

ENVIRONMENT, CLIMATE EMERGENCY & TRANSPORT COMMITTEE

Monday, 14 June 2021

REPORT TITLE:	2021/22 BUDGET MONITORING AND 22/23 BUDGET PROCESS
REPORT OF:	DIRECTOR OF RESOURCES

REPORT SUMMARY

On 17 March 2021, the Committee approved the process for monitoring the 2021/22 budget and for commencing the budget setting process for 2022/23. This report highlights these processes and includes further supporting information to ensure they can be followed.

The Committee is aware that the Ministry for Housing, Local Government and Communities have provided a conditional offer of exceptional financial support (capitalisation directive) for 2021/22 of up to £10.7m. One of the conditions of that offer is that the Council will need to provide evidence from the assurance review of the authority's financial position and its ability to meet any or all of the identified budget gap without any additional borrowing.

Therefore, it is vitally important that the Council has robust processes in place to manage and monitor the in-year financial position, to ensure it is reporting a forecast balanced position to the end of the year and that the process for 22/23 budget setting is underway early so that an agreed budget can be agreed by Full Council in March.

2021/22 Budget Monitoring

The report updates on the position for the 2021/22 budget and the role of the Committees in monitoring the budget during the year. This enables Committees to take ownership of their specific budgets and provide robust challenge and scrutiny to Officers on the performance of those budgets. Supporting information is provided to the Committee in order for this to happen as part of the appendices. The Committee is accountable for ensuring that the committee budget remains within the relevant envelope and will take collective responsibility via the Policy and Resources Committee to ensure that the whole Council budget remains in balance at all times, by agreeing mitigating actions to bring the budget back in line, should a deficit be forecast.

To enable committees to manage and monitor budgets effectively in year, a suite of detailed information will be provided on a quarterly basis:

- Full revenue budget monitoring report for the preceding quarter
- Full list of budget savings proposals and the progress for their achievement
- Full list of reserves allocated to the Committee for future on-off commitments
- Full capital budget monitoring report for the preceding quarter

- Other specific information relevant to the individual committee

In addition, committees who have requested it, will be provided with an exception report on a monthly basis, outside of the quarterly monitoring process. This will be a summary report and will highlight any known significant changes from the previous quarterly forecast that require the committees attention

2022/23 Budget Process

Members will note that one of the key documents required to enable the Council to receive approval for exceptional financial support was a balanced five-year medium term financial plan (MTFP). A summary of this was provided in the budget report to the Committee on 17 March 2021. This document was prepared by Officers and now requires committee oversight and approval. The Committees will consider whether the proposals included in the MTFP for the 2022/23 budget, and beyond, are to be taken forward or whether they are to be replaced by alternative proposals that the committee recommend.

Officers have prepared a suite of documents included within the appendices to support the Committee in its role of contributing to the budget setting process.

Each committee, supported by the officers, is accountable for identifying, developing and agreeing savings proposals during the summer to ensure a draft balanced budget can be considered by the Policy and Resources Committee in October 2021, to enable budget consultation to start in a timely manner in November 2021.

To enable the officer budget proposals to be scrutinised by the Committee, it is recommended that a budget working group be established to consider the content of the MTFP and make recommendations into the committee on the viability of the proposals, the robustness of the pressures/growth items and to recommend any additional proposals that the Committee require officers to prepare.

This matter affects all Wards within the Borough and is not a key decision.

RECOMMENDATION/S

That Environment, Climate Emergency and Transport Committee:

1. Note the content of the report and the current forecast position of savings for 2021/22 and the ongoing work being undertaken to mitigate any under-achievement.
2. Agree to include the current proposals within this report from the Medium Term Financial Plan from 2022/23 – 2025/26 and the Director of Neighbourhoods to develop them into full business cases, where appropriate, for inclusion in the 2022/23 budget proposals to Policy and Resources Committee at its October meeting for approval.
3. Convenes a series of budget workshops to identify any alternative savings/income/reductions in pressures to ensure that a full suite of costed and deliverable proposals can be recommended to the Policy and Resources Committee at its October meeting for approval.

