

## Council – 6 February 2018 – Minute 2 Appendix D

# 2018/19 Revenue Budget Amendment Green 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 paragraph 1.3 and replace as follows:*

- 1.3 In response we will continue with our sound financial management throughout the organisation. We will:
- Invest in £5.7 million in our children’s social care services, providing resources to meet higher numbers of Looked After Children, the limited options to tackle the foster care / placement mix and generally increasing demands on the service. We will also support the most vulnerable young people and their families through our investment providing increased stability of funding for family support workers, family conferencing and family information services as well as our partnership working through the Regional Adoption Service.
  - Remove cuts to services run through Children’s Centres to maximise early help, numbers of staff working with families and contribute towards reducing demands on Children’s Services. The redesign of the service will still happen, but will allow greater investment in outreach services and supporting families in the key early years of children’s lives.
  - Invest £0.2 million in the education system in response to the rising demand from our most vulnerable learners.
  - Protect our elderly citizens and vulnerable adults by raising the levy for adult social care to fund additional demand whilst still continuing to make progress on our vision of greater integration between health and social care.
  - Invest £1.4 million in home to school transport to ensure we continue to provide services in line with our policy whilst being able to respond to the increasing demands on the service.
  - Invest in the Fire and Rescue Service, by reducing their savings target in recognition of the difficulties experienced in moving towards increased collaboration to provide capacity to shape proposals for the delivery of

efficiencies and in preparation for and in response to the forthcoming inspection.

**Delete paragraph 1.5 and replace as follows:**

1.5: We will invest:

- £150,000 to work with partners on a joint project to integrate help for those in need of support due to mental health issues, homelessness and drug abuse. This will be done in tandem with the Housing Related Support recommissioning. We have removed the proposed cuts to this service so we can ensure that we do not lose further beds and addictions/mental health support for people who are homeless.
- £150,000 ongoing revenue to expand the capacity of our transport planning to maximise contributions from developers to meet the cost of infrastructure demands resulting from their developments are delivered in a sustainable way with particular responsibilities around Air Quality and cycling.
- £100000 to support the increased work on cycle design projects.
- £2.5 million in an ambitious Digital Transformation Programme. Expectations around digital access and ease of doing things online have increased and will continue to grow at pace. The services we provide have to be part of this. We also recognise we have an opportunity to invest in our digital infrastructure to help pinpoint customers who need support, improve their outcomes and enable them to transact with the Council on line. Digital transformation will provide capacity to deal with the huge volumes of requests for data and information we face and enable us to work more efficiently. We need to make sure we provide our customers with seamless integration across council services; this means customers verifying who they are once. Investment in digital platforms and data sharing will help us to become an enabler for our residents to help themselves.
- Generate additional capital so we can invest in the infrastructure of our County, including investing £200,000 in digital fibre optic hubs to enhance access to high speed communications in local communities and £330,000 to convert six school-based children's centres into specialist provision for pupils with special educational needs.
- £100,000 to expand the capacity of our transport planning to maximise the funding received from developers to deliver the infrastructure requirements associated with housing and business growth across the county.
- £108,000 to maintain our library network, including Sunday opening, and to work with local communities to support the enhanced delivery of services from across our authority and community-managed libraries.

- £100,000 to support the digitalisation of our heritage collection.
- £75,000 to work with partners to support the year of well-being.

### **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 £31.320 million.
- 3.4 In addition to meeting the estimated cost of inflation we will also provide £19.162 million to meet additional spending need, of which £8.662 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 £8.191 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 £7.581 million of the Medium Term Contingency and available General Reserves to support our spending plans.

### **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	1,282,000	(697,000)	26,615,112
Education and Learning	95,185,164	1,289,000	(733,000)	95,741,164
Fire and Rescue	18,703,117	513,000	0	19,216,117
Transport and Economy	25,212,383	1,394,000	(789,000)	25,817,383
Children and Families	56,698,493	5,665,000	(2,237,000)	60,126,493
Public Health	22,691,623	681,000	0	23,372,623
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	470,000	(10,000)	8,866,740
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	6,172,000	(100,000)	47,929,416
Other Services - schools and funding	(127,198,092)	0	(74,975,000)	(202,173,092)
	<b>342,532,013</b>	<b>31,320,000</b>	<b>(83,166,000)</b>	<b>290,686,013</b>
<u>Contributions to/(from) reserves:</u>				
- Service Reserves	(5,680,000)	0	0	(5,680,000)
- Medium Term Contingency	0	0	(7,581,397)	(7,581,397)
<b>Budget Requirement</b>	<b>336,852,013</b>	<b>31,320,000</b>	<b>(90,747,397)</b>	<b>277,424,616</b>

