

## Labour 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 This budget builds on the need, in very difficult financial circumstances, to alleviate severe cuts to the services and continue to support those vulnerable people who need our services.
- 1.2 We do not have the flexibility we would like but where we have found room for manoeuvre we have put funding not only into existing services but also considered new initiatives. We have identified additional funding to support the delivery of local solutions for vulnerable children and for adults and children's mental health services.
- 1.3 We accept that the One Organisation Plan is unsustainable in its current form, largely due to the unexpected and severe Government Settlement figures, and will need to be reconfigured. We recognise and will take the difficult decisions that this will entail.
- 1.4 We continue to support economic growth. However, we believe parts of the County are being left behind and that this needs to be addressed as a matter of urgency.
- 1.5 We also want to ensure all the resources that are allocated to services are used in the most cost effective way. We will be delving into current spending plans where we are of the view that there are genuine efficiency savings to be made.

### 2 Revenue Allocations

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

- 2.6 To support our redirection of resources to support our most vulnerable residents and communities we will make the following specific investments:
  - £250,000 to reverse the part-night operation of street lights for those communities that want it
  - A two-year allocation of £300,000 a year to enable children's centres them to develop and deliver local solutions for services that will make a difference for the most vulnerable children
  - A one-off £700,000 fund to support those in need of adults and children's mental health services
  - £50,000 to provide additional super-kitchens across Warwickshire for those communities where it is most needed.
- 2.7 In addition we will stop all of the planned savings in Supporting People.

### **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 £16.090 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 £66.299 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 £5.682 million of the Medium Term Contingency and £5.500 million of service reserves to support our spending plans.

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

***Insert paragraph 5.6:***

- 5.6 In the next nine months we will be looking in detail at how services make best use of any funding that is allocated. Particular areas that will be looking at are:
- Inflation
  - Efficiency savings
  - Procurement
  - Review commissioning
  - Reserves.

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

***Delete Risk 6 in the Head of Services Statement and replace as follows:***

***Risk 6 – Impact on the Medium Term Financial Planning Framework***

*The Medium Term Financial Planning Framework outlines the significant additional financial challenge to the authority in future years. Given the extent of this challenge Members are advised it is important that decisions taken in agreeing the 2016/17 budget do not increase this financial risk. This resolution does not increase the need to deliver savings in future years beyond that required as a result of the Local Government Finance Settlement but does include*

*additional savings of £501,000 from non-front line services in 2017/18. The nature and impact of these savings is yet to be determined. The commitment of Members to meet the financial challenges ahead and take the decisions needed to ensure the finances of the authority remain robust into the future is welcomed.*

## 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<br>Budget<br>£ | Revenue<br>Allocations<br>£ | Funding<br>Sources<br>£ | Total<br>£         |
|--|-----------------------------|-----------------------------|-------------------------|--------------------|
| Economic Growth                          | 22,667,672                  | 454,000                     | (666,000)               | 22,455,672         |
| Education and Learning                   | 87,004,803                  | 700,000                     | (2,478,000)             | 85,226,803         |
| Localities and Community Safety          | 9,102,303                   | 284,000                     | (403,000)               | 8,983,303          |
| Public Health                            | 19,990,960                  | 415,000                     | (805,000)               | 19,600,960         |
| Transport and Highways                   | 26,789,522                  | 962,000                     | (780,000)               | 26,971,522         |
| Children's Social Care and Safeguarding  | 41,366,777                  | 4,383,000                   | (1,539,000)             | 44,210,777         |
| Early Help and Targeted Support          | 9,448,430                   | 518,000                     | (384,000)               | 9,582,430          |
| Professional Practice and Governance     | 6,863,609                   | 122,000                     | (228,000)               | 6,757,609          |
| Social Care and Support                  | 114,409,136                 | 8,924,000                   | (3,313,000)             | 120,020,136        |
| Strategic Commissioning                  | 15,481,501                  | 366,000                     | 39,000                  | 15,886,501         |
| Customer Services                        | 8,284,596                   | 305,000                     | (473,000)               | 8,116,596          |
| Finance                                  | 4,098,571                   | 170,000                     | (265,000)               | 4,003,571          |
| Human Resources & OD                     | 6,228,561                   | 146,000                     | (460,000)               | 5,914,561          |
| Information Assets                       | 10,160,789                  | 293,000                     | (827,000)               | 9,626,789          |
| Law and Governance                       | 914,894                     | 50,000                      | (57,000)                | 907,894            |
| Physical Assets                          | 11,192,425                  | 389,000                     | (1,473,000)             | 10,108,425         |
| Service Improvement & CM                 | 2,975,600                   | 74,000                      | (289,000)               | 2,760,600          |
| Fire and Rescue                          | 19,427,624                  | 588,000                     | (849,000)               | 19,166,624         |
| Other Services                           | (19,207,960)                | 661,000                     | (135,259,000)           | (153,805,960)      |
|  | <b>397,199,813</b>          | <b>19,804,000</b>           | <b>(150,509,000)</b>    | <b>266,494,813</b> |
| <u>Contributions to/(from) reserves:</u> |                             |                             |                         |                    |
| Service Reserves                         | (10,752,000)                | 0                           | (6,200,000)             | (16,952,000)       |
| Medium Term Contingency                  | 0                           | 0                           | (5,682,030)             | (5,682,030)        |
| <b>Budget Requirement</b>                | <b>386,447,813</b>          | <b>19,804,000</b>           | <b>(162,391,030)</b>    | <b>243,860,783</b> |