4. Commence the Zero Based Budgeting project within the budget workshops to contribute to the overall savings target of £170k in 2021/22

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The 2021/22 Budget was agreed at Full Council on 1 March 2021. This budget was made up of savings proposals, pressures/growth items and funding that were based on either actual known figures or best estimates available at the time. At any point during the year, these estimated figures could change and need to be monitored closely to ensure, if adverse, mitigating actions can be taken immediately to ensure a balanced forecast budget can be reported to the end of the year.
- 1.2 The 2022/23 budget is required to be agreed by full Council no later than 11 March each year. Members should be engaged as early as possible in this process to have time to consider and recommend proposals to be able to present a balanced budget to full Council and to allow sufficient time for a meaningful public consultation exercise.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The Committee could choose to not engage in the budget monitoring process for 2021/22 which could result in an overspend position for 2021/22 being reported.
- 2.2 The Committee could choose to not engage in the budget setting process for 2022/23 which could result in the inability to recommend a balanced budget to full Council in March 2022.
- 2.3 Both of these options would result in an unbalanced budget which is unlawful. Under these circumstances, the Section 151 Officer would be required to issue a section 114 notice and report this to all Members of Full Council. The outcome of which would result in intervention by Government.
- 2.4 The Committee can decide to establish their own process for monitoring the 2021/22 in-year budget and setting the 2022/23 budget. This would need to be agreed at the 29 June Policy and Resources Committee which reduces the time available to implement mitigating actions, where an adverse 2021/22 forecast maybe found.
- 2.5 This also reduces the time available for the identification and agreement of proposals to be included in the 2022/23 budget. Either of these delays could put the ability to present a balanced 21/22 and 22/23 budget at risk and increase the risk.

3.0 BACKGROUND INFORMATION

- 3.1 At its Committee in March, the Policy and Resources Committee agreed the process for managing and monitoring the 2021/22 budget. This process is as follows:

2021/22 Budget Monitoring

- 3.2 Committee's will be accountable for ensuring that the budget remains within the relevant envelope for each committee and will take collective responsibility via the Policy and Resources Committee to ensure that the whole Council budget remains in balance at all times or provides mitigating actions to bring the budget back in line, should a year end deficit be forecast.
- 3.3 To enable committees to manage and monitor budgets effectively in year, a suite of detailed information will be provided on a quarterly basis:
- Full revenue budget monitoring report for the preceding quarter (available at the end of Quarter 1)
 - Full list of budget savings proposals and the progress for their achievement (Appendix 1)
 - Full list of reserves allocated to the Committee for future on-off commitments (Appendix 2)
 - Full capital budget monitoring report for the preceding quarter (available at the end of Quarter 1)
 - Other specific information relevant to the individual committee
- 3.4 Committees had previously requested a budget book that detailed the individual budgets for each committee. The full budget books are extremely detailed and could contain hundreds of separate lines and would be more conducive to a workshop where these can be scrutinised and discussed in detail. It is recommended that a budget working group is established by the Committee, convened immediately, that would meet throughout the summer to:
- Oversee the monitoring of the 2021/22 in-year budget.
 - Review the detailed budgets for the committee.
 - Undertake the Zero Based Budgeting exercise (paragraph 3.17)
 - Identify proposals/scrutinise pressures to be included for the 2022/23 budget (paragraph 3.23)
- 3.5 Committees have the autonomy to vire (transfer) budgets from one function to another within their overall committee budget envelope. Virements will be also agreed by the Section 151 Officer as there are certain conditions where budgets are not allowed to be vired for the purposes of gaining a specific benefit e.g. where budgets from supplies budget headings are vired to employees budget headings to take advantage of an uplift for pay inflation.
- 3.6 Each committee will be responsible for remaining within its overall budget envelope and not overspending. Where an adverse variance is forecast, each committee will be required to take remedial action to bring the budget back in line and ensure that overspends are mitigated.
- 3.7 Where a committee has taken all possible steps for remedial action and is unable to mitigate an overspend, this must be reported to the P&R Committee who will take an organisational view of how this adverse variance will be managed. There must be

immediate action agreed to ensure a forecast balanced budget can be reported, and this will be monitored by the P&R Committee.

