

This proposal represents an alternative 2020/21 Revenue Budget Proposal. The detail shows the differences compared to the Conservative proposals to aid effective debate.

APPENDIX B - 2020/21 Revenue Budget

Proposal

Labour Recommendations to County Council

The County Council is recommended to plan its budget framework for 2020/21 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 cuts to services as a result of having to make further savings of £33 million over the next five years as a result of Government's broken promise to invest in local government. And that, at a local level, we have been collecting council tax from our residents only to put it in reserves rather than spending it on the services our communities need.
- 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 rebalancing the priorities of Warwickshire County Council. Our focus is people not council-owned property and communities not computers.
- 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. We will look to release significantly more funding from our reserves in future, ensuring the organisation has the capacity to deliver on the ambitions we have set ourselves.

1.4 In the meantime, 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.

1.5 We will:

- Directly invest £12.2 million in our children’s social care services, providing resources to meet costs arising from: the higher numbers of Looked After Children; the limited options to tackle the foster care / placement mix; and additional support for those moving from care to independent living as well as investing in initiatives to reduce demand for children’s social care over the medium term and improve the school readiness of children across Warwickshire. We require a report on the intended benefits of the children’s transformation programme across the three themes of early help, children in care and care leavers and cultural change aligned to the outcomes and objectives of the Council Plan 2025 to be brought to Cabinet in April;
- Invest £14.4 million to protect our elderly citizens and vulnerable adults to fund additional demand and manage winter pressures whilst continuing to make progress on our vision of greater integration between health and social care;
- Invest £1.6 million to continue to support children and young people with disabilities placements and to ensure they can access appropriate support within their communities;
- Invest £2.4 million in home to school transport to ensure we continue to provide services in line with our policy whilst being able to respond to the increasing demands on the service and funding the reinstatement of passenger assistants on our home to school transport service;
- Invest £0.5 million to support victims of domestic abuse;
- Invest £0.3 million in the Waste Management service to meet the increased demand as a result of housing growth;
- Invest 0.3 million in school improvement enhancing the service as well as providing the funding on a permanent basis;
- Invest £0.2 million to expand the network of subsidised public transport services, with the priority for bus services to maintain and support the independence of our vulnerable residents and communities;
- Invest £0.3 million to allow local communities to decide whether to turn on the LED street lights where there are concerns about community safety; and
- Invest £1.6 million in the Fire and Rescue Service to provide for a new fire engine and the associated additional operational fire-fighters as well as maintaining the Fire and Rescue Service control room in Warwickshire to meet increased demand.

1.6 We are beginning to see real positive impacts from our time-limited investment over recent years. We will therefore continue our investment in skills for employment and flood risk management on a permanent basis.

1.7 We will create four additional Investment Funds to kickstart our programme of investment in rebalancing the Council's priorities. We will ensure investments are supported by robust business cases and realise benefits and help address long-term issues such as climate change. In doing this we are determined to make the best use of the funding we have available. We will put in place rigorous prioritisation and evaluation processes before funding allocations are confirmed. Allocations to individual projects will require business cases that are evaluated against criteria that will be agreed by Cabinet in March 2020.

1.8 Our Investment Funds will initially contain £19m revenue funding which may be topped up during the five-year period as our finances allow. We will use the £19 million time-limited resource to create four Investment Funds as follows:

- Climate Change Fund
A £7 million Fund to invest in implementing the priorities flowing from the Climate Change Task and Finish Groups. 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 are "Plant a tree for every person in Warwickshire", improving air quality including the creation of zero emissions zones, bus infrastructure (including electric buses and retro-fitting better engines), 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.
- Education Support Fund
A £4 million Fund to invest in initiatives ensuring children and young people across the county have the opportunity to fulfil their potential. 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 proposal to introduce counsellors in schools.
- Communities Fund
A £4 million Fund to invest in supporting our communities. Areas where we expect proposals to be brought forward for consideration are trading standards

initiatives to protect vulnerable people, targeted youth support aimed at changing perceptions of young people and working through the Warwickshire Waste Partnership on initiatives to tackle fly-tipping.

- Health and Well-Being Fund

A £4 million Fund to invest in sustainably improving health and well-being outcomes for residents and communities across Warwickshire. Initiatives to be brought forward include the roll-out of health scores across the county and support for vulnerable individuals in relation to drugs and alcohol, men's health, male suicide, domestic violence and loneliness.

