



2017/18 Budget Proposals

Scrutiny Report of the Business Overview & Scrutiny Committee

January 2017

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1. INTRODUCTION

A dedicated 2017/18 budget proposals workshop for Members of the Business Overview and Scrutiny Committee was held on Monday 9th January 2017. This provided the committee with the opportunity to examine in greater detail a number of budget proposals affecting services that fall under the remit of the committee. The budget proposals selected for further examination were identified by the Chair and Party Spokespersons.

A brief presentation was made to Members at the workshop which outlined the Council's Financial Strategy. Although there were a number of questions / comments from Members on the presentation, this report only summarises the proposals scrutinised and the comments and suggestions of Members attending the workshop.

2. CAR PARKING

Summary of Proposal

A Increasing Car Parking Tariffs

The proposal is to increase charges at all Council operated car parks. All tariffs will be increased by £0.50 (fifty pence) at all car parks which would increase parking income by approximately £400,000. There is the risk that there may be a reduction in parking visits following the introduction of increased charges.

B Introducing Car Parking Charges in New Brighton and Other Shopping Centre Areas

The proposal is to introduce parking charges at on & off street parking locations in New Brighton (Fort Perch Rock car park and Marine Promenade). Based on the parking charges for Birkenhead the proposal is expected to generate increased income totalling £130,000.

Introducing car parking charges on-street and in currently free car parks in other Town Centre locations such as West Kirby, Hoylake, Heswall, Liscard, Bromborough, Bebington, Irby, Upton and Moreton is expected to generate further increased income of £370,000.

This would raise £250,000 in 2017/18 and a further £250,000 in 2018/19 and assumes an estimated 20% reduction in visitor numbers.

The proposal will require traffic regulation order consultation.

C Introducing Car Parking Charges in Country Parks

The proposal is to introduce parking charges consistent with those charged by other authorities for similar facilities, at the Parks and Countryside car parks at Arrowe Country Park, Eastham Country Park, Wirral Country Park, Royden Country Park with Birkenhead Park to be considered for implementation in April 2018. A flat rate tariff of £4.00 for an all-day ticket is suggested, with projected increased income of £400,000 (£200,000 in 2017/18 and a further £200,000 in 2018/19).

Surveys have identified that the parks and open spaces are a determining factor in choosing Wirral as a destination for visitors. The proposal may result in reduced visitor numbers to the Country Parks affecting the economy of the visitor centres and cafes. The projected income is based on an estimated 30% reduction in visitor numbers and is therefore a risk to the projected income.

The proposal will require traffic regulation order consultation.

Committee Members' Comments

- Clarification was sought regarding the proposals presented. Members were informed that there were three options. If all were implemented, the increased income would be £850,000 in 2017/18.
- There was concern among members that a rise in car parking charges in areas such as Liscard could discourage people from visiting the area. This may have a negative impact on other policies and initiatives designed to regenerate town centre areas. It was felt that any introduction or increase in car parking charges could harm the vitality of some of the borough's more fragile town centre and high street locations. The tension between parking charges and town centre / high street regeneration was acknowledged by officers.
- This view was echoed by Members referring to proposals to introduce parking charges in New Brighton. Members were concerned that after significant resources had been invested

into New Brighton to revitalise the area, the introduction of car parking charges may reverse this as people would not want to pay parking fees to use the leisure and shopping facilities.

- Members questioned the rationale behind the town centre locations chosen and queried whether research had been conducted into removing town centre car parking charges altogether in order to stimulate town centre economies as an alternative proposal. It was suggested that case studies may be obtained from other councils who have adopted this as an alternative approach.
- Members were concerned about the impact of a flat rate £4 parking charge at Wirral's country parks. It was felt that this would be unpopular with residents and would have an adverse impact on people who use the parks for a short time, such as dog walkers and on families with a limited income. It was also felt that this proposal was in opposition to Wirral Plan objectives to improve the health and well-being of Wirral residents, as the £4 charge may present a barrier to people accessing these facilities.
- Members welcomed plans to replace car park payment machines and introduce technology such as contactless and cashless payment options, mobile apps and card readers. The use of new machines and technology to provide more options for residents to pay parking charges potentially alleviating common frustrations associated with not having the correct change was welcomed.
- A question was asked around the planned public consultation. Members believed that in order for them to be able to discuss residents' concerns and respond to questions, a clear communication strategy was required on this issue. Members were informed that a statutory consultation would be conducted prior to the implementation of these proposals.
- Members questioned whether impact assessments had been carried out to measure the knock-on effect of parking charges on town centres or promenade areas, such as Hoylake and West Kirby. Increased congestion and parking pressure in near-by residential streets and the requirement for more resident parking schemes were potential consequences. Officers acknowledged that proposals were in early stages and these issues not yet been fully explored in detail.
- In response to Members concerns over these proposals, officers acknowledged that the introduction or increase in car parking tariffs may be unpopular with residents. The Council was faced with having to close a budget gap of £45 million in 2017/18 and that all proposals would not be popular. Member comments and potential mitigations were welcomed in this context. Members were informed that a number of other local authorities have introduced or raised parking tariffs recently.
- There was a request for more detailed information to be presented to Members around the car parking proposals. It was felt that data used by officers to produce the proposals should be made available to Members in order for effective scrutiny to be achieved. Officers agreed to provide further information to Members in the form of a presentation to the Business Overview & Scrutiny Committee at its next meeting on 24th January 2017.
- It was suggested that the public's views should be sought regarding what would be acceptable in terms of car parking tariffs. Such public consultation would strengthen any decisions made on this subject.

