

# County Council

## 2024-25 Green Revenue and Capital Budget Proposal Amendments

Date: Thursday 8 February 2024

Time: 10.00 am

Venue: Council Chamber, Shire Hall

Items on the agenda: -

- |   |               |
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| <b>2. 2024/25 Budget and 2024/29 Medium Term Financial Strategy</b> | <b>3 - 10</b> |
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Warwickshire County Council  
Shire Hall, Warwick

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*This proposal represents an alternative 2024/25 Revenue Budget Proposal. The detail shows the differences compared to the Conservative proposals to aid effective debate.*

## **2024/25 Revenue Budget Resolution**

### **Green Party Recommendations to County Council**

**The County Council is recommended to plan its budget framework for 2024/25 on the following basis:**

#### **1. Financial Direction of Travel**

*Delete paragraph 1.3 and replace as follows:*

- 1.3 The way we do this will recognise that we need to retain flexibility in what is an uncertain and rapidly changing economic and political environment. We continue to be dominated by fundamental financial uncertainties and our economic situation remains hugely challenging over both the short and medium term. In addition, global conflict is increasing economic uncertainty. We are faced with continuing inflationary risk and relatively high interest rates, predictions of low levels of economic growth alongside the uncertain timing and impacts of key national policy choices including adult and children's social care reform, SEND, achieving health and social care intervention and the fair funding review of central government support for local authorities. We continue to see the emergence of long-term societal impacts of the global pandemic and rising demand for our services as households and communities struggle with the impacts of inflation and the rising costs of living. We are also seeing the slowdown in the housing market impacting on our resource levels with uncertain timing as to when it will recover.

*Add the following as paragraph 1.4, renumbering the following paragraphs accordingly:*

- 1.4 Central government's abject failure to take interest in and responsibility for policy and financial challenges has left the Council along with communities and schools to try and pick up the pieces. Central government has disgracefully failed year in and year out to provide Councils with a long-term settlement and the policy framework needed particularly in education, early years, SEND, health and social care. Thank you to all those Council officers, teachers and many other professionals who work tirelessly to

support children, older people and their families even when this leadership from Central Government is so lacking.

#### **4. Revenue Allocations**

*Delete Section 4 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 £83.893m.
- 4.2 We will provide £31.869m for the estimated cost of pay and price inflation in 2024/25, allocated between Services as shown in Appendix A. In making this allocation it is acknowledged that the allocation to Services for inflation is an approximate cost, recognising that costs will increase at different rates. Once the overall allocation has been agreed, a Service will have the opportunity to allocate the funding provided to reflect where inflation will impact at a local level.
- 4.3 In addition to meeting the estimated cost of inflation we will also provide £52.024m to meet additional spending need, of which £24.372m is time-limited. Details of the allocations and how we expect the funding to be used are also detailed in **Appendix A** for permanent allocations and **Annex B to Appendix B** for time-limited allocations.
- 4.4 Allocations for future years, as listed in Appendix A and Appendix B as amended by Annex B, are indicative at this stage. They are detailed as part of ensuring that our budget proposals are robust and sustainable over the medium-term. We require the need for, and level of, all these allocations to be reviewed as part of the 2025/26 MTFS refresh.
- 4.5 We expect Services to manage all other issues in 2024/25 from within existing financial resource levels and support the net planned use of £4.439m of earmarked reserves to provide capacity to invest in service change and to allow space to effectively implement service redesign/reprioritisation.

#### **5. Funding Sources**

*Delete paragraph 5.4 and replace as follows:*

- 5.4 Our plan for budget reductions will generate savings of £16.177m in 2024/25 and a further £47.768m over the period of the Medium Term Financial Strategy. Approval is

given to the plans for the delivery of these savings detailed in **Annex D to Appendix D**. If during 2024/25 any of the budget reductions do not materialise to the degree shown, the Director in conjunction with their Executive Director and Portfolio Holder should identify alternative proposals to ensure the required reductions in expenditure are delivered. We will report on this as part of quarterly monitoring reports to Cabinet.

