

This proposal represents an alternative 2021/22 Revenue Budget Proposal. The detail shows the differences compared to the Conservative proposals to aid effective debate.

2021/22 Revenue Budget Proposal

Labour Recommendations to County Council

The County Council is recommended to plan its budget framework for 2021/22 on the following basis:

Section 1

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 further savings of almost £50 million over the next five years as a result of Government's broken promise to invest in local government and a continuation of the clear policy of transferring the burden of funding local services onto council taxpayers. We strongly oppose the expectation that to fund service need in 2021/22 the County Council will raise the council tax by 5% when families are struggling with additional financial hardship as a result of the economic effects of Covid-19, especially when considering the predictions that this is only going to get worse over the coming months.
- 1.2 Our budget proposal goes some way towards ameliorating the cuts proposed in the Conservative Group's budget, as far as we are able, by significantly increasing the planned investment in supporting people and communities using the funding released from reserves. 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.
- 1.3 But we cannot go as far as we would like because of the Government's complete lack of any medium-term financing strategy for local government. Only when we have

more certainty about our medium-term financial outlook, will we be able to make greater strides in rebalancing the priorities of Warwickshire.

- 1.4 We will redouble our efforts to bring inward investment and private and public sector businesses into the County for the benefit of employment and prosperity of our residents and the future of their children. We welcome the approval of the first business plan for the Warwickshire Property and Development Company and look forward to the proposals for a Warwickshire Recovery and Investment Fund coming forward for consideration. We see these developments are critical to optimising the recovery of Warwickshire's economy from the Pandemic.
- 1.5 Our budget for 2021/22, is the first year of a 5-year rolling Medium Term Financial Strategy (MTFS). We have had to make difficult decisions and choices. We have not taken decisions that undermine our financial sustainability over the medium term or left financial 'gaps' to be closed in future years.
- 1.6 To significantly increase the planned investment in supporting people and communities using the funding released from reserves we will replace the existing funds with eight new funds and increase the total allocated to the investment funds by a further £6.5 million over the next three years.
- 1.7 We will continue to make the best use of the funding we have available by ensuring investments are supported by robust business cases and do not cause difficulties with sustainability over the medium term. We will continue with the rigorous prioritisation and evaluation processes before funding allocations are confirmed.
- 1.8 Our Investment Funds and the key projects that we expect to see come forward for approval are:
 - **Education Support Fund**
A £5 million Fund to invest in initiatives ensuring schools, children and young people across the county have the opportunity to fulfil their potential and recover from the impact of COVID 19 on their education. We will tackle the attainment gap caused by COVID 19, by funding approved tutor services for children of vulnerable families. Further areas where we expect proposals to come forward for consideration are the effective management of SEND waiting lists, initiatives to work through family centres to support vulnerable families and investing in the first 1,000 days of a child's life and tackling the issue of children's mental health through proposals to introduce counsellors in schools.

- **Investing in Communities Fund**

We will establish a £5 million fund to support our communities and to tackle inequalities. We will establish a grant fund to support organisations targeting Warwickshire’s most vulnerable residents and groups. We will enhance work with the Community Food Hub’s to deliver significant quantities of unused and donated food to voluntary groups, building on their hard work during the pandemic and look to see where we can enhance our welfare offer for vulnerable families and those on universal credit. We will create 10 new fixed term posts to promote the re-introduction of Youth Centres across Warwickshire and allocate grants to grassroots youth organisations. We would increase the Councillors fund to more enable investment in local community projects. We would also support Warwickshire Waste Partnership on initiatives to tackle fly-tipping.
- **BAME Community Support Fund**

We recognise that there has been a historic lack of ring-fenced investment for Black, Asian, and Minority Ethnic groups. We will therefore invest funds for BAME community groups across Warwickshire. This fund will be worth £500,000. The fund will support projects that improve the well-being of Black, Asian, and Minority Ethnic residents and promote fairness. Groups can apply for grants of up to £2,500 to help with running costs and activities.
- **Council Tax Support Fund**

