



Council

Budget Meeting Supplement 2

Town Hall
Wallasey

1 March 2012

Dear Councillor

Attached are further additional papers for the meeting of the Council to be held at **6.15 pm on Thursday, 1 March 2012** in the Council Chamber, within the Town Hall, Wallasey, which should be read in conjunction with the two Council Summons' dated 22 and 29 February:

Contact Officer: Andrew Mossop
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AGENDA

4. MINUTES (Pages 1 - 8)

To receive as a correct record the minutes of the meeting(s) of the Council held on 13 February, 2012 and the reconvened meeting on 20 February.

In relation to minute 110, Leader's Announcements, the list of Cabinet appointments is attached.

6. MATTERS REQUIRING APPROVAL BY THE COUNCIL

6b PAY POLICY STATEMENT 2012/13

The following matter will also be referred to the Council by the Employment and Appointments Committee at its meeting on 28 February, 2012:

- Pay Policy Statement 2012/13 (Minute attached)

The Localism Act 2011, requires the Council to approve a Pay Policy by 31 March, 2012.

7. MATTERS REFERRED FROM OVERVIEW AND SCRUTINY COMMITTEES (Pages 11 - 16)

To consider and determine any references from overview and scrutiny committees, in particular any referrals from the special meeting of the Council Excellence O&S Committee at its meeting on 28 February, 2012.

8. MATTERS FOR DEBATE (Pages 17 - 22)

Pursuant to Standing Order 5(2)(n), and in accordance with Standing Order 5(4), to consider written comments, objections or amendments to minutes submitted under Standing Order 7(2) and 13.

In accordance with Section 25 of the Local Government Act 2003, the Director of Finance will submit (separately) a written report on each set of proposals, giving his view on their robustness.

9. VACANCIES (Pages 23 - 24)

To receive nominations, in accordance with Standing Order 25(6), in respect of any proposed changes in the membership of the Cabinet and committees, and to approve nominations for appointments to outside organisations.



Director of Law, HR and Asset Management

COUNCIL

Monday, 20 February 2012

Present: The Mayor (Councillor Moira McLaughlin) in the Chair
Deputy Mayor (Councillor Gerry Ellis)

Councillors	RL Abbey	T Harney	D Realey
	T Anderson	P Hayes	L Rennie
	C Blakeley	A Hodson	D Roberts
	E Boulton	M Hornby	L Rowlands
	A Bridson	P Johnson	J Salter
	A Brighthouse	M Johnston	H Smith
	S Clarke	AER Jones	T Smith
	W Clements	C Jones	W Smith
	A Cox	P Kearney	J Stapleton
	J Crabtree	J Keeley	A Sykes
	G Davies	S Kelly	S Taylor
	P Davies	B Kenny	J Walsh
	WJ Davies	I Lewis	G Watt
	D Dodd	A McArdle	S Whittingham
	P Doughty	D McCubbin	R Wilkins
	D Elderton	AR McLachlan	I Williams
	S Foulkes	C Meaden	KJ Williams
	P Gilchrist	D Mitchell	P Williams
	P Glasman	B Mooney	S Williams
	JE Green	S Mountney	K Wood
	P Hackett	S Niblock	
	J Hale	C Povall	

124 DECLARATIONS OF INTEREST

The Mayor referred to a statement that she had made at the opening of the adjourned extraordinary meeting of the Council, held on 13 February 2012 (minute 103 refers). She restated her personal prejudicial interest in agenda item 3 (Anna Klonowski Associates Ltd (AKA) – Independent Review of the Council's Response to Claims made by Martin Morton (and others)) by virtue of her friendship with an interested party, and proposed to vacate the Chair and leave the chamber for the duration of discussion on this item (see minute 126 post).

Councillor Steve Williams declared his personal interest in this item by virtue of him being a Director of a company that did business with a company named in the AKA Report.

Councillors Pat Williams, Denise Roberts, Chris Meaden and Simon Mountney declared their personal interest by virtue of being mentioned in the AKA Report. Councillors Ian Lewis and Chris Blakeley also declared their personal interest by virtue of their friendship with a person named in the AKA Report.

