

2018/19 Revenue Budget Amendment

Liberal Democrat Group Recommendations to County Council

The County Council is recommended to plan its budget framework for 2018/19 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, working towards supporting individuals in a healthy and sustainable way and which provides safeguarding to those who are most vulnerable and need the support most, regardless of where they live in the County.

Our Most Vulnerable

- 1.2 We need to build on the foundation work that has already taken place in regard to early years and families and look forward to strengthening and sustaining this investment for the long term. In order to do this we have used the One Organisation Plan and the priorities in the Warwickshire Child Poverty Strategy as a foundation for our investments which, if adopted, will result in better outcomes for children and families and communities across Warwickshire. In total our investment is £7.4 million in 2018/19.
- 1.3 We will strengthen the Family Intervention Service/Brokerage offer by investing £500,000 this year and will look to increase this to £1 million in 2019/20.
- 1.4 Health visitors and Family Nurse Practitioners play a key role in the early development of a child and are key in supporting our most vulnerable families. We will reduce the savings target by £200,000 to allow the service to be strengthened.
- 1.5 We will allocate £125,000 towards supporting adult learning as identified in the Child Poverty Strategy.

- 1.6 We have set aside a provision of £400,000 to provide capacity to manage any issues that arise through the implementation of the 0-5 strategy.
- 1.7 There is mounting evidence as to the linkages between chaotic lifestyles, mental health, drugs and substance misuse, alcohol and domestic abuse. This is leading to increased pressure on services. We will invest £300,000 a year with Public Health to take the lead on co-ordinating the delivery of this investment.
- 1.8 We will allocate £130,000 towards empowering communities to establish the infrastructure for addressing financial inclusion, built on affordable credit, financial literacy and digital literacy, with the Financial Inclusion Partnership taking the lead.
- 1.9 We will allocate £45,000 towards Timebanking as this will develop community capacity for Warwickshire (<http://www.timebanking.org>) to draw on the good practice that already exists, such as in Stratford on Avon.
- 1.10 We intend to increase the councillor community grants by £1,000 per member to be used on supporting locally led health and well-being initiatives.
- 1.11 We will invest £400,000 (£200,000 in 2018/19 and £200,000 in 2019/20) to strengthen and empower our communities by developing community support through the voluntary and community sector in helping to achieve the objectives, as set out on the One Organisation Plan 2020, through sector led invest-to-save activity.
- 1.12 We will invest £100,000 in one stop shops and lets talk hubs including maintaining library service opening hours.
- 1.13 Increased pressures with a growing older population alongside major issues surrounding families and Children's Services are squeezing services. The Government has continued to reduce its funding to local government. In Warwickshire we have lost 88% of our Revenue Support Grant over the last five years. The Government is forcing local authorities to increase council tax. We are all consumers of the services that the County Council provides. We also represent the taxpayers of Warwickshire; therefore we are committed to identifying where further savings can be made. This keeps costs down, but we do acknowledge the need for an increase in local tax. Once again we have to 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 2.99% on the council tax** which, in the main, will be targeted at delivering improved outcomes in Children's Services. In total this will mean a 4.99% council tax increase next year.

3. Revenue Allocations

Delete paragraphs 3.1 and 3.4 and replace as follows:

- 3.1 To reflect the significant pressures on communities and the increasing demand for services we are responsible for, whilst ensuring we continue to develop so we can deliver the public services expected for the future, we are making allocations totalling £32.462 million.
- 3.4 In addition to meeting the estimated cost of inflation we will also provide £20.304 million to meet additional spending need, of which £8.412 million is time-limited. Details of the allocations and how we expect the funding to be used are detailed in **Appendix A as amended by Annex A**.

5. Funding Sources

Delete paragraph 5.1 and replace as follows:

- 5.1 Our savings plan will generate £8.889 million in 2018/19 and approval is given to the plans for the delivery of these savings in **Appendix B as amended by Annex B**. If during 2018/19 any of the savings do not materialise to the degree shown, the Head of Service in conjunction with the relevant Joint Managing Director, 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 5.9 and replace as follows:

- 5.9 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 £8.025 million of the Medium Term Contingency and available General Reserves to support our spending plans.

6 Medium Term Financial Planning Framework

Add the following to paragraph 6.4:

- 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 Section 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	26,030,112	1,614,000	(747,000)	26,897,112
Education and Learning	95,185,164	1,414,000	(733,000)	95,866,164
Fire and Rescue	18,703,117	513,000	0	19,216,117
Transport and Economy	25,212,383	1,244,000	(689,000)	25,767,383
Children and Families	56,698,493	5,665,000	(2,985,000)	59,378,493
Public Health	22,691,623	756,000	0	23,447,623
Social Care and Support	132,594,995	11,478,000	(2,562,000)	141,510,995
Strategic Commissioning	12,997,833	255,000	(406,000)	12,846,833
Customer Services	8,406,740	962,000	(10,000)	9,358,740
Finance	3,625,189	120,000	(65,000)	3,680,189
Human Resources and OD	4,507,271	120,000	(75,000)	4,552,271
Information Assets	8,581,097	579,000	(363,000)	8,797,097
Law and Governance	766,811	37,000	(49,000)	754,811
Performance	3,483,478	81,000	(55,000)	3,509,478
Property Services	8,388,383	1,184,000	(50,000)	9,522,383
Other Services - spending	41,857,416	6,840,000	(100,000)	48,597,416
Other Services - schools and funding	(127,198,092)	0	(74,975,000)	(202,173,092)
	342,532,013	32,862,000	(83,864,000)	291,530,013
Contributions to/(from) reserves:				
- Service Reserves	(5,680,000)	0	0	(5,680,000)
- Medium Term Contingency	0	0	(8,425,397)	(8,425,397)
Budget Requirement	336,852,013	32,862,000	(92,289,397)	277,424,616

All other Sections remain unchanged.