3. CAR PARKING MAINTENANCE

Summary of Proposal

The car parks maintenance budget of £100k is to be withdrawn in 2017/18 and then restored in 2018/19. This will result in no budget available for any maintenance of car parks during 2017/18.

Committee Members' Comments

- Although there will be no budget for maintaining car parks, Members were assured that any emergency works would be covered.
- An issue was raised that one of the reasons in applying charges for car parks should be about retaining them to a reasonable standard. It was commented that car park users will see charges increase, yet may see a potential deterioration in the condition of car parks.
- A Member suggested that capital financing should be considered instead of using revenue budget for car park maintenance. Officers clarified that capital could only be used for wholesale renewal works, such as drainage and new surfacing, and not for general day to day maintenance.
- A concern was raised in relation to the introduction of the new pound coin and the need to replace pay and display machine components to accommodate this. Members were informed that the machines have coin validation units and a supplier has been engaged to modify these at a reduced cost to Wirral's pay and display contractor.

4. ESTATES AND ASSET MANAGEMENT

Summary of Proposal

The target saving for 2017/18 is £700,000. This was based upon two areas being:-

- Fewer buildings, more sharing of work space, co-location and remote working
- More efficient use of existing buildings including carbon reduction

Vacating and rationalising buildings delivers direct cash savings in services costs, staffing costs and repair and maintenance costs but there are challenges associated with delivering this saving including:-

- Asset rationalisation and disposals take time.
- Assets linked to bigger projects which will have a bigger 'long term' prize.
- Dependant on wider reviews e.g. Leisure, Culture, Libraries.
- Working with our partners can be complicated.
- Market led for income charges.
- Tenancy changes can have significant budget impact.

Committee Members' Comments

- Members welcomed plans to co-locate and occupy fewer buildings, although concern was raised regarding the progress made since the issue was previously considered a number of years ago. Officers accepted this point and responded that the process had now started and was progressing well.
- On the proposal to reduce the desks to employees ratio to 6 desks per 10 employees, Members felt that this was ambitious and would require major cultural change. This was acknowledged and Officers stated that a number of good examples of agile working practices existed across the Council.

- A Member asked if there were any proposals to sell Brackenwood Golf Course as part of these proposals. Officers clarified that there were no plans to do this. The review of Wirral's leisure services was in progress and will report back with recommendations early in 2017.
- Members suggested that vacant Council property could be offered to voluntary and third sector organisations at reduced rates in order to receive some income. It was commented that Liverpool City Council currently does this. It was noted that the Council gifts commercial units to a number of charities and an option to negotiate some payment from these organisations in the future could be considered. Similarly, harder to let units could be offered at reduced rates.
- Zoning of land and the use of brownfield sites for development was discussed. This was linked to the Local Plan which would be the subject of further discussions in Spring 2017.

5. BUSINESS RATES

Summary of Proposal

This proposal represents increased Business Rates income of £900,000 in 2017/18. It was based on variations to the Rating List agreed by the Valuation Office before 31 March 2016 and followed consideration of applications for re-assessment.

During the year the Valuation Office concluded the periodic review of the Valuation List which becomes effective from April 2017. Businesses can currently appeal against the Valuations on the current Rating List and the new Rating List.

Wirral is part of the Liverpool City Region Business Rates Retention Pilot. Wirral presently receives a 'top-up' payment to the Business Rates collected locally and the Government is to announce the level of funding as part of the Local Government Finance Settlement.