- 3.8 Whilst each committee is required to remain within its annual budget envelope, there may be reasons for committees to report a favourable variance in-year. Committees wishing to use any forecast underspend must have approval from the P&R Committee to do this. The council cannot be in a situation where one committee is forecasting an overspend that it is unable to mitigate, and another committee is forecasting an underspend and utilises this for its own purposes.
- 3.9 The P&R Committee has overall responsibility for taking any necessary steps required to ensure a whole Council budget can report a balanced budget throughout the year.

2021/22 Interim Budget Forecast

- 3.10 The savings for Committee for the year are forecast to be off target for achievement. The total anticipated achievable value is £1.896m against an agreed value of £3.305m. There are some assumptions built into this forecast achievement.
- 3.11 The following savings are the subject of separate reports on this agenda:
- Car Parking £1m
 - Environmental Enforcement £0.15m
 - Reduction in grass cutting £0.25m
 - Amenity space maintenance cessation £0.1m
- 3.12 It is assumed that the Committee will agree preferred options to make these saving at this June committee and that these will be implemented as soon as practically possible.
- 3.13 For car parking, a reduction in grass cutting and amenity space maintenance cessation, an 8 month saving is assumed to be achieved. For environmental enforcement a 6 month saving is assumed to be achieved. If the Committee does not agree preferred options, then this saving will be delayed further.
- 3.14 The saving relating to the Roydon Park development will not be achieved in year due to ongoing discussions regarding the facility and the site. This saving will remain in the budget and will be carried forward to be achieved in 2022/23. It may be possible to offset this saving in year with additional income from commercial activity across other sites. An update will be provided in the end of June monitoring report (Quarter 1) but for now the saving remains risk rated as red.
- 3.15 The saving relating to LED replacement will not be fully achieved in year. The saving originated from the business case for LED replacement that was developed in 2018 as a result of a successful application for a SALIX loan. Since the original case was developed, the trajectory of the savings and loan repayments have been reviewed. It is anticipated that this saving could be achieved via other energy efficiencies across the organisation. An update will be provided at Quarter 1 but for now the saving remains risk rated as red.

- 3.16 As described in 3.4, it is recommended that the Committee convene a budget workshop to determine whether there is potential for full year savings to be achieved for the items described in 3.10 or whether any alternative savings can be made.

Zero Based Budgeting

- 3.17 As part of the 2021/22 budget, a savings proposal of £170k to carry out a zero based budgeting exercise was agreed. Zero basing is a method of budgeting in which all expenditure must be justified before it is agreed. The process starts from a 'zero base' i.e. a zero budget and every function within the area is analysed for its needs and costs. Budgets are then built around what is needed for the following period, regardless of whether each budget is higher or lower than the previous one.
- 3.18 The process can be time-consuming and is usually undertaken in advance of the following years budget setting. The proposal for £170k saving recognises that this is a part year saving and should provide an indication of further savings that could be achieved in 2022/23.
- 3.19 In order for this saving to be achieved in-year, it is recommended that Members of the budget workshops, supported by Officers, start the zero basing in July. Officers will shortly be undertaking a 'spring-clean' of budgets to ensure that the current activity is correctly reflected in the budgets in order for the zero-basing to be undertaken effectively.

