

## APPENDIX C - 2020/21 Revenue Budget Proposal

### Green Party Recommendations to County Council

The County Council is recommended to plan its budget framework for 2020/21 on the following basis:

#### Section 1: Financial Direction of Travel

*Delete paragraph 1.1 and replace as follows:*

- 1.1 This five-year medium term financial strategy is fiscally robust and prepares Warwickshire for the future. It focuses investment in three main areas:
- Transport Transformation: With a growing population and the risks of dangerous air quality and climate change, transport ‘business-as-usual’ is not an option. Warwickshire can make it easier, safer and more enjoyable to travel for school, work and leisure. This investment will place us in prime position to gain match funding from other funding sources;
  - Preparing for Climate Change: Both adapting to more extreme weather like heavy rain and improving energy efficiency of our buildings, including schools, reducing Carbon emissions and increasing trees and biodiversity; and
  - Children, Families and Young People: Through investment in families with 0-3 year-olds and skills and mentoring when young people enter the job market for the first time.

*Delete paragraph 1.6 and replace as follows:*

- 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 school improvement and flood risk management on a permanent basis. **We will quadruple our spending on skills for employment** and make this permanent. This will provide the opportunity to invest in training for people in new skills, particularly focussing on areas of change e.g. house building and heating systems. Working with businesses, youth services and the voluntary sector it will allow opportunities for mentoring and coaching of all Warwickshire’s young people entering the job market for the first time within five years.

**Delete paragraphs 1.8 and 1.9 and replace as follows:**

- 1.8 Our Investment Funds will initially contain £21m revenue funding which may be topped up during the five-year period as our finances allow. We are proposing indicative allocations to each Fund. These indicative allocations are deliberately flexible and may be varied as bids emerge and are prioritised, subject to Cabinet consideration and approval. We recognise that stability of funding is vital for successful long-term interventions. We do not want commissioners to be caught in an on-going treadmill of pilot projects when:
- We know that some schemes require longer-term financial commitments; and
  - There is a strong evidence base that already exists (e.g. smart start).

We therefore expect to see 3-5 year proposals developed in the first part of 2020/21 from the Sustaining Prevention Fund for 0-3 Early Years working with children and their families and addictions and homelessness.

- 1.9 We recognise the capital investment requires revenue funding and officer time for the design and delivery of schemes. Therefore, we are explicitly linking our revenue and capital funds to allow for joint revenue and capital approaches and bids *where appropriate*. We expect review and evaluation to be fully costed into all proposals. As an authority we need to reflect on what works better and why.

The table below summarises indicative amounts over 5 years. We will top up these funds as further resources become available.

Name of Fund	Indicative Revenue (over 5 years) £m	Linked Indicative Capital (over 5 years) £m	Prioritising
Sustaining Prevention and Supporting People	10	15	<ul style="list-style-type: none"> <li>Families with 0-3 year-old children</li> <li>SEN provision</li> <li>Addictions</li> </ul>
Climate Change <i>(excluding transport emissions)</i>	5	30	<ul style="list-style-type: none"> <li>CO2 reductions and lower energy bills in buildings, including schools</li> <li>Defending Warwickshire from flooding</li> <li>Trees, habitats and ecological crisis</li> </ul>
Transport Transformation <i>Reducing dangerous air pollution and CO2 emissions and improving the journey to school, work and leisure</i>	2	55	<ul style="list-style-type: none"> <li>Cycling/walking</li> <li>Buses</li> <li>Electric vehicle charging</li> <li>Rail/light rail match-funding</li> </ul>
Commercial	2	10	<ul style="list-style-type: none"> <li>Property company for affordable housing delivery and best practice management of smallholdings</li> </ul>
Place Shaping	2	20	<ul style="list-style-type: none"> <li>Support for small and medium-size businesses</li> <li>Town centres</li> <li>Inward investment from Green technology/skills companies</li> </ul>
<b>Total</b>	<b>21</b>	<b>130</b>	

## 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 £51.866 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 £40.188 million to meet additional spending need, of which £17.615 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 £21 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 £1.668 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 £6 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 renumber the following paragraphs accordingly:***

- 6.7 We require a report to be brought to Cabinet by September outlining options for material reductions in the cost of education transport route development. These options should include bus investment funds to create commercially viable routes around schools.

## 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	5,567,000	(279,000)	113,182,949
Environment Services	25,159,550	1,260,000	(200,000)	26,219,550
Fire and Rescue Service	20,054,288	1,078,000	-	21,132,288
Strategic Commissioning - Communities	19,606,907	3,539,000	-	23,145,907
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	11,216,000	(2,777,000)	53,207,853
Other Services - schools and funding	(79,525,280)	-	(142,928,000)	(222,453,280)
	<b>413,639,012</b>	<b>51,866,000</b>	<b>(149,137,000)</b>	<b>316,368,012</b>
<u>Contributions to/(from) reserves:</u>				
- Service Reserves	(977,000)	-	-	(977,000)
- General Reserves	-	-	(1,668,056)	(1,668,056)
<b>Budget Requirement</b>	<b>412,662,012</b>	<b>51,866,000</b>	<b>(150,805,056)</b>	<b>313,722,956</b>