**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
<b>Transport and Economy Business Unit</b>		
An additional allocation for transport planning with the investment used to ensure developments are delivered in a sustainable way with particular responsibilities around Air Quality and cycling	50	50
Development of cycle route projects	100	0
<b>Other Services</b>		
Reduce the allocation for additional capital financing costs as a result of reducing the level of borrowing required	(1,473)	(1,473)
<b>Total Increase/(Reduction) in Allocations</b>	<b>(1,323)</b>	<b>(1,423)</b>



## 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
<b>Community Services Business Unit</b>		
Remove the savings required from the Youth Justice Service in 2019/20	0	222
Reduce the savings required from trading standards	50	50
<b>Transport and Economy Business Unit</b>		
Increase the energy savings delivered as a result of the increased investment in LED street lighting	(100)	(100)
<b>Children and Families Business Unit</b>		
Removal the children's centres savings requirement	748	1,120
<b>Strategic Commissioning Business Unit</b>		
Reduce the savings required from the redesign of housing related support services	0	300
<b>Total Reduction/(Increase) in Savings Plan</b>	<b>698</b>	<b>1,592</b>





# 2018/19 Capital Budget Amendment

## Green Group Recommendations to County Council

### 1 Financial Direction of Travel

**Delete paragraph 1.2 and replace as follows:**

- 1.2 We will invest in Warwickshire using the capital programme to transition the county towards a post-carbon economy which provides high quality accessible jobs close to where people live. We will do further work on our capital investment strategy (Appendix A) to better align the metrics and outcomes with the objectives of the organisation, with particular focus on improving wellbeing and physical health.

**Delete paragraph 1.4 and replace as follows:**

- 1.4 We will use our capital resources to:
- To invest in development and infrastructure activity, through the Capital Investment Fund, that will
    - Create jobs close to where people live, including in urban town centres
    - Transition our transport infrastructure to provide safe and enjoyable pedestrian and cycle routes to work, retail and schools.
    - Expand rail use to relieve congestion on our roads.
  - Invest £0.330 million to keep SEND pupils local by improving facilities in schools.

**Insert new paragraph 1.5 and renumber the remainder of the section accordingly:**

- 1.5 We commit to meeting the recommended level of investment in cycling of £10 per person per head per year for the next 3 financial years. To meet this commitment we have ring-fenced capital funds totalling £5.5 million per year. This takes into account existing money allocated to cycling projects, both developer and non-developer funded and funding from existing schemes that we will redesign to include a significant cycling element. This funding will allow us to make a significant start towards completing the authority's £42 million cycling network plan.

## 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 £281.164 million. Of this £143.643 million is for 2018/19 and £137.522 million for future years. There is £37.925 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.**

<b>Table 1: Capital Programme: Summary by Service</b>				
<b>Service</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21 and later years</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
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	60,530	52,146	5,425	118,101
Children and Families	120	120	30	270
Public Health	104	0	0	104
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
<b>Total Allocations</b>	<b>113,218</b>	<b>112,885</b>	<b>17,137</b>	<b>243,239</b>
<b>Capital Investment Programme</b>	<b>30,425</b>	<b>7,500</b>	<b>0</b>	<b>37,925</b>
<b>Total Programme</b>	<b>143,643</b>	<b>120,385</b>	<b>17,137</b>	<b>281,164</b>

## 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.

<b>Table 2: Financing the Capital Programme: Summary by Year</b>				
	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21 and later years</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
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	50,623	22,276	4,500	77,398
<b>Total Financing</b>	<b>143,643</b>	<b>120,385</b>	<b>17,137</b>	<b>281,164</b>

*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
Cycling infrastructure	0	4,969	4,500	4,500	13,969
LED street lights	0	500	500	0	1,000
Bermuda Connectivity	0	(2,269)	0	0	(2,269)
<b>Amended Transport and Economy Total</b>	<b>108,062</b>	<b>60,530</b>	<b>52,146</b>	<b>5,425</b>	<b>226,163</b>

Public Health	Earlier Years £'000	2018/19 £'000	2019/20 £'000	2020/21 and Later Years £'000	Total £'000
Current Approved Programme	0	24	0	0	24
Portable air quality monitoring equipment in line with strategy	0	80	0	0	80
<b>Amended Public Health Total</b>	<b>0</b>	<b>104</b>	<b>0</b>	<b>0</b>	<b>104</b>

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	(3,280)	(5,000)	(4,500)	(12,780)
A reduction in the funding available as the result of a lower provision for borrowing costs in the revenue budget	0	(18,330)	0	0	(18,330)
Reallocation of funding between years	0	(9,500)	5,000	4,500	0
<b>Amended Capital Investment Programme Total</b>	<b>0</b>	<b>30,425</b>	<b>7,500</b>	<b>0</b>	<b>37,925</b>

<b>TOTAL CAPITAL PROGRAMME</b>	<b>141,240</b>	<b>143,643</b>	<b>120,385</b>	<b>17,137</b>	<b>422,404</b>
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