2022/23 Budget Setting

- 3.20 The process for setting the 2022/23 will commence immediately. Officers, to satisfy the requirement of MHCLG for exceptional financial support, have compiled a five-year medium term financial plan (MTFP). Committees will consider whether the proposals included in the MTFP for the 2022/23 budget, and beyond, are to be taken forward or whether they are to be replaced by alternative proposals that the committees recommend.
- 3.21 The budget gap for the Council for 2022/23 currently stand at £19.5m. At the Policy and Resources Committee on 17 March, a full list of proposals were included in the budget report that balanced this gap. Since then, as Officers have been reviewing these proposals, some of these values are currently at risk and there now remains a forecast unmitigated budget gap, of around £5m.
- 3.22 In readiness for the first committees of the new municipal year, Officers have prepared a suite of documents for the committees. These are:
- List of future years savings and pressures included within the MTFP (Appendix 4)
 - Summary business cases for each of the savings' proposals in the MTFP for 2022/23 and whether any specific consultation is required for each one (Appendix 5)
 - Summary business cases for each of the perceived pressures/growth items in the MTFP with supporting evidence as to how they have been estimated (To be included as part of the budget workshops)
 - Oversight of all savings proposals and growth/pressures over the medium term for Members to ensure no duplication or contradiction across Committees (To be included as part of the budget workshops)

3.23 Included within the MTFP for 2022/23 are the following proposals:

3.23.1 Transport – this is an organisational review of transport across all Directorates and includes Home to school transport within Children and Young People, Council fleet vehicles, grey fleet and the assessment of eligibility criteria for any transport provision. An element of this review, Home to School Transport for post 16 is the subject of a proposal on the Children, Young People and Education Committee. As this review is cross cutting, the areas of the review will be presented to the relevant committees but as transport falls under the ownership of this Committee, a link back will be provided.

3.23.2 Nature friendly open spaces – see Appendix 4

3.23.3 Review of Neighbourhood Services Directorate – as the Directorate moves towards new ways of working and more modern and efficient working practices, there will not be a requirement for the same number of staff in the Directorate. Continuing the process for requests early voluntary redundancy, as happened this year is anticipated to achieve these savings over the medium term.

3.24 Each committee, via the budget working groups, will be accountable for identifying, developing and agreeing savings proposals during the summer to meet the 2022/23 budget gap and ensure a draft balanced budget can be considered by the P&R Committee in October 2021, to enable budget consultation to start in a timely manner in November 2021.

3.25 It is recommended that the budget workshops not only identify additional savings proposals to meet the gap but to scrutinise and challenge the pressures and growth items included in the MTFP for 2022/23 to see if these can be reduced.

Exceptional Financial Support

3.26 Members will be aware that in March, MHCLG provided a conditional offer of Exceptional Financial Support (EFS) to the Council of up to £10.7m to support the indirect pressures forecast as an ongoing impact of Covid-19 in the 2022/23 budget. One of the conditions of that offer was that an external assurance review would be commissioned by MHCLG.

3.27 In preparedness for this review, the Council has been working with the Chartered Institute of Public Finance and Accountancy (CIPFA) to carry out an interim assessment of MTFP and a high level review of the cost of the services the Council provides. Further information regarding EFS can be found at Appendix 5.

4.0 FINANCIAL IMPLICATIONS

4.1 This report describes the process for 2021/22 budget monitoring and 2022/23 budget setting. Included within it are the current financial forecasts for both years. Therefore, all the financial implications are included within the body of the report.

