

This document represents an alternative 2023/24 Revenue Budget Proposal. The detail shows the differences compared to the Conservative proposals to aid effective debate.

2023/24 Revenue Budget Resolution

Labour Recommendations to County Council

The County Council is recommended to plan its budget framework for 2023/24 on the following basis:

Section 1: Financial Direction of Travel

Delete paragraph 1.1 and replace as follows:

- 1.1 Years of government cuts and the removal of grant funding from local government has seen service cuts that have led to poorer outcomes for the most disadvantaged in our county. We believe that significant change must happen to ensure that the needs of communities are met and that whilst this budget position is made in line with the restrictions placed by central government it needs to be commented on that local authorities have lost a significant amount of money through these cuts. Cuts to budgets mean that there are cuts to services and we believe that cuts to services, such as universal access to youth services, sure start, community meals that have already been decided mean that the most vulnerable are not being enabled to thrive and live their best lives.

Delete the first bullet point in paragraph 1.5 and replace as follows:

- Warwickshire is a county where all people can live their best lives; acknowledging that diverse communities will have diverse needs; all communities and individuals are supported to live safely, healthily, happily and independently with the right support;

Add the following as paragraphs 1.6 and 1.7 and renumber the follows paragraphs accordingly:

- 1.6 We believe that our communities will face unprecedented challenges in the forthcoming year; in terms of inflationary pressures on their own homes and do not believe it right to remove services from some of the most vulnerable communities. With this in mind we will maintain, and not reduce, the Council's investment in housing

related support. We will invest additional funds to ensure the community meals service can be maintained; we believe that this is not only the right thing to do for our elderly vulnerable residents but also that it will reduce cost pressures in social care moving forward.

- 1.7 We believe that the best services are offered by our staff working for us. We believe that the proposed transfer of the heritage and culture services into a trust will impact on the service given after transfer and potentially on the terms and conditions of those staff in the longer term.

Add the following bullet points to the current paragraph 1.7:

- 1.7 To ensure the finances of the Council are robust and sustainable we will:
- Invest £1.4 million to support the first 1001 days of a child's life – investing in a child's outcomes from the start means that many will have far better life outcomes. We would see investment in each of the five district areas to provide more support for struggling families with both parenting support and mental health support in early years. We would continue to support targeted social, emotional and mental health work in Nuneaton, Bedworth and Atherstone and those areas of highest deprivation;
 - Invest £0.1 million to investigate better ways to support those older people who need short term care to be able to exit hospital or remain in their own homes, this would ease the system pressure on the NHS and social care;
 - Invest an additional £0.3 million which, along with the current resource, would maintain a community meals service in Warwickshire and stop additional pressures on the social care system.

Delete the following bullet point from the current paragraph 1.7:

- Invest £0.3 million in support for apprenticeships and reskilling across the county, with an emphasis on reskilling for the changing economy and consistent with the countywide levelling up approach, with proposals to be brought back to Cabinet for approval in April 2023;

Delete paragraph 1.14 and 1.15 and replace as follows:

- 1.14 We will deliver £15.0 million of budget reductions in 2023/24, increasing to £65.4 million by 2028, 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.

- 1.15 We acknowledge the need for an increase in local council tax. In the absence of other funding options, we will use the opportunity provided by the Government to levy additional council tax (up to a maximum of 2.99% core council tax plus up to 2% adult social care levy, overall 2% more than previously permitted), to provide resources to fund rising costs and demand for our services. We will take 1.64% of this additional flexibility in 2023/24. In total, this means a **4.64% council tax increase for 2023/24**, a 1.65% increase from the adult social care levy and a 2.99% core council tax increase for all services, but 0.36% below the maximum increase permitted by Government. This is equivalent to an increase of £1.42p per week for a Band D dwelling.

Section 2: Adult Social Care

Add the following to paragraph 2.4:

In making provision for additional investment we will evaluate ways to ease the pressure on the system by examining the feasibility of providing short-term care, including in-house provision, to facilitate rapid discharges from hospital.

Section 4: Revenue Allocations

Replace paragraphs 4.1 to 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 £68.315 million.
- 4.2 We will provide £32.489 million for the estimated cost of pay and price inflation in 2023/24, 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 £35.826 million to meet additional spending need, of which £12.322 million is time-limited. Details of the allocations and how we expect the funding to be used are also detailed in **Appendix A as amended by Annex A** for permanent allocations and **Appendix B as amended by Annex B** for time-limited allocations.

