

Green 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 This budget is put together under duress. Warwickshire County Council has delivered savings and cuts of over £100 million since 2010. This budget sets out further cuts of £32.5 million in 2017/8 and £67 million by 2019/20 forced upon us by Central government.
- 1.2 Central government have chosen to manage their deficit by decimating services that residents of Warwickshire use and rely on. It has turned down opportunities to implement a financial transaction tax and ensure fair payment of taxes by large companies, which would have produced significant revenue. Instead it has preferred to slash public services to the bone and beyond.
- 1.3 This Council has found innovative ways to maintain some services with reduced funding and the hard work that staff have put into these changes is recognised and appreciated. However, where services are being cut we should say so and not hide behind the language of ‘reshaping’ and ‘reduced capacity’.
- 1.4 In this very challenging financial environment the Council needs to continue to transform its services so they:
 - Support a county where wellbeing and a strong economy go hand in hand rather than acting in contradiction.
 - Focus services on the needs of people and families rather than the needs of bureaucracies and silos.
 - Invest long term in early help and prevention so that fewer people and families reach crisis point.

1.5 Our budget is a reflection of our vision. We will:

1) Wellbeing and strong economy together

- Fair working conditions and reducing money worries increase wellbeing. Protect those working on low incomes. through:
 - setting aside funds to offset increases in Council Tax rises for the least well off.
 - Strengthening our contract monitoring to ensure our contractors are giving customers and staff the best deal.
- Support our capital budget to improve commutes to work and school with appropriate revenue streams so schemes can be delivered and maintained.

2) Design services around the needs of people and families rather than bureaucracies and silos

- Join Housing Related Support for 25+ and addictions commissioning and fund properly to allow for a wrap-around addictions pathway.
- Redouble our efforts for a joint waste deal with districts and boroughs including budgeting for transitional funding.
- Further develop the family-centred Priority Families approach for long term change.
- Invest in our staff so we have a modern and flexible workforce that has the capacity to deliver what we ask of them

3) Invest long term in early help and prevention

- Protect early help, particularly for children in the first 1000 days
- Invest in 40 additional children's social workers, plus additional support capacity, to reduce caseloads and provide greater support for our most vulnerable children
- Invest in the education system for our most vulnerable learners
- Protect our elderly citizens by investing in extra care housing, raising the levy for adult social care to fund additional demand.

1.6 We will continue the approach to planning over the medium term that has served us well over recent years by taking a more focussed approach to prioritising.

1.7 We recognise that delivering a balanced budget over the next three years will mean significant challenges for the organisation and that the growing gap between resources and needs can only be met by whole Council transformation. That is why our focus is on the service redesign needed to continue to deliver services to the people of Warwickshire.

- 1.8 We will continue to ensure that we have sound financial management throughout the organisation so that we have adequate resources that we can target at our priorities right through to 2020. Unless there is a compelling invest-to-save business case we will only fund additional spending where there is no alternative as with the funding of the apprenticeship levy, the replacement of the cuts to the Education Services Grant, managing emerging areas of demand-led overspending and to honour our partnership commitments to continue to fund the Coventry and Warwickshire Local Enterprise Partnership Growth Hub for a further two years.
- 1.9 We will accelerate the programme to support the transformation of services in order to invest in service improvement and redesign for the benefits of citizens. To do this, we will work with partners in Health, other local authorities, Police and other public agencies to deliver services in a different way. We will require services to focus on the preventative agenda to manage demand downwards, so we can secure even more value for money.
- 1.10 Our focus is on redesigning and implementing real transformational change aligned to delivering the financial savings plans across our priority areas. Implementation, we recognise will be complex, and an appropriately skilled support staff and the capability and capacity for implementation, is crucial. Our £5 million Transformation Fund will:
- Provide additional resource with specific programme and project management skills at the breadth and depth required to lead the governance and delivery of the individual strands for the duration of the transformation programme.
 - Provide an opportunity to “grow our own” and equip our workforce with the skills and opportunities to shape the future of the Organisation
 - Provide additional resource in key support service areas to support the delivery of the projects and programmes
 - Backfill specific posts where individuals are called on to lead, on a full time basis, aspects of the transformation programme
 - Invest in further developing community capacity
 - Bring in specialist skills/independent experts where needed for clearly defined areas of work with benefits identified at the outset
 - Specifically grow the capabilities and capacity within the Organisation for the future
- 1.11 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 will use the opportunity provided by the government to levy a 2% 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 3.99% council tax increase is equivalent of an average increase of £0.96 per week for a Band D dwelling.

