

This proposal represents an alternative 2022/23 Revenue Budget Proposal. The detail shows the differences compared to the Conservative proposals to aid effective debate.

2022/23 Revenue Budget Proposal

Liberal Democrat Recommendations to County Council

The County Council is recommended to plan its budget framework for 2022/23 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 fight against Covid. We are also grateful to all the community groups, volunteers and individuals who have continued to support our communities in this ongoing fight. As Warwickshire's Public Health Director stated in her annual report:

"It is important that in uncertain times we continue to listen to each other's experiences and engage with the public to build trust as we begin to understand what the pandemic means in the longer term for public services and the economy. As COVID-19 becomes something that we have to live with it is imperative that we remain grounded and committed to improving health and wellbeing of Warwickshire's residents."

- 1.2 The Resolution Foundation has stated that 2022 is set to be the 'year of the squeeze' as wages stall and families face a £1,200 hit from next April as energy bills and taxes rise (link to [Dec 2021 press release](#)). There are increasing demands on Council services – and on children's and adult services in particular – which together with increasing inflation are leading towards extra pressures on resources. At the same time, the Local Government settlement is yet again a one-year settlement and the chancellor's actions

are forcing local authorities to cut services and raise Council tax and pass the burden directly onto residents.

- 1.3 As Warwickshire County Council heads towards adopting a new medium-term financial Strategy (MTFS) and as we look forward to recovery from the pandemic, the Liberal Democrats are setting clear priorities that will be used for all decision making.
- 1.4 Our priorities are to make Warwickshire:
 - **Fairer** – giving opportunities for all
 - **Caring** – for all our residents
 - **Greener** – Climate action now
- 1.5 The Liberal Democrat ambition is to build sustainable and resilient communities and reduce health inequalities, supporting young people, children and families, especially as they start to come out of this pandemic and move towards an endemic. To achieve this will require a new approach.
- 1.6 It is widely recognised that Council Tax is an unfair tax. The pressures on the residents of Warwickshire will increase over the year and we have therefore reduced the amount that will have to be paid. Savings are still unavoidable because of the impact of Government policy and with increasing inflation local government will once again be fighting to retain services. Where possible we need to give service areas the space they need to redesign and restructure themselves, so they can make the changes and operate in the post-pandemic climate.

Add the following bullet points to paragraph 1.7:

- 1.7 To ensure the finances of the Council are robust and sustainable we will:
 - Invest £0.400 million over the five years to deliver the Council's Outdoor Education Strategy (<https://democracy.warwickshire.gov.uk>). The strategy is a key component of a "Child Friendly Warwickshire"; supporting young people in their development. We see this as part of the day to business of the Council.
 - Increase investment over the next five years to £0.500m in support for those with Dementia and Alzheimer's and their carers. We recognise that Dementia and Alzheimer's will be increasing as the demographics towards a larger older population. The investment will support the development and implementation of dementia-friendly communities alongside the developing 'Living well with Dementia' strategy providing carers support for adults targeting hard to reach groups and young carers.
 - Invest £0.250 million a year in early intervention and prevention; supporting families and children especially in the early years. If levelling up is to work

greater investment is needed, especially as we emerge from the Pandemic towards an endemic situation.

- Invest £0.100 million to accelerate the work in communities around long covid as identified by the Director of Public Health in the Annual report 2020/21.
- Increase Community Councillor grants from £6,000 to £8,000 in 2022/23 to help boost local communities after covid, with at least £2,000 being awarded towards supporting young people.

Delete paragraph 1.11 and 1.12 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 a single fund with three targeted funding streams which will allow a more focused fund to enable:

- ❖ **A thriving Economy** - Business cases should seek to prioritise the strengthening of Warwickshire's towns and communities also by making us a leader in supporting a green economy targeting micro business as outlined in the recommendations of the CWLEP Growth Hub [Growth Hub Report](#);
- ❖ **Greener sustainable futures**, 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 alongside long covid, investment in community youth support work and in preventative public health work.

Delete the current paragraphs 1.15 and replace as follows:

1.15 We will deliver £10.0 million of budget reductions in 2022/23, increasing to £65.1 million by 2027, through better procurement, improvements in efficiency, increased income and delivering reductions in demand. We all use the services the County Council provides. We also represent and will deliver value for money for the taxpayers of Warwickshire.

Section 4: Revenue Allocations

Delete Section 4 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 £67.591 million.

- 4.2 We will provide £21.258 million for the estimated cost of pay and price inflation in 2022/23, 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 £46.333 million to meet additional spending need, of which £20.966 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 Allocations for future years, as listed in Appendices A and B as amended, are indicative at this stage. They are detailed as part of ensuring that our budget proposals are robust and sustainable over the medium term. We require the need for, and level of, all these allocations to be reviewed as part of the 2023/24 Medium Term Financial Strategy refresh.
- 4.5 We expect Services to manage all other issues in 2021/22 from within existing financial resource levels and support the planned use of £0.442 million of earmarked reserves to provide capacity to invest in service change and to allow space to effectively implement service redesign/reprioritisation.

Section 5: Funding Sources

Replace paragraph 5.4 as follows:

- 5.4 Our plan for budget reductions will generate savings of £9.998 million in 2022/23 and a further £55.105 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 2022/23 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 £19.123 million of reserves in 2022/23 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 £42.2 million of reserves, including £19.1 million in 2022/23, 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.

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 2022 of:

	Base Budget	Additional Investment	Funding Sources	Total
	£	£	£	£
Education Services	137,782,334	9,064,000	(572,000)	146,274,334
Environment Services	25,235,002	1,114,000	(1,286,000)	25,063,002
Fire and Rescue Service	21,437,143	1,242,000	(43,000)	22,636,143
Strategic Commissioning - Communities	22,205,051	2,773,000	(778,000)	24,200,051
Adult Social Care	157,536,241	14,374,000	(3,369,000)	168,541,241
Children and Families	67,025,880	10,966,000	(521,000)	77,470,880
Strategic Commissioning – People	34,649,376	2,094,000	(277,000)	36,466,376
Business and Customer Services	17,339,861	1,289,000	(490,000)	18,138,861
Commissioning Support Unit	4,751,954	651,000	(44,000)	5,358,954
Enabling Services	24,228,671	3,264,000	(2,055,000)	25,437,671
Finance	5,423,224	182,000	(79,000)	5,526,224
Governance and Policy	2,066,352	1,007,000	(128,000)	2,945,352
Other Services – spending	42,171,269	19,571,000	(356,000)	61,386,269
Other Services - schools and funding	(100,335,044)	0	(158,593,000)	(258,928,044)
	461,517,314	67,591,000	(168,591,000)	360,517,314
<u>Contributions to/(from) reserves:</u>				
- Service Reserves	(442,305)	0	0	(442,305)
- General Reserves	5,000,000	0	(19,123,081)	(14,123,081)
Budget Requirement	466,075,009	67,591,000	(187,714,081)	345,951,928

All other sections/paragraphs remain unchanged.