1.9 In addition to the Investment Funds we intend to use our remaining short-term resource capacity to invest in Warwickshire's future, so that the economy is vibrant and we can use the proceeds from that to ensure our most vulnerable citizens are safe and that children and young people across the county have the opportunity to thrive and fulfil their potential. We will invest:

- £3.7 million over three years to increase state-funded specialist education provision in Warwickshire to deliver better use of resources by education young people with special educational needs and disabilities in-county;
- £0.3 million over two years to continue the joint investment in the homelessness project with Rugby Borough Council;
- £0.6 million to manage the Council's engagement with and response to the independent inquiry into child sexual abuse; and
- £0.6m over two years to restructure the Fire Protection team to meet the increasing demand for statutory inspections with a view to rolling out a wider offer to local businesses in future which should make the activity sustainable over the medium term.

1.10 We recognise our investment proposals need to be funded and wherever possible we have protected the front-line delivery of services through the choices we have made. We will re-focus the Council's transformation funds to look at ways to be more efficient and effective in maximising outcomes from local and national taxpayers' money. As invest-to save funds we expect the investments to have targets for financial return and pay-back periods and deliver budget reductions in future years that we can reinvest in services.

1.11 We require Corporate Board to bring forward additional efficiency proposals as part of the 2021/22 budget process to enable more choice for Members about which proposed budget reductions to take forward. In particular, we would seek to reduce the reliance on charging residents for services to balance the books and to provide

choices over the level of council tax, with our priority being to remove the future plans to increase income from residents and visitors parking permits.

- 1.12 Despite our reservations about the impact on financially hard-pressed families the Government has continued to fail to provide adequate funding for local government we still need to increase council tax. We will use the opportunity provided by the government to levy a 2% council tax to provide additional ring-fenced resources to fund adult social care services. In addition, we require an increase of 1.99% on the council tax for all other services too. In total, this 3.99% council tax increase is equivalent of an increase of £1.10 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 £51.283 million.
- 4.2 We will provide £11.678 million for the estimated cost of pay and price inflation in 2020/21, 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 £39.605 million to meet additional spending need, of which £17.015 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.
- 4.4 We expect Services to manage all other issues from within existing financial resource levels and support their planned use of £0.997 million of service reserves to provide capacity to invest in service change and to allow space to effectively implement service redesign/reprioritisation.

Section 5

Replace paragraph 5.3 as follows:

- 5.3 We will provide sufficient resources to ensure the level of General Reserves is at least consistent with that stated by the Strategic Director for Resources as the minimum level of general reserves given the financial risks facing the authority. We will release £19 million now to deliver our investment proposals over the period of the 2020-25 Medium Term Financial Strategy and will undertake a further review at the end of each financial year to identify where there is scope to release further resources to support our investment proposals.

Replace paragraph 5.8 as follows:

- 5.8 We will use the £0.104 million surplus from the collection of council tax and £1.085 million of reserves to support the budget on a one-off basis.

Section 6

Replace paragraph 6.4 as follows:

- 6.4 The indicative future spending allocations and planned reductions we have set out deliver a balanced MTFs over the period of the 2025 Council Plan with a 1.99% annual increase in the council tax in future years. We accept that 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. We know that over the period of the MTFs we need to identify a further £7 million reserves that we can redirect to support the phasing of the spending allocations over the five years of the MTFs. We will begin this process with a further review of reserves as part of the 2019/20 outturn.

Add new paragraphs 6.7 and 6.8 and renumber the following paragraphs accordingly:

- 6.7 We require reports, with options, to be brought to Cabinet in June 2020, as the start of our planning for future years, covering the following areas:
- Increasing capacity in the care home market across all sectors
 - Extending bus services across the county, better linking of communities and improving the competitiveness of the market

- Tackling the barriers to integration with health
- Reducing the cost of home to school transport
- Expansion of our network of business centres across the county to promote and support the development of new entrants

6.8 We require a report to be brought to Cabinet in June seeking approval for how our investment in the City of Culture will be used, with prioritised projects focussed on delivering, in the absence of additional funding, lasting benefits to communities across Warwickshire.