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

## Changes to the 2020-25 Proposed Permanent Allocations

Purpose of the Allocation by Service	Allocation 2020/21 £'000	Indicative Additional Future Allocation			
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
<b>Environment Services</b>					
<b>Public Transport</b> - An allocation to increase the funding for subsidised bus services across the county.	100	0	0	0	0
<b>Drainage cleaning</b> - An allocation to increase the amount of drainage cleaning undertaken across the county on an annual basis.	100	0	0	0	0
<b>Cycling capacity</b> - An allocation to provide funding to support investment in the development of the cycling infrastructure across Warwickshire	100	0	0	0	0
<b>Strategic Commissioning for Communities</b>					
<b>Skills for employment</b> - An allocation to quadruple the investment in skills for employment. This will provide the opportunity to invest in training people for new skills and allow opportunities for mentoring and coaching of all Warwickshire's young people.	750	0	0	0	0
<b>Strategic transport planning</b> - An allocation support to make it easier, safer and more enjoyable to travel for school, work and leisure.	100	0	0	0	0
<b>Total In-year Increase in Permanent Spending Allocations</b>	<b>1,150</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Cumulative Increase in Permanent Spending Allocations</b>	<b>1,150</b>	<b>1,150</b>	<b>1,150</b>	<b>1,150</b>	<b>1,150</b>



**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
<b>Climate Change Fund</b> - Increase the allocation to the Climate Change Fund by £1m over the period of the MTFS	200	200	200	200	200	1,000

## 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
<b>Corporate Services (continued)</b>						
<b>Transport Transformation Fund</b> - An allocation to create a Transport Transformation Fund to make it easier, safer and more enjoyable to travel for work, school or leisure 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.	400	400	400	400	400	2,000
<b>Total Change in Time-Limited Allocations</b>	<b>700</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>1,500</b>

# 2020/21 Capital Budget Proposal

## Green Party Recommendations to County Council

### 1 Financial Direction of Travel

***Insert new paragraph 1.2 and renumber the following paragraphs accordingly:***

1.2 Our capital programme focuses investment in 3 main areas:

- Transport Transformation  
With a growing population and the risks of dangerous air quality and climate change, transport 'business-as-usual' is not an option. Warwickshire can make it easier, safer and more enjoyable to travel for school, work and leisure. This investment will place us in a prime position to gain match funding from other funding sources.
- Preparing for Climate Change  
Both adapting to more extreme weather like heavy rain and improving the energy efficiency of our buildings, including schools, reducing Carbon emissions and increasing trees and biodiversity.
- School places and special needs provision  
We will invest in special needs provision and social care for young people so that children with complex needs can attend school closer to home.

***Delete paragraph 1.6, replace as follows and amend the capital strategy at Appendix A accordingly***

1.6 This Council recognises that capital projects require revenue support for good decisions, design and delivery. In the past inadequate revenue resources have sometimes prevented timely development of capital projects. Therefore, we are explicitly linking our revenue and capital funds to allow for joint revenue/capital approaches and bids *where appropriate* as set out below. We expect review and evaluation to be fully costed into all proposals. As an authority we need to better reflect on what works and why.

We will also ensure the prioritisation of maintenance programmes are in accordance with these priorities by amending the Capital Strategy (Appendix A) as set out in **Annex A to Appendix A, Annex C.**

Name of Fund	Indicative Revenue (over 5 years) £m	Linked Indicative Capital (over 5 years) £m	Prioritising
Sustaining Prevention and Supporting People	10	15	<ul style="list-style-type: none"> <li>Families with 0-3 year-old children</li> <li>SEN provision</li> <li>Addictions</li> </ul>
Climate Change <i>(excluding transport emissions)</i>	5	30	<ul style="list-style-type: none"> <li>CO2 reductions and lower energy bills in buildings, including schools</li> <li>Defending Warwickshire from flooding</li> <li>Trees, habitats and ecological crisis</li> </ul>
Transport Transformation <i>Reducing dangerous air pollution and CO2 emissions and improving the journey to school, work and leisure</i>	2	55	<ul style="list-style-type: none"> <li>Cycling/walking (£30m)</li> <li>Buses (£10m)</li> <li>Electric vehicle charging (£5m)</li> <li>Rail/light rail match-funding (£10m)</li> </ul>
Commercial	2	10	<ul style="list-style-type: none"> <li>Property company for affordable housing delivery and best practice management of smallholdings</li> </ul>
Place Shaping	2	20	<ul style="list-style-type: none"> <li>Support for small and medium-size businesses</li> <li>Town centres</li> <li>Inward investment from Green technology/skills companies</li> </ul>
<b>Total</b>	<b>21</b>	<b>130</b>	

## 2. 2020/21 Capital Programme

**Delete Section 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 £141.374 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**.

