

2019/20 Revenue Budget Amendment

Green Group Recommendations to County Council

The County Council is recommended to plan its budget framework for 2019/20 on the following basis:

1 Financial Direction of Travel

Delete section 1 and replace as follows:

- 1.1 We will set a responsible budget that prepares for the future. A budget that prepares Warwickshire for the challenges, like flooding, that climate change will bring. A budget that prepares Warwickshire's transport network for the next generation and seeks real solutions for our waste crisis. A budget that prioritises investing in children, families and young people. This authority is still in a position to have to make cuts to preventative services that hurt our residents. We will continue to challenge central government in the strongest possible terms to properly fund vital local services for the long term.

4. Revenue Allocations

Delete paragraphs 4.1 and 4.3 and replace as follows:

- 4.1 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 £44.695 million.
- 4.3 In addition to meeting the estimated cost of inflation we will also provide £31.699 million to meet additional spending need, of which £17.104 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 and Appendix B as amended by Annex B.**

5. Funding Sources

Delete paragraph 5.1 and replace as follows:

- 5.1 Our savings plan will generate £13.085 million in 2019/20 and approval is given to the plans for the delivery of these savings in **Appendix C as amended by Annex C**. However we recognise that some elements may require public consultation before a final decision is made. If during 2019/20 any of the savings do not materialise to the degree shown, the Assistant Director 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 5.6 and replace as follows:

- 5.6 We will provide sufficient resources to ensure the level of General Reserves is at least consistent with that stated by the Assistant Director of Finance and ICT as the minimum level of general reserves given the financial risks facing the authority. We will use £4.285 million of the available General Reserves to support our spending plans.

7 Assistant Director for Finance and ICT: Statement

Section 7, the Assistant Director for Finance and ICT'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 £ |
|--|-----------------------------|-----------------------------|-------------------------|--------------------|
| Education Services | 99,853,722 | 5,259,000 | (156,000) | 104,956,722 |
| Environment Services | 43,993,053 | 1,800,000 | (834,000) | 44,959,053 |
| Fire and Rescue Service | 19,215,312 | 1,674,000 | (369,000) | 20,520,312 |
| Strategic Commissioner - Communities | 5,648,051 | 1,633,000 | (862,000) | 6,419,051 |
| Adult Social Care | 142,679,995 | 12,288,000 | (2,240,000) | 152,727,995 |
| Children and Families | 59,841,206 | 8,476,000 | (4,930,000) | 63,387,206 |
| Strategic Commissioner - People | 35,057,296 | 781,000 | (1,734,000) | 34,104,296 |
| Business and Customer Services | 8,261,598 | 1,236,000 | (125,000) | 9,372,598 |
| Commissioning Support Unit | 3,461,203 | 81,000 | (150,000) | 3,392,203 |
| Enabling Services | 21,103,463 | 618,000 | (735,000) | 20,986,463 |
| Finance and ICT | 4,154,699 | 136,000 | (95,000) | 4,195,699 |
| Governance and Policy | 2,638,331 | 267,000 | (855,000) | 2,050,331 |
| Other Services - spending | 44,716,579 | 4,714,000 | - | 49,430,579 |
| Other Services - schools and funding | (142,690,996) | - | (67,821,000) | (210,511,996) |
| | 347,933,512 | 38,963,000 | (80,906,000) | 305,990,512 |
| <u>Contributions to/(from) reserves:</u> | | | | |
| - Service Reserves | (2,655,500) | - | (673,000) | (3,328,500) |
| - General Reserves | (1,315,000) | - | (2,969,595) | (4,284,595) |
| Budget Requirement | 343,963,012 | 38,963,000 | (84,548,595) | 298,377,417 |

All other Sections remain unchanged.