5.0 LEGAL IMPLICATIONS

- 5.1 The role of the Policy and Resources Committee, in consultation with the respective Policy and Service Committees, has been charged by Council to formulate a draft Medium Term Financial Plan (MTFP) and budget to recommend to the Council.
- 5.2 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. Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget. These provisions require the Council to make prudent allowance for the risk and uncertainties in its budget and regularly monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.
- 5.3 Section 30(6) of the Local Government Finance Act 1992 provides that the Council has to set its budget before 11th March in the financial year preceding the one in respect of which the budget is set.
- 5.4 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.
- 5.5 Consultation must take place in accordance with the Council's duties under section 65 of the Local Government Finance Act 1992. The detailed summary of responses provided are attached in the appendix to this report. 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. 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):
 - (a) Consultation must be at a time when proposals are at a formative stage.
 - (b) The proposer must give sufficient reasons for its proposals to allow consultees to understand them and respond to them properly.
 - (c) Consulters must give sufficient time for responses to be made and considered.
 - (d) Responses must be conscientiously taken into account in finalising the decision. 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.
- 5.6 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.

- 5.7 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.
- 5.8 The report sets out the relevant considerations for Members to consider during their deliberations and Members are reminded of the need to ignore irrelevant considerations. Members have a duty to seek to ensure that the Council acts lawfully. Members must not come to a decision which no reasonable authority could come to; balancing the nature, quality and level of services which they consider should be provided, against the costs of providing such services.
- 5.9 There is a particular requirement to take into consideration the Council's fiduciary duty and the public sector equality duty in coming to its decision.
- 5.10 The public sector equality duty is that a public authority must, in the exercise of its functions, have due regard to the need to: (1) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; (2) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and (3) foster good relations between persons who share a relevant protected characteristic and persons who do not share it
- 5.11 Any decision made in the exercise of any function is potentially open to challenge if the duty has been disregarded. The duty applies both to Full Council when setting the budget and to the Policy and Services Committees when considering decisions.
- 5.12 Once a budget is in place, Council has delegated responsibility to the Policy and Services Committees to implement it. The Committees may not act contrary to the Budget without consent of Council other than in accordance with the Procedure Rules set out at Part 4(3) of the Constitution.
- 5.13 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.
- 5.14 Members are also individually reminded that Section 106 of the Local Government Finance Act 1992 applies to this meeting. Members who are two months or more in arrears with their Council Tax must declare this to the meeting and must not vote on budget recommendations, as to do otherwise can be a criminal offence.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 At this time, there are no additional resource implications as these have already been identified for the proposals agreed and submitted. However, where the budget is unbalanced and further proposals are required, then there will be resource implications, and these will be addressed within the relevant business cases presented to the Committee.

7.0 RELEVANT RISKS

- 7.1 The Council's ability to maintain a balanced budget for 2021/22 is dependent on a static financial position. This is an impossible scenario due to estimated figures being provided in the calculation for the 2021/22 budget, albeit the best estimates that were available at the time, plus any amount of internal and external factors that could impact on the budget position in year. Examples of which are new legislation, increased demand, loss of income, increased funding, decreased funding, inability to recruit to posts, ongoing impact of the pandemic etc
- 7.2 A robust monitoring and management process for the 2021/22 budget must be agreed and in place as soon as possible. If at any time during the year an adverse position is forecast, remedial action must be agreed and implemented immediately to ensure the budget can be brought back to balanced position.
- 7.3 The risk of this not being able to be achieved could mean that the Council does not have enough funding to offset its expenditure commitments for the year and therefore not be able report a balanced budget at the end of the year. This could result in the Section 151 Officer issuing a Section 114 notice.
- 7.4 The budget agreed by full Council on 1 March 2021 for 2021/22 was underpinned by an offer of a maximum of £10.7m exceptional financial support provided by MHCLG. This offer was conditional and is described in paragraph 3.21. If the Council does not accept recommendations made from the external assurance review, this may put the offer of the exceptional financial support at risk. If the Council is not able to report a balanced budget without some or all of the exceptional financial support, this may also result in the Section 151 Officer issuing a Section 114 notice in year.
- 7.5 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.
- 7.6 Under the system of retained Business Rates, Authorities benefit from a share of any increased revenues but are liable for at least a share of any falls in income (subject to safety net triggers) and any non-collection. This includes reductions arising from appeals relating to past years which partially fall on the Authority. These risks are mitigated through a combination of the operation of the Collection Fund, General Fund Balances and a Business Rates Equalisation Reserve.
- 7.7 The MTFP currently presents a balanced budget over a five-year period. If the committees are not minded to accept the proposals included by officers in the MTFP, especially for the 2022/23 budget, alternative proposals need to be identified and agreed as soon as possible. A delay in agreeing these may put the timetable for setting the 2022/23 at risk and may result in a balanced budget not being identified in time for the deadline of 11 March 2022.
- 7.8 The five-year MTFP is based on current estimated information available. A four-year comprehensive spending review (CSR) is anticipated from Government from 2022/23. Assumptions have been made in the current MTFP for income and funding from business rates and council tax and social care grants as the main sources of