Recognising the hardship that many in our communities will face in meeting this tax rise we will establish a Council Tax Support Fund of £2.5 million to enhance the support available to those households who are struggling with council tax payments. We ask the Strategic Director for Resources to bring back a report to Cabinet in March that sets out how these arrangements may operate in practice.
- **Tackling Health Inequalities and Well-Being Fund**

A £4 million Fund to invest in tackling Health Inequalities across Warwickshire. There will be a specific emphasis on supporting initiatives that tackle the health inequalities highlighted by COVID 19, including those relating to the Black, Asian, Minority Ethnic communities. This will mitigate against the poor health outcomes for residents and communities across Warwickshire for the future. Initiatives to be brought forward include support for vulnerable individuals in relation to drugs and alcohol, men’s health, male suicide, domestic violence, and loneliness/isolation.

- **Property Development Fund**

We would set aside £1.5 million in a Property Development Fund to identify opportunities for the redevelopment of old properties, to support the work of the Warwickshire Property and Development Company in the delivery of their quota of affordable housing and their eco-friendly housing objectives, and to enhance partnership working with the Districts/Boroughs in delivering social housing. We would ensure this Fund has full member engagement.

- **COVID Business Recovery Fund**

We will establish a COVID Business Recovery Fund, which will provide £1.5 million to provide support to businesses who have struggled during COVID and to those seeking investment in new small businesses.

- **Climate Change Fund**

We will provide a £4 million Fund to invest in implementing the priorities flowing from the Climate Change Task and Finish Groups and Standing Committee. And there will be a new focus on preserving the benefits of lockdown on climate change, e.g. the improvement of Air Quality in our towns. Our objective is for the County Council to be carbon free by 2025 and Warwickshire as a county by 2030. Programmes we would like to see come forward for consideration, through the use of this fund and the Capital Investment Fund, are:

- Investment to off-set the damage HS2 is doing to Warwickshire;
- Investment in tree planting and preservation of old trees;
- Working in partnership to create zero emissions zones in our towns;
- Improvements to bus infrastructure (including electric buses and retro-fitting better engines);
- The ambition of creating plastic free towns, by investing in water fountains in town centres;
- Increasing the number of charging points for electric vehicles;
- The introduction of eco-friendly schools;
- The introduction of smart transport targets; and
- A full review of transport plans across Warwickshire.

1.9 Reluctantly we will deliver £7.8 million of budget reductions in 2021/22, increasing to £47.7 million by 2026.

1.10 Despite this, we still find ourselves in the position that we have no option but to increase the council tax and continue applying the adult social care precept. We will use the opportunity provided by the government to levy an additional 3% council tax, phased across two years, to provide additional ring-fenced resources to fund adult

social care services. We will take 1% of this additional levy in 2021/22 and propose to take the balance in 2022/23. In addition, we require an increase of 1.99% on the council tax for all other services. In total, this means a 2.99% council tax increase for 2021/22, equivalent to an increase of 86p per week for a Band D dwelling.

Section 4

Delete Section 4 and replace as follows:

4. Revenue Allocations

- 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 £45.969 million.
- 4.2 We will provide £10.618 million for the estimated cost of pay and price inflation in 2021/22, 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 impact at a local level.
- 4.3 In addition to meeting the estimated cost of inflation we will also provide £35.351 million to meet additional spending need, of which £13.449 million 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 **Appendix B as amended by Annex B** for time-limited allocations.
- 4.4 Allocations for future years, as listed in Appendices A and 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 2022/23 Medium Term Financial Strategy refresh.
- 4.5 We expect Services to manage all other issues in 2021/22 from within existing financial resource levels and support the planned use of £3.719 million of earmarked reserves to provide capacity to invest in service change and to allow space to effectively implement service redesign/reprioritisation.

