

## Liberal Democrat 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 The County Council places on record its thanks to all staff for their commitment and unstinting work in delivering the hard efficiencies as recognised in the 2014-18 One Organisation Plan which has delivered savings of £30 million over the last two years, meeting the challenge of funding reductions at the same time as demand is rising.
- 1.2 The Conservative Government's response to this hard work has been that this year's Local Government Finance Settlement has been cut dramatically without recognising the pressures already building and the needs of our growing population. The impact of this will require additional cuts to be made in services and, at the same time, increasing council tax including levying an additional 2% for adult social care. More taxes for fewer services.
- 1.3 We are opposed to the Government placing the financial burden of meeting the increasing demand for, and cost of, adult social care on the council tax payers of Warwickshire. We recognise that even levying an additional 2% council tax, raising £4.6 million, this will be insufficient to fully meet the demographic and cost pressures and will still mean cuts to services for vulnerable people.
- 1.4 Even without the Settlement, Warwickshire was already planning to make £16 million of savings next year, including cuts to front line services. By the actions of the Government, the County Council is now faced with finding a further £5 million of spending reductions whilst at the same time raising council tax by 4%.
- 1.5 The County Council should continue to make representations to MPs, the Local Government Association and Government Ministers to get a rebalancing of funding for Warwickshire that is fair.
- 1.6 Within a tight financial framework Liberal Democrats are clear where investment is needed and we shall seek to build on our priorities from last year, working towards giving the best "Smart Start" in life that is sustainable, affordable and provides safeguarding to those who are most vulnerable and need support the most, regardless of where they live in the County.
- 1.7 Our priorities for investment are
  - An initial allocation of £200,000 towards building a sustainable future for our children and young people and using preventative measures to stop the escalation towards highly expensive specialist services.

- A capital allocation of £4.000 million over the next two years to the highway maintenance programme, to allow further investments into maintaining the condition of Warwickshire's roads while continuing the delegated budget funding for local schemes.

- 1.8 We will deliver additional efficiencies and invest-to-save initiatives to provide the funding needed to take these priorities forward.
- 1.9 Given the economic climate that places Warwickshire's public services under increasing pressure. We believe that we must establish the principle of participatory budgeting, engaging our communities further in reshaping how public services will be delivered in the future.

## 2 Revenue Allocations

### ***Add the following to the end of Section 2:***

- 2.6 To support our priority of delivering a sustainable future for our youngest we will make the following specific investments:
- £50,000 for the 'Connect Well' social prescribing project
  - £150,000 in 2016/17, increasing to £380,000 in 2017/18, for the provision of family support workers across Warwickshire. We expect the use of this funding, where possible, to be matched by investment from health.

In addition we will not take forward the planned savings from housing related support for young people, care leavers and young homeless support needs.

## 3. Dedicated Schools Grant

***Section 3, the Dedicated Schools Grant remains unchanged.***

## 4. Funding Sources

### ***Delete paragraph 4.1 and replace as follows:***

- 4.1 Our savings plan will generate a £16.307 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 £66.661 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 £5.065 million of the Medium Term Contingency and £5.500 million of service reserves to support our spending plans.

## **5. Medium Term Financial Planning Framework**

**Add the following to paragraph 5.5:**

- A review of models that could be used for income generation, including consideration of a traded services company.
- An in depth review of the organisation's management structure to ensure it remains consistent with how the organisation will look in 2020.
- An exploration of alternate ways of service delivery with the third sector that increases social value whilst ensuring a saving on the public purse and sustaining services for the citizens of Warwickshire.
- As part of a review of the capital programme, the creation of a distinct invest-to-save stream that enables projects, such as unified communications, to be taken forward where the business plans demonstrate future cashable savings.

