

Labour Group Recommendations to County Council 2018/19 Revenue Budget Amendments

The County Council is recommended to plan its budget framework for 2018/19 on the following basis:

Delete Section 1 and replace as follows:

1 Financial Direction of Travel

- 1.1 It cannot be fair 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 £22.6 million over the next two years.
- 1.2 Our budget amendments go at least some way towards ameliorating the cuts proposed in the Conservative Group's budget as far as we are able by rebalancing the priorities of Warwickshire County Council. By focussing on people not council owned property and communities not computers.
- 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 children and young people across the county have the opportunity to fulfil their potential.
- 1.4 We will:
 - Commit to retaining our network of children's centres, placing them at the centre of service delivery tailored to meet the needs of children and families. We will retain the allocations to invest in family support workers and priority families but will require the use of the capacity at a local level to be determined in conjunction with children's centres that better understand the needs of their local communities.
 - Invest in those local services that communities tell us will make a real difference to their local environment and improve their quality of life. We will:
 - Invest to improve on-street parking enforcement
 - Provide for additional grit bins and extend our programme of winter gritting, prioritising school routes and estate roads.

- Provide the resources to turn on the street lights where local communities want it
 - Increase the role of elected members in deciding highways maintenance priorities at a local level by the redirecting £2 million of capital highways maintenance budgets to double the level of capital area delegated funding and using the same process to allocate £50,000 per member of the existing revenue highways maintenance budget.
 - Increase the councillor community grants allocation by £1,000 per member.
 - Invest in supporting the most vulnerable in our communities , redirecting resources to the front line. We will achieve this by:
 - Investing £1 million in each of the next two years to help older people live independently, with individual projects to be decided in consultation with the district/borough councils.
 - Investing £500,000 in each of the next two years into projects aimed at raising aspirations and increasing opportunities of young people.
 - Providing £100,000 to support veterans organisations in Warwickshire
 - Removing the requirement to deliver any savings in the Fire and Rescue Service and home to school transport over the period of the One Organisation Plan.
 - Investing £200,000 a year in mental health support services.
- 1.5 We will invest in transforming our town centres for the future ensuring the potential for growth is shared across all Warwickshire's communities.
- 1.6 We recognise our investment proposals need to be funded and wherever possible we have protected the front line delivery of services through the choices we have made.
- 1.7 However, as the Government has continued to reduce its funding to local government we still need to increase council tax. We have had 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 have to increase the council tax by 2.99% to protect all other services. In total this will mean a 4.99% council tax increase next year.
- 1.8 Beyond 2018/19 we have also had to use the increased flexibility provided by the Government for 2019/20. We have committed to a minimum increase in council tax of 2.6%, if needed, to fund our proposals and specifically to remove the need for the Fire and Rescue Service to deliver any savings.

Labour Group Amendment 1

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 £31.223 million.
- 3.4 In addition to meeting the estimated cost of inflation we will also provide £19.065 million to meet additional spending need, of which £8.062 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 (1)**.

5. Funding Sources

Delete paragraph 5.1 and replace as follows:

- 5.1 Our savings plan will generate £8.741 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 (1)**. 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 £6.934 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:

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	26,030,112	1,282,000	(947,000)	26,365,112
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	1,244,000	(689,000)	25,767,383
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	518,000	(10,000)	8,914,740
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	684,000	(450,000)	8,622,383
Other Services - spending	41,857,416	6,677,000	(100,000)	48,434,416
Other Services - schools and funding	(127,198,092)	0	(74,975,000)	(202,173,092)
	342,532,013	31,223,000	(83,716,000)	290,039,013
<u>Contributions to/(from) reserves:</u>				
- Service Reserves	(5,680,000)	0	0	(5,680,000)
- Medium Term Contingency	0	0	(6,934,397)	(6,934,397)
Budget Requirement	336,852,013	31,223,000	(90,650,397)	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
Customer Services Business Unit		
Family Information Service (FIS) - An increase in the allocation to the FIS service to deliver cost effective early intervention	48	48
Property Services		
Phase the allocation to bring to bring strategic sites forward for disposal over two years	(500)	500
Other Services		
Capital Investment Fund - reduce the provision for the revenue costs of the increased borrowing	(968)	(968)
Total Increase/(Reduction) in Allocations	(1,420)	(420)