Section 7

Delete Risk 8 – Impact on the Medium Term Financial Strategy and replace as follows:

Risk 8 – 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 2025 Council Plan with a 1.99% annual increase in the council tax in future years. 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 recommendations require further one-off funding being made available, including from reserves, to support the phasing of the MTFS proposals across the five years. If this is not forthcoming, then spending proposals will need to be delayed. Given the challenge this presents in addition to existing savings requirements and the as yet unknown medium term financial environment, Members are advised it is important that decisions taken in agreeing the 2020/21 budget do not increase this financial risk. 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

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 of:

	Base Budget	Additional Investment	Funding Sources	Total
	£	£	£	£
Education Services	107,894,949	5,867,000	(279,000)	113,482,949
Environment Services	25,159,550	1,310,000	(200,000)	26,269,550
Fire and Rescue Service	20,054,288	1,895,000	-	21,949,288
Strategic Commissioning - Communities	19,606,907	2,189,000	-	21,795,907
Adult Social Care	144,055,813	14,350,000	(400,000)	158,005,813
Children and Families	51,151,035	8,376,000	(194,000)	59,333,035
Strategic Commissioning - People	31,846,719	2,088,000	-	33,934,719
Business and Customer Services	17,908,021	373,000	(1,140,000)	17,141,021
Commissioning Support Unit	3,679,997	79,000	(405,000)	3,353,997
Enabling Services	20,824,847	3,477,000	(774,000)	23,527,847
Finance	4,343,199	103,000	-	4,446,199
Governance and Policy	1,870,114	360,000	(40,000)	2,190,114
Other Services - spending	44,768,853	10,816,000	(2,777,000)	52,807,853
Other Services - schools and funding	(79,525,280)	-	(142,928,000)	(222,453,280)
	413,639,012	51,283,000	(149,137,000)	315,785,012
<u>Contributions to/(from) reserves:</u>				
- Service Reserves	(977,000)	-	-	(977,000)
- General Reserves	-	-	(1,085,056)	(1,085,056)
Budget Requirement	412,662,012	51,283,000	(150,222,056)	313,722,956

All other sections/paragraphs remain unchanged.

Changes to the 2020-25 Proposed Permanent Allocations

Purpose of the Allocation by Service	Allocation	Indicative Additional Future Allocation			
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Education Services					
Home to school transport passenger assistants - An allocation to reinstate passenger assistants on home to school transport for pupils and students; thereby investing in the safety of Warwickshire children.	200	200	0	0	0
School improvement - An additional allocation to invest in the service on a permanent basis and to build capacity to ensure system leadership and school-to-school support continues.	100	0	0	0	0
Environment Services					
Public Transport - An allocation to increase the funding for subsidised bus services across the county.	200	0	0	0	0
Street lighting - An allocation to provide funding to allow street lights to be turned back on where communities want it.	150	125	0	0	0
Fire and Rescue					
Additional fire-fighter capacity - An allocation to provide for an additional self-rostering crew consisting of 1 Watch Commander, 6 Crew Commanders and 15 Fire fighters	517	517	0	0	0
Total In-year Increase in Permanent Spending Allocations	1,167	842	0	0	0
Total Cumulative Increase in Permanent Spending Allocations	1,167	2,009	2,009	2,009	2,009

Changes to the 2020-25 Time-limited Investment Proposals

Purpose of the Allocation by Service	Allocation	Indicative Additional Future Allocation				
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Corporate Services (continued)						
Health and Well-being Fund - An allocation to create a Health and Well-being Fund to invest in sustainably improving health and well-being outcomes for residents and communities across Warwickshire. A report outlining how investments will be prioritised and the governance arrangements will be brought to Cabinet in March. The funding is shown allocated across the five years of the MTFS, but the phasing between years will be flexible depending on the strength of investment proposals coming forward for consideration.	800	800	800	800	800	4,000
Total Change in Time-Limited Allocations	100	(200)	(200)	(200)	(200)	(700)

This proposal represents an alternative 2020/21 Capital Budget Proposal. The detail shows the differences compared to the Conservative proposals to aid effective debate.

2020/21 Capital Budget Proposal

Labour Recommendations to County Council

1 Financial Direction of Travel

Delete paragraphs 1.3 to 1.9 and replace as follows and updating Annex B of the capital strategy technical appendix accordingly:

- 1.3 Our capital programme provides much need investment to our town centres, it supports and promotes initiatives that directly invest in a **sustainable** infrastructure, with choices that will allow Warwickshire residents to reduce their CO2 emissions. Whilst the focus of this budget is on environmental sustainability, our towns must also address social and economic factors if they are to be successful.
- 1.4 Sustainable transport options such as cycling and walking reduce environmental impact, but they are also essential in promoting the benefits for personal health and well-being; walkable communities encourage social connection.
- 1.5 We will continue with the benefit-driven, strategic approach to determining our capital investment priorities, ensuring our scarce resources are used in the most effective way. We expect all proposals to be subject to a robust scrutiny process prior to approval to ensure widespread support for capital investments, a strong business case and the deliverability of the project to ensure benefits for those who live, work and visit Warwickshire.
- 1.6 We will supplement our externally leveraged capital resource with £25 million a year of borrowing. We will consider invest-to-save and commercial investments in excess of this where the investment will deliver revenue savings or create additional resource for investment. We will continue with the separation of maintenance and investment programmes that has brought benefits by reducing bureaucracy.

