

*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 Proposal**

### **Liberal Democrat 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 paragraphs 1.1 to 1.6 and replace as follows:*

- 1.1 We would like to start by placing on record our gratitude to all the key workers, NHS and care staff, along with all Warwickshire County Council staff at every level, who have been involved in the continuing challenge of the past year. We are also grateful to all the community groups, volunteers and individuals who have continued to support our communities in the ongoing fight against service reductions and the rising cost of living.
- 1.2 2023 is set to be yet another ‘year of the squeeze’ as families face a changing economy which was brought on by the combined effects of instability at the helm of government and the invasion of Ukraine. This has added to the tightening of the economy and thus added to the increasing cost-of-living crisis that has not been seen in years.
- 1.3 The Government has once again chosen to use the Council Tax along with the Adult Social Care precept as a way of trying to shift responsibility. Achieving the Government’s stated increase in Warwickshire’s spending power is reliant on raising council tax. Any council tax rise during the current cost of living crisis is a difficult choice, but one that we will need to take to ensure we can maintain vital frontline services. The growing demands on our services – and in particular a growing older population – means that we have no real choice but to increase the council tax to protect the vulnerable.
- 1.4 As Warwickshire County Council refreshes its medium-term financial strategy (MTFS) and as we look forward, we need to support our residents through these difficult times. We are committed to a set of clear priorities that will be used for all decision making. Our priorities are to make Warwickshire:
  - **Fairer** – giving opportunities for all
  - **Caring** – for all our residents
  - **Greener** – accelerating the work needed

- 1.5 Our ambition is to build a resilient County that is growing in a sustainable way, caring for our residents and communities, reducing health inequalities, supporting young people and children, and enabling families to prosper.
- 1.6 It is widely recognised that Council Tax is an unfair tax. The Government has left us with no choice: we either reduce services further risking harm to vulnerable residents, or we increase Council tax. Savings are not a viable option because of the impact of Government policy over more than a decade, and with increasing inflation and energy costs, local government will once again be fighting to retain services. Where possible, we need to give service areas the space they need to continue with redesign and restructure.

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

- 1.7 We will:
- Invest in the **Forestry team** to meet the increase in demand and provide resilience to support emerging climate change initiatives, such as tree planting schemes;
  - Invest in **Community transport** to support the introduction and development of school travel plans as part of activity to further strengthen the ECO schools pillar on transport across Warwickshire;
  - Grow the capacity to support delivery of the **Outdoor Education and Learning Strategy** to enable young people in Warwickshire to experience activities within the County;
  - Increase **community development activity** by supporting Councillors in their Divisions with the work of empowering local communities; and
  - Through our capital resolution amendment, increase the **highways delegated funding** to enable local councillors to do more in their communities.

***Delete the following bullet point from 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 1.11 and replace as follows, renumbering the following paragraphs accordingly:***

- 1.11 Our Investment Funds contain over £10 million revenue funding which will be topped up during the five-year period as our finances allow. We will consolidate the present revenue investment funds into one single fund with two targeted funding streams which will allow for a more focused fund to enable:
- **A greener and more sustainable economy**, accelerating the work needed to make Warwickshire County Council a net zero carbon producer by 2030; and
  - **A Fairer, Caring Best Lives Fund** - business cases should prioritise mental health support in communities, investment in broadening community youth support work and in preventative public health work.

- 1.12 We also request that the Corporate Board brings forward proposals that aim to significantly increase the take-up of Free School Meals, including considering the option of automatic opt-in and how this can lawfully be done in a two-tier area.

**Delete paragraph 1.14 and replace as follows:**

- 1.14 We will deliver £14.7 million of budget reductions in 2023/24, increasing to £66.8 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. We will not take forward any savings proposals that we believe will have a detrimental impact on our communities and vulnerable people cross Warwickshire. We will not:
- take the benefit of increased income from use of our Youth and Community Centres, instead reinvesting the income in the service offer and facilities; or
  - rely on increased partner contributions to support critical domestic abuse and substance misuse detox activity.

## **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 £66.490 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 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 £34.001 million to meet additional spending need, of which £12.132 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 £14.668 million in 2023/24 and a further £52.143 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 paragraph 5.8 as follows:*

- 5.8 We will use £22.309 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.