Amendments to the 2018/19 Spending Allocations

Add/amend Appendix A for the proposals listed below

Description	Proposed 2018/19 £'000	Indicative 2019/20 £'000
Community Services Business Unit		
Delete the allocation for digitising our heritage collection	(100)	0
Allocation to strengthen and support the community and voluntary sector - 2 year allocation	200	200
Increase Councillor Grants by £1,000 per councillor	57	57
Allocation to support the implementing of timebanking in Warwickshire	45	45
Investment in the work of the Financial Inclusion Partnership to support the implementation of the Warwickshire Child Poverty Strategy	130	130
Education and Learning Business Unit		
Investment in adult literacy and financial awareness, supporting the implementation of the Warwickshire Child Poverty Strategy	125	125
Public Health Business Unit		
Delete the allocation for the "Year of Well-being"	(75)	0
Delete the allocation for joining up mental health, homelessness and drug abuse support services	(150)	0
Investment in mental health, drugs and alcohol support services	300	300
Customer Services Business Unit		
Increase the investment in our library services, one stop shops and Lets Talk hubs	17	17
Delete the allocation for the development of community hubs in libraries	(25)	0
An allocation to strengthen family intervention and brokerage, investing £500,000 with a view to increasing this to £1 million in 2019/20	500	500
Other Services		
Delete the allocation for delivering our civic responsibilities	(10)	(10)
Provision for the implementation of the 0-5 strategy	400	0
Reduce the allocation for additional capital financing costs as a result of reducing the level of borrowing required	(1,195)	(1,195)
Total Increase/(Reduction) in Allocations	219	169

Amendments to the 2018/19 and 2019/20 Savings Plan

Add/amend Appendix A for the proposals listed below

Savings Proposal	Proposed 2018/19 £'000	Proposed 2019/20 £'000
Public Health		
Reduce the saving required from the health visitors and family nurse practitioners services	0	200
Total Reduction/(Increase) in Savings Plan	0	200

2018/19 Capital Budget Amendment

Liberal Democrat Recommendations to County Council

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 two years we will:
- Invest £2 million each year to deliver identified cycle route priorities across Warwickshire, such as K2L
 - Invest £0.500 million each year in LED street lights
 - Invest £0.500 million each year in “Our Green Future”, supporting actions from the Government’s 25 year plan.
 - Invest £0.330 million to keep SEND pupils local by improving facilities in schools

2 2018/19 to 2019/20 Capital Programme

Delete Section 2 and replace as follows:

- 2.1 Approval is given to a capital programme of £284.994 million. Of this £153.973 million is for 2018/19 and £131.022 million for future years. There is £48.535 million in the Capital Investment Programme that will be allocated to specific schemes, in line with our priorities, as bids are created and considered.
- 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, amended by Annex A.**

Table 1: Capital Programme: Summary by Service				
Service	2018/19	2019/20	2020/21 and later years	Total
	£'000	£'000	£'000	£'000
Community Services	393	300	0	693
Education and Learning	17,085	40,015	4,260	61,360
Fire and Rescue	6,992	2,027	0	9,019
Transport and Economy	60,330	50,146	925	111,401
Children and Families	120	120	30	270
Public Health	24	0	0	24
Social Care and Support	2,300	1,000	0	3,300
Strategic Commissioning	1,507	0	0	1,507
Customer Services	509	0	1,670	2,179
Information Assets	10,263	8,398	4,579	23,240
Property Services	13,415	8,878	1,173	23,466
Total Allocations	112,938	110,885	12,637	236,459
Capital Investment Programme	41,035	7,500	0	48,535
Total Programme	153,973	118,385	12,637	284,994

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				
	2018/19	2019/20	2020/21 and later years	Total
	£'000	£'000	£'000	£'000
Capital Grants and Contributions	46,048	73,190	3,149	122,387
Capital Receipts	41,142	23,096	8,285	72,523
Revenue	657	193	208	1,058
Self-financed borrowing	5,172	1,630	995	7,797
Corporate borrowing	60,953	20,276	0	81,228
Total Financing	153,973	118,385	12,637	284,994

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

Amendments to the 2018-21 Capital Programme Scheme Listing by Business Unit and Financial Year

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

Transport and Economy	Earlier Years £'000	2018/19 £'000	2019/20 £'000	2020/21 and Later Years £'000	Total £'000
Current Approved Programme	108,062	57,330	47,146	925	213,463
Cycle priorities across Warwickshire, such as K2L	0	2,000	2,000	0	4,000
LED street lights	0	500	500	0	1,000
"Our Green Future", supporting actions from the Government's 25 year plan	0	500	500	0	1,000
Amended Transport and Economy Total	108,062	60,330	50,146	925	219,463

Capital Investment Fund	Earlier Years £'000	2018/19 £'000	2019/20 £'000	2020/21 and Later Years £'000	Total £'000
Current Approved Programme	0	61,535	7,500	0	69,035
A reduction on the funding available as a result of the amendments identified above	0	(3,000)	(3,000)	0	(6,000)
A reduction in the funding available as the result of a lower provision for borrowing costs in the revenue budget	0	(14,500)	0	0	(14,500)
Reallocation of resources to retain minimum of £7.5 million in future years	0	(3,000)	3,000	0	0
Amended Capital Investment Programme Total	0	41,035	7,500	0	48,535

TOTAL CAPITAL PROGRAMME	141,240	153,973	118,385	12,637	426,234
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