Section 5

Replace paragraph 5.4 as follows:

- 5.3 Our plan for budget reductions will generate savings of £7.825 million in 2021/22 and a further £39.873 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 2021/22 any of the budget reductions do not materialise to the degree shown, the Assistant Director in conjunction with their Strategic 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 5.9 as follows:

- 5.9 We will use £11.779 million of reserves in 2021/22 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 taxbases.

Section 6

Replace paragraph 6.7 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 a broad engagement with all those affected, both inside and outside the organisation. Our MTFS requires the use of £40.6 million of reserves, including £15.8 million in 2021/22, 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 taxbases. The availability of this level of reserves is consistent with our Reserves Strategy, attached at Appendix C.

Section 7 – Strategic Director for Resources Statement

Amend the final paragraph of the Strategic Director for Resources statement as follows:

I have also undertaken a risk analysis of the adequacy of financial reserves, taking account of the financial risks above. This highlighted the need to retain a minimum of £21.4 million

in general reserves in 2021/22. This resolution makes provision for this level of reserves. This amendment proposes the use of more than 20% of the available reserves in the first year of the Medium Term Financial Strategy and this increases financial risk, given the uncertainty about our future funding base and the potential increases in future demand. However, I am of the view that, this budget does provide for an adequate level of reserves.”

Section 8

Delete Section 8 and replace as follows:

8. Summary of Service Estimates

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 March 2021 of:

| | Base Budget | Additional Investment | Funding Sources | Total |
|--|--------------------|-----------------------|----------------------|--------------------|
| | £ | £ | £ | £ |
| Education Services | 122,187,154 | 6,355,000 | (44,000) | 128,498,154 |
| Environment Services | 25,863,439 | 266,000 | (352,000) | 25,777,439 |
| Fire and Rescue Service | 21,851,946 | 436,000 | (385,000) | 21,902,946 |
| Strategic Commissioning - Communities | 21,184,330 | 1,773,000 | (135,000) | 22,822,330 |
| Adult Social Care | 153,127,335 | 8,181,000 | (1,867,000) | 159,441,335 |
| Children and Families | 60,760,274 | 9,139,000 | (1,632,000) | 68,267,274 |
| Strategic Commissioning - People | 33,356,498 | 1,343,000 | (103,000) | 34,596,498 |
| Business and Customer Services | 18,303,246 | 120,000 | (524,000) | 17,899,246 |
| Commissioning Support Unit | 6,042,401 | 128,000 | (46,000) | 6,124,401 |
| Enabling Services | 24,807,801 | 688,000 | (1,118,000) | 24,377,801 |
| Finance | 5,379,891 | 150,000 | (16,000) | 5,513,891 |
| Governance and Policy | 1,976,785 | 0 | (358,000) | 1,618,785 |
| Other Services - spending | 29,711,490 | 13,390,000 | (1,245,000) | 41,856,490 |
| Other Services - schools and funding | (88,719,000) | 0 | (139,681,000) | (228,400,000) |
| | 435,833,590 | 41,969,000 | (147,506,000) | 330,296,590 |
| <u>Contributions to/(from) reserves:</u> | | | | |
| - Earmarked Reserves | 3,719,000 | 0 | - | 3,719,000 |
| - General Reserves | 0 | 0 | (11,779,412) | (11,779,412) |
| Budget Requirement | 439,552,590 | 41,969,000 | (159,285,412) | 322,236,178 |

All other sections/paragraphs remain unchanged.