funding. If there is an adverse change to these assumptions as a result of the CSR, additional savings proposals or reduced expenditure would need to be identified as soon as possible to ensure a balanced five-year MTFP can be achieved. Committees will be kept updated with any announcements regarding the CSR through the year.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 Consultation has been carried out with the Senior Leadership Team (SLT) in arriving at the governance process for the 2021/22 budget monitoring process and the 2022/23 budget setting process. SLT have compiled the MTFP.
- 8.2 Since the budget was agreed at Full Council on 1 March, some proposals may have been the subject of further consultation with Members, Customer and Residents. The details of these are included within the individual business cases or are the subject of separate reports to the Committee

9.0 EQUALITY IMPLICATIONS

- 9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.
- 9.2 At this time, there are no further equality implications as these have already been identified for the proposals agreed and submitted. However, where the budget is unbalanced and further proposals are required, then there may be equality implications associated with these, and these will be addressed within the relevant business cases presented to the Committee.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 At this time, there are no additional environmental and climate implications as these have already been identified for the proposals agreed and submitted. However, where the budget is unbalanced and further proposals are required, then there may be environment and climate implications associated with these that will be addressed within the relevant business cases presented to the Committee.

REPORT AUTHOR: Shaer Halewood
(Shaer Halewood, Director of Resources (S151 Officer))
telephone: Tel: 0151 691 8688
email: shaerhalewood@wirral.gov.uk

APPENDICES

- Appendix 1 Achievement of 2021/22 approved savings
- Appendix 2 Committee Reserves
- Appendix 3 Future years savings proposals and Growth/Pressures
- Appendix 4 Summary Business case for 2022/23 saving
- Appendix 5 Exceptional Financial Support

BACKGROUND PAPERS

MHCLG Exceptional Financial Support Offer Letter

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Policy and Resources Committee	17 March 2021
Full Council	1 March 2021
Policy and Resources Committee	7 October 2020

APPENDIX 1

Progress on the achievement of approved 2021/22 Budget Savings

Saving Title	Agreed Value	Forecast Value	RAG Rating	Comments
LED savings	£1.3m	£0.4m	Red	The 21/22 saving originated from the business case for LED replacement in 2018/19 and was the anticipated achievable saving at the time. As a result of delays in street light replacement due to Covid-19, this saving will not be fully achieved in year
Additional and increased car parking charges	£1.0m	£0.66m	Amber	The options paper to determine how the saving will be made presented to June Committee, resulting in a part year delay
Targeted and Discretionary Environmental Enforcement	£0.15m	£0.075m	Amber	The options paper to determine how the saving will be made presented to June Committee, resulting in a part year delay
Roydon Park Commercial Development	£0.08m	£0.08m	Red	Saving will not be achieved this year due to the requirement for consultation
Reduction in grass cutting and maintenance of verges	£0.25m	£0.175m	Amber	The options paper to determine how the saving will be made presented to June Committee, resulting in a part year delay
Amenity space maintenance cessation	£0.1m	£0.075m	Amber	The options paper to determine how the saving will be made presented to June Committee, resulting in a part year delay
Review of the Neighbourhood Services Directorate	£0.35m	£0.35m	Green	On target to be achieved
Contract efficiency savings with BIFFA	£0.075m	£0.075m	Green	On target to be achieved
TOTAL	£3.305M	£1.896M		