Section 5: Funding Sources

Replace paragraph 5.4 as follows:

- 5.4 Our plan for budget reductions will generate savings of £14.995 million in 2023/24 and a further £50.399 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 2023/24 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 paragraphs 5.8 and 5.9 as follows:

- 5.8. We will use £21.359 million of reserves in 2023/24 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.
- 5.9. **The council tax will increase by 4.64% in 2023/24.** With the other funding resources identified, this will fund the proposals contained within this resolution.

Section 6: Medium Term Financial Strategy

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 £31.080 million of reserves, including £21.359 million in 2023/24, 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.
- 6.10. A summary of our MTFs, demonstrating how we plan to balance our spending needs and resources over the medium term is shown in **Appendix E**.

Section 7: Strategic Director for Resources Statement

Replace the first paragraph of Risk 10 as follows:

Risk 10 – Impact on the Medium Term Financial Strategy

The Medium Term Financial Strategy (MTFS) outlines the significant additional financial challenge to the authority in future years. The indicative future spending allocations and planned reductions deliver a balanced MTFS over the period of the Council Plan with a 2.99% increase in council tax plus 1.65% of the available adult social care levy in 2023/24 and a 1.99% annual increase in the council tax in future years plus the additional 1% adult social care levy in 2024/25. Without this level of increase in council tax, or if future spending needs exceeds the indicative levels, further budget reductions will need to be identified and delivered to ensure the budget remains sustainable. The £0.600 million reduction in the provision for future pressures in 2023/24 increases the short- and medium-term risk that, given the current challenging external environment, additional savings will be required early in the MTFS period. The commitment of Members to meet the financial challenges ahead and take the decisions needed to ensure the finances of the authority remain robust into the future is welcomed.

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 2023 of:

	Base Budget	Additional Investment	Funding Sources	Total
	£	£	£	£
Environment Services	49,359,191	12,256,000	(1,119,000)	60,496,191
Fire and Rescue Service	22,031,435	1,016,000	(50,000)	22,997,435
Strategic Commissioning - Communities	23,419,058	1,614,000	(1,294,000)	23,739,058
Children and Families	78,997,700	6,781,000	(2,914,000)	82,864,700
Education Services	122,581,784	1,486,000	(209,000)	123,858,784
Strategic Commissioning – People	35,486,051	1,059,000	(338,000)	36,207,051
Social Care and Support	185,966,131	26,198,000	(6,269,000)	205,895,131
Business and Customer Services	19,046,382	1,769,000	(496,000)	20,319,382
Commissioning Support Unit	5,486,800	366,000	(234,000)	5,618,800
Enabling Services	23,818,163	1,408,000	(666,000)	24,560,163
Finance	5,683,072	448,000	(121,000)	6,010,072
Governance and Policy	3,175,913	53,000	(325,000)	2,903,913
Other Services – spending	43,187,293	13,861,000	(960,000)	56,088,293
Other Services - schools and funding	(115,289,971)	0	(174,428,000)	(289,717,971)
	502,949,002	68,315,000	(189,423,000)	381,841,002
<u>Contributions to/(from) reserves:</u>				
- Service Reserves	(178,000)	5,000,000	0	4,822,000
- General Reserves	0	0	(21,359,399)	(21,359,399)
Budget Requirement	502,771,002	73,315,000	(210,782,399)	365,303,603

Section 9: Council Tax Requirement

Delete Section 9 and replace as follows:

- 9.1 Approval is given to a council tax requirement and a Band D Council Tax for the County Council for the year ending 31 March 2024 as follows:

	£
Budget Requirement	365,303,603.35
Less Council Tax Surplus on Collection	(221,305.84)
Council Tax Requirement for the year ended 31 March 2024	365,082,297.51
Divided by aggregate Council Tax Base for the County Area	219,304.21
Basic Amount of Council Tax (Band D)	1,664.73

Section 10: Council Tax

Delete Section 10 and replace as follows:

10.1 The council tax for 2023/24 is increasing by 3.49%. Therefore, approval is given to Council Tax amounts for each category of property as follows:

	£
Band A	1,109.8200
Band B	1,294.7900
Band C	1,479.7600
Band D	1,664.7300
Band E	2,034.6700
Band F	2,404.6100
Band G	2,774.5500
Band H	3,329.4600

Section 11: Precepts

Delete Section 11 and replace as follows:

8.2. The Chief Executive is authorised to issue the 2023/24 precepts on the Warwickshire billing authorities, as follows:

	£
North Warwickshire Borough Council	36,269,189.51
Nuneaton and Bedworth Borough Council	65,298,867.78
Rugby Borough Council	67,312,774.89
Stratford-on-Avon District Council	100,197,118.83
Warwick District Council	96,004,346.50

All other sections/paragraphs remain unchanged.