## **6. Head of Finance Statement**

**Section 6, the Head of Finance's Statement remains unchanged.**

## **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	(579,000)	22,542,672
Education and Learning	87,004,803	700,000	(2,454,000)	85,250,803
Localities and Community Safety	9,102,303	334,000	(478,000)	8,958,303
Public Health	19,990,960	565,000	(800,000)	19,755,960
Transport and Highways	26,789,522	712,000	(614,000)	26,887,522
Children's Social Care and Safeguarding	41,366,777	4,383,000	(1,525,000)	44,224,777
Early Help 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	(1,551,000)	14,296,501
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 & 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	389,000	(1,111,000)	10,470,425
Service Improvement & CM	2,975,600	74,000	(200,000)	2,849,600
Fire and Rescue	19,427,624	588,000	(860,000)	19,155,624
Other Services	(19,207,960)	661,000	(135,164,000)	(153,710,960)
	<b>397,199,813</b>	<b>18,704,000</b>	<b>(150,726,000)</b>	<b>265,177,813</b>
<u>Contributions to/(from) reserves:</u>				
Service Reserves	(10,752,000)	0	(5,500,000)	(16,252,000)
Medium Term Contingency	0	0	(5,065,218)	(5,065,218)
<b>Budget Requirement</b>	<b>386,447,813</b>	<b>18,704,000</b>	<b>(161,291,218)</b>	<b>243,860,595</b>

***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	Description
<b>Economic Growth</b>			
Reduce spend on strategic economic growth	(100)	(200)	This will be delivered through a combination of additional income from business centres and reducing inward investment activity, project development and/or economic analysis.
<b>Strategic Commissioning</b>			
Housing related support	200	200	A reduction in the savings required from housing related support specifically linked to the services provided to young people, care leavers and young homeless support needs
<b>Other Services</b>			
Members Allowances	(70)	(70)	Reduce the size of the Cabinet to six and freeze all other Members allowances
Restructuring of senior management	(75)	(150)	Increase the savings required from a restructuring of senior management and their administrative support.
<b>Total Additional Savings</b>	<b>(45)</b>	<b>(220)</b>	



# 2016/17 Capital Budget Amendment

## Liberal Democrat Recommendations to County Council

### 1 Financial Direction of Travel

*Delete paragraph 1.4 and replace as follows:*

- 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.

*Add paragraph 1.5 and renumber the following paragraphs accordingly:*

- 1.5 We will invest £2.000 million a year in each of the next two years to allow further investments into maintaining the condition of Warwickshire's roads while continuing the delegated budget funding for local schemes.

### 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 £157.967 million. Of this £94.264 million is for 2016/17 and £63.703 million for 2017/18. There is £10.173 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.**

<b>Table 1: Capital Programme: Summary by Service</b>			
<b>Service</b>	<b>2016/17</b>	<b>2017/18 and later years</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
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	41,435	22,506	63,941
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
<b>Total Allocations</b>	<b>89,091</b>	<b>58,703</b>	<b>147,794</b>
<b>Capital Growth Fund</b>	<b>5,173</b>	<b>5,000</b>	<b>10,173</b>
<b>Total Programme</b>	<b>94,264</b>	<b>63,703</b>	<b>157,967</b>

### **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 £20 million per annum. Table 2 provides a breakdown of the financing of the capital programme between years.

<b>Table 2: Financing the Capital Programme – Summary by Year</b>			
	<b>2016/17</b>	<b>2017/18 and later years</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Capital grants and contributions	44,057	18,601	62,658
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	29,858	2,284	32,142
<b>Total financing</b>	<b>94,264</b>	<b>63,703</b>	<b>157,967</b>

*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:

<b>Transport and Highways</b>	<b>Earlier Years £'000</b>	<b>2016/17 £'000</b>	<b>2017/18 and Later Years £'000</b>	<b>Total £'000</b>
Current Approved Programme	97,208	39,435	20,506	157,149
A capital allocation of £4.000 million over the next two years to the highway maintenance programme, to allow further investments into maintaining the condition of Warwickshire's roads while continuing the delegated budget funding for local schemes.	0	2,000	2,000	4,000
<b>Amended Transport and Highways Total</b>	<b>97,208</b>	<b>41,435</b>	<b>22,506</b>	<b>161,149</b>

<b>Capital Growth Fund</b>	<b>Earlier Years £'000</b>	<b>2016/17 £'000</b>	<b>2017/18 and Later Years £'000</b>	<b>Total £'000</b>
Current Approved Programme	0	7,861	6,312	14,173
A redirection of £4.000 million from the Capital Growth Fund to fund additional highways maintenance	0	(2,000)	(2,000)	(4,000)
Transfer of allocation between years to retain minimum £5 million balance for future years		(688)	688	0
<b>Amended Capital Growth Fund Total</b>	<b>0</b>	<b>5,173</b>	<b>5,000</b>	<b>10,173</b>

<b>TOTAL CAPITAL PROGRAMME</b>	<b>126,783</b>	<b>94,264</b>	<b>63,703</b>	<b>284,750</b>
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