

# County Council

## 2025/26 Liberal Democrat Budget Proposal Amendments

Date: Thursday 6 February 2025

Time: 10.00 am

Venue: Council Chamber, Shire Hall

Items on the agenda: -

- |   |               |
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| <b>2. 2025/26 Budget and 2025/30 Medium Term Financial Strategy</b> | <b>3 - 14</b> |
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Chief Executive  
Warwickshire County Council  
Shire Hall, Warwick

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*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 Proposal**

### **Liberal Democrat 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 paragraphs 1.1 – 1.7 and replace as follows:*

- 1.1 We would like to start by placing on record our gratitude to all staff at every level, who have continued to provide services for the residents of Warwickshire. We are also grateful to all the community groups, volunteers and individuals who have continued to support our communities.
- 1.2 The incoming Labour Government has continued the squeeze on local government, not least through the Chancellor increasing employer National Insurance contributions and expanding the threshold. Warwickshire, like many other County Councils, is seeing continuing significant extra demands being placed on its Council services – especially on Special Educational Needs & Disabilities (SEND), adult social care, children’s social care and home to school transport. In addition are the demographic changes of an older population with more complex needs – which when taken with this year’s Local Government settlement are yet another hammer blow for local council services.
- 1.3 Whilst it is welcome that extra funding was announced after a concerted campaign by the County Councils Network towards-an-effective-and-financially-sustainable-approach-to-SEND, it still goes nowhere near to resolving the issue of SEND and the use of the statutory override. The ongoing use of the statutory override is forcing County Councils such as Warwickshire to make decisions which mean a reduction in what this local authority can provide because of the revenue costs of lost investment income and earlier borrowing costs due to the High Needs Block deficit, effectively

passing the burden of extra taxation directly onto residents for school services that Government should fund.

- 1.4 The recent White Paper on local government reform, along with planning changes, did not give the certainty to plan for a sustainable medium term We call on the Government to resolve the ongoing funding difficulties with SEND as outlined by the County Council Network reports entitled Towards-an-effective-and-financially-sustainable-approach-to-SEND, Home to School Transport and Children’s Social Care and enter into cross-party talks on Adult Social Care. We call on Warwickshire MPs to join in the campaign for increased funding so that further disastrous cuts are avoided.
- 1.5 As Warwickshire County Council heads towards adopting a new medium-term financial Strategy (MTFS) that balances the budget over the medium term whilst recognising the Section 151 Officer’s comments about the medium-term risks along with the reducing reserves position, Liberal Democrats are reaffirming our key priorities that have been used for all decision making.
- 1.6 We aim to make Warwickshire:
  - **Caring** – for all our residents
  - **Greener** – Climate action now
- 1.7 The Liberal Democrats ambition is to build a strong, sustainable County, with resilient communities, reducing health inequalities, and supporting young people, children and families to thrive.

***Add the following bullet points to paragraph 1.7:***

- 1.8 To ensure the finances of the Council are robust and sustainable we will commit to:
  - *Developing new, traded service pathways for Integrating Emotionally Based School Avoidance (EBSA) and also a new pathway that supports children and young people with EHCPs who require education other than school. **£0.133m on a permanent basis from 2025/26.***
  - *Bring forward an Integrated new pathway using creative health as its foundation based on the recommendations from National Centre for Creative Health, working with WCC Library service, outdoor education, children and family services and arts based organisations **£0.161m time limited allocation spread over 3 years.***

- *Amend the saving flowing from the review, reduction or discontinuation of Public Health funding to services which we believe can be better integrated across Warwickshire, hence reinstating funding for the following items:*

*A) - adult weight management and physical activity on referral **£0.095m***

*D) - domestic abuse and sexual assault (consultancy, training and communications, outreach within the Warwickshire Domestic Violence and Abuse (WDVA) Service and Independent Sexual Violence Advice) **£0.111m***