Amendments to the 2019/20 Permanent Spending Allocations**Add/amend Appendix A for the proposals listed below**

| Description | 2019/20 £'000 |
|--|------------------|
| | |
| Education Services | |
| School Improvement - Delete the allocation for investment in the local authority school improvement offer to support the implementation of the Warwickshire Education Strategy and replace with a time limited allocation | (200) |
| | |
| | |
| Environment Services | |
| Street Trees - Delete the investment to maintain the tree stock on streets across Warwickshire including addressing maintenance backlogs, accelerating cyclical maintenance and, where necessary, replanting | (75) |
| Flood Risk | 250 |
| Maintenance of street water fountains | 51 |
| | |
| | |
| Strategic Commissioner - Communities | |
| Transport Planning - Reduction in the allocation to enable the service to respond to demand and develop proposals for new infrastructure as a result of housing/business growth across Warwickshire in a timely and effective way. The reduced allocation is to be supplemented by additional time-limited allocations | (100) |
| | |

Amendments to the 2019/20 Permanent Spending Allocations

Add/amend Appendix A for the proposals listed below

| Description | 2019/20 £'000 |
|---|------------------|
| | |
| Children and Families | |
| Family Support Workers in Schools | 250 |
| | |
| | |
| Governance and Policy | |
| Property Feasibility - Delete the allocation to create capacity to undertake property feasibility studies to support services re-configuration of their property requirements and ensure service redesign and transformation is not slowed and replace by a time-limited allocation for two years | (200) |
| | |
| | |
| Other Services | |
| Capital Financing Costs - Reduce the allocation to cover the additional borrowing costs of increasing resources in the Capital Investment Fund. The reduction to be partially offset by the reduced borrowing costs as a result of redesigning the Bermuda Connectivity Scheme | (600) |
| Early Intervention, Prevention and Community Engagement Fund - Delete the allocation | (500) |
| | |
| | |
| Total Increase/(Reduction) in 2019/20 Permanent Budget Allocations | (1,124) |

Amendments to the 2019/20 Time-limited Spending Allocations

Add/amend Appendix B for the proposals listed below

| Description | 2019/20 £'000 | Future Years £'000 | Total £'000 |
|--|------------------|--------------------------|----------------|
| | | | |
| Education Services | | | |
| School Improvement - Three year investment in the local authority school improvement offer to support the implementation of the Warwickshire Education Strategy | 200 | 400 | 600 |
| | | | |
| | | | |
| Environment Services | | | |
| Street Trees - Two year investment to maintain the tree stock on streets across Warwickshire including addressing maintenance backlogs, accelerating cyclical maintenance and, where necessary, replanting | 75 | 75 | 150 |
| Flood Risk - Two year investment | 135 | 135 | 270 |
| Domestic Violence - Three year investment | 100 | 200 | 300 |
| Waste Strategy - Funding to support the development of a new waste strategy | 400 | 0 | 400 |
| Air Quality - Implementation of the air quality proposals | 50 | 0 | 50 |
| | | | |
| | | | |
| Fire and Rescue Service | | | |
| Climate Change Resilience | 150 | 0 | 150 |
| | | | |

Amendments to the 2019/20 Time-limited Spending Allocations

Add/amend Appendix B for the proposals listed below

| Description | 2019/20 £'000 | Future Years £'000 | Total £'000 |
|---|------------------|--------------------------|----------------|
| Strategic Commissioner - Communities | | | |
| Transport Planning - A two year allocation to enable the service to respond to demand and develop proposals for new infrastructure as a result of housing/business growth across Warwickshire in a timely and effective way. £150,000 of the allocation each year is to support the development of pedestrian/cycling schemes | 200 | 200 | 400 |
| | | | |
| Children and Families | | | |
| Family Support Workers in Schools | 150 | 200 | 350 |
| | | | |
| Business and Customer Services | | | |
| Voluntary Sector Grants - A two year investment | 750 | 750 | 1,500 |
| | | | |
| Governance and Policy | | | |
| Property Feasibility - Two year allocation to create capacity to undertake property feasibility studies to support services re-configuration of their property requirements and ensure service redesign and transformation is not slowed. | 200 | 200 | 400 |
| | | | |

