

Liberal Democrat Group Recommendations Revenue Budget 2017/18

The County Council is recommended to plan its budget framework for 2017/18 on the following basis:

1 Financial Direction of Travel

Delete Section 1 and replace as follows:

1.1 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.

Our Youngest & Most Vulnerable

- 1.2 Investing in children and young people is also investing for the next generation - it goes beyond elections and just one budget. That is why when we introduced the funding for the “Smart Start” programme, we said *“that this needs to become the everyday business of not just the County Council but of Health and all our partners”*.
- 1.3 That is why we want to build on the foundation work and put in place sustained investment for the future that will see a reduction of children from becoming looked after and also delivering better outcomes for children and families across Warwickshire, this is to be delivered by local solutions that are targeted and centred around a network of “Smart Start” community hubs.
- 1.4 To enable the ongoing project work to be carried forward and to refine what the new offer is to families will take time and we shall continue to implement and integrate the Smart Start strategy that has been developed and use the existing resources from that programme to support its implementation as part of the work of the Children & Transformation programme. We will defer any savings from this work until 2019/20 and then only require £850,000 to be delivered.

- 1.5 Our objective from the outset was to deliver a strong evidence base and deliver a foundation for 0 to 5 year olds (Smart Start) programme. We propose to ensure that the Smart Start programme is integrated fully into the redesign of services for children and families in the future.

Improving health and wellbeing

- 1.6 We propose to invest £400,000, on a one-off basis, to support the voluntary-sector led invest to save activity:
- The first £200,000 will be invested to introduce a 24 hour crisis response pilot (not telephone like Samaritans but face to face), with resources and links to debt management, housing etc. The work that has been done on suicide prevention has highlighted the immense pressure Coventry and Warwickshire Partnership NHS Trust Crisis Teams are under.
 - The second £200,000 would be invested over 3 years to further develop Connect Well (Social prescribing). It is now well recognized and the evidence clearly shows that this is supporting peoples life's in the community this work is an invest-to-save model, this funding will enable it to become fully developed across Warwickshire.

Our Fire Service

- 1.7 We have stated that there should be no more cuts to the Fire & Rescue Service - it is at the edge of not being able to provide a safe service. We will seek to invest £200,000 in community fire safety, focusing on three important initiatives:
- Delivering CPR training to schoolchildren at all state schools across the county at year 8 level, equating to approximately 6,500 students, at a cost of £80,000 one off.
 - Road Safety Education: The service attended approximately 600 road traffic collisions in 2015/16, with approximately 150 people extricated from vehicles. On average there are approximately 30 people killed in road traffic collisions each year. Investment of £80,000 on an on-going basis would allow the Fire and Rescue to deliver road safety education through its "Fatal 4" presentation to all state schools in Warwickshire.
 - Arson Reduction: There is an arson reduction officer embedded with the Police and other partners within the Justice Centre in Nuneaton. This has contributed to a 30% reduction in deliberate fires/arson in five years. Investment of £40,000 a year could roll-out the service into the south of Warwickshire.
- 1.8 We are all consumers of the services the County Council provides. We also represent the tax payers of Warwickshire; therefore we are committed to identifying where further savings can be made. We accept the challenge of

having to find another £67 million of savings over the next three years. This keeps costs down, but we do acknowledge the need for an increase in local tax. We will use the opportunity provided by the government to levy a 3% council tax to provide additional ring-fenced resources to fund Adult Social Care services. In addition, we require a modest increase of 1.99% on the council tax for all other services too. In total, this will mean a 4.99% council tax increase next year.

2 Adult Social Care

Delete Section 2 and replace as follows:

2.1 The health and social care system is under great strain and has to be a top priority both nationally and for Warwickshire citizens and we would urge national politicians to join forces and to seek out solutions for the long term. The Government's proposals on allowing local authorities to raise extra funds by allowing an extra levy are only a sticking plaster approach. The options presented to us do allow for some extra cash to come into our local system earlier and as such should not be turned away, although it needs to be recognized that this will not fully fund adult social care in Warwickshire.

2.2 We have looked closely at the options presented to the Council and we are proposing the following for the additional adult social care levy:

2017-2018	3%
2018-2019	3%
2019-2020	0%

2.3 Bringing forward the adult social care levy in this way raises an extra £7.4 million to be spent directly in the adult social care economy over the next three years. We will use this funding to speed up the development and implementation of the integrated health and social care model, thereby releasing the £5 million Transformation Fund to support the delivery of the One Organisation Plan across the rest of the organisation.