**Delete paragraph 5.8 and replace as follows:**

5.8 We will use £16.649m of reserves in 2024/25 to fund time-limited costs and budget allocations.

## **6. Medium Term Financial Strategy**

**Delete paragraph 6.7 and 6.8 and replace as follows:**

6.7 We recognise our MTFs means significant challenges for the organisation, including the changing way in which people want to access services. Our proposals recognise that this will take time and investment and broad engagement with all those affected, both inside and outside the organisation. Our MTFs requires the use of £22.560m of reserves, including £16.649m in 2024/25. The availability of this level of reserves is consistent with our Reserves Strategy, attached at Appendix C.

6.8 Whilst we have an excellent track record of delivering savings, the level of cost and demand pressures has meant this has become more difficult during 2023/24. By the end of 2024/25 we will have used £68.393m of reserves over the last three years. Using this level of reserves on an annual basis is not sustainable. We will set up a Budget Delivery Oversight Group to work with Corporate Board to oversee budget performance and the delivery of savings to ensure the Council delivers against its budget in 2024/25 and, where there are areas of concern, any necessary corrective action is put in place at the earliest opportunity.

## **7. Executive Director for Resources: Statement**

**Amend the key assumptions for the 2024/25 budget and MTFs in paragraph 7.1 as follows, with all other assumptions remaining unchanged:**

*The key assumptions for the 2024/25 budget and MTFs in this resolution are:*

- *provision for specific spending pressures of £96.3m plus £34.0m for future unknown or unquantified spending need;*
- *a programme of budget reductions totalling £63.9m to be delivered in the next five years; and*
- *the use of £22.6m reserves.*

## 8. Summary of Service Estimates

*Replace paragraph 8.1 as follows:*

8.1 Approval be given to the individual service net revenue estimates shown below, which will be finalised for the service estimates to be presented to Cabinet in April 2024 of:

	Base Budget £	Additional Investment £	Funding Sources £	Total £
Children and Families	82,432,685	8,251,000	(3,342,000)	87,341,685
Education	153,127,258	726,000	(20,000)	153,833,258
Economy and Place	22,777,924	792,000	(174,000)	23,395,924
Environment, Planning and Transport	61,411,133	12,127,000	(1,133,000)	72,405,133
Fire and Rescue	25,097,885	128,000	(71,000)	25,154,885
Strategic Infrastructure and Climate Change	1,451,000	855,000	0	1,506,000
Strategic Commissioning for People	36,286,454	534,000	(381,000)	36,439,454
Social Care and Support	205,151,318	26,047,000	(6,216,000)	224,982,318
Enabling Services	26,404,458	2,308,000	(775,000)	27,937,458
Finance	15,760,801	441,000	(348,000)	15,853,801
Strategy, Planning and Governance	5,736,924	447,000	(106,000)	6,077,924
Workforce and Local Services	10,544,482	321,000	(32,000)	10,833,482
Corporate Services – spending	38,452,058	30,916,000	(3,579,000)	65,789,058
Corporate Services - schools and funding	(144,277,029)	0	(209,199,000)	(353,476,029)
	<b>540,357,351</b>	<b>83,893,000</b>	<b>(225,376,000)</b>	<b>398,874,351</b>
<u>Contributions to/(from) reserves:</u>				
- Earmarked Reserves	4,439,305	0	0	4,439,305
- General Reserves	0	0	(16,649,464)	(16,649,464)
<b>Budget Requirement</b>	<b>544,796,656</b>	<b>83,893,000</b>	<b>(242,025,464)</b>	<b>386,664,192</b>

*All other sections/paragraphs remain unchanged.*

## Changes to the 2024-29 Time-limited Investment Proposals

Figures in brackets represent a reduction in the budget allocation. Figures without brackets are an increased allocation.

Purpose of the Allocation by Service	Allocation 2024-25 £'000	Indicative Additional Future Allocation			
		2025-26 £'000	2026-27 £'000	2027-28 £'000	2028-29 £'000
<b>Education</b>					
<b>Youth workers in secondary schools pilot</b> - A three-year allocation to support children to stay healthy, happy and learning in schools and reduce pressure for other interventions.	150	150	150	-	-
<b>Strategic Infrastructure &amp; Climate Change</b>					
<b>Rural Heat Network</b> - An one-off allocation to identify and develop a feasibility study for a village rural heat network.	50	-	-	-	-
<b>Sustainable Futures Fund</b> - A two-year allocation to invest in sustainable futures, including a 'Green Shoots 2' programme focusing on community energy.	750	1,000	-	-	-
<b>Total Change in Time-Limited Allocations</b>	<b>950</b>	<b>1,150</b>	<b>150</b>	<b>0</b>	<b>0</b>

## Changes to the 2024-29 Proposed Budget Reductions

Figures in brackets represent an increase in the budget reduction. Figures without brackets are a reduction on the savings required.