**All other Sections remain unchanged.**



## Amendments to the 2016/17 Savings Plan

Add the proposals below to those listed in Appendix B

| Savings Proposal   | Proposed<br>2016/17<br>£'000 | Proposed<br>2017/18<br>£'000 |
|--|------------------------------|------------------------------|
| <b>Economic Growth</b>   |                              |                              |
| Waste Management   | (154)                        | (254)                        |
| Reduced spend on consultancy, agency staff, conferences and catering | (33)                         | (45)                         |
|  |                              |                              |
| <b>Education and Learning</b>  |                              |                              |
| Reduced spend on consultancy, agency staff, conferences and catering | (24)                         | (41)                         |
|  |                              |                              |
| <b>Localities and Community Safety</b>                               |                              |                              |
| Reduce funding for localities and partnerships                       | 0                            | (218)                        |
| Reduce savings from trading standards                                | 50                           | 0                            |
| Reduce savings in the Youth Justice Service                          | 50                           | 0                            |
| Reduced spend on consultancy, agency staff, conferences and catering | (25)                         | (34)                         |
| Additional savings from non-front-line services                      | 0                            | (124)                        |
|  |                              |                              |
| <b>Public Health</b>   |                              |                              |
| Reduced spend on consultancy, agency staff, conferences and catering | (5)                          | (6)                          |
|  |                              |                              |
| <b>Transport and Highways</b>  |                              |                              |
| Increase the income from Civil Parking Enforcement                   | (100)                        | (100)                        |
| Reduce savings from road safety education                            | 64                           | 0                            |
| Reduce capacity to develop Going for Growth bids                     | 0                            | (293)                        |
| Reduced spend on consultancy, agency staff, conferences and catering | (130)                        | (236)                        |
|  |                              |                              |

## Amendments to the 2016/17 Savings Plan

Add the proposals below to those listed in Appendix B

| Savings Proposal   | Proposed<br>2016/17<br>£'000 | Proposed<br>2017/18<br>£'000 |
|--|------------------------------|------------------------------|
| <b>Children's Social Care and Safeguarding</b>                       |                              |                              |
| Reduced spend on consultancy, agency staff, conferences and catering | (14)                         | (19)                         |
| <b>Early Help and Targeted Support</b>                               |                              |                              |
| Reduced spend on consultancy, agency staff, conferences and catering | (30)                         | (32)                         |
| <b>Professional Practice and Governance</b>                          |                              |                              |
| Reduced spend on consultancy, agency staff, conferences and catering | (38)                         | (54)                         |
| <b>Social Care and Support</b>                                       |                              |                              |
| Reduced spend on consultancy, agency staff, conferences and catering | (63)                         | (84)                         |
| <b>Strategic Commissioning</b>                                       |                              |                              |
| Remove any savings from Supporting People                            | 1,828                        | 3,725                        |
| Reduced spend on consultancy, agency staff, conferences and catering | (38)                         | (46)                         |
| <b>Customer Services</b>   |                              |                              |
| Customer Service Centre - customer journey                           | (50)                         | (50)                         |
| Reduced spend on consultancy, agency staff, conferences and catering | (21)                         | (21)                         |
| Additional savings from non-front-line services                      | 0                            | (64)                         |

