

# County Council

## 2025/26 Labour Budget Proposal Amendments

Date: Thursday 6 February 2025

Time: 10.00 am

Venue: Council Chamber, Shire Hall

Items on the agenda: -

- |   |               |
|---|---------------|
| <b>2. 2025/26 Budget and 2025/30 Medium Term Financial Strategy</b> | <b>3 - 10</b> |
|---|---------------|

**Monica Fogarty**  
Chief Executive  
Warwickshire County Council  
Shire Hall, Warwick

This page is intentionally left blank

***This proposal represents an alternative 2025/26 Revenue Budget Proposal. The detail shows differences compared to the Conservative proposals to aid effective debate.***

## **2025/26 Revenue Budget Resolution**

### **Labour Group Recommendations to County Council**

**The County Council is recommended to plan its budget framework for 2025/26 on the following basis:**

#### **Section 1: Financial Direction of Travel**

***Delete the current paragraph 1.12 and replace as follows:***

1.12 We will deliver £21.6m of budget reductions in 2025/26, increasing to £78.6m by 2030, through better procurement, improvements in efficiency, increased income and delivering reductions in demand. We all use the services the County Council provides and will ensure they deliver value for money for the taxpayers of Warwickshire.

***Add the following after paragraph 1.13, renumber the following paragraphs accordingly:***

1.14 We will task officers to bring forward a business case at the earliest opportunity to the Revenue Investment Fund, to allocate funding for redesigning current processes and to improve capacity within the team to deal with Estate Adoption within our Highways service.

#### **Section 4: Revenue Allocations**

***Delete the current paragraph 4.1 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 £83.384m.

**Delete the current paragraph 4.3 and replace as follows:**

4.3 In addition to meeting the estimated cost of inflation we will also provide £49.423m to meet additional spending need, of which £5.128m is time-limited. Details of the allocations and how we expect the funding to be used are also detailed in **Annex A to Appendix A** for permanent allocations and **Annex B to Appendix B** for time-limited allocations.

## **Section 5: Funding Sources**

**Delete the current paragraph 5.4 and replace as follows:**

5.4 Our plan for budget reductions will generate savings of £21.575m in 2025/26 and a further £57.059m 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 2025/26 any of the budget reductions are not delivered in full, 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 the current paragraph 5.7 and replace as follows:**

5.7 We will use £5.331m of reserves in 2025/26 to fund time-limited costs and budget allocations.

## **Section 6: Medium Term Financial Strategy**

**Replace the fourth bullet in paragraph 6.7 as follows:**

- progress towards Sustainable Futures, including the use of Green Bonds as part of our Treasury Management & Investment Strategy to unlock the potential to deliver climate projects that are at risk;

**Delete the current paragraph 6.8 and replace as follows:**

6.8 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 £9.250m of reserves, including £5.331m in 2025/26. The availability of this level of reserves is consistent with our Reserves Strategy, attached at **Appendix C**.

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

***Amend the key assumptions for the 2025/26 budget and MTFS in paragraph 7.1 as follows:***

- *provision for specific spending pressures of £129.8m plus £37.8m for future unknown or unquantified spending need;*
- *a programme of budget reductions totalling £78.7m to be delivered in the next five years; and*
- *the use of £9.3m reserves.*

***All other assumptions remain unchanged***

***Amend Risk 2 – Demand Growth Risk as follows:***

### ***Risk 2 – Demand Growth Risk***

*The Council continues to face growth in demand for services, particularly care services and education, at a faster rate than the general pace of demographic change. Whilst the assumptions unpinning the demand-led allocations in this resolution for 2025/26 and the level of provision for demand growth over the remaining four years of the MTFS are based on the latest available information, whether they are sufficient remains a risk. This risk is compounded by 22% of the savings plan being linked to demand management, primarily in adult social care. Arrangements will need to be put in place to monitor the rate of growth in demand relative to the assumptions made and whether any upwards variation can be accommodated within the £37.8m set aside in the MTFS for future unknown and unquantified spending pressures. If demand growth in excess of this provision does occur, and in the absence of long-term reform of the funding of adult social care, there will be a need to consider further budget reductions.*

***All other risks remain unchanged.***

## Section 8: Summary of Service Estimates

**Delete Section 8 and replace as follows:**

- 1.1. 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 2025 of:

	Base Budget £	Additional Investment £	Budget Reductions £	Funding Sources £	Total £
Children and Families	107,502,673	8,936,000	(1,592,000)		114,846,673
Education Services	192,626,792	2,151,000	(229,000)		194,548,792
Economy and Place	23,767,060	470,000	(548,000)		23,689,060
Environment, Planning and Transport	72,630,309	8,998,000	(1,518,000)		80,110,309
Fire and Rescue	26,639,704	471,000	(172,000)		26,938,704
Strategic Infrastructure & Climate Change	1,485,851	0	(48,000)		1,437,851
Health and Care Commissioning	8,835,200	348,000	(1,308,000)		7,875,200
Public Health	25,042,304	597,000	(290,000)		25,349,304
Social Care and Support	215,825,588	46,973,000	(12,518,000)		250,280,588
Enabling Services	27,252,338	2,066,000	(431,000)		28,887,338
Finance	9,204,178	295,000	(381,000)		9,118,178
Strategy, Planning and Governance	6,191,929	239,000	(103,000)		6,327,929
Workforce and Local Services	11,176,732	193,000	(277,000)		11,092,732
Corporate Services – spending	44,045,480	11,647,000	(2,160,000)		53,532,480
Corporate Services - schools and funding	(182,788,394)	0		(230,071,235)	(412,859,629)
	<b>589,437,744</b>	<b>83,384,000</b>	<b>(21,575,000)</b>	<b>(230,071,235)</b>	<b>421,175,509</b>
<u>Contributions to/(from) reserves:</u>					
- Earmarked Reserves	(1,013,634)				(1,013,634)
- General Reserves				(5,331,278)	(5,331,278)
<b>Budget Requirement</b>	<b>588,424,110</b>	<b>83,384,000</b>	<b>(21,575,000)</b>	<b>(235,402,513)</b>	<b>414,830,597</b>

**All other sections/paragraphs remain unchanged.**

## Changes to the 2025-30 Permanent 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	Indicative Additional Future Allocation			
	2025-26 £'000	2026-27 £'000	2027-28 £'000	2028-29 £'000	2029-30 £'000
<b>Corporate Services</b>					
<b>Medium Term Financial Strategy Risk Provision</b> - A provision for future unknown and unquantified spending need to mitigate future potential costs as part of ensuring the Council's services are sustainable over the medium-term.					(971)
<b>Annual Change in Permanent Allocations</b>	0	0	0	0	(971)
<b>Total Change in Permanent Allocations</b>	0	0	0	0	(971)

## Changes to the 2025-30 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	Indicative Additional Future Allocation			
	2025-26 £'000	2026-27 £'000	2027-28 £'000	2028-29 £'000	2029-30 £'000
<b>Children and Families</b>					
<b>Social, Emotional and Mental Health Support</b> - An allocation to fund two posts to work on developing a pathway for children with SEMH and how early assessment support could be provided.	124	124	0	0	0
<b>Social Care &amp; Support</b>					
<b>Adult Social Care Discharge</b> - A 2 year allocation to undertake the personalised assessment of residents supporting them to go home as early as possible after a stay in hospital, and to support more people to go home after a stay in a short term discharge to assess residential care bed.	124	124	0	0	0
<b>Total Change in Time-Limited Allocations</b>	<b>248</b>	<b>248</b>	<b>0</b>	<b>0</b>	<b>0</b>



## Changes to the 2025-30 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			
	2025-26 £'000	2026-27 £'000	2027-28 £'000	2028-29 £'000	2029-30 £'000
<b>Economy and Place</b>					
<b>Review of Permit Scheme</b> - Increase in the cost of resident annual parking permits	201	201	0	0	55
<b>Public Health</b>					
Following review, reduce or discontinue Public Health funding to services which are not a core duty to deliver, at the contract end point:					
a) - <b>adult weight management and physical activity on referral</b> (alternative offers are available locally)					
b) - <b>community TB</b> (to bring the local model in line with other areas with a different funding arrangement)	69	128	178	39	0
c) - contribution to Home Environment Assessment and Response Team ( <b>HEART</b> )					
d) - <b>domestic abuse and sexual assault</b> (consultancy, training and communications, outreach within the Warwickshire Domestic Violence and Abuse (WDVA) Service and Independent Sexual Violence Advice)					
<b>Workforce and Local Services</b>					
<b>Libraries</b> - Targeted expansion of Community Managed Library network.			100		
<b>Total in-year change to budget reductions</b>	<b>270</b>	<b>329</b>	<b>278</b>	<b>39</b>	<b>55</b>
<b>Total cumulative change to budget reductions</b>	<b>270</b>	<b>599</b>	<b>877</b>	<b>916</b>	<b>971</b>

## Annex E to Appendix E

## Medium Term Financial Strategy 2025-30 - Summary

	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m
<b>Spending</b>					
Base Budget - on-going spend from the previous year	588.4	645.1	670.6	701.6	731.1
Demand and other permanent increases in spending need	78.3	40.7	47.5	47.0	47.0
Time-limited spending allocations	5.1	1.1	0.3	0.0	0.0
Savings plan	(21.6)	(15.2)	(16.5)	(17.5)	(7.9)
<b>Total Net Spending</b>	<b>650.2</b>	<b>671.7</b>	<b>701.9</b>	<b>731.1</b>	<b>770.2</b>
<b>Resources</b>					
Government grants	(135.3)	(133.3)	(132.8)	(132.3)	(131.8)
Business rates	(94.8)	(94.7)	(96.6)	(98.5)	(100.5)
Council Tax	(414.8)	(441.1)	(471.2)	(503.5)	(537.9)
<b>Total Resources</b>	<b>(644.9)</b>	<b>(669.1)</b>	<b>(700.6)</b>	<b>(734.3)</b>	<b>(770.2)</b>
<b>Use of/(contribution to) reserves</b>	<b>(5.3)</b>	<b>(2.6)</b>	<b>(1.3)</b>	<b>3.2</b>	<b>0.0</b>
<b>Net (surplus)/deficit</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>