Amendments to the 2019/20 Time-limited Spending Allocations

Add/amend Appendix B for the proposals listed below

| Description | 2019/20 £'000 | Future Years £'000 | Total £'000 |
|--|------------------|--------------------------|----------------|
| | | | |
| Other Services | | | |
| Early Intervention, Prevention and Community Engagement Fund - Remove the allocation | (1,500) | 0 | (1,500) |
| | | | |
| | | | |
| Total Increase/(Reduction) in 2019/20 Time-limited Allocations | 910 | 2,160 | 3,070 |

Amendments to the 2019/20 Savings Plan

Add/amend Appendix C for the proposals listed below

| Description | 2019/20 £'000 |
|--|------------------|
| | |
| Environment Services | |
| Reduce the savings as a result of the capital investment into LED technology within our street lighting stock. The £300,000 saving still to be delivered but with £50,000 reinvested in part-time street lighting | (50) |
| | |
| | |
| Strategic Commissioner - People | |
| Drugs and Alcohol - Reduce the savings required from the reduction in costs, prioritised through a redesign and recommissioning process | (536) |
| Health Visitors and Family Nurse Practitioners - Reduce the savings required from the reduction in costs, prioritised through a redesign and recommissioning process | (300) |
| Reduce the savings from the Housing Related Support Programme through a further redesign of the service to ensure support is provided to the most vulnerable, supporting individuals to become more independent and self-sufficient. Review of contracts with a view to reducing costs/services, including decommissioning some specialist services and re-modelling and recommissioning generic housing related support services. | (250) |
| | |
| | |
| Total Increase/(Reduction) in 2019/20 Savings Plans | (1,136) |

2019/20 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 have supplemented the £20 million a year borrowing with an additional £5 million generated from the growth in the taxbase above that needed to fund our revenue proposals and we will continue with the separation of maintenance and investment programmes that has brought benefits in terms of reducing bureaucracy.

Delete paragraph 1.5 and replace as follows:

- 1.5 We will use these additional capital resources to provide capacity to deliver capital schemes with a safety focus. As a priority, by September 2019, we expect investment proposals for the following to have been brought forward for decision:
- Road safety junction improvements at the Green Man crossroads in Coleshill and Grove Road in Stratford.
 - The introduction of in-cab navigation and auto-salting to our gritters to improve the efficiency and effectiveness of our winter maintenance.
 - Replacement mobile equipment for the household waste recycling centres.
 - Highest priority walking and cycle routes as set out in the Council's prioritisation plan.

Insert new paragraph 1.6 and renumber the remainder of the section accordingly:

- 1.6 We commit to an immediate pause to all work on the Bermuda Connectivity project. During this pause we will look to downsize and reconfigure the scheme. Once this process is complete any funding released will be added to our Cycling and Walking Investment Fund.

2. 2019/20 Capital Programme

Delete Section 2 and replace as follows:

- 2.1 Approval is given to a capital programme of £285.843 million. Of this £223.093 million is for 2019/20 and £62.750 million for future years. There is £43.702 million in the Capital Investment Fund 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 services, with the full detail of the capital programme attached at **Appendix B, amended by Annex A.**

| Table 1: Capital Programme Summary by Service | | | | |
|--|----------------|----------------|--|----------------|
| Service | 2019/20 | 2020/21 | 2021/22 and later years | Total |
| | £'000 | £'000 | £'000 | £'000 |
| Education Services | 51,346 | 9,444 | - | 60,791 |
| Environment Services | 65,369 | 34,388 | 1,005 | 100,762 |
| Fire and Rescue Service | 5,241 | - | - | 5,241 |
| Strategic Commissioner – Communities | 25,639 | 5,900 | 2,181 | 33,720 |
| Adult Social Care | 3,350 | - | - | 3,350 |
| Children and Families | 194 | 138 | - | 332 |
| Strategic Commissioner – People | 657 | 46 | - | 703 |
| Business and Customer Services | 24 | - | 1,878 | 1,902 |
| Commissioning Support Unit | 692 | - | - | 692 |
| Enabling Services | 19,408 | 4,497 | 2,197 | 26,102 |
| Governance and Policy | 7,470 | 1,076 | - | 8,545 |
| Total Allocations | 179,391 | 55,489 | 7,261 | 242,141 |
| Capital Investment Fund | 43,702 | 0 | 0 | 43,702 |
| Total Programme | 223,093 | 55,489 | 7,261 | 285,843 |

