

This proposal represents an alternative 2024/25 Revenue Budget Proposal. The detail shows the differences compared to the Conservative proposals to aid effective debate.

2024/25 Revenue Budget Proposal

Labour Recommendations to County Council

The County Council is recommended to plan its budget framework for 2024/25 on the following basis:

1. Financial Direction of Travel

Delete Section 1 and replace as follows:

- 1.1. The Labour Group acknowledge that the challenges presented by the failure of Government to properly fund three key areas; Adult Social Care, Childrens Social Care and Special Educational Needs and Disabilities (SEND), is leading to all parties having to consider proposals and make proposals that impose cuts in services that should not have to be made.
- 1.2. The Section 151 officer can only sign off a balanced budget and as part of those forecasts it must be noted that there is no allowance for any inflationary increase in government grant which is in fact a cut in real spending power. If each government grant was increased by 2% then the County Council would have an additional £9 million pounds by 2028/29 which would remove many of the exceptionally difficult cuts that are demanded of each group.
- 1.3. The LGA produced this response to the provisional local government settlement in December 2023:

“Today’s settlement does not provide enough funding to meet the severe cost and demand pressures which have left councils of all political colours and types warning of the serious challenges they face to set balanced budgets next year. Councils in England continue to face a funding gap of £4 billion over the next two years as today’s announcement does not change the funding gap facing councils this year and next.

It is therefore unthinkable that government has not provided desperately needed new funding for local services in 2024/25. Although councils are working hard to reduce costs

where possible, this means the local services our communities rely on every day are now exposed to further cuts.

No council is now immune to the growing risk to their financial sustainability. The Government urgently needs to address the growing financial crisis facing councils and come up with a long-term plan to sufficiently fund local services through multi-year settlements."

- 1.4. We acknowledge and accept that it is not possible to set a balanced budget and financially sustainable medium-term financial strategy without making incredibly difficult decisions about services that seriously affect the day-to-day life of some of the most vulnerable residents in the County.
- 1.5. SEND in particular is a key pressure for the County Council but we believe that there needs to be total system reform on SEND. The Government have proved ill equipped to resolve the issues of provision and the increasing privatisation of Special Education. The Government must address these issues, or many more children will be failed in getting education that is needed.
- 1.6. The Labour Group believe that every citizen of Warwickshire should be enabled to live an independent and healthy life. The County Council should be working towards health outcome equality and all parts of the County should have similar life expectancy and health outcomes and it should not be dependent on where you live or your financial circumstances.
- 1.7. With these principles in mind, we have reduced cuts to the Public Health budget because public health is essential for delivering outcomes. Again, were the government increasing grants at a modest 2% each year we would have proposed an increase to the Public Health budget to drive these outcomes.
- 1.8. The Labour Group are concerned that the savings projected for Childrens Residential Care are going to be difficult to achieve given the increase in demand and the privatised nature of much of the provision. We accept that by reducing this saving we have had to make difficult choices elsewhere.

5. Funding Sources

Replace paragraph 5.4 as follows:

- 5.4 Our plan for budget reductions will generate savings of £16.084m in 2024/25 and a further £45.536m 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 2024/25 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 reductions in expenditure are delivered. We will report on this as part of quarterly monitoring reports to Cabinet.

Replace paragraph 5.8 as follows:

5.8 We will use £15.792m of reserves in 2024/25 to fund time-limited costs and budget allocations.

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 broad engagement with all those affected, both inside and outside the organisation. Our MTFs requires the use of £21.046m of reserves, including £15.792m in 2024/25. The availability of this level of reserves is consistent with our Reserves Strategy, attached at Appendix C.

Replace paragraph 6.8 as follows:

6.8 Whilst we have an excellent track record of delivering savings, the level of cost and demand pressures has meant this has become more difficult during 2023/24. By the end of 2024/25 we will have used £67.536m of reserves over the last three years. Using this level of reserves on an annual basis is not sustainable. We will set up a Budget Delivery Oversight Group to work with Corporate Board to oversee budget performance and the delivery of savings to ensure the Council delivers against its budget in 2024/25 and, where there are areas of concern, any necessary corrective action is put in place at the earliest opportunity.

7. Executive Director for Resources: Statement

Amend the key assumptions for the 2024/25 budget and MTFs in paragraph 7.1 as follows:

The key assumptions for the 2024/25 budget and MTFs in this resolution are:

- *a programme of budget reductions totalling £61.6m to be delivered in the next five years; and*
- *the use of £21.0m reserves.*

All other assumptions remain unchanged.