Purpose of the Reduction by Service	Reduction	Indicative Additional Future Reduction				Total Saving £'000
	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000	2028-29 £'000	
<b>Environment, Planning &amp; Transport</b>						
Trading Standards - Remove the budget reduction from the review and prioritisation of the work of the Trading Standards team.	0	0	0	0	100	100
<b>Total in-year change to budget reductions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>100</b>
<b>Total cumulative change to budget reductions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100</b>	

## Annex E to Appendix E

## Medium Term Financial Strategy 2024-29 - Summary

	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
<b>Spending</b>					
Base Budget - on-going spend from the previous year	544.8	588.1	606.5	621.9	644.7
Provision for pay and price inflation	31.9	14.2	14.9	14.3	14.6
Demand and other permanent increases in spending need	27.6	18.7	14.7	18.6	20.4
Time-limited spending allocations	24.4	5.4	0.3	0.1	0.0
Savings plan	(16.2)	(14.5)	(14.2)	(10.1)	(9.0)
<b>Total Net Spending</b>	<b>612.5</b>	<b>611.9</b>	<b>622.2</b>	<b>644.8</b>	<b>670.7</b>
<b>Resources</b>					
Government grants	(118.5)	(109.6)	(109.6)	(109.6)	(109.6)
Business rates	(90.7)	(92.5)	(94.3)	(96.1)	(97.9)
Council Tax	(387.0)	(405.2)	(424.2)	(444.6)	(465.9)
Deficit on the collection of council tax in previous years	0.4	0.0	0.0	0.0	0.0
<b>Total Resources</b>	<b>(595.8)</b>	<b>(607.3)</b>	<b>(628.1)</b>	<b>(650.3)</b>	<b>(673.4)</b>
<b>Use of/(contribution to) reserves</b>	<b>(16.7)</b>	<b>(5.4)</b>	<b>(0.3)</b>	<b>(0.1)</b>	<b>0.0</b>
<b>Net (surplus)/deficit</b>	<b>(0.0)</b>	<b>(0.8)</b>	<b>(6.2)</b>	<b>(5.6)</b>	<b>(2.7)</b>

*This proposal represents an alternative 2024/25 Capital Budget Proposal. The detail shows the differences compared to the Conservative proposals to aid effective debate.*

## 2024/25 Capital Budget Resolution

### Green Party Recommendations to County Council

#### 1. Financial Direction of Travel

*Delete the Sustainable Futures section within the table in paragraph 1.10 and replace as follows:*

Sustainable Futures	<ul style="list-style-type: none"><li>• Defending Warwickshire against flooding, including significant investment in nature-based solutions.</li><li>• Investment to reduce the Council’s carbon footprint.</li><li>• A sustainable transport network that supports a low carbon future and rural connectivity to places of work, improving air quality, active travel to deliver the positive benefits of outdoor activity, reducing congestion and enabling growth in housing. Schemes which are predominantly aimed at increasing safe and enjoyable walking and cycling journeys to work, school and leisure will be strongly prioritised, and existing transport schemes being developed will be reviewed to assess their benefit and priority.</li><li>• Support for communities, schools and businesses to reduce their environmental impact, energy usage and emissions, including a Green Shoots 2 programme and assessment of gainshare schemes.</li><li>• Increase biodiversity and ecology through green corridors, environment banks and tree-planting.</li></ul>
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#### 2. 2024/25 Capital Programme

*Add the following as paragraph 2.3:*

- 2.3 We will, working with Corporate Board, conduct a review of all schemes in the approved capital programme where works contracts are not yet in place to ensure that they align with the Council’s strategic priorities for capital as set out in this resolution, with a view to assessing whether it would be appropriate to reallocate some funds to meet our Sustainable Futures priorities, having taken into account the impact on both the financial position and the Council’s ability to deliver on its strategic priorities and outcomes within the Council Plan.

*All other sections/paragraphs remain unchanged.*