Councillor Mrs P M Williams commented that although she had previously declared her personal interest in this item (minute 103 (13 February 2012) refers), issues which concerned her had now been resolved. She had taken further advice from the Director of Law, HR and Asset Management who had confirmed that she was now free to speak at this meeting.

125 **MAYOR'S COMMUNICATIONS**

The Mayor sought an explanation from officers as to why there had been a change to the agenda for the reconvened meeting. In response, the Director of Law, HR and Asset Management commented that as the Council had not yet received the Audit Commission HESPE PIDA Follow Up Report from the District Auditor, consideration of it had been deferred to a future meeting (minute 105 refers). As there was no prospect of it being received in time for consideration at the reconvened meeting, it had therefore been omitted from the agenda.

The Mayor, having vacated the Chair for this item and having left the chamber, the Deputy Mayor, Councillor G Ellis, took the Chair.

126 **ANNA KLONOWSKI ASSOCIATES LTD (AKA) - INDEPENDENT REVIEW OF THE COUNCIL'S RESPONSE TO CLAIMS MADE BY MARTIN MORTON (AND OTHERS)**

Further to minute 104 (13 February 2012), which deferred consideration of this matter in accordance with Standing Order 9 (k), the Council was requested to consider the Action Plan in response to the AKA Report and Martin Smith Report that had been agreed by the Cabinet on 2 February 2012 (minute 272 refers). The Director of Law, HR and Asset Management had provided to Members a partial list of Wirral MBC Employees (Table 1) and Other Individuals and Organisations (Table 2) that were mentioned in the AKA Report and outlined the rationale for the information being designated as exempt and not for publication. In particular, if the AKA Report was shown to contain errors in relation to service providers and their associates, there was a likelihood that the Council would face action for damages, which could be significant. In response to a question from Councillor Steve Foulkes, he confirmed that any liability as a result of disclosure was on the Council as a body corporate, not on individual Members.

On a Motion by Councillor Jeff Green and seconded by Councillor Lesley Rennie, it was –

Resolved (unanimously) –

- (1) That Table 1 – Wirral MBC Employees Mentioned in the AKA Report, be placed in the public domain.**
- (2) That Table 2 – Other Individuals and Organisations Mentioned in the AKA Report, be placed in the public domain.**

The Leader of the Council hoped that an un-redacted version of the AKA report would ultimately be made available to Members and expressed the view that public interest would be properly served by the partial information contained within tables 1 and 2 being placed in the public domain.

He thanked Councillor Simon Mountney for initially raising this matter with the Council, and he paid tribute to Martin Morton for his courage in ensuring that the issues were brought into the public domain. He expressed a view that the Action Plan could be further developed and made the following observations for consideration by the Council –

- That any reimbursement to be paid to those persons overcharged for their care should be backdated and that compensation should be paid to the immediate families of the service users affected.
- That an Independent Ombudsman should be appointed, to ensure that any concerns raised by Members or employees of the Council in the future will be dealt with appropriately.
- That the Independent Ombudsman should have the right to attend and be heard at meetings of the Employment and Appointments Committee.
- That Martin Morton be asked to reconsider taking up an offer for his re-employment with the Council.

He commented also that he had requested the Head of Human Resources and Organisational Development to produce a report upon the circumstances in which two senior officers mentioned in the AKA report were allowed to leave the employment of the Council with severance, less than a day before the final report was received. He also sought information as to why no disciplinary action had been taken in this matter.

The Leader of the Labour Group commented that he too, was angered at some of the findings of the AKA report and also, that the Audit Commission HESPE PIDA Follow Up Report had not yet been received. He suggested that the AKA Report should have been debated fully at the last extraordinary meeting, as natural justice dictated that it had not been proper to consider motions of no confidence, as the basis on which they were proposed was in connection with the AKA report.