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
Community Services Business Unit		
Localities Team - additional savings to be delivered through transforming Community Forums and locality working, reshaping the service offer around deliverable community-led solutions	(200)	(200)
Children and Families Business Unit		
Children's Centres - a redesign of the service to reflect targeting support on those with greatest need	748	1,120
Property Services Business Unit		
One-off reduction of 25% in the budget for the maintenance of county buildings	(400)	0
Total Reduction/(Increase) in Savings Plan	148	920

Labour Group Amendment 2

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 £32.592 million.
- 3.4 In addition to meeting the estimated cost of inflation we will also provide £20.434 million to meet additional spending need, of which £8.362 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 (2)**.

5. Funding Sources

Delete paragraph 5.1 and replace as follows:

- 5.1 Our savings plan will generate £9.038 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 (2)**. 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 £8.006 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:

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	26,030,112	1,239,000	(747,000)	26,522,112
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	1,881,000	(689,000)	26,404,383
Children and Families	56,698,493	5,665,000	(2,985,000)	59,378,493
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	379,000	(512,000)	8,448,097
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	7,200,000	(100,000)	48,957,416
Other Services - schools and funding	(127,198,092)	0	(74,975,000)	(202,173,092)
	342,532,013	32,592,000	(84,013,000)	291,111,013
<u>Contributions to/(from) reserves:</u>				
- Service Reserves	(5,680,000)	0	0	(5,680,000)
- Medium Term Contingency	0	0	(8,006,397)	(8,006,397)
Budget Requirement	336,852,013	32,592,000	(92,019,397)	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		
An allocation to increase Members community grants by £1,000 per councillor	57	57
Delete the allocation for Digitising Heritage	(100)	0
Transport and Economy Business Unit		
An allocation to increase capacity for on-street parking enforcement where communities request it	80	80
An allocation to provide additional grit bins and gritting routes	287	287
An allocation to provide funding to allow street lights to be turned back on where communities want it	270	270
IT Services		
Delete the allocation for investment in the Digital fibre optic network	(200)	0
Other Services		
A feasibility study into the possibility of a northern relief road around Nuneaton	100	0
Capital Investment Fund - reduce the provision for the revenue costs of the increased borrowing	(545)	(545)
Total Increase/(Reduction) in Allocations	(51)	149

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
IT Services Business Unit		
Additional savings target to reprioritise the activity of the business unit to meet new information management requirements	(149)	(149)
Total Reduction/(Increase) in Savings Plan	(149)	(149)

Labour Group Amendment 3

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 £30.936 million.
- 3.4 In addition to meeting the estimated cost of inflation we will also provide £18.778 million to meet additional spending need, of which £6.812 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 (3)**.

5. Funding Sources

Delete paragraph 5.1 and replace as follows:

- 5.1 Our savings plan will generate £8.784 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 (3)**. 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 £6.604 million of the Medium Term Contingency and available General Reserves to support our spending plans.

7. Head of Finance Statement

Delete Risk 2 of the Head of Finance’s Statement and replace as follows:

Risk 2 – Council Tax, Business Rates Retention Scheme and Local Government Funding

The Government has set the core referendum principles for increases in council tax in line with inflation (at 3%) for all authorities, in 2018/19 and 2019/20. There is a risk that if inflation falls below 3% this additional flexibility may be withdrawn as part of the 2019/20 Local Government Finance Settlement. The amendment proposes using some of the additional flexibility to remove the need for savings in the Fire and Rescue Service and, if the flexibility were withdrawn, the budget would be unbalanced over the period of the One Organisation Plan and additional savings or alternative sources of funding would need to be identified.