- *Establish a green grants programme to support ECO schools in Warwickshire. **£0.110m time limited allocation in 2025/26.***
- *Whilst spending controls are recognised, we request Corporate Board to develop proposals to reduce consultancy spend by at least 10% excluding capital and consultancy funded from one-off sources which cannot deliver recurrent savings.*
- *We request that Corporate Board brings forward early plans from the Director of Strategic Infrastructure & Climate Change on strengthening the policies on adaptation and fast tracking the delivering of infrastructure where developments are planned.*
- *Services in the future can only be delivered in partnership, and we request that a review is undertaken as to how to best deliver services by devolving to place partnerships that will also form part of reducing health inequalities alongside the health place partnership approach. Budget proposals on how to strengthen this work should be brought forward for 2026/2027.*

**Delete paragraphs 1.10 -1.11 and replace as follows, renumbering the following paragraphs accordingly:**

- 1.11 Our Invest to Save funds (including the Revenue Investment Fund) contain over £16 million revenue funding which will be topped up during the five-year period as our finances allow. We will consolidate the present Invest to Save funds into a single funding stream which will allow a more focused fund.

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

- 1.12 We will deliver £22.0m of budget reductions in 2025/26, increasing to £79.1m 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.

## Section 4: Revenue Allocations

### *Delete Section 4*

- 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 £83.422.
- 4.2 We will provide £33.961 million for the estimated cost of pay and price inflation in 2025/26 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 some costs will increase above the standard rate and some below. Once the overall allocation has been agreed, a Service will have the opportunity to allocate the funding provided to reflect where inflation will have an impact at a local level.
- 4.3 In addition to meeting the estimated cost of inflation, we will also provide £49.461 million to meet additional spending need, of which £5.0 million is time limited. Details of the allocations and how we expect the funding to be used are in **Appendix A as amended by Annex A** for permanent allocations and **Appendix B as amended by Annex B** for time-limited allocations.
- 4.4 Allocations for future years, as listed in Appendices A and B as amended, 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 Medium-Term Financial Strategy refresh.
- 4.5 We expect Services to manage all other issues in 2025/26 from within existing financial resource levels and support the planned use of £1.014 million of earmarked reserves to provide capacity to invest in service change and to allow space to effectively implement service redesign/reprioritisation.

## Section 5: Funding Sources

### *Replace paragraph*

- 5.4 Our plan for budget reductions will generate savings of £22.0 million in 2025/26 and a further £57.1 million over the period of the Medium-Term Financial Strategy. Approval is given to the plans for the delivery of these savings detailed in **Appendix D as amended by Annex D**. If during 2025/26 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 levels of reduced spend are delivered and report this as part of quarterly monitoring.

***Replace paragraph***

5.7 We will use £4.9 million of reserves in 2025/26 to fund time-limited costs and budget allocations and to accommodate the differences in timing between spending need and the delivery of savings and/or growth in the business and council tax bases.

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

***Replace paragraph***

6.8 We recognise our MTFS means significant challenges for the organisation, including the changing ways in which people access services. Our proposals recognise that this will take time and investment and a broad engagement with all those affected, both inside and outside the organisation. Our MTFS requires the use of £7.8 million of reserves, including £4.9 million in 2025/26, to fund time-limited costs and budget allocations and to accommodate the differences in timing between spending need and the delivery of savings and/or growth in the business and council tax bases. 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 £130.0m plus £38.1m for future unknown or unquantified spending need;*
- *a programme of budget reductions totalling £79.1m to be delivered in the next five years; and*
- *the use of £7.8m reserves.*

***All other assumptions remain unchanged***

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

*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 £38.1m 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:**

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 2025 of:

	Base Budget	Additional Investment	Budget Reductions	Funding Sources	Total
	£	£	£	£	£
Children and Families	107,502,673	8,855,000	(1,592,000)		114,765,673
Education Services	192,626,792	2,394,000	(229,000)		194,791,792
Economy and Place	23,767,060	470,000	(648,000)		23,589,060
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	(326,000)		25,313,304
Social Care and Support	215,825,588	46,849,000	(12,518,000)		250,156,588
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	(2,483,000)		53,209,480
Corporate Services - schools and funding	(182,788,394)	0		(230,071,235)	(412,859,629)
	<b>589,437,744</b>	<b>83,422,000</b>	<b>(22,034,000)</b>	<b>(230,071,235)</b>	<b>420,754,509</b>
<u>Contributions to/(from) reserves:</u>					
- Earmarked Reserves	(1,013,634)				(1,013,634)
- General Reserves				(4,910,278)	(4,910,278)
<b>Budget Requirement</b>	<b>588,424,110</b>	<b>83,422,000</b>	<b>(22,034,000)</b>	<b>(234,981,513)</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>Education Services</b>					
<b>Emotionally Based School Avoidance</b> - A new pathway for Integrating Emotionally Based School Avoidance (EBSA) and also develops a new pathway that supports children and young people with	133				
<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			(74)	(39)	(571)
<b>Annual Change in Permanent Allocations</b>	<b>133</b>	<b>0</b>	<b>(74)</b>	<b>(39)</b>	<b>(571)</b>
<b>Total Change in Permanent Allocations</b>	<b>133</b>	<b>133</b>	<b>59</b>	<b>20</b>	<b>(551)</b>

## 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>Creative Health</b> - Bring forward an Integrated new pathway using creative health as its foundation based on the recommendations from National Centre for Creative Health, working with WCC Library service, outdoor education, children and family services and arts based organisations	43	66	52		
<b>Educations</b>					
<b>Green Grants Programme</b> - Establish a Green grants programme to support ECO school's in Warwickshire	110				
<b>Total Change in Time-Limited Allocations</b>	<b>153</b>	<b>66</b>	<b>52</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>Children and Families</b>					
<b>C&amp;F Service Youth Grants</b> - Removal of the provision of one-off grant funding currently distributed to the voluntary sector.					(95)
<b>Children &amp; Family Centres</b> - strategic review and repurposing of provision of Children and Families centres including through synergies with libraries and other council services/buildings where appropriate.				700	
<b>Economy and Place</b>					
<b>Review of Permit Scheme</b> - Increase in the cost of resident annual parking permits	101	62	(150)		
<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) 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)	33		134	39	

## 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
Natural end-point of time-limited activities: a) - <b>Healthy Child Programme</b> - End of pilot, exploring continuation through an investment case if benefits and savings are evidenced by helping families earlier. b) - <b>Training and development</b> budget aligned to the suicide prevention strategy when it ends in 2030			190		(190)
<b>Wellbeing for Warwickshire</b> - reduce the budget available for mental health prevention services at the contract break point, removing duplication and targeting remaining budget more specifically on evidence based activity following a full service review.		200			(200)
<b>Workforce and Local Services</b>					
<b>Libraries</b> - Review Sunday opening hours.		50			
<b>Corporate Services</b>					
<b>Consultancy</b> - Reduce consultancy expenditure by 10% (excluding capital and consultancy funded from one-off sources)	(323)				
<b>Total in-year change to budget reductions</b>	<b>(189)</b>	<b>312</b>	<b>174</b>	<b>739</b>	<b>(485)</b>
<b>Total cumulative change to budget reductions</b>	<b>(189)</b>	<b>123</b>	<b>297</b>	<b>1,036</b>	<b>551</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	644.8	670.2	701.1	731.3
Demand and other permanent increases in spending need	78.4	40.7	47.4	47.0	47.4
Time-limited spending allocations	5.0	0.9	0.4	0.0	0.0
Savings plan	(22.0)	(15.2)	(16.6)	(16.8)	(8.5)
<b>Total Net Spending</b>	<b>649.8</b>	<b>671.2</b>	<b>701.4</b>	<b>731.3</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>(4.9)</b>	<b>(2.1)</b>	<b>(0.8)</b>	<b>3.0</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>

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

## **2025/26 Capital Budget Resolution**

### **Liberal Democrat Recommendations to County Council**

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

***Add the following paragraph as 1.14:***

- 1.14 We will ask officers to prepare a business case to be submitted at the earliest opportunity for an additional £0.100 million investment in Road Safety Casualty Reduction, to be funded from the Capital Investment Fund.

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