He indicated that the consequences of failures in Adult Social Services were immediate and severe and he refuted any suggestion that he had been involved in any cover up. He was happy for measures to be taken to remedy the situation to Martin Morton's satisfaction yet, questioned why he had not been re-employed by the Council during Councillor Green's last term as Leader of the Council. He was also disappointed that matters contained within the AKA report had become a party political issue and referred to defamatory campaign leaflets that had been circulated, which were the subject of consideration by the Labour group's solicitors. The Director of Law, HR and Asset Management confirmed his view that the AKA report was overwhelmingly critical of Council officers as opposed to elected Members. The Leader of the Labour Group commented also –

- That so far, approximately £243k had been paid in reimbursement and that further assessment was being undertaken by officers to ensure that individuals were not put into a 'benefits trap'.
- That all steps were being taken to ensure compliance with the agreed Action Plan and that an Improvement Board had been put in place with the support of the LGA to find the best way forward.

- That although Labour Members would not take up an offer of Cabinet seats, there would be full co-operation to ensure the effective implementation of the action plan. This would include continued representation on the Improvement Board and he fully expected that Anna Klonowski would also continue to be fully involved in the improvement process.
- There would also be full co-operation with regard to any response to the HESPE report, when it was received.

The Leader of the Liberal Democrat group commented upon the difference between blame and responsibility and in particular referred to the collective responsibility of the Council in relation to the failings highlighted in the AKA report. He accepted that the identities of some people needed to be protected, yet agreed with the Leader of the Council that as much information as possible should be placed in the public domain. He expressed gratitude to the officers from the LGA for their cooperation on the Improvement Board and suggested that clarification was required in relation to the future role of Anna Klonowski.

Members of the Council expressed a diverse range of views, including –

- Whether or not there would have been an independent investigation if a Conservative/Liberal Democrat administration had not taken control of the Council in May 2010.
- That there was a need for the Council to restore the public's faith in it and to ensure that a climate existed in which Council officers would be comfortable to come forward to expose malpractice or abuse, safe in the knowledge that their concerns would be investigated and without fear of reprisal.
- That an effective whistleblowing policy was a key component of good corporate governance.
- That Martin Morton was an honest and truthful person who had been let down by Human Resources, who had failed to provide him with a safe way in which to raise his concerns. All Members had a responsibility to ensure that such matters were never repeated. Members noted that those issues predated the appointment of the present Head of Human Resources and Organisational Development.
- That there was a need for good leadership and for Members to support the Leader of the Council in order to expose wrongdoing. A public inquiry was also needed to ascertain why and how the matter was covered up for so long.
- That the analysis of the feedback forms submitted by staff from the Destination Excellence meetings should be presented to Members at the earliest opportunity.
- That the Labour Group had called the Special Meeting of the Council to consider the findings of the AKA report. It had accepted all of the recommendations contained within the agreed action plan and had included within its budget proposal (Cabinet minute 310 (13 February 2012) refers) an allocation of £250k for the creation of a Corporate Governance Unit, plus an additional allocation of £50k for the appointment of an additional solicitor with primary responsibility for Corporate Governance.
- That the offer for all political groups to be represented on the Cabinet to work together in order to improve corporate governance was at odds with defamatory election leaflets that had been distributed in some parts of Wirral.

Such negative political campaigning could have an adverse impact on staff in DASS, who were working hard to secure service improvement.

- That there was a need for a root and branch reform of DASS from the bottom to the top to secure long lasting improvement within the department.
- That significant improvement in Adult Social Services had been made in the last 12 months, which were due to the hard work and diligence of staff. However, the investment needed in Adult Social Services could not be reconciled with Government cuts in grant funding.
- That the action plan needed to be strengthened in order to effectively address the failings highlighted in it.
- That an un-redacted version of the AKA report should be provided to all Members of the Council so as to allow for effective scrutiny to be undertaken and to ensure that failure of duty was dealt with accordingly.

In summing up the Leader of the Liberal Democrat group stressed the need for the Council to respond on a corporate basis to the action plan and for Members to be open and honest to ensure that improvements were delivered in accordance with the findings of the AKA and Martin Smith reports.

