

COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

16 MARCH 2011

128. FINAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2011-2013

The Director of Finance reported that the Final Local Government Finance Settlement for 2011/2013 was announced on 31 January 2011 for debate in Parliament on 9 February 2011. Although it contained some minor changes to the Provisional Settlement that was announced on 13 December 2010 and reported to Cabinet on 13 January 2011, in general terms it confirmed the Formula Grant provisionally allocated to local authorities which, for Wirral, was a reduction of £14m.

In response to questions from Members, the Director indicated that the reduction in Formula Grant for Wirral and other North West local authorities was unprecedented and that representations that had been made to the DCLG had had little impact. In response to further comments, the Director stressed the importance of an accurate census return, as the information would affect future grant allocation.

It was moved by Councillor P Davies and seconded by Councillor A Jones –

“That Committee disagrees with the decision of the Government to front-load savings in local government budgets into 2011/2012.

It is also disappointing that no significant changes have been made in the £51m which Wirral Council will lose in their total allocation of funding from central Government in 2011/2012.

Committee also believes that the methodology used for distributing grant by the Government was grossly unfair in that it concentrated cuts on the areas of highest deprivation.

Committee asks the Cabinet to begin lobbying Government early in the new financial year to ensure that the funding position of Wirral Council is improved in future years”.

It was moved as an amendment by Councillor P Gilchrist and seconded by Councillor J Keeley –

“That Committee recognises that substantial changes in grant level have occurred and that the two year settlement requires the achievement of further savings.

In these conditions, Members are anxious that the case for settlements that reflect social conditions is made, especially where Councils are and have undertaken the cost saving exercises expected by this and previous Governments.

Accordingly, this Committee considers it prudent for Cabinet to prepare a submission for the DCLG outlining how Wirral has made savings, utilised its reserves and has secured efficiencies without compulsory redundancies but highlights the difficulties facing this Borough”.

The amendment was put and carried (6:4)

The amendment, then becoming the substantive motion was put and carried.

Resolved (6:4) (Councillors P Davies, D Dodd, A Jones and J Stapleton voting against) –

- (1) That Committee recognises that substantial changes in grant level have occurred and that the two year settlement requires the achievement of further savings.**
- (2) In these conditions, Members are anxious that the case for settlements that reflect social conditions is made, especially where Councils are and have undertaken the cost saving exercises expected by this and previous Governments.**
- (3) Accordingly, this Committee considers it prudent for Cabinet to prepare a submission for the DCLG outlining how Wirral has made savings, utilised its reserves and has secured efficiencies without compulsory redundancies but highlights the difficulties facing this Borough.**