- 1.12 We acknowledge the financial pain that this will cause some families and have therefore set aside £1 million in 2017/18 to work with our districts and boroughs to support those least able to afford the increase. This will be funded from the higher than expected collection of council tax in 2016/17.

3 Revenue Allocations

Delete the bullet point in paragraph 3.2 starting “we will allocate £2.706 million to meet the increased cost of borrowing” and add the following bullet points to the end of paragraph 3.2:

- We will provide £200,000 on a one-off basis for as a contingency for transitional costs as part of seeking agreement on joint waste delivery.
- We will provide £250,000 to embed specialist addiction treatment workers in Priority Families Teams.
- We will provide £80,000 for an air quality officer to take forward our planning response and identify related highways improvements.
- We will provide £540,000 (20%) of the additional income from growth in the taxbase for growth related wear and tear to roads, drainage, pavements, bus shelters, cycle routes and similar.
- We will provide £50,000 for three years for officer support for capital investment in walking and cycling routes.
- We will allocate £50,000 on a one-off basis to investigate digital enhanced travel.
- We will provide £76,000 to provide additional contract monitoring to ensure high standards for customers and staff in contracted out services.
- We will provide £900,000 in 2019/20 for joint commissioning of supported accommodation with addiction services for those aged 25+.
- We will allocate £100,000 on a one-off basis to improve technology and training to increase meeting accessible video and thereby reduce travel
- We will set aside £1 million in a hardship fund to be allocated jointly with the districts and boroughs for those struggling to pay council tax as a result of changes to local council tax support schemes.

5. Funding Sources

Delete paragraph 5.1 and replace as follows:

- 5.1 Our savings plan will generate a £32.543 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 £67.709 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 £4.199 million of the Medium Term Contingency and earmarked service reserves to support our spending plans.

7 Head of Finance Statement

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

Delete Sections 8 and replace as follows:

6 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	659,000	(1,439,000)	26,519,208
Education and Learning	86,774,112	258,000	(1,249,000)	85,783,112
Public Health	25,826,623	628,000	(2,534,000)	23,920,623
Transport and Economy	28,568,717	2,054,000	(2,304,000)	28,318,717
Children and Families	53,381,636	3,200,000	(2,907,000)	53,674,636
Professional Practice and Governance	5,024,399	179,000	(401,000)	4,802,399
Social Care and Support	122,169,177	11,111,000	(5,860,000)	127,420,177
Strategic Commissioning	11,961,279	607,000	(2,324,000)	10,244,279
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	210,000	(1,102,000)	8,751,820
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	(2,157,000)	8,132,378
Fire and Rescue	18,506,993	194,000	(368,000)	18,332,993
Other Services - spending	44,890,580	10,659,000	(8,450,000)	47,099,580
Other Services - schools and funding	(67,866,722)	0	(128,086,000)	(195,952,722)
	399,278,813	30,275,000	(160,629,000)	268,924,813
<u>Contributions to/(from) reserves:</u>				
- Service Reserves	(6,571,000)	0	(1,100,000)	(7,671,000)
- Medium Term Contingency	0	0	(3,099,141)	(3,099,141)
Budget Requirement	392,707,813	30,275,000	(164,828,141)	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				
Trading standards	20	20	20	Delete the saving from consumer protection and business support
Youth Justice Service	131	222	317	Delete the savings proposals for the Youth Justice Service
Localities and Partnerships	(100)	(100)	(100)	Reducing the funding for councillor grants
Education and Learning				
Home to School Transport	0	(500)	(352)	Increase and bring forward the delivery of the savings
Public Health				
Drugs and Alcohol	0	923	0	Defer the increase in the savings until 2019/20
Transport and Economy				
Public transport revenue support	500	500	500	Remove the savings proposal
Energy savings from LED street lighting	0	(100)	(100)	Increased savings target
Highway maintenance	0	(500)	(500)	Additional saving
Children and Families				
Reduce the savings from children's centres	0	1,409	1,409	
Social Care and Support				
Management of the National Living Wage and inflation impacts	500	600	0	Defer full implementation of the saving