The Leader of the Labour Group expressed his satisfaction that the Council was working to ensure compliance with the recommendations contained within the action plan, based on the AKA recommendations and he indicated that every Member of the Council had had an opportunity to be involved in setting the Key Lines of Enquiry (KLOE) within it. He commented that it was essential for the Council to have the confidence of the public in order to make progress and he hoped that the ongoing work, particularly that being undertaken by the Wirral/LGA Improvement Board would help regain public trust. He reiterated that the extent of wrongdoing highlighted in the AKA report had been kept from Members and that had it been known, the present Leader of the Council would surely have taken appropriate steps, during his last term as Leader in 2010. He expressed his disappointment in the nature of political leafleting in some areas and hoped that it would be condemned and not interfere with action being taken to secure improvement. In addition, he hoped that the Audit Commission HESPE PIDA Follow Up Report would be presented to Members at the earliest opportunity.

The Leader of the Council thanked Members for their constructive comments and trusted that the Council's procedures would be strengthened in the light of the AKA recommendations. However, he expressed a view that since the Labour Group had been in control of the Cabinet, since May 2011, opportunities to take action to secure improvement had not been taken. Key officers mentioned in the AKA report had been allowed to leave the employment of the Council on paid compromise agreements that had led to issues of trust and respect, which he was determined to put right. He now proposed that an independent public inquiry should be undertaken and gave an undertaking that the wrong that had been done to Martin Morton would be addressed.

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CABINET APPOINTMENTS 2012/2013

Portfolio	Councillor	Party	Address	Ward
Finance and Best Value and Social Care And Inclusion	Jeff Green Leader of the Council	Conservative	181 Irby Road Irby Wirral CH61 2XE	West Kirby and Thurstaston
Culture, Tourism and Leisure	Lesley Rennie Deputy Leader of the Council	Conservative	4 Greenlea Close Bebington Wirral CH63 7RU	Wallasey
Children's Services and Lifelong Learning	Sheila Clarke	Conservative	23 Kirkway Higher Bebington Wirral CH63 5NT	Bebington
Community and Customer Engagement	Ian Lewis	Conservative	12 Rossall Court Reeds Lane Moreton Wirral CH46 1QP	Leasowe and Moreton East
Corporate Resources	Tom Harney	Liberal Democrat	53 Woodyear Road Bromborough Wirral CH62 6AY	Eastham
Streetscene and Transport Services	Dave Mitchell	Liberal Democrat	85 Crosthwaite Avenue Eastham Wirral CH62 9DF	Eastham
Housing and Community Safety	Vacancy			
Environment	Vacancy			
Regeneration and Planning Strategy	Vacancy			
Public Health	Vacancy			

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EMPLOYMENT AND APPOINTMENTS COMMITTEE – 28 FEBRUARY 2012

66 PAY POLICY STATEMENT 2012/13

The Director of Law, HR and Asset Management submitted a report, in accordance with Section 38 of The Localism Act 2011, which required Councils to determine and publish annual pay policy statements.

The draft statutory guidance on The Localism Act 2011 recommended that a Committee be given responsibility to coordinate a collective review of the appropriateness of the Pay Policy Statement at least annually, and to make recommendation to the Full Council.

The requirements of the Act included:

1. The Pay Policy statement to be approved by The Full Council, in advance of the financial year to which it relates.
2. The first Pay Policy Statement to be prepared for 2012/13.
3. The Pay Policy Statement to be published on the Council website.

The Pay Policy Statement was required to set out the Council's policies relating to the following:

1. Chief Officer remuneration, including salary, allowances, and enhancements at termination.
2. Remuneration of its lowest paid employees.
3. The relationship between Chief Officer remuneration and that of other employees.