- 1.7 We will use £22.8 million a year of the additional capital resources to provide capacity to deliver capital schemes that support and protect local communities. As a priority, by September 2020, we expect investment proposals for the following to have been brought forward for decision:
- A programme to regenerate and bring life back to our town and district centres and to re-invigorate our local community high streets and village centres;
 - A needs-based programme of improvements to footpaths and cycleways in residential areas, with priority given to schemes that have a positive impact on air quality and tackle accident hot spots;
 - The creation of a Warwickshire Community Asset Investment Fund to provide access to loan funding for community groups wishing to invest in their assets;
 - The development of a single centres across Warwickshire providing access to public services including County Council services, some health provision and services delivered by voluntary sector partners such as Age UK, CAVA, CAB and Rugby Credit Union;
 - The infrastructure provision needed to deliver the vision for children and family centres across Warwickshire; and
 - Bringing forward the roll-out of LED lighting.
- 1.8 We will double the funding allocated to the Members' area delegated budget, bringing the total to be allocated to £4 million a year.
- 1.9 We will add £0.400 million a year to the maintenance programme for flood defence activity.
- 1.10 We require £3.000 million of the schools' capital grant to form a contribution towards the cost of maintenance of the school estate, with the balance of the grant to be used to meet the growing demand for school places, alongside contributions from developers.
- 1.11 We believe the basis on which County Highways distributes its planned capital maintenance funding allocations between areas should be changed. We believe the current formula should be reviewed and a report taken to Overview and Scrutiny, by April 2020, on revised proposals that better reflect usage and whether roads are in residential areas.
- 1.12 We believe the Authority can achieve a better return on our assets and increase the resource available to drive economic prosperity for all our communities. We require a report to be brought forward looking at alternative options for the use of our land assets, for example investing land/capital receipts into a joint venture housing company. We expect a report, outlining the preferred options and how these would be implemented to be brought forward for consideration by September 2020.

2. 2020/21 Capital Programme

Delete paragraphs 2.1 and 2.2 and replace as follows and updating Appendix B (the 2020/21 Capital Programme) accordingly:

- 2.1 Approval is given to a capital programme of £494.738 million. Of this £210.981 million is for 2020/21 and £283.757 million for future years. There is £120.588 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 year of the 2020-25 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 B as amended by Annex A.**

Table 1: Capital Programme Summary by Service				
Service	2020/21	2021/22	2022/23 and later years	Total
	£'000	£'000	£'000	£'000
Education Services	41,411	7,175	14,730	63,317
Environment Services	89,075	34,924	52,788	176,788
Fire and Rescue Service	5,742	120	360	6,222
Strategic Commissioning - Communities	25,475	16,416	17,047	58,937
Children and Families	232	175	375	782
Business and Customer Services	168	500	1,274	1,942
Enabling Services	16,664	12,313	33,263	62,239
Governance and Policy	2,499	356	1,068	3,923
Total Allocations	181,267	71,979	120,905	374,150
Capital Investment Fund	29,714	22,718	68,155	120,588
Total Programme	210,981	94,697	189,060	494,738

Note: Table may not sum due to rounding.

All other paragraphs/sections remain unchanged.

Changes to the 2020/21 Capital Programme - by Outcome and Service

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

Service	Scheme Title	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Making the best use of resources - Investment Programme							
	Current approved programme	9,596	2,500	3,274	2,000	2,000	19,370
Environment Services	Area delegated funding - increase by £2m a year	2,000	2,000	2,000	2,000	2,000	10,000
Total for Making the best use of resources		11,596	4,500	5,274	4,000	4,000	29,370
Capital Investment Fund							
Corporate	Proposed programme	31,914	24,918	24,918	24,918	24,918	131,588
Corporate	Reduction in funding available as a result of the changes outlined elsewhere in this Annex	(2,200)	(2,200)	(2,200)	(2,200)	(2,200)	(11,000)
Total for Capital Investment Fund		29,714	22,718	22,718	22,718	22,718	120,588
Making the best use of resources - Maintenance Programme							
	Current approved programme	3,838	3,623	3,623	3,623	3,623	18,330
Environment Services	Additional allocation for flood defence	200	200	200	200	200	1,000
Total for Making the best use of resources		4,038	3,823	3,823	3,823	3,823	19,330

Note: Figures may not sum due to rounding