## 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 £33.6 million of reserves, including £22.3 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*

2.94% increase in council tax plus 1% 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	1,754,000	(1,294,000)	23,879,058
Children and Families	78,997,700	5,376,000	(2,764,000)	81,609,700
Education Services	122,581,784	1,436,000	(189,000)	123,828,784
Strategic Commissioning – People	35,486,051	759,000	(501,000)	35,744,051
Social Care and Support	185,966,131	26,098,000	(5,919,000)	206,145,131
Business and Customer Services	19,046,382	1,689,000	(526,000)	20,209,382
Commissioning Support Unit	5,486,800	336,000	(234,000)	5,588,800
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)
	<b>502,949,002</b>	<b>66,490,000</b>	<b>(189,096,000)</b>	<b>380,343,002</b>
<u>Contributions to/(from) reserves:</u>				
- Service Reserves	(178,000)	5,000,000	0	4,822,000
- General Reserves	0	0	(22,308,834)	(22,308,834)
<b>Budget Requirement</b>	<b>502,771,002</b>	<b>71,490,000</b>	<b>(211,404,834)</b>	<b>362,856,168</b>

**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 2023-24 £'000	Indicative Additional Future Allocation			
		2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000
<b>Environmental Services</b>					
<b>Forestry</b> - An additional allocation to meet the increased demand for the service and to provide resilience to support emerging climate change initiatives, such as tree planting schemes.	0	90	0	0	0
<b>Strategic Commissioning for Communities</b>					
<b>Community transport</b> - An allocation to support the introduction and development of school travel plans as part of activity to further strengthen the ECO schools pillar on transport across Warwickshire.	100	100	0	0	0
<b>Apprenticeships and reskilling</b> - Removal of the allocation to invest in the expansion of apprenticeships and reskilling across the county.	(300)	0	0	0	0
<b>Commissioning Support Unit</b>					
<b>Consultation and engagement</b> - A reduction in the allocation to enhance the current consultation and engagement offer.	(30)	0	0	0	0
<b>Corporate Services</b>					
<b>Provision for future indicative spending pressures</b> - 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
<b>Annual Change in Permanent Allocations</b>	<b>(830)</b>	<b>190</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Change in Permanent Allocations</b>	<b>(830)</b>	<b>(640)</b>	<b>(640)</b>	<b>(640)</b>	<b>(640)</b>

## 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 2023-24 £'000	Indicative Additional Future Allocation			
		2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000
<b>Strategic Commissioning for Communities</b>					
<b>HS2</b> - A reduction in the annual allocation to continue work to mitigate the impacts of HS2 on Warwickshire residents and communities.	(63)	(63)	(63)	0	0
<b>Education Services</b>					
<b>Outdoor Education Capacity Building</b> - An increase and extension of the allocation to build capacity to enable young people in Warwickshire to experience activities within the County.	50	50	50	0	0
<b>Business and Customer Support</b>					
<b>Food Strategy</b> - A rephasing of the allocation to support the development and implementation of the Council's food strategy.	(60)	60	0	0	0
<b>Community development / Empowering Communities</b> - An allocation in each of the next three years to provide additional capacity to support councillors, in their divisions, with the work of empowering local communities.	30	30	30	0	0
<b>Total Change in Time-Limited Allocations</b>	<b>(43)</b>	<b>77</b>	<b>17</b>	<b>0</b>	<b>0</b>

## 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 2023-24 £'000	Indicative Additional Future Reduction			
		2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000
<b>Children and Families</b>					
<b>Youth and Community Centres</b> - Remove the saving from the generation of income from third party use of centres, instead reinvesting any income generated into the service.	50	0	0	20	0
<b>Education Services</b>					
<b>NEETs contract</b> - Reduce the saving from more effective contracting of the service to support those not in employment, education or training, instead reinvesting any contracting savings in the service offer.	20	0	0	0	0
<b>Strategic Commissioning for People</b>					
<b>Domestic Abuse and Substance Misuse Detox Framework</b> - 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
<b>Adult Social Care</b>					
<b>Housing with support for older people</b> - Reduce the saving required from the further development the housing with support offer; instead reinvesting any saving in the further expansion of the service.	350	350	0	0	0
<b>Business and Customer Services</b>					
<b>Community development</b> - Remove the budget reduction as a result of delivering efficiencies in the delivery of the internal community development function.	20	0	0	0	0
<b>Total in-year change to budget reductions</b>	<b>490</b>	<b>350</b>	<b>0</b>	<b>20</b>	<b>0</b>
<b>Total cumulative change to budget reductions</b>	<b>490</b>	<b>840</b>	<b>840</b>	<b>860</b>	<b>860</b>



