



ADULT SOCIAL CARE AND HEALTH COMMITTEE
Monday, 18 January 2021

REPORT TITLE:	BUDGET CONSULTATION
REPORT OF:	DIRECTOR OF RESOURCES

REPORT SUMMARY

This report forms part of the Council's formal budget setting process, as set out in the constitution and in accordance with the legal requirements to set a balanced and sustainable budget for 2021/22.

Policy and Resources Committee must recommend a 2021/22 balanced Budget proposal to the Council for its meeting in March 2021, it is good practice for service committees to consider and feedback on Budget proposals.

This is not a key decision.

RECOMMENDATION

The Committee is invited to comment and provide feedback on the budget proposals which fall under the remit of the Committee so that those comments can be presented for consideration to the Policy and Resources Committee in February 2021.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 Policy and Resources Committee (P&R) is required to recommend a Budget to the Council for its meeting in March 2021. The Council has to set a budget for 2021/22 by 11 March by law 2020. This report is a key step in facilitating the Policy and Resources Committee to be in a position to recommend a Budget proposal.
- 1.2 The Council's Budget supports the delivery of the Wirral Plan and is key to ensuring the Council is financially stable. Our residents and businesses expect to be informed and consulted about how services are going to be run and how their money is going to be raised and spent. The benefits of consultations are:
- to improve planning, policy and decision making
 - to make better use of resources
 - to access new information, ideas and suggestions
 - to encourage greater participation in the activities of the council
 - to govern by consent (a full and fair consultation, with careful consideration of all views, can strengthen the legitimacy of the prevailing view among those people not in favour of the final decision)
 - to measure residents' satisfaction with the council
 - to shape council activities around residents' needs and aspirations

2.0 OTHER OPTIONS CONSIDERED

- 2.1 No other options were considered as the views of the Policy Committees are sought to enable them to be submitted to the Policy & Resources Committee for consideration.

3.0 BACKGROUND INFORMATION

- 3.1 Views are being sought on the Council's future budget and spending priorities, which will be delivered through a programme of community and stakeholder consultation.
- 3.2 The public consultation began on 21 December 2020 and will finish on 22 January 2021. The objectives of the consultation are:
- **Understanding:** Stakeholders understand the scale of the budget challenge, and how we are going about overcoming it
 - **Engagement:** Stakeholders feel able to contribute and that their views are valued and are being considered
 - **Support:** Stakeholders support the budget proposals, appreciate the work which has been done to involve them, and understand the reasons for budget decisions
- 3.3 The roles of the Service Committees is to formalise any feedback from the workshops in November and December 2020 and provide feedback on the proposals to Policy & Resources Committee

4.0 FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications from this report, however the feedback requested is part of the consideration for the budget setting process, and as such, there could be financial implications.

5.0 LEGAL IMPLICATIONS

- 5.1 The Council is required to agree a budget for 2021/22 by March 2020. The Council must set the budget in accordance with the provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a statutory responsibility of the Council.
- 5.2 The provisions of section 25, Local Government Act 2003 require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the chief finance (s.151) officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. This is in addition to the personal duty on the Chief Finance (Section 151) Officer to make a report, if it appears to them that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.
- 5.3 It is essential, as a matter of prudence, that the financial position continues to be closely monitored. In particular, Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings.
- 5.4 Consultation must take place in accordance with the Council's duties under section 65 of the Local Government Finance Act 1992. It must be borne in mind that this is consultation on the budget proposals, not on the decision to take whatever decision is implied by the adoption of that budget. This is because the budget is a sufficiently high-level estimate or cap and, in relation to much of the estimated income and expenditure in exercise of the budget, not set in relation to the distinct decisions that will make up that expenditure throughout the year. As such, when setting and formulating the budget it would be difficult to compile a sufficiently detailed consultation document or undertake a focussed impact assessment.
- 5.5 It should be noted, however, that this exercise must also form the essential preliminary consultation under section 3 of the Local Government Act 1999 and section 27 of the Children and Families Act 2014, as well as due regard under section s.149 of the Equality Act 2010 (the public sector equality duty) and section 11 of the Children Act 2004 if consultation is necessary, where there is any significant, sufficiently focussed and, in financial terms, apparently rigid relationship of spending to a specific proposal, even if taken as part of the setting of a budget. The consultation process, including the Council's consideration of the responses, is

required to comply with the following overarching obligations (unless detailed statutory rules supplant these):

- Consultation must be at a time when proposals are at a formative stage.
- The proposer must give sufficient reasons for its proposals to allow consultees to understand them and respond to them properly.
- Consulters must give sufficient time for responses to be made and considered.
- Responses must be conscientiously taken into account in finalising the decision.