Responding to comments from Members, the Head of HR and Organisational Development referring to the paragraphs in the policy on the relationship between Chief Officer remuneration and that of other employees, this would be shown as the multiple between the lowest paid employee and average Chief Officer earnings and those of the average full time equivalent earnings and the Chief Executive. The Council would use the local government norm as a standard so that benchmarking would be like for like. The figure for the multiple between the lowest paid and the Chief Executive could also be published if it was felt to be useful.

In line with guidance under The Localism Act, proposed appointments to posts with remuneration exceeding £100,000 would be subject to a vote at Full Council and the Head of HR and Organisational Development would confirm whether or not this was a requirement or guidance.

Concern was also expressed about contractors employed by the Council paying a living wage too.

On a motion by Councillor Johnston, jointly seconded by Councillors Green and A Jones, it was agreed unanimously that the following be added to the recommendation -

'That Wirral Council become an advocate of a living wage.'

The Leader of the Council requested that a report be brought to an early Cabinet on what being an advocate of a living wage would entail.

Resolved – That this Committee:

(1) notes the Council's Pay Policy Statement 2012/13.

- (2) recommends to Council, for approval, the Council's Pay Policy Statement 2012/13.**
- (3) notes that the proposed introduction of the Living Wage is included within the Council's Pay Policy Statement 2012/13.**
- (4) notes the responsibility of the Employment and Appointments Committee to ensure the provisions set out in the Pay Policy are applied consistently throughout the Council, and recommend any amendments to the Full Council.**
- (5) approves that Wirral Council become an advocate of a living wage.**

COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE – 28 FEBRUARY 2012

90 BUDGET PROPOSALS

The Director of Law, HR and Asset Management reported that at the meeting of the Council held on 13 February 2012 (minute 110 refers), Councillor Jeff Green, having been elected Leader of the Council gave an acceptance speech in which, inter alia, he announced that the Budget Cabinet meeting would move from Monday 20 to Tuesday 21 February and that it was the responsibility of every Group to look at potential options and put forward a budget to Council. The budget proposals would be referred to a special meeting of the Council Excellence Overview and Scrutiny Committee at a meeting to be arranged before Budget Council on 1 March, 2012.

Although the Committee had been requested to consider the budget proposed by the Cabinet at its special meeting held on 13 February 2012 (minute 310 refers), he advised that at its Budget Meeting held on 21 February 2012, the Cabinet resolved (minute 315 refers), that the 2012/2013 Council Budget agreed by the Cabinet on 13 February 2012 (minute 310) should be rescinded. It would not therefore go forward to Budget Council for consideration.

The budget proposed by the Cabinet, at the Budget Meeting on 21 February 2012 (minute 317 refers) would be recommended to Budget Council.

The Director reported also that in accordance with the budget procedure, he had received the following budget amendments by the deadline of 12.00noon Monday 27 February 2012, which would be referred to Budget Council for consideration –

- Labour Budget Amendment
The budget agreed by the Cabinet on 13 February 2012, amended only to include the precepts and to fulfil the pledge in the original budget to meet the cost of the precepts and to set an overall zero Council Tax increase.
- Labour Budget Procedure Amendment
To amend the Budget Council procedure to ensure a vote is taken on each budget, with the budget remaining after fallen amendments also being subject to the confirmation of a majority vote.
- Four Liberal Democrat Budget Amendments
 - (i). People's Dividend
 - (ii). Area Forums
 - (iii). Trade Unions
 - (iv). Community Justice and Local Shopping Areas

In the light of the Budget Proposals/Amendments, the Chair circulated for Members' consideration a Budget Proposal Comparison, together with an analysis of the budget proposed by Budget Cabinet on 21 February 2012 (minute 317), which he had sought from the Director of Finance.

The Director of Law, HR and Asset Management reported also that a call-in notice had been received in relation to Cabinet minute 315 (21 February 2012) – The 2012/13 Budget Agreed by Cabinet on 13 February 2012. The call-in had been submitted by Councillors Phil Davies, Ann McLachlan, George Davies, Adrian Jones and Harry Smith. The lead call-in signatory, Councillor Phil Davies provided an explanation of the call-in notice, viz:

“On 21 February 2012, the Cabinet took the following decision:

‘That the 2012/13 Budget proposals agreed by the Cabinet, under urgent business, at its Special meeting held on 13 February 2012 be rescinded (Minute No. 310 refers) and therefore, they will not go forward to the Budget Council meeting, scheduled for 1 March 2012, for consideration.’