Changes to the 2021-26 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 | | | |
|---|------------------|---|------------------|------------------|------------------|
| | 2021-22 £'000 | 2022-23 £'000 | 2023-24 £'000 | 2024-25 £'000 | 2025-26 £'000 |
| | | | | | |
| Corporate Services | | | | | |
| Council tax support fund - A one-off allocation to provide additional resources to the districts and boroughs across Warwickshire to allow them to widen their support to people who are struggling with council tax payments. | 2,500 | 0 | 0 | 0 | 0 |
| Investment Funds - An allocation to top-up the reset investment funds providing the resources to deliver the investment proposals set out in this resolution. | 2,500 | 2,000 | 2,000 | 0 | 0 |
| | | | | | |
| | | | | | |
| Total Change in Time-Limited Allocations | 5,000 | 2,000 | 2,000 | 0 | 0 |

Changes to the 2021-26 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 Allocation by Service | Reduction | Indicative Additional Future Reduction | | | |
|--|------------------|--|------------------|------------------|------------------|
| | 2021-22 £'000 | 2022-23 £'000 | 2023-24 £'000 | 2024-25 £'000 | 2025-26 £'000 |
| Education Services | | | | | |
| Education change programme - Remove the budget reduction for process efficiencies in provision of Education Services coming out of the existing change programme | 0 | 55 | 336 | 721 | 721 |
| Education transport efficiency review - Ensuring the most efficient use of multi-occupancy vehicles, route optimisation processes, transport assistants and eligibility reviews | 0 | (720) | (192) | (97) | (55) |
| | | | | | |
| Environment Services | | | | | |
| County Highways gulley cleaning efficiencies - The use of new technology to move the gulley cleansing programme onto a 'risk based' approach with the expectation that the technological approach will reduce the need for cleansing by being able to target activity more effectively. | 0 | (100) | 0 | (150) | 0 |
| Management of highways maintenance costs - Including review of highways maintenance spend, road conditions survey work and capitalisation of contract overheads | 0 | 0 | 0 | (150) | (150) |
| Winter gritting service review - Reduce the budget reduction from the review of winter gritting service with a view to reduced expenditure through more efficient services, including the use of thematic routes to optimise services. | 0 | 0 | 0 | 150 | 0 |
| | | | | | |
| Strategic Commissioning for Communities | | | | | |
| Countywide waste collection & disposal authority - Creation of a countywide body to benefit from coordination efficiencies | 0 | 0 | (1,000) | (800) | 0 |
| HS2 communications budget review - Review internal communication resource for HS2 | 0 | (50) | 0 | 0 | 0 |
| Parking review - Remove the reduction from the implementation of business parking permits | 0 | 445 | 0 | 0 | 0 |
| Rural agenda service review - Rationalise staffing resource covering rural agenda | (40) | 0 | 0 | 0 | 0 |
| | | | | | |

Changes to the 2021-26 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 Allocation by Service | Reduction | Indicative Additional Future Reduction | | | |
|---|------------------|--|------------------|------------------|------------------|
| | 2021-22 £'000 | 2022-23 £'000 | 2023-24 £'000 | 2024-25 £'000 | 2025-26 £'000 |
| Strategic Commissioning for People | | | | | |
| Health, Wellbeing and Self-Care - Remove the budget reduction for rationalising the public health offer, preserving budgets for mandated public health functions, and rationalising the non-mandated public health offer including redesign, removal and rightsizing of current service offer. | 115 | 115 | 130 | 0 | 0 |
| Integrated and Targeted Support - Remove the budget reduction from the review of expenditure on domestic abuse, smoking cessation and falls prevention targeted support | 69 | 100 | 0 | 0 | 0 |
| Redesign Housing Related Support Offer - Remove the budget reduction from replacing the housing related support service offer with appropriate care delivery consistent with standard council provision | 0 | 0 | 0 | 500 | 500 |
| Review subsidy of community meals service - Remove the budget reduction from reviewing the subsidy of non-statutory community meals for residents | 0 | 0 | 160 | 0 | 0 |
| | | | | | |
| | | | | | |
| Total in-year change to budget reductions | 144 | (155) | (566) | 174 | 1,016 |
| | | | | | |
| Total cumulative change to budget reductions | 144 | (11) | (577) | (403) | 613 |