Changes to the 2023-28 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			
	2023-24 £'000	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000
Strategic Commissioning for Communities					
Apprenticeships and reskilling - Removal of the allocation to invest in the expansion of apprenticeships and reskilling across the county.	(300)	0	0	0	0
Children and Families					
First 1,001 Day of a Child's Life - An allocation to provide support for struggling families with both parenting support and mental health support in early years.	1,405	0	0	0	0
Strategic Commissioning for People					
Community meals service - An allocation, which along with the removal of the saving, to provide for the continuation of the service.	300	0	0	0	0
Corporate Services					
Provision for future indicative spending pressures - A reduction in the 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.	(600)	0	0	0	0
Annual Change in Permanent Allocations	805	0	0	0	0
Total Change in Permanent Allocations	805	805	805	805	805

Changes to the 2023-28 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			
	2023-24 £'000	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000
Strategic Commissioning for Communities					
HS2 - Removal of the annual allocation to continue work to mitigate the impacts of HS2 on Warwickshire residents and communities.	(103)	(103)	(103)	0	0
Education Services					
SEND support provision - An allocation to undertake a project to co-produce options for providing a single point of reference for children needing SEND support and their carers.	100	0	0	0	0
Social Care and Support					
Short term care - A one-off allocation to look at options for supplying short term care to older people so they are able to exit hospital or remain in their own homes.	100	0	0	0	0
Business and Customer Support					
Food Strategy - An increase in the allocation to support the development and implementation of the Council's food strategy.	50	0	0	0	0
Total Change in Time-Limited Allocations	147	(103)	(103)	0	0

Changes to the 2023-28 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			
	2023-24 £'000	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000
Children and Families					
Internal foster care - Reduce the cost of care/services by not applying inflation to internal foster care allowances and some commissioned services.	(100)	0	(100)	(100)	0
Strategic Commissioning for People					
Health, wellbeing and self-care - Reduce the saving from rationalising the public health offer.	163	73	50	335	0
Domestic Abuse and Substance Misuse Detox Framework - Remove the budget reduction from increasing partner contributions to multi agency risk assessment conference in line with the national approach.	50	0	0	0	0
Community meals service - Remove the saving from the provision of non-statutory community meals for residents.	0	160	0	0	0
Housing related support - Remove the saving from further decommissioning of the housing related support service offer.	0	0	1,000	0	0
Social Care and Support					
Reduce cost of support for children with disabilities - Reduce the saving from implementing the service change and transformation activities services supporting children with disabilities.	0	250	250	0	0
Business and Customer Services					
Library Service - Remove the saving from rebalancing the provision of library services, for example through increasing the use of drop off book boxes.	50	0	0	0	0
Heritage and Culture Charitable Trust - Remove the saving from redesigning heritage and culture services culminating in the transfer of the service to a charitable trust.	0	0	0	196	0
Total in-year change to budget reductions	163	483	1,200	431	0
Total cumulative change to budget reductions	163	646	1,846	2,277	2,277

Warwickshire County Council Medium Term Financial Strategy 2023/24 to 2027/28

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Resources					
• Government grant	(93.6)	(93.2)	(92.2)	(92.2)	(92.2)
• Business rates	(80.8)	(82.4)	(84.1)	(85.7)	(87.5)
• Council tax	(365.3)	(382.2)	(397.2)	(413.4)	(430.0)
Total resources	(539.7)	(557.8)	(573.5)	(591.3)	(609.7)
Spending					
• Base budget	502.8	502.8	502.8	502.8	502.8
• Inflation	32.5	48.5	61.2	74.2	87.5
• Demand/cost increases	23.5	37.0	53.4	70.1	84.7
• Time-limited investments	17.3	8.2	1.8	-	-
• Budget reductions	(15.0)	(30.8)	(45.5)	(58.9)	(65.4)
Total spending	561.1	565.7	573.7	588.2	609.6
Planned use of reserves	(21.4)	(7.9)	(1.8)	-	-
Remaining (surplus)/gap	0	0	(1.6)	(3.1)	(0.1)