## 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
<b>Resources</b>					
• Government grant	(93.6)	(93.2)	(92.2)	(92.2)	(92.2)
• Business rates	(80.8)	(82.4)	(84.1)	(85.8)	(87.4)
• Council tax	(362.9)	(379.7)	(394.5)	(410.4)	(427.1)
<b>Total resources</b>	<b>(537.3)</b>	<b>(555.3)</b>	<b>(570.8)</b>	<b>(588.4)</b>	<b>(606.7)</b>
<b>Spending</b>					
• 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	21.9	35.6	52.0	68.7	83.2
• Time-limited investments	17.1	8.4	2.0	-	-
• Budget reductions	(14.7)	(30.6)	(46.5)	(60.4)	(66.8)
<b>Total spending</b>	<b>559.6</b>	<b>564.7</b>	<b>571.5</b>	<b>585.3</b>	<b>606.7</b>
<b>Planned use of reserves</b>	<b>(22.3)</b>	<b>(9.4)</b>	<b>(2.0)</b>	<b>-</b>	<b>-</b>
<b>Remaining (surplus)/gap</b>	<b>0</b>	<b>0</b>	<b>(1.3)</b>	<b>(3.1)</b>	<b>-</b>

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

## **2023/24 Capital Budget Proposal**

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

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

*Add the following as paragraph 1.4 and renumber the following paragraphs as required:*

- 1.4 The Capital Highways delegated member budget has not been increased for some years. To ensure the allocation reflects the impact of increased costs and provides for an inflationary uplift we will increase the annual to £45,000 per member.

#### **2. 2023/24 Capital Programme**

*Delete paragraphs 2.1 and 2.2 and replace as follows:*

- 2.1 Approval is given to a capital programme of £848.566 million. Of this £316.945 million is planned for 2023/24 and £531.621 million for future years. There is £87.659 million in the Capital Investment Fund that will be allocated to specific schemes, in line with our priorities, as bids are created and considered over the five years of the 2022-27 Medium Term Financial Strategy.
- 2.2 Table 1 shows the breakdown of the programme across services, with the full detail of the capital programme attached at **Appendix C as amended by Annex A**. The Strategic Director for Resources is authorised to update Appendices A and B of the 2023/24 Capital Budget resolution, as required, to reflect the content of this amendment.

<b>Table 1: Capital Programme</b>						
<b>Service</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Best Lives	118.628	44.961	0.262	-	-	163.851
Thriving Economy and Places	51.468	59.210	25.261	5.806	-	141.744
Sustainable Futures *	3.229	0.451	-	-	-	3.680
Great Council and Partner	2.851	-	-	-	-	2.851
Maintenance Programme	43.253	34.724	34.752	35.228	35.228	183.185
Developer Funded Programme	32.217	14.090	0.050	-	-	46.357
<b>Total Allocations</b>	<b>251.646</b>	<b>153.436</b>	<b>60.325</b>	<b>41.034</b>	<b>35.228</b>	<b>541.668</b>
Capital Investment Fund	14.449	18.302	18.302	18.302	18.302	87.659
WRIF	20.600	20.000	20.000	26.500	-	87.100
WPDG	19.101	21.763	7.611	0.242	51.334	100.051
Investigation Design Fund	0.800	0.800	0.800	0.800	0.800	4.000
Inflation Contingency Fund	4.429	5.739	-	-	-	10.168
Asset Replacement Fund	5.920	3.000	3.000	3.000	3.000	17.920
<b>Total Programme</b>	<b>316.945</b>	<b>223.039</b>	<b>110.038</b>	<b>89.879</b>	<b>108.664</b>	<b>848.566</b>

**Note:**

- \* *Our capital investment in Sustainable Futures extends beyond the focussed schemes summarised here. All schemes are required to specifically consider sustainability, climate change and environmental impact as part of the evaluation and due diligence process prior to approval.*

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

## Changes to the 2023/24 Capital Programme

Add/amend the proposals below to those listed in Appendix C:

	Scheme Title	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Total £'000
<b>Investment Programme</b>							
<b>Corporate Investment Funds</b>							
Corporate	<b>CIF Unallocated</b> - Reduction in funding available as a result of other allocations mad in this resolution.	(570)	(570)	(570)	(570)	(570)	(2,850)
	<b>Total for Corporate Investment Funds</b>	<b>65,299</b>	<b>69,604</b>	<b>49,713</b>	<b>48,845</b>	<b>73,436</b>	<b>306,898</b>
	<b>Total Investment Programme</b>	<b>241,475</b>	<b>174,226</b>	<b>75,236</b>	<b>54,651</b>	<b>73,436</b>	<b>619,024</b>
<b>Maintenance Programme</b>							
Environment Services	<b>Area Delegated Schemes</b> - An allocation to increase the annual allocation for area delegated schemes for Members.	570	570	570	570	570	2,850
	<b>Total Maintenance Programme</b>	<b>43,254</b>	<b>34,724</b>	<b>34,752</b>	<b>35,228</b>	<b>35,228</b>	<b>183,186</b>