APPENDIX 2

List of Reserves as at 1 April 2021

	£
Parks Tree Maintenance	-374,464
Health & Safety Flood Prevention	-454,706
Community Safety Initiatives	-554,771
Weed Spraying : Mitigate against additional costs	-40,793
Litter Enforcement - development of initiatives	-48,702
Environmental Health F.S.A. Backlog	-28,429
Trading Standards	-25,146
Health & Safety Armed Forces Welfare Pathway	-13,985
BikeSafe	-9,904
Repairs & Maintenance upgrades on Public Conveniences	-7,800
Coastal Protection	-35,411
LAMPS to Concerto system replacement	-1,659
Anti Social Behaviour	-112,188
Environmental Health	-300,000
Climate Emergency	-100,000
Committee Total	-2,107,959

APPENDIX 3

Future years budget proposals and Pressures/Growth Items

Savings Proposals	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Transport Saving	1.0			
Nature friendly open spaces		0.1	0.1	0.05
Camper Van income	0.1			
Review of the Neighbourhood Services Directorate	0.15	0.15	0.15	0.15
Total	1.25	0.25	0.25	0.20
Pressures/Growth Items				
Merseytravel Levy	1.99	0.39	0.39	0.39
Waste Contract Annual Inflation	0.31	0.32	0.33	0.34
Waste Levy Increase	2.90	0.20	0.20	0.20
Food waste recycling		1.80		
Total	5.20	2.71	0.92	0.93
Net Pressures	3.95	2.46	0.67	0.73

Title: Nature friendly Parks and Open Spaces	
Committee: Environment, Climate Emergency and Transport Committee	
Ref no: NEI1	Action Category: Reduced Service Offer
SLT Owner: Nicki Butterworth	Lead Officer: Colin Clayton
Wirral Plan: Sustainable Environment	
Wards Affected: All	
Statutory: No	
Proposal: To enhance maintenance standards in some parks and open spaces and to rewild areas of others to promote nature and improve the diversity of flora and fauna.	
Supporting Information: The approach to be adopted would be to build on the 21-22 budget options to see the development of a balanced approach to all Parks and Open Spaces between the traditional, formal “manicured” look valued by many park visitors and more informal natural appearance. This would align with our Climate Emergency Policy, Tree Strategy and Pollinators Strategy. Though a ‘desktop’ study has been undertaken, each site would be evaluated for suitability of the natural approach depending on usage of the site and its physical attributes. For all sites the natural approach could include: Grass Cutting: relaxing the mowing regime further to provide a range of grass land habitats from short to long. Paths and edges mowed short, neat and tidy. Some open areas managed as hay meadow to provide habitat, species variety, seeds for birds and small mammals. Reduce grass cutting under tree Borders: introduce wildflower areas to increase diversity, more use of herbaceous and perennial planting. Wildflower banking and short cut grass Shrubs and ground cover: mix of ornamental and native shrubs and ground cover to provide food and habitat for birds and small mammals. Chemicals: except for the use of chemicals to treat invasive species such as Japanese Knotweed we ceased the use of Glyphosate and other herbicides in parks and open spaces in 2019. The ongoing testing of non-chemical and mechanical methods of vegetation control to replace chemical sprays around furniture etc. would continue. Ponds and Wetlands: work would be considered as to how the service could improve the quality of existing ponds and create new small ponds and wet habitat particularly for amphibians if possible. Trees: as part of the ambitious tree strategy the parks service plans to increase the number and variety, including fruit trees, retain deadwood and older trees to support insect, bird and bat populations. Leaving more leaves in less formal areas for habitat and soil improvement where appropriate and to support local ecology.	

This strategy would be phased over a period allowing consultation with and the response from residents to be assessed and reacted to. Over a period of ten years all machinery would be replaced to ensure the natural all areas can be suitably mown and kept tidy.

We will look to some sites being re-purposed either as community facilities or released for other purposes.

Budget Impact in Subsequent Years:

2023/24: -£0.1m;

2024/25: -£0.1m

2025/26: -£0.05m

Impact on Residents:

To support the implementation there is a full communications strategy including information on the website; every Member has been provided with details on the options for Members or local communities to take on the land or swap for another area in their ward of the same maintainable standard. There is a £30k Climate Emergency fund available to pump prime suitable areas for Communities to take over and locally manage the land for the use of their community, (subject to the proposals aligning with the Climate Emergency Objectives).

There will be some residents that will question this approach, however it is intended to widely publicise this initiative and engage widely with community groups, particularly schools to describe the benefits of this approach and the ongoing opportunities.

Impact on Staff:

As the extent of 'natural' areas extend there will be a gradual reduction in the staff required to maintain the Councils 240 parks and open spaces. There is not an absolute link between the amount of area 'naturalised' and the number of staff required as such areas require some maintenance, albeit of a different type. Nevertheless, it is likely there will be a reduction of approximately 10 staff in 2022/23. Subsequent years will see a reduction of about 4 FTEs per year (2 in 2025/26). This should be covered by expected EVR applications.

Impact on Assets:

Within the 2020/21 budget proposal there was a £100k capital requirement scoped out and included in the original proposals to buy new machinery capable of cutting long grass without burning out the belts.

The impact on the Councils open space asset would be minimal unless it was decided to release a site for an alternative purpose.

Impact on Other stakeholders:

It would be intended to engage as many Friends groups as possible in the initiative.

Impact Assessment - Organisational:

There would be limited impact on the remainder of the organisation.

APPENDIX 5

Exceptional Financial Support

In March, the Ministry for Housing, Communities and Local Government (MHCLG) made an offer of £10.7m to the Council for exceptional financial support, sometimes called a capitalisation direction of capitalisation directive. This means that MHCLG approved the Council, in principle, to borrow £10.7m of funds to help ensure a balanced budget could be agreed by Full Council on 1 March. Borrowing to fund revenue (day to day) expenditure is not normally allowed under law, but on this occasion, a special case was put to HM Treasury and approved.

The Council had not been able to identify sufficient savings to balance the budget, due to additional financial pressures present as a result the outcome of Covid-19. Such pressures include Adults and Childrens Social Care increases, SEN transport increases and Homelessness increases. Ordinarily, a Council would use its reserves and balances to help balance its budget in times of crisis and would not have to apply for exceptional financial support, however the Council does not have the level of reserves and balances to be able to do this.

The borrowing has to be paid back over a 20 year timeframe and costs the Council an additional 1% in interest over and above what it would it normally expect to pay, so it is prudent for the Council to identify any further proposals to reduce the level of exceptional financial support that it requires, so that the interest payments can also reduce.

The offer of exceptional finance support from MHCLG came with conditions which included an external assurance review that would review the authority's financial position and its ability to meet any or all of the identified budget gap without any additional borrowing. Therefore, as part of the external assurance review, MHCLG will be looking for areas that the Council can reduce it's expenditure so that it may not have to provide all or any of the exceptional financial support offered.

This means that a further £10.7m proposals could be recommended to be implemented in year. If the Council fails to comply with MHCLG recommendations, the exceptional financial support may not be provided and a balanced budget could not be forecast to the end of the year.

In this circumstance, the Section 151 Officer would have to issue a Section 114 notice which states that the Councils' expenditure exceeds its funding and this would be reported to Full Council. The outcome of this would result in Government intervention and Commissioners appointed to manage the financial affairs of the Council. During the period of issuing a Section 114 notice, only statutory and contracted expenditure is allowed to take place, all other expenditure must stop.