

Labour Group Recommendations 2017/18 Revenue Budget

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 It is unfortunate that once again Warwickshire finds itself in the position of having to make cuts to essential services as a result of having to make further savings of £67 million over the next three years.
- 1.2 Our budget goes at least some way towards ameliorating the cuts proposed in other Group's budgets as far as we are able.
- 1.3 We will continue to make sure that we address the needs of the people of Warwickshire by protecting the most vulnerable in our society and ensuring all children and young people across the county have the opportunity to thrive and fulfil their potential.

3 Revenue Allocations

Add the following bullet points to the end of paragraph 3.2:

- We will provide £1.000 million a year for the next three years to increase investment in routine and reactive maintenance.
- We will invest £200,000 on a one-off basis in additional home fire safety.

5. Funding Sources

Delete paragraph 5.1 and replace as follows:

- 5.1 Our savings plan will generate a £32.987 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 £67.322 million.

Delete paragraphs 5.8 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 £5.315 million of the Medium Term Contingency and earmarked service reserves to support our spending plans.

6 Medium Term Financial Planning Framework

Add the following to paragraph 6.5:

- To report on the options for establishing a Warwickshire green energy company.
- To undertake a feasibility study of the practicalities, costs and savings that would accrue from the creation of a municipal transport company.
- To undertake a feasibility study into the options and benefits of creating a land development company, jointly with a developer, to maximise the benefits over the longer term from the development of the Council's land.

7 Head of Finance Statement

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

Delete Sections 8 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	459,000	(1,384,000)	26,374,208
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	2,334,000	(2,304,000)	28,598,717
Children and Families	53,381,636	3,200,000	(2,569,000)	54,012,636
Professional Practice and Governance	5,024,399	179,000	(401,000)	4,802,399
Social Care and Support	122,169,177	11,035,000	(6,360,000)	126,844,177
Strategic Commissioning	11,961,279	607,000	(2,361,000)	10,207,279
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	(2,457,000)	7,832,378
Fire and Rescue	18,506,993	394,000	(368,000)	18,532,993
Other Services - spending	44,890,580	12,365,000	(8,450,000)	48,805,580
Other Services - schools and funding	(67,866,722)	0	(128,086,000)	(195,952,722)
	399,278,813	31,835,000	(161,073,000)	270,040,813
<u>Contributions to/(from) reserves:</u>				
- Service Reserves	(6,571,000)	0	(1,800,000)	(8,371,000)
- Medium Term Contingency	0	0	(3,515,141)	(3,515,141)
Budget Requirement	392,707,813	31,835,000	(166,388,141)	258,154,672

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 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
Community Services				
Waste Management	0	(33)	(53)	Increase savings from diverting waste to energy from landfill
Youth Justice Service	131	222	95	Reduction in the savings required
Localities and Partnerships	0	(50)	(100)	Increased savings to be delivered through the restructuring of the service
Trading standards	0	100	128	Reduce the savings to maintain work on cyber scams and the protection of the elderly
Heritage and Culture	0	(100)	0	Bring forward £100,000 of savings into 2018/19
Third Sector Support	(25)	(200)	(475)	Reduction in funding, councillor grants to be retained
Education and Learning				
Attendance, Compliance and Enforcement Service	0	(79)	0	Bring forward full delivery of the saving to 2018/19
Information and guidance for NEETs	0	0	135	Remove the savings proposal
Home to School Transport	0	(648)	(1,000)	Increase and bring forward the delivery of the savings
Transport and Economy				
Design Services	0	(50)	(100)	Stretch income target
Fees for licences and permits	0	(5)	(10)	Stretch income target
Fees from current highways activity levels	0	(20)	(40)	Stretch income target
Public transport revenue support	500	500	500	Remove the savings proposal
Energy savings from LED street lighting	0	(200)	(300)	Increased savings resulting from increased capital investment in LED lighting stock
Flood risk pre-application advice	0	(20)	0	Stretch income target
Highway permit scheme	0	(50)	0	Stretch income target through cross-authority working leading to sharing of management and administrative overheads