3. Financing the Capital Programme

- 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 | | | | |
|---|----------------|----------------|--|----------------|
| | 2019/20 | 2020/21 | 2021/22 and later years | Total |
| | £'000 | £'000 | £'000 | £'000 |
| Capital Grants | 55,750 | 26,654 | 623 | 83,027 |
| Third Party Contributions | 28,173 | 15,731 | | 43,904 |
| Capital Receipts | 28,018 | 10,943 | 6,637 | 45,598 |
| Revenue | 628 | 1,165 | | 1,793 |
| Borrowing | 110,526 | 995 | | 111,521 |
| Total Financing | 223,093 | 55,489 | 7,261 | 285,843 |

Note: The borrowing figure is greater in 2019/20 as it includes the funding of capital spend financed by borrowing that was originally planned for earlier years.

All other paragraphs/sections, including the Assistant Director of Finance and ICT's Statement remain unchanged.

Amendments to the 2019/20 Capital Programme Scheme Listing by Service and Financial Year*Add/amend the proposals below to those listed in Appendix B:*

| Environment Services | Earlier Years £'000 | 2019/20 £'000 | 2020/21 £'000 | 2021/22 and Later Years £'000 | Total £'000 |
|---|------------------------------------|--------------------------|--------------------------|--|------------------------|
| Programme as per Appendix B | 93,008 | 65,119 | 34,388 | 1,005 | 193,520 |
| Drinking water stations | 0 | 50 | 0 | 0 | 50 |
| Bus shelters and infrastructure | 0 | 200 | 0 | 0 | 200 |
| Amended Environment Services Total | 93,008 | 65,369 | 34,388 | 1,005 | 193,770 |

| Strategic Commissioner - Communities | Earlier Years £'000 | 2019/20 £'000 | 2020/21 £'000 | 2021/22 and Later Years £'000 | Total £'000 |
|---|------------------------------------|--------------------------|--------------------------|--|------------------------|
| Programme as per Appendix B | 12,933 | 17,039 | 5,900 | 2,181 | 38,053 |
| Cycling and Walking Investment Fund | 0 | 8,600 | 0 | 0 | 8,600 |
| Amended Strategic Commissioner - Communities Total | 12,933 | 25,639 | 5,900 | 2,181 | 46,653 |

| Capital Investment Fund | Earlier Years £'000 | 2019/20 £'000 | 2020/21 £'000 | 2021/22 and Later Years £'000 | Total £'000 |
|---|------------------------------------|--------------------------|--------------------------|--|------------------------|
| Programme as per Appendix B | 0 | 60,052 | 0 | 0 | 60,052 |
| A reduction in the funding available as a result of the amendments identified above | 0 | (8,850) | 0 | 0 | (8,850) |
| A reduction in the funding available as the result of a lower revenue provision for borrowing costs | 0 | (7,500) | 0 | 0 | (7,500) |
| Amended Capital Investment Fund Total | 0 | 43,702 | 0 | 0 | 43,702 |

| | | | | | |
|--------------------------------|----------------|----------------|---------------|--------------|----------------|
| TOTAL CAPITAL PROGRAMME | 156,795 | 223,093 | 55,489 | 7,261 | 442,638 |
|--------------------------------|----------------|----------------|---------------|--------------|----------------|