## Amendments to the 2016/17 Savings Plan

Add the proposals below to those listed in Appendix B

| Savings Proposal   | Proposed<br>2016/17<br>£'000 | Proposed<br>2017/18<br>£'000 |
|--|------------------------------|------------------------------|
| <b>Finance</b>   |                              |                              |
| Reduced spend on consultancy, agency staff, conferences and catering   | (15)                         | (17)                         |
| Additional savings from non-front-line services  | 0                            | (58)                         |
| <b>Human Resources</b>   |                              |                              |
| Additional 2% efficiency saving  | (90)                         | (90)                         |
| Reduced spend on consultancy, agency staff, conferences and catering   | (23)                         | (37)                         |
| Additional savings from non-front-line services  | 0                            | (68)                         |
| <b>Information Assets</b>  |                              |                              |
| Additional 2% efficiency saving  | (195)                        | (195)                        |
| Reduced spend on consultancy, agency staff, conferences and catering   | (65)                         | (72)                         |
| <b>Law and Governance</b>  |                              |                              |
| Additional reduction in Elected Member learning and development, reflecting the stage in the electoral cycle | (11)                         | 0                            |
| Reduced spend on consultancy, agency staff, conferences and catering   | (16)                         | (17)                         |
| <b>Physical Assets</b>   |                              |                              |
| Additional 2% efficiency saving  | (220)                        | (220)                        |
| An additional two year reduction in the landlord maintenance budget  | (100)                        | (100)                        |
| Reduced spend on consultancy, agency staff, conferences and catering   | (42)                         | (86)                         |
| Additional savings from non-front-line services  | 0                            | (157)                        |

# Amendments to the 2016/17 Savings Plan

Add the proposals below to those listed in Appendix B

| Savings Proposal   | Proposed<br>2016/17<br>£'000 | Proposed<br>2017/18<br>£'000 |
|--|------------------------------|------------------------------|
| <b>Service Improvement</b>   |                              |                              |
| Performance management and business support  | (70)                         | (70)                         |
| Reduced spend on consultancy, agency staff, conferences and catering   | (19)                         | (22)                         |
| Additional savings from non-front-line services  | 0                            | (30)                         |
|  |                              |                              |
| <b>Fire and Rescue</b>   |                              |                              |
| Remove the need to deliver savings in community fire safety and arson prevention   | 42                           | 42                           |
| Review of senior management structure and admin support  | 0                            | (112)                        |
| Reduced spend on consultancy, agency staff, conferences and catering   | (31)                         | (46)                         |
|  |                              |                              |
| <b>Other Services</b>  |                              |                              |
| Reduction in borrowing costs as a result of reducing the Capital Growth Fund by £2 million a year.   | 0                            | (200)                        |
| Leave the LGA/CCN  | 0                            | (65)                         |
| Reduce the allocation for 0-5 strategy and redirect the time-limited funding to support local solutions for vulnerable children led through children's centres | (200)                        | (200)                        |
| Reduce the number of Cabinet posts   | (30)                         | (30)                         |
| Reduced spend on consultancy, agency staff, conferences and catering   | (10)                         | (12)                         |
|  |                              |                              |
|  |                              |                              |
|  |                              |                              |
| <b>Total Additional Savings</b>  | <b>172</b>                   | <b>142</b>                   |



# Labour Group Recommendations to County Council

## 2016/17 Capital Budget Amendment

### 1 Financial Direction of Travel

*Delete paragraphs 1.3 and 1.4 and replace as follows:*

- 1.3 As part of our commitment to reducing the authority's debt and ensuring the amount spent on servicing borrowing decreases, we will reduce the limit on the level of borrowing from £20 million a year to £18 million. We will continue with the separation of maintenance and development programmes that has brought benefits in terms of reducing bureaucracy.
- 1.4 In 2014/15 a new approach to the development of the capital programme was introduced. 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.

### 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 £153.967 million. Of this £92.264 million is for 2016/17 and £61.703 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                                | 39,435         | 20,506                         | 59,941         |
| 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>87,091</b>  | <b>56,703</b>                  | <b>143,794</b> |
|   |                |                                |                |
| <b>Capital Growth Fund</b>                            | <b>5,173</b>   | <b>5,000</b>                   | <b>10,173</b>  |
|   |                |                                |                |
| <b>Total Programme</b>                                | <b>92,264</b>  | <b>61,703</b>                  | <b>153,967</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 £18 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  | 16,631         | 36,538                         | 53,069         |
| Revenue   | 1,327          | 486                            | 1,813          |
| Self-financed borrowing   | 2,491          | 5,794                          | 8,285          |
| Corporate borrowing   | 27,858         | 284                            | 28,142         |
| <b>Total financing</b>  | <b>92,264</b>  | <b>61,703</b>                  | <b>153,967</b> |

*Note: The corporate borrowing figure is greater than £18 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

Amend the capital programme listed in Appendix A for the proposals below:

| Capital Growth Fund  | Earlier Years<br>£'000 | 2016/17<br>£'000 | 2017/18 and<br>Later Years<br>£'000 | Total<br>£'000 |
|--|------------------------|------------------|-------------------------------------|----------------|
| Current Approved Programme   | 0                      | 7,861            | 6,312                               | 14,173         |
| Reduce the allocation to the capital growth fund to reduce future borrowing costs          | 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>92,264</b>    | <b>61,703</b>                       | <b>280,750</b> |