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	1,047	757	
Strategic Commissioning				
Housing Related Support	245	967	1,581	Reduce the savings required
Physical Assets				
Additional savings	(300)	(300)	(300)	An additional saving to be delivered as a result of staffing changes flowing from a restructuring of the Business Unit
Other Services				
Management restructure	0	(200)	(200)	Additional savings from a further reduction in the number of Heads of Service posts
Total Reduction/(Increase) in Savings Plan	889	881	618	

Labour Group Recommendations

2017/18 Capital Budget

1 Financial Direction of Travel

Insert after paragraph 1.1 and renumber the following paragraphs accordingly:

- 1.2 We recognise that parts of Warwickshire have benefited from a massive investment by Warwickshire County Council and as result have attracted major international companies to locate or expand in the area. The south of the county is recognised as one of the leading areas for the creative industries and has a formidable track record in innovation to deliver products to the changing world market.
- 1.3 We believe it is now time to ensure the wealth growing potential is enjoyed by all our residents. We need to offer new opportunities to the next generation to enable them to use the skills they have gained to access and create employment in the County.
- 1.4 We will instigate discussions with our borough and district partners to look towards improving our town centres in urban areas and create job opportunities for our local communities.

Delete paragraph 1.4 (renumbered 1.7) and replace as follows:

- 1.4 We will use our capital resources to invest in the core infrastructure of the area, delivering benefits for everyone. In particular for the next three years we will:
 - Create a Revitalising Communities Fund. We propose to use this fund to provide investment in development and infrastructure activity to support the long term growth of Warwickshire's economy, with a focus on those communities where need is greatest.
 - Address the crumbling road infrastructure in our residential areas; investing £3.500 million for each of the next three years for Members to use on local highways priorities that can make a real difference to communities and continuing the investment of an additional £2.000 million a year for highways maintenance above the level of funding received from the Government through to 2019/20.
 - Invest £9.600 million over three years in LED street lights.
 - Invest £1.000 million a year in safer routes to school to complete the programme for all of Warwickshire's children.

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 £240.759 million. Of this £132.530 million is for 2017/18 and £108.229 million for subsequent years. There is £38.607 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.**

Service	2017/18 £'000	2018/19 £'000	2019/20 and later years £'000	Total £'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	58,786	25,441	23,558	107,785
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	103,978	65,616	32,558	202,152
Capital Investment Programme	28,552	5,055	5,000	38,607
Total Programme	132,530	70,671	37,558	240,759

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	55,262	16,732	24,500	96,494
Total Financing	132,530	70,671	37,558	240,759

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
Expansion of the programme of Members area delegated funding	0	1,500	1,500	1,500	4,500
Home to school routes	0	1,000	1,000	1,000	3,000
LED streetlights	0	1,600	4,000	4,000	9,600
Additional funding for highway maintenance	0	0	2,000	2,000	4,000
Amended Transport and Highways Total	89,964	58,786	25,441	23,558	197,749

Social Care and Support	Earlier Years	2017/18	2018/19	2019/20 and Later Years	Total
	£'000	£'000	£'000	£'000	£'000
Current Approved Programme	0	2,170	1,500	1,000	4,670
Maintain the allocation but redirect to encouraging a mixed economy of accommodation with care across Warwickshire	0	0	0	0	0
Amended Social Care and Support Total	0	2,170	1,500	1,000	4,670

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	(4,100)	(8,500)	(8,500)	(21,100)
Maintenance of £5 million minimum unallocated balance	0	(9,100)	4,600	4,500	0
Amended Capital Investment Programme Total	0	28,552	5,055	5,000	38,607

TOTAL CAPITAL PROGRAMME	123,828	132,530	70,671	37,558	364,587
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