3 Revenue Allocations

Delete paragraph 3.2 and replace as follows:

3.2 In addition to meeting the estimated cost of inflation we will also provide for the following additional spending need:

- We will provide £1.200 million to meet the estimated cost of the new apprenticeship levy to be paid by larger employers from April 2017.
- We will meet all the time-limited additional spending commitments for 2017/18 agreed by Council in previous years as part of the 2014-18 One Organisation Plan, totalling £4.640 million.
- We will provide £100,000 for each of the next two years as our contribution to the running costs of the Coventry and Warwickshire Local Enterprise Partnership (CWLEP) Growth Hub.
- We will set up a new £5 million Transformation Fund using the resources currently in the Capacity Building Fund, supplemented by £3.9 million from the Medium Term Contingency to invest in our workforce so they have the capacity to deliver the considerable and increasingly complex transformation agenda required.
- We will allocate £2.435 million to meet the increased cost of borrowing to deliver and support an enhanced programme of investment in Warwickshire's future.
- We will provide £11.054 million to adult social care (£2.245 million as a one-off allocation) in addition to the inflation allocation in Table 1 to meet demand-led spending pressures and to ensure we meet the requirements for levying the additional adult social care levy.
- We will provide £1.199 million to the Children and Families Business Unit and £0.126 million to the Professional Practice and Assurance Business Unit to ensure the 2017/18 budget is on a sound financial footing and the risk of overspending is minimised. Subject to annual review, we have made provision for the allocation to Children and Families Business Unit to increase to £2.769 million by 2019/20. The relevant Business Units have identified additional savings, on top of those to balance the 2017-20 Plan to meet this risk of overspending.
- We will invest £400,000, on a one-off basis, to support the voluntary-sector led invest to save activity.
- We will seek to invest £200,000 in community fire safety, focusing on three important initiatives: delivering CPR training to schoolchildren (£80,000 one off), road safety education (£80,000 on-going) and arson reduction (£40,000 on-going).

5. Funding Sources

Delete paragraph 5.1 and replace as follows:

- 5.1 Our savings plan will generate a £33.638 million in 2017/18 and approval is given to the plans for the delivery of these savings in **Appendix A, as amended by Annex A**. If during 2017/18 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 5.3 and replace as follows:

5.3 The total savings to be delivered over the 2017-20 Plan are £67.243 million.

Delete paragraphs 5.8 and 5.9 and replace as follows:

5.8 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 £3.643 million of the Medium Term Contingency and earmarked service reserves to support our spending plans.

5.9 **The council tax will increase by 4.99%.** With the other funding resources identified, this will fund the proposals contained within this resolution.

6 Medium Term Financial Planning Framework

Add the following to paragraph 6.5:

- To report on the options for establishing Local Authority Trading Companies

7 Head of Finance Statement

Section 7, the Head of Finance's Statement remains unchanged.

Delete Sections 8 to 11 and replace as follows:

8 Summary of Service Estimates

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

	Controllable Budget £	Revenue Allocations £	Funding Sources £	Total £
Community Services	27,299,208	709,000	(1,490,000)	26,518,208
Education and Learning	86,774,112	258,000	(1,249,000)	85,783,112
Public Health	25,826,623	378,000	(2,534,000)	23,670,623
Transport and Economy	28,568,717	1,334,000	(2,804,000)	27,098,717
Children and Families	53,381,636	4,700,000	(2,569,000)	55,512,636
Professional Practice and Governance	5,024,399	179,000	(401,000)	4,802,399
Social Care and Support	122,169,177	13,503,000	(6,360,000)	129,312,177
Strategic Commissioning	11,961,279	607,000	(2,606,000)	9,962,279
Customer Services	8,692,682	110,000	(356,000)	8,446,682
Finance	4,076,189	68,000	(624,000)	3,520,189
Human Resources and OD	6,372,953	61,000	(313,000)	6,120,953
Information Assets	9,643,820	110,000	(1,102,000)	8,651,820
Law and Governance	803,811	18,000	(65,000)	756,811
Performance	3,077,978	45,000	(90,000)	3,032,978
Physical Assets	10,075,378	214,000	(2,257,000)	8,032,378
Fire and Rescue	18,506,993	394,000	(368,000)	18,532,993
Other Services - spending	44,890,580	10,594,000	(8,450,000)	47,034,580
Other Services - schools and funding	(67,866,722)	0	(128,086,000)	(195,952,722)
	399,278,813	33,282,000	(161,724,000)	270,836,813
<u>Contributions to/(from) reserves:</u>				
- Service Reserves	(6,571,000)	0	(1,100,000)	(7,671,000)
- Medium Term Contingency	0	0	(2,543,833)	(2,543,833)
Budget Requirement	392,707,813	33,282,000	(165,367,833)	260,621,980

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.

9. Council Tax Requirement

9.1 Approval is given to a council tax requirement and a Band D Council Tax for the County Council for the year ending 31 March 2018 as follows:

	£
Budget Requirement	260,621,980.00
Less Council Tax Surplus on Collection	(1,980,661.00)
Council Tax Requirement for the year ended 31 March 2018	258,641,319.00
Divided by aggregate Council Tax Base for the County Area	197,226.85
Basic amount of Council Tax (Band D)	1,311.3900

10 Council Tax

10.1 The council tax for 2017/18 is increasing by 4.99%. Therefore, approval is given to Council Tax amounts for each category of property as follows:

	£
Band A	874.2600
Band B	1,019.9700
Band C	1,165.6800
Band D	1,311.3900
Band E	1,602.8100
Band F	1,894.2300
Band G	2,185.6500
Band H	2,622.7800

9 Precepts

9.1 The Head of Paid Service or Strategic Director of Resources issue 2017/18 precepts on the Warwickshire billing authorities, as follows:

	£
North Warwickshire Borough Council	26,631,327.84
Nuneaton & Bedworth Borough Council	47,663,125.28
Rugby Borough Council	46,424,255.14
Stratford-on-Avon District Council	68,799,663.44
Warwick District Council	69,122,947.30

All other Sections remain unchanged.