5.6 The results of the consultation exercises will form part of the report to Policy and Resources Committee. This will be under three headings and accompanying appendices concerning:

- (a) the public consultation responses, which will be presented in a form that allows the Policy and Resources Committee, and therefore full Council, to be able to give conscientious consideration to the consultation responses in making their recommendation and decision (This summary will also be shared with all Members at the earliest opportunity);
- (b) The responses of the individual policy and service committees, the collation of which forms the purpose of this report; and
- (c) Consultation and comments received directly from stakeholders and from other sources

5.7 This is the same whether or not a public body was required to consult or chooses to do so. This is because all of those rules are aspects of an overriding requirement for 'fairness'. The process must be substantively fair and have the appearance of fairness. The setting of the budget and council tax by Members involves their consideration of choices.

5.8 When considering options, Members must bear in mind their fiduciary duty to the council taxpayers of Wirral. Members must have adequate evidence on which to base their decisions on the level of quality at which services should be provided.

5.9 Where a service is provided pursuant to a statutory duty, it would not be lawful to fail to discharge it properly or abandon it, and where there is discretion as to how it is to be discharged, that discretion should be exercised reasonably.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 There are no implications for resources as a result of this report.

7.0 RELEVANT RISKS

7.1 The Council's ability to close the funding gap is highly dependent on the accuracy of assumptions used for Government funding and levies from other bodies, as well as demand estimates for Council services. As the Local Government Finance

Settlement only covers one year, the uncertainty around future funding over the MTFP period remains high.

- 7.2 A key risk to the Council's financial plans is that funding and demand assumptions in particular can change as more information becomes available. As such, the MTFP is regularly reviewed and updated as part of routine financial management.
- 7.3 There is a risk that external factors could impact on agreed savings, which means that may not be delivered or may be delayed. Progress on delivery of agreed savings will be monitored using Budget Monitoring reports presented to P&R Committee. As such the Council continues to hold a General Fund reserve of £10.7m. This represents a minimum level of contingency to support the organisation if savings cannot be delivered and no other options for mitigation can be identified.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 Views are being sought on the Council's future budget and spending priorities, which will be delivered through a programme of community and stakeholder consultation.
- 8.2 The Council has also worked with staff and Trade Unions where required to ensure obligations in relation to statutory staff consultation is delivered appropriately and within agreed guidelines.
- 8.3 Should any financial proposals agreed by Policy and Resources Committee require specific consultation, the Council will commence appropriate consultation directly with any service users and stakeholders who are affected and will feedback their views before final decisions are taken.

9.0 EQUALITY IMPLICATIONS

- 9.1 It is recognised that some of the developing proposals could have equality implications. Any implications will be considered and any negative impacts will be mitigated where possible.
- 9.2 Equality implications will be assessed during planning, decision and implementation stages and will be recognised as an ongoing responsibility. Equality issues will be a conscious consideration and an integral part of the process.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 No direct implications. The content and/or recommendations contained within this report are expected to have no impact on emissions of Greenhouse Gases.

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APPENDICES

Appendix 1 – Savings Proposals

BACKGROUND PAPERS

2021/22 Budget Transition Process (Policy and Resources Committee 7 October 2020)
Local Government Association: Consulting Residents

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Policy & Resources Committee	7 October 2020
Council	19 October 2020
Policy & Resources Committee	18 December 2020

Appendix 1 – Savings Proposals

Adult Care and Health Committee

In Wirral we want all our residents to have a good quality of life. Good health and wellbeing is key to this and achieving that is more than about health services. A good start in life, education, decent work and housing, the environment in which we live and strong and supportive relationships all play a part.

We're proud of our reputation that people tell their story once, to one healthcare professional, and they will design a personalised care package to meet those needs. Our system is easier to access, it is better value, and it provides better care.

Wirral is a place where older people are treated with dignity and respect, and where having a disability is never a barrier to leading a full and fulfilling life. We are an accessible borough, which welcomes diversity and champions inclusion and social cohesion. Where people need extra help to stay healthy, we commission outstanding services to help people live more healthily.

OPTION	VALUE	NARRATIVE
Wirral Evolutions review of day services for people with Learning Disabilities	£500,000	This option relates to a service review with the aim of modernising the current operating model and reduce the associated operating costs of delivering day services for people with Learning Disabilities. The review's aim is to manage the cost of current provision by service changes that could lead to savings of £500,000