8. Summary of Service Estimates

Replace paragraph 8.1 as follows:

- a. 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 2024 of:

	Base Budget £	Additional Investment £	Funding Sources £	Total £
Children and Families	82,432,685	8,251,000	(3,342,000)	87,341,685
Education	153,127,258	576,000	(20,000)	153,683,258
Economy and Place	22,777,924	792,000	(134,000)	23,435,924
Environment, Planning and Transport	61,411,133	12,127,000	(1,133,000)	72,405,133
Fire and Rescue	25,097,885	128,000	(71,000)	25,154,885
Strategic Infrastructure and Climate Change	1,451,000	55,000	0	1,506,000
Strategic Commissioning for People	36,286,454	534,000	(328,000)	36,492,454
Social Care and Support	205,151,318	26,047,000	(6,216,000)	224,982,318
Enabling Services	26,404,458	2,308,000	(775,000)	27,937,458
Finance	15,760,801	441,000	(348,000)	15,853,801
Strategy, Planning and Governance	5,736,924	447,000	(106,000)	6,077,924
Workforce and Local Services	10,544,482	321,000	(32,000)	10,833,482
Corporate Services – spending	38,452,058	30,916,000	(3,579,000)	65,789,058
Corporate Services - schools and funding	(144,277,029)	0	(209,199,000)	(353,476,029)
	540,357,351	82,943,000	(225,283,000)	398,017,351
<u>Contributions to/(from) reserves:</u>				
- Earmarked Reserves	4,439,305	0	0	4,439,305
- General Reserves	0	0	(15,792,464)	(15,792,464)
Budget Requirement	544,796,656	82,943,000	(241,075,464)	386,664,192

All other sections/paragraphs remain unchanged.

Changes to the 2024-29 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				Total Saving £'000
	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000	2028-29 £'000	
Children and Families						
Reduce spend on residential care - Reduce the budget reduction required from reducing the cost of care/services including the increased use of our internal children's homes, boarding schools and residential schools.	-	1,207	971	611	251	3,040
Economy & Place						
Rural agenda service review - Remove the budget reduction from the rationalisation of the staffing resource covering the rural agenda.	40	-	-	-	-	40
Environment, Planning & Transport						
Review of verge maintenance - Review of the extent of grass cutting needed to maintain road safety.	-	-	-	(125)	(50)	(175)
People Strategy & Commissioning						
Health, wellbeing and self-care - Reduce the budget reduction from the rationalisation of the public health offer, preserving budgets for mandated public health functions, consolidating use of the Warwickshire Cares Better Together Fund and spend on the Wellbeing for Warwickshire offer.	53	100	142	195	30	520
Housing related support - Increase the budget reduction from the further decommissioning of the housing related support service offer.	-	-	-	(500)	(500)	(1,000)
Total in-year change to budget reductions	93	1,307	1,113	181	(269)	2,425
Total cumulative change to budget reductions	93	1,400	2,513	2,694	2,425	

Medium Term Financial Strategy 2024-29 - Summary

	2024/25	2025/26	2026/27	2027/28	2028/29
	£m	£m	£m	£m	£m
Spending					
Base Budget - on-going spend from the previous year	544.8	588.2	607.9	624.4	647.4
Provision for pay and price inflation	31.9	14.2	14.9	14.3	14.6
Demand and other permanent increases in spending need	27.6	18.7	14.7	18.6	20.4
Time-limited spending allocations	23.4	4.3	0.2	0.1	0.0
Savings plan	(16.1)	(13.2)	(13.0)	(10.0)	(9.3)
Total Net Spending	611.6	612.2	624.7	647.4	673.1
Resources					
Government grants	(118.5)	(109.6)	(109.6)	(109.6)	(109.6)
Business rates	(90.7)	(92.5)	(94.3)	(96.1)	(97.9)
Council Tax	(387.0)	(405.2)	(424.2)	(444.6)	(465.9)
Deficit on the collection of council tax in previous years	0.4	0.0	0.0	0.0	0.0
Total Resources	(595.8)	(607.3)	(628.1)	(650.3)	(673.4)
Use of/(contribution to) reserves	(15.8)	(4.9)	(0.2)	(0.1)	0.0
Net (surplus)/deficit	(0.0)	0.0	(3.6)	(3.0)	(0.3)