Amendments to the 2017-20 Savings Plan

Add/amend Appendix A for the proposals listed below

Savings Proposal	Proposed 2017/18 £'000	Proposed 2018/19 £'000	Proposed 2019/20 £'000	Description
Children and Families				
Reduce the savings from children's centres	338	1,747	897	
Physical Assets				
Additional savings	(100)	(200)	(200)	An additional saving to be delivered as a result of staffing changes flowing from a restructuring of the Business Unit
Total Reduction/(Increase) in Savings Plan	238	1,547	697	

Liberal Democrat Recommendations 2017/18 Capital Budget

1 Financial Direction of Travel

Delete paragraph 1.4 and replace as follows:

- 1.4 We will use the additional resources not used to finance our revenue budget resolution to invest in the core infrastructure of the area, delivering benefits available to everyone. In particular for the next three years we will:
- Invest £2 million a year to deliver identified cycle route priorities across Warwickshire, such as K2L
 - Invest £1 million a year in LED street lights
 - Invest £1 million a year in school safety zones (£250,000 only in 2017/18)
 - Continue to invest £2 million for each of the next three years for Members to use on local highways priorities that can make a real difference to communities.
 - The balance of capital funding will be set aside to provide development and infrastructure activity to support the long-term growth of Warwickshire's economy.

2 2017/18 to 2019/20 Capital Programme

Delete Section 2 and replace as follows:

- 2.1 Approval is given to a capital programme of £237.359 million. Of this £138.230 million is for 2017/18 and £99.129 million for subsequent years. There is £45.057 million remaining in the Capital Investment Programme that will be allocated to specific schemes, in line with our priorities, once the evaluation criteria are agreed.
- 2.2 Table 1 shows the breakdown of the programme across Business Units, with the full detail of the capital programme attached at **Appendix B as amended by Annex A.**

Table 1: Capital Programme: Summary by Service				
Service	2017/18	2018/19	2019/20 and later years	Total
	£'000	£'000	£'000	£'000
Community Services	464	306	300	1,070
Education and Learning	16,678	4,000	0	20,678
Public Health	24	0	0	24
Transport and Economy	57,936	20,941	19,058	97,935
Children and Families	50	276	75	401
Social Care and Support	2,170	1,500	1,000	4,670
Strategic Commissioning	1,038	0	0	1,038
Customer Services	245	3,211	0	3,456
Information Assets	3,836	17,240	400	21,476
Physical Assets	12,379	13,522	7,105	33,006
Fire and Rescue	8,308	120	120	8,548
Total Allocations	103,128	61,116	28,058	192,302
Capital Investment Programme	35,102	4,955	5,000	45,057
Total Programme	138,230	66,071	33,058	237,359

3 Financing the Capital Programme

Delete paragraph 3.1 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. Table 2 provides a breakdown of the financing of the capital programme between years.

Table 2: Financing the Capital Programme: Summary by Year				
	2017/18	2018/19	2019/20 and later years	Total
	£'000	£'000	£'000	£'000
Capital Grants and Contributions	47,380	22,268	13,058	82,706
Capital Receipts	28,642	24,574	0	53,216
Revenue	846	867	0	1,713
Self-financed borrowing	400	6,230	0	6,630
Corporate borrowing	60,962	12,132	20,000	93,094
Total Financing	138,230	66,071	33,058	237,359

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

Amendments to the 2017-20 Capital Programme Scheme Listing by Business Unit and Financial Year

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

Transport and Highways	Earlier Years	2017/18	2018/19	2019/20 and Later Years	Total
	£'000	£'000	£'000	£'000	£'000
Current Approved Programme	89,964	54,686	16,941	15,058	176,649
A capital allocation of £6.000 million to invest in cycle priorities across Warwickshire, such as K2L	0	2,000	2,000	2,000	6,000
School safety zones	0	250	1,000	1,000	2,250
LED streetlights	0	1,000	1,000	1,000	3,000
Amended Transport and Highways Total	89,964	57,936	20,941	19,058	187,899

Capital Investment Programme	Earlier Years	2017/18	2018/19	2019/20 and Later Years	Total
	£'000	£'000	£'000	£'000	£'000
Current Approved Programme	0	41,752	8,955	9,000	59,707
A reduction on the funding available as a result of the amendments identified above	0	(3,250)	(4,000)	(4,000)	(11,250)
A reduction in the funding available as the result of a lower provision for borrowing costs in the revenue budget	0	(3,400)	0	0	(3,400)
Amended Capital Investment Programme Total	0	35,102	4,955	5,000	45,057

TOTAL CAPITAL PROGRAMME	123,828	138,230	66,071	33,058	361,187
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