The Business Rates Return recently issued by the Government is required to be submitted by 31 January 2017. At this stage the increased income for 2017/18 is likely to be in excess of £1.6 million (compared with the £900,000 previously projected because of the impact of the above).

Committee Members' Comments

- Members were supportive of this option and Officers provided responses to a range of questions relating to the operation of Business Rates and the implications of the move to 100% Retention of Business Rates.

6. BUSINESS RATES DISCRETIONARY RELIEF

Summary of Proposal

This option was to deliver savings of £300,000 through amending the Council Discretionary Rate Relief Policy.

The Council presently awards Relief totalling £690,000 to over 300 organisations who have been advised for a number of years that the Policy, which is agreed annually, is to be reviewed.

The Government has announced changes which increases the threshold for Business Rates exemption to a Rateable Value of £12,000 (increased from the previous £6,000). This means that a number of organisations no longer pay Rates, the Government compensating the Council for the loss of income and reducing the Relief payments by around £50,000. With a contribution from the Schools Budget of £100,000 in respect of Business Rates, a reduction in the Relief Budget of £150,000 is achievable.

The balance of £150,000 would come from a review of Charities and Sports Clubs which currently benefit from discretionary relief. This has clear links to the Wirral Plan and the supporting strategies including growth and leisure with implications in respect of youth and vulnerable groups. Given the issues the timing was such that this further sum was not deliverable from 2017/18.

Committee Members' Comments

- Members discussed the implications of the proposals and were generally of the view that any discretionary relief granted was in line with the aims of the Wirral Plan and that support provided from all partners should be taken 'in the round'. It was acknowledged that the Policy has to be agreed by the Council on an annual basis and the links to the Wirral Plan needed to be explored further before the Policy was amended.
- A potential role for Constituency Committees was suggested to provide support to charities, groups and sports clubs at the local level. Officers clarified that there was a statutory requirement to have a Discretionary Rate Relief Policy, although there may be an option for Constituency Committees to provide other support.

7. FEES & CHARGES - GENERAL

Summary of Proposal

A target of £1 million has been set for additional income from Fees and Charges which excludes the increased income options in respect of leisure and car parking.

All charges were being reviewed in order to reflect inflationary changes, full cost recovery and maximise income. At this stage £0.6 million has been identified from Registrars (income in excess of current budget by £0.1 million), advertising (additional £0.1 million from posters, internet, etc.), cemeteries and crematorium (additional £0.1 million) and recovering court cost fees (estimated at £0.3 million).

Work was on-going to identify other areas which included Adult Social Care, Children's Social Care and Environmental Services as well as any emerging opportunities from the Council operating on a more commercial basis.

Committee Members' Comments

- Members queried whether the Floral Pavilion was included in this proposal. Officers clarified that the Floral Pavilion was within the Leisure and Culture review which was currently in progress.
- Officers clarified that opportunities to increase income in Adult Social Services were related to care. The potential for increasing charges was being explored.

8. RANGE OF EFFICIENCIES

Summary of Proposal

This proposal involves achieving savings of £0.6 million across two main areas; Winter Road Treatment and Energy Efficiency. Investments into improved monitoring systems will allow winter road treatments to be more targeted than presently with a consequential reduction in salt usage. The Council has a target of 10% energy reduction in the coming year and a number of works have been identified to increase the energy efficiency in Council buildings.

Committee Members' Comments

- Members welcomed the savings initiatives and queried whether the Council could be more ambitious and invest in renewable energy with the aim of becoming energy independent in the future. Officers welcomed the suggestion and advised that longer term options were being explored alongside these shorter term energy reduction proposals.

Appendix 1 – Workshop Attendance

Members of the Business Overview & Scrutiny Committee:

Mike Sullivan (Chair)
Christine Spriggs
Steve Williams
Dave Mitchell
Ron Abbey
Tracey Pilgrim
Warren Ward
Anita Leech
Jean Stapleton
Chris Blakeley
Gerry Ellis
Jerry Williams
Denise Realey

Councillors also in attendance:

Phil Gilchrist
Jeff Green

Officers

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|-----------------|--|
| David Armstrong | Director for Business Services / Assistant Chief Executive |
| Tom Sault | Assistant Director : Finance / Section 151 Officer |
| Rob Clifford | Senior Manager – Commissioning |
| Steve Atkins | Parking Manager |
| Jeanette Royle | Senior Manager – Asset Management |
| Mike Lester | Scrutiny Officer |
| Patrick Torpey | Scrutiny Officer |