The changes to the funding of Local Authorities, making us more dependent on the level of business rates collected locally, is likely to result in volatility to the Council’s funding to a greater extent than in previous years. This places greater importance on the need to maintain reserves to manage any volatility. There is also greater uncertainty with the announcement of a Fair Funding review of local government and how this may affect the resources available to the Council.

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	1,332,000	(725,000)	26,637,112
Education and Learning	95,185,164	1,289,000	(485,000)	95,989,164
Fire and Rescue	18,703,117	513,000	0	19,216,117
Transport and Economy	25,212,383	1,144,000	(689,000)	25,667,383
Children and Families	56,698,493	6,165,000	(2,985,000)	59,878,493
Public Health	22,691,623	731,000	0	23,422,623
Social Care and Support	132,594,995	11,478,000	(2,562,000)	141,510,995
Strategic Commissioning	12,997,833	1,255,000	(406,000)	13,846,833
Customer Services	8,406,740	470,000	(20,000)	8,856,740
Finance	3,625,189	120,000	(65,000)	3,680,189
Human Resources and OD	4,507,271	120,000	(163,000)	4,464,271
Information Assets	8,581,097	579,000	(363,000)	8,797,097
Law and Governance	766,811	37,000	(116,000)	687,811
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	4,438,000	(100,000)	46,195,416
Other Services - schools and funding	(127,198,092)	0	(74,975,000)	(202,173,092)
	342,532,013	30,936,000	(83,759,000)	289,709,013
<u>Contributions to/(from) reserves:</u>				
- Service Reserves	(5,680,000)	0	0	(5,680,000)
- Medium Term Contingency	0	0	(6,604,397)	(6,604,397)
Budget Requirement	336,852,013	30,936,000	(90,363,397)	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		
A two year allocation to support gypsy and traveller site enforcement	50	50
Transport and Economy		
Delete the allocation to provide additional capacity in transport planning	(100)	(100)
Children and Families		
A two year allocation for investment in youth initiatives to raise aspirations and increase opportunities	500	500
Public Health		
Increase and make permanent the allocation to support those with mental health problems	50	200
Strategic Commissioning		
A two year allocation to help older people live independently	1,000	1,000
Other Services		
Delete the allocation to for the Digital by Design Transformation Programme	(2,500)	0
Reduce the funding for transitional capacity for the Fire and Rescue Service	(750)	0
An allocation to support for veterans organisations in Warwickshire	100	0
Capital Investment Fund - reduce the provision for the revenue costs of the increased borrowing	(57)	(57)
Total Increase/(Reduction) in Allocations	(1,707)	1,593

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
Community Services		
Delete the saving from Communities Resources statutory activity	22	43
Education & Learning		
Delete the saving from reducing the Home to School Transport Budget.	248	248
Fire & Rescue		
Delete the need to identify savings in the Fire and Rescue Service	0	1,520
Customer Services		
Additional 1% saving in marketing and communications	(10)	(10)
Human Resources Business Unit		
Additional 1% saving in human resources	(88)	(88)
Law and Governance Business Unit		
Additional 1% saving to be delivered through generating additional income from trading legal services	(67)	(67)
Total Reduction/(Increase) in Savings Plan	105	1,646

Labour Group Recommendations to County Council 2018/19 Capital Budget Amendment

1 Financial Direction of Travel

Delete paragraphs 1.4 and 1.5 and replace as follows:

- 1.4 We will use the additional resources not used to finance our revenue budget resolution to invest in the infrastructure of the area delivering benefits to local communities. In particular over the next two years we will:
- Invest £1 million to pump prime a Warwickshire Community Asset Investment Fund that will provide access to loan funding for community groups wishing to invest in their assets.
 - Double the £2 million each year in the area delegated allocation, redirecting funding from existing highways maintenance allocation, to allow Members greater say over the priorities of their local communities.
 - Invest £0.105 million to provide 350 additional grit bins (6 per ward)
 - Invest £2 million in North Warwickshire including works to reduce congestion in Long Street, Dordon and a High Street Innovation Fund to provide improvements in the market towns of Coleshill, Polesworth and Atherstone.
 - Bedworth town centre is in need of refurbishment. We will invest £2 million in a major facelift, addressing traffic issues on the ring road and in work with partners to bring empty town centre properties back to life.
 - Invest £2 million in Rugby town centre to develop a centre that would house all of our County services, some health provision and all the voluntary sector partners, including Age UK, CAVA, CAB, Rugby Credit union. This would reduce cost, provide seamless services and free up buildings which could be used to provide a mix of affordable and social housing.
 - Invest £1 million in Warwick district to review children's centre infrastructure.
 - Invest £4 million in the development on new retail-based business centres for Nuneaton and Bedworth, investing capital into empty town centre property to support the growth of small independent retail.
 - Set aside £5 million to bring the Transforming Nuneaton project forward at the earliest opportunity.
- 1.5 Over the medium term we will invest the balance of the capital receipt from the sale of Top Farm which has not already been committed to fund the One

Organisation Plan 2020 to capitalise a joint venture housing company. This will provide the best return on our assets and allow the Council to work towards enhanced investment in our infrastructure and increase the investment

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 £279.794 million. Of this £151.773 million is for 2018/19 and £128.022 million for future years. There is £32.830 million in the Capital Investment Programme that will be allocated to specific schemes, in line with our priorities, as bids are developed 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	1,393	300	0	1,693
Education and Learning	17,085	40,015	4,260	61,360
Fire and Rescue	6,992	2,027	0	9,019
Transport and Economy	73,435	47,146	925	121,506
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	12,815	8,878	1,173	22,866
Total Allocations	126,443	107,885	12,637	246,964
Capital Investment Programme	25,330	7,500	0	32,830
Total Programme	151,773	115,385	12,637	279,794

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	58,753	17,276	0	76,028
Total Financing	151,773	115,385	12,637	279,794

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:

Community Services	Earlier Years £'000	2018/19 £'000	2019/20 £'000	2020/21 and Later Years £'000	Total £'000
Current Approved Programme	1,817	393	300	0	2,510
Allocation to pump prime the Warwickshire Community Asset Investment Fund	0	1,000	0	0	1,000
Amended Community Services Total	1,817	1,393	300	0	3,510

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
Highways maintenance - reduction of £2m each year	0	(2,000)	(2,000)	0	(4,000)
Area delegated funding increase of £2m each year	0	2,000	2,000	0	4,000
350 additional grit bins (6 per ward)	0	105	0	0	105
Investment in North Warwickshire, including congestion works in Long Street Dordon and a High Street Innovation Fund	0	2,000	0	0	2,000
Investment in Bedworth Town Centre	0	2,000	0	0	2,000
Investment in Rugby Town Centre	0	2,000	0	0	2,000
Warwick District Priorities	0	1,000	0	0	1,000
Development on new retail-based Business Centres for Nuneaton and Bedworth	0	4,000	0	0	4,000
Transforming Nuneaton	0	5,000	0	0	5,000
Amended Transport and Economy Total	108,062	73,435	47,146	925	229,568

Property Services	Earlier Years £'000	2018/19 £'000	2019/20 £'000	2020/21 and Later Years £'000	Total £'000
Current Approved Programme	6,466	13,415	8,878	1,173	29,932
Non-schools - planned building, mechanical and electrical backlog	0	(600)	0	0	(600)
Amended Property Services Total	6,466	12,815	8,878	1,173	29,332

Capital Investment Programme	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	(16,505)	0	0	(16,505)
A reduction in the funding available as the result of a lower provision for borrowing costs in the revenue budget	0	(19,700)	0	0	(19,700)
Amended Capital Investment Programme Total	0	25,330	7,500	0	32,830
TOTAL CAPITAL PROGRAMME	141,240	151,773	115,385	12,637	421,034