This decision, to revoke the budget proposal constitutionally referred by Cabinet on 13 February to Budget Council on 1 March 2012 was an Executive decision.

The minutes of that Cabinet were published and notified on 23 February.

The five day period subsequent to that when a call-in can be lodged expires on Thursday 1 March.

A further period of up to fifteen days is required for the call-in to be heard.

No decision can be activated until the call-in period has expired and it is clear the decision has not been called in, or until the call-in has been heard.

In order to have their budget heard, the Labour Group were required to resubmit it as an amendment to the Conservative Proposal tabled at Cabinet on 21 February and referred by just four votes to Budget Council.

This amendment had to be submitted by noon on 27 February, less than two working days after the publication of the Cabinet minutes of 21 February.

It is clear that the Executive Decision was unconstitutionally implemented before the expiry of a call-in period.

The consequence of this unconstitutional act was the change of status of the Labour Budget proposal from a Cabinet proposal agreed unanimously by all ten Cabinet members and lawfully submitted to Budget Council, to an amendment to an alternative Budget Proposal.

This relegation to the status of an amendment then allows the budget procedure agreed by Cabinet on 21 February to treat the Conservative proposal put forward at Cabinet on 21 February as the standing minute which will not require a vote if the amendments fall.

This is despite the fact that the Conservatives are not the largest party, and could be outvoted by Labour as the largest party if the Liberal Democrats continue their policy of abstention, which their communications with the press indicate they will.

In these circumstances, where two legal budgets have been formally and constitutionally proposed to Council, and where one of those budgets has been unconstitutionally revoked, the Budget Procedure should be withdrawn, allowing both proposals to stand with equal status as originally referred to Council.

A vote should then be taken on each budget, with the order of voting the same as for a usual Council, with the budget remaining after others have fallen also subject to the confirmation of a majority vote.”

The Chair commented that he had been consulted with regard to the call-in being considered as a matter of urgency. In view of the meeting having been convened to consider budget matters, he had been prepared to allow consideration of the issues contained within the call-in notice and requested an explanation in relation to constitutional and procedural matters.

The Director of Law, HR and Asset Management commented that it was appropriate for the issues within the call-in notice to be considered. However, his view was that the decisions taken by the Cabinet to propose a budget to the Council and to rescind an earlier budget proposal were procedural and, as they related to a Council function (the setting of the Budget), neither were technically subject to call-in. He explained the rationale for the Budget Council procedure, which had been introduced some years ago to ensure that, in circumstances where all amendments fell, the Council would set a lawful budget. If a budget amendment received a majority of votes then, subject to a possible vote at a second budget meeting, it would become the Council's budget. Therefore, the essence of the call-in would be addressed by the Labour Procedural Amendment to Budget Council and the Director suggested that the Budget Council procedure contained sufficient checks and balances to ensure that all views were heard before a budget was set.

It was moved by Councillor Gilchrist and seconded by Councillor Keeley –

“That, at this stage, it appears that a lawful recommendation from Cabinet was made and that it was lawful to rescind a previous budget proposal. Having regard to the procedure and to the need for due process at Council and given that this is a Council function and that amendments have been submitted to the Council and supplied to this Overview and Scrutiny Committee, this matter be not dealt with as a call-in”.

It was moved as an amendment by Councillor Abbey and seconded by Councillor Doughty –

“That the Budget Council Procedure be amended to ensure that all budget proposals will be voted upon”

The Amendment was put and lost (4:6)

The Motion was put and carried (6:4)

Resolved (6:4) (Councillors Ron Abbey, Darren Dodd, Paul Doughty and Chris Jones voting against) – That, at this stage, it appears that a lawful recommendation from Cabinet was made and that it was lawful to rescind a previous budget proposal. Having regard to the procedure and to the need for due process at Council and given that this is a Council function and that amendments have been submitted to the Council and supplied to this Overview and Scrutiny Committee, this matter be not dealt with as a call-in.