<b>Table 1: Capital Programme Summary by Service</b>				
<b>Service</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23 and later years</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Education Services	41,411	7,175	14,730	63,317
Environment Services	86,875	27,843	46,188	160,906
Fire and Rescue Service	5,742	120	360	6,222
Strategic Commissioning - Communities	22,270	16,416	15,347	54,033
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
<b>Total Allocations</b>	<b>175,862</b>	<b>64,898</b>	<b>112,605</b>	<b>353,364</b>
<b>Capital Investment Fund</b>	<b>35,119</b>	<b>29,799</b>	<b>76,455</b>	<b>141,374</b>
<b>Total Programme</b>	<b>210,981</b>	<b>94,697</b>	<b>189,060</b>	<b>494,738</b>

*Note: Table may not sum due to rounding.*

2.3 We will renegotiate £26.776 million funded from third party contributions for the A46 Stoneleigh junction and invest these contributions in more appropriate schemes such as the extension of very light rail between Coventry, the University of Warwick, Kenilworth and Leamington. We will also remove the £4.881 million already in the capital programme for this scheme. Alongside the transport transformation fund these allocations will mean an indicative additional £87 million over five years into transport transformation in Warwickshire. This will also help us leverage in additional funds from other sources.

2.4 We will also review other road schemes that have not started where the cost is over £1.5 million in the capital programme to see if a stronger cost-benefit can be achieved with changes or reallocation in line with addressing dangerous air quality and reducing CO2 emissions. This will include parts of schemes around Europa Way.

## **6 Delegations**

***Add a new paragraph 6.4 to the Delegations section as follows:***

6.4 That the review of delegations in the constitution that is due to be considered by Council in May includes consideration of a reduction from £2m to £1m in the delegated power to the Leader, or person(s) or body nominated by her, to authorise the addition to the capital programme of projects which are fully funded from external grants, developer contributions or revenue.

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

## Capital Strategy Technical Appendix

*Delete Prioritisation Methodology for Schools and Non-Schools Building Maintenance in Annex C of the Technical Appendix to the Capital Strategy (page 12) and replace as follows:*

### Schools and Non-Schools Building Maintenance

#### Prioritisation Methodology

Condition survey work is carried out across the property stock and classifies building and engineering maintenance items into 4 categories: D (Bad), C (Poor), B (Satisfactory) and A (Good). The categories are then given priorities highlighting recommended timescales for the work to take place: 1 – Urgent Work, 2 – Work required within 2 years, 3 - Work required within 3 to 5 years, 4 – Work outside the 5-year planning period. The priority listing is then further interrogated and validated by using a surveyor intervention check and a property future review with the Strategic Asset Management team. The budget available for the particular area of work is then allocated to the priority list and this determines that approximate number of projects that can be carried out.

When emergency and planned work occurs in schools and other buildings prudent long-term decisions will be made that will reduce the carbon footprint and energy bills of the school. Where such work requires additional revenue or capital investment the support will sought from the capital and revenue investment funds created as part of this budget proposal.

#### Balance of Planned Maintenance and Emergency Work

Emergency work that arises means the planned maintenance programme developed from the above methodology is revised in some areas throughout the year. Projects are reprioritised and planned maintenance programmes managed to the bottom-line budget.

## 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
<b>Warwickshire's Communities and Individuals are supported to be safe, healthy and independent - Investment Programme</b>							
	Current approved programme	21,084	1,129	1,017	700	0	23,930
Strategic Commissioning for Communities	Bermuda Connectivity - reduce scope of proposals	(3,205)	0	(1,000)	(700)	0	(4,905)
	<b>Total for Warwickshire's Communities and Individuals are supported to be healthy, safe and independent</b>	<b>17,879</b>	<b>1,129</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>19,025</b>
<b>Warwickshire's economy is vibrant and supported by the right jobs, training, skills and infrastructure - Investment Programme</b>							
	Current approved programme	71,373	41,239	20,200	5,472	4,910	143,193
Environment Services	Remove A46 Stoneleigh junction improvements scheme from the programme	0	(4,881)	0	0	0	(4,881)
	<b>Total for Warwickshire's economy is vibrant and supported by the right jobs, training, skills and infrastructure</b>	<b>71,373</b>	<b>36,358</b>	<b>20,200</b>	<b>5,472</b>	<b>4,910</b>	<b>138,312</b>

## 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
<b>Capital Investment Fund</b>							
Corporate	Proposed programme	31,914	24,918	24,918	24,918	24,918	131,588
Corporate	Increased Capital Investment Fund as a result of the changes proposed elsewhere in this capital programme	3,205	4,881	1,000	700	0	9,786
	Reallocate the Capital investment Fund to separate funds	(30,328)	(24,918)	(24,918)	(24,918)	(24,918)	(130,000)
	Sustaining Prevention of Supporting People Fund	3,000	3,000	3,000	3,000	3,000	15,000
	Climate Change Fund	6,000	6,000	6,000	6,000	6,000	30,000
	Commercial Fund	2,000	2,000	2,000	2,000	2,000	10,000
	Place Shaping Fund	4,000	4,000	4,000	4,000	4,000	20,000
	Transport Transformation Fund	15,328	9,918	9,918	9,918	9,918	55,000
<b>Total for Capital Investment Fund</b>		<b>35,119</b>	<b>29,799</b>	<b>25,918</b>	<b>25,618</b>	<b>24,918</b>	<b>141,374</b>

*Note: Figures may not sum due to rounding*