to bus stops on the Coventry road.
- 1.8 We will provide an additional £1 million funding for LED street lighting in 2016/17 and an initial £2million in 2017/18. This provides energy savings, which will support revenue budget and allow some £124,000 to be realised to reduce part night lighting where it has the biggest impact on communities. The increase in LED lighting will also provide considerable savings to the highways maintenance budget.
- 1.9 Given the harsher economic outlook more contributions should be expected from 3rd parties towards major capital projects and their overspends.

2 2016/17 to 2018/19 Capital Programme

Delete Section 2 and replace as follows:

- 2.1 Approval is given to a capital programme of £153.921 million. Of this £92.216 million is for 2016/17 and £61.705 million for 2017/18. There is £9.175 million remaining in the Capital Growth Fund.
- 2.2 Table 1 shows the breakdown of the programme across Business Units, with the full detail of the capital programme attached at **Appendix A as amended by Annex A.**

Table 1: Capital Programme: Summary by Service			
Service	2016/17 £000	2017/18 and later years £000	Total £000
Economic Growth	4,044	1,278	5,322
Education and Learning	13,958	3,250	17,208
Localities and Community Safety	636	142	778
Transport and Highways	40,385	20,508	60,893
Children's Social Care and Safeguarding	50	188	238
Early Help and Targeted Support	25	25	50
Professional Practice and Governance	311	0	311
Social Care and Support	920	750	1,670
Strategic Commissioning	520	500	1,020
Customer Services	3,190	45	3,235
Information Assets	7,323	13,035	20,358
Physical Assets	11,021	13,373	24,394
Fire and Rescue	5,658	3,611	9,269
Total Allocations	88,041	56,705	144,746
Capital Growth Fund	4,175	5,000	9,175
Total Programme	92,216	61,705	153,921

3 Financing the Capital Programme

Delete Section 3 and replace as follows:

- 3.1 The capital programme will be financed by a mixture of capital grants, capital receipts, revenue and self-financed and corporate borrowing. A deduction will be made from services revenue budgets for self-financed projects funded from borrowing. New borrowing has been limited to £18 million per annum. Table 2 provides a breakdown of the financing of the capital programme between years.

Table 2: Financing the Capital Programme – Summary by Year			
	2016/17	2017/18 and later years	Total
	£000	£000	£000
Capital grants and contributions	43,557	18,601	62,158
Capital receipts	16,531	36,538	53,069
Revenue	1,327	486	1,813
Self-financed borrowing	2,491	5,794	8,285
Corporate borrowing	28,310	286	28,596
Total financing	92,216	61,705	153,921

Note: The corporate borrowing figure is greater than £20 million in 2016/17 as it includes the funding of capital spend financed by borrowing that was originally planned for earlier years.

All other sections, including the Head of Finance's Statement remain unchanged.

Amendments to the 2016/17 Capital Programme Scheme Listing by Business Unit and Financial Year

Add/amend the proposals below to those listed in Appendix A:

Transport and Highways	Earlier Years £'000	2016/17 £'000	2017/18 and Later Years £'000	Total £'000
Current Approved Programme	97,208	39,435	20,506	157,149
Additional allocation for Casualty Reduction Schemes	0	350	350	700
Cancel the Bermuda Connectivity Project	(454)	(900)	(2,348)	(3,702)
Improvements to walking and cycling routes in Bermuda Park and better signage and bus stops on the Coventry Road, Nuneaton	0	500	0	500
Additional investment in LED street lighting	0	1,000	2,000	3,000
Amended Transport and Highways Total	96,754	40,385	20,508	157,647

Capital Growth Fund	Earlier Years £'000	2016/17 £'000	2017/18 and Later Years £'000	Total £'000
Current Approved Programme	0	7,861	6,312	14,173
Reduction in the size of the Capital Growth Fund	454	(1,450)	(2)	(998)
Reduce borrowing to £18 million a year through a reduction in the Capital Growth Fund	0	(2,000)	(2,000)	(4,000)
Transfer of allocation between years to retain minimum £5 million balance for future years	(454)	(236)	690	0
Amended Capital Growth Fund Total	0	4,175	5,000	9,175

TOTAL CAPITAL PROGRAMME	126,329	92,216	61,705	280,250
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