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
Strategic Commissioning				
Housing related support	245	0	0	Reduce the level of savings required in 2017/18
Quality assurance	37	37	37	Remove the savings proposal
Total Reduction/(Increase) in Savings Plan	1,333	2,511	1,231	

Green Group Recommendations

2017/18 Capital Budget

1 Financial Direction of Travel

Delete paragraphs 1.2 to 1.6 and replace as follows, renumbering the remaining paragraphs:

- 1.2 We will put in place a benefit-driven a strategic approach to determining our capital investment priorities, ensuring our scarce resources are used in the most effective way. To ensure widespread support for the investment programme all proposals will be subject to a robust scrutiny process prior to being considered by Members. We expect detailed governance arrangements and evaluation criteria for individual schemes to be brought forward to Full Council for approval in March 2017, once the strategy has been approved.
- 1.3 We will commission capital projects specifically designed to promote a win-win of wellbeing and a strong job-creating economy for Warwickshire residents. We will:
- Invest £5m in walking, cycling and sustainable travel infrastructure that improves the commute to work and school.
 - Invest £2 million in town centre regeneration and facilitating job creation in the north of the county
 - Invest £3 million in supported further extra care housing and sheltered housing with care developments
 - Expand SEN provision on school campus' to improve the life chances of our young people whilst also reducing the cost of the associated support services
 - Continue with the £2 million a year allocation for Members to use on local highways priorities that can make a real difference to communities
 - Invest £3 million in our LED lighting programme.
- 1.4 We will continue to borrow £20 million a year.
- 1.5 We will use capital receipts not already approved for use elsewhere as a contribution to a Systems Development Fund, so we can use Information Technology to drive the delivery of transformation change.

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 £207.759 million. Of this £105.930 million is for 2017/18 and £101.829 million for subsequent years. There is £22.004 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	49,489	23,591	18,308	91,388
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	94,681	63,766	27,308	185,755
Capital Investment Programme	11,249	5,005	5,750	22,004
Total Programme	105,930	68,771	33,058	207,759

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	28,662	14,832	20,000	63,494
Total Financing	105,930	68,771	33,058	207,759

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
Bermuda Connectivity - stop scheme and cease further spending	0	(2,552)	0	0	(2,552)
A46 Stank Island - reduce the scope of the scheme	0	(5,645)	2,900	0	(2,745)
LED Lighting - additional investment	0	1,000	1,000	1,000	3,000
Walking, cycling and sustainable travel infrastructure that improves the commute to work and school	0	1,500	2,000	1,500	5,000
Town centre regeneration and facilitating job creation in the north of the county	0	500	750	750	2,000
Amended Transport and Highways Total	89,964	49,489	23,591	18,308	181,352

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
An increase in the funding available as a result of the amendments identified above	0	5,197	(6,650)	(3,250)	(4,703)
Reduction in available funding through using the taxbase income for revenue purposes	0	(33,000)	0	0	(33,000)
Reallocation of funding between years to maintain £5 million minimum balance	0	(2,700)	2,700	0	0
Amended Capital Investment Programme Total	0	11,249	5,005	5,750	22,004

TOTAL CAPITAL PROGRAMME	123,828	105,930	68,771	33,058	331,587
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