The Chair referred to the budget proposals/amendments that were to be considered at Budget Cabinet and sought comment from officers on various elements.

The Director of Finance indicated that the budget was set within the context of the Spending Review and against a background of significantly reduced government grant funding. The budget would be set in difficult financial circumstances with a likelihood of financial resources being reduced in 2013/2014, with a greater reduction in 2014/2015. Whilst key elements were in relation to the Localisation of Business Rates, the Localisation of Council Tax Benefits and general data changes, the most significant factor in relation to funding was population. Future funding could be based upon the Census 2011 figures and the Director commented that, since the last census, Wirral had suffered the biggest population fall of any metropolitan authority.

In response to questions from Members in relation to the permanent reduction of 2% in Employee Budgets contained within the Cabinet Budget Proposals, the Head of Human Resources and Organisational Development indicated that the required savings could be achieved in a number of ways. The figures had been informed by staff turnover in recent

years and vacancy control would continue to be closely monitored to ensure that savings could be made where appropriate, whilst ensuring that vacancies would be filled where Chief Officers had identified either a significant risk or loss of opportunity. Members suggested that a further loss of jobs would place an increased strain on the workforce, particularly in the light of a loss of 1200 posts last year as a result of Early Voluntary Retirement/Voluntary Severance. In response to a question from a Member as to whether there would be redundancies if the assumption of staff turnover proved to be inaccurate, the Head of HR and OD indicated that she believed the 2% reduction to be achievable, given that there were also a number of vacancies held in the system.

At the invitation of the Chair, the Leader of the Council addressed the Committee and referred to the one year reduction in Council Tax of 3%, which had been based, in part, upon the results of the consultation exercise held earlier in the year and which he hoped to be able to make permanent. He commented also that the Cabinet Budget going forward to Budget Council left a bigger general balance than the Labour Budget Amendment and he highlighted his decision that precepts of £740k would not be funded from the Council Tax element.

At the request of the Chair, the Director of Adult Social Services was requested to comment upon issues around managing budgets. The Director accepted that his Department's Budget had been an area for concern in past years and he proposed to provide more detailed information for Members in relation to future demand for services to allow more accurate budget setting. Members questioned whether DASS expenditure would be within budget in the current year and whether, in the light of increased demand for services, the Department could afford a permanent reduction in its employee budget of £400k. In response, the Director indicated that the Department would not be within budget in the current year. He proposed to provide an improved evidence base to ensure that money was spent where it would have the greatest affect and, in relation to vacancies, he proposed to work closely with HR to achieve savings whilst ensuring that critical posts were filled.

In response to further questions from Members in relation to the proposed permanent reduction in the Efficiency Investment Budget, the Director of Finance commented that ideally, he would welcome both a bigger Efficiency Budget and increased balances, as the years ahead would see the Council having to respond to significant financial challenges. There was no guidance as to the size of the Efficiency Fund, only that the Council should have one and it was essential for Chief Officers to come forward with proposals for efficiencies in the coming year.

Members commented also upon the attacks on trade union activities, set out in the Cabinet Budget and questioned whether the proposal would improve staff relations. The Director of Law, HR and Asset Management indicated that the proposal would present a challenge for all concerned. However, he confirmed that for the next 12 months the activity would be funded from the Council's efficiency budget and a review would be undertaken to ensure that Wirral's Trades Unions could effectively represent their members if the payment for full time officers was withdrawn.

On a Motion by Councillor Phil Gilchrist and seconded by Councillor Steve Williams, it was –

Resolved –

- (1) That having received the Cabinet resolution and alternative budgets tabled as part of the budget process, the Committee has considered the financial pressures and threats and recognises that a number of significant changes to local government finance are in hand.**

- (2) That Committee considers it essential that monitoring of the budget is rigorous, that potential overspends are identified and that Cabinet pays due regard to the implementation of policy options, and that any Efficiency Investment Budget allocation is used to maximum effect.**

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CABINET 21 FEBRUARY 2012 BUDGET PROPOSAL 2012-13

- THE CONSERVATIVE GROUP BUDGET PROPOSAL

Under Section 25 of the Local Government Act 2003 I am required to present a written report to accompany each budget proposal submitted to the Council. This report will address the robustness of the proposed budget with particular reference to:-

- (a) the adequacy of General Fund balances and reserves
- (b) the achievability of any savings included within the budget
- (c) the impact of the proposed budget for 2012-13 on the setting of the budget for 2013-14.

1. GENERAL FUND BALANCES AND RESERVES

This proposed budget will result in General Fund balances of £8.8m. This is a prudent level of balances which is in line with my recommendation to the Cabinet on 25 January 2006 following discussion with the District Auditor.

The adequacy of reserves and provisions is reviewed by the Cabinet at least twice per year. This proposed budget would utilise balances, reserves and provisions totalling £9.6m. The remaining reserves of £52.2m and provisions of £1.8m should be adequate for the intended purposes. The reserves include £8.7m of schools balances.

2. ACHIEVABILITY OF SAVINGS

Chief Officers have confirmed that all of the savings contained in this proposed budget can be achieved.

This proposed budget assumes that £2.5m of savings can be delivered from staff turnover in 2012-13.

This proposed budget assumes that £1.2m of savings can be delivered from the letting of contracts during 2012-13.

This proposed budget provides for pay awards of £250 per year for those employees earning less than £21,000 per year, with no provision for those employees earning over £21,000 per year. There is no provision for general price inflation although provision has been made for specific inflation as agreed with Chief Officers.

This proposed budget provides for £3.0m to be invested in services to enable the delivery of future efficiencies.

3. IMPLICATIONS FOR 2013-14

This proposed budget provides £0.6m for the remaining costs of implementation of the job evaluation scheme.

This proposed budget provides for the Pension Fund revaluation of 2010 to be implemented in phases over three years from 2011-12 to 2013-14. The Pension Fund will be revalued again in 2013 and this will impact on the budget for 2014-15.

This proposed budget would utilise balances, reserves and provisions totalling £9.6m, £0.7m of which would impact on the 2013-14 budget. However, this proposed budget assumes that savings of £4.4m will be available from the strategic change programme in 2013-14.

In view of current economic conditions this budget has provided for the following:-

- (a) a continuing reduced level of capital receipts
- (b) a continuing reduced level of investment income
- (c) no change in the number of claims for Housing and Council Tax Benefits


A review of fees and charges will be undertaken during 2012.

This proposed budget includes the use of the Council Tax Freeze Grant for 2012-13 of £3.3m. This grant is receivable for 2012-13 only.

The Government is intending to change the Local Government Finance system for 2013-14. The changes are subject to the passage of the Local Government Finance Bill through Parliament and to negotiations with Local Government. The main elements of the changes are intended to be:-

- a) the localisation of Business Rates
- b) the localisation of Council Tax Benefits
- c) updating of population for the Census 2011
- d) general data revision.

All of these elements are likely to have a negative impact on the resources available in 2013-14. This will be the subject of a detailed report to Cabinet on 15 March 2012.



DIRECTOR OF FINANCE.

CABINET 13 FEBRUARY 2012 BUDGET PROPOSAL 2012-13**- THE LABOUR GROUP BUDGET PROPOSAL AS AMENDED**

Under Section 25 of the Local Government Act 2003 I am required to present a written report to accompany each budget proposal submitted to the Council. This report will address the robustness of the proposed budget with particular reference to:-

- (a) the adequacy of General Fund balances and reserves
- (b) the achievability of any savings included within the budget
- (c) the impact of the proposed budget for 2012-13 on the setting of the budget for 2013-14.

1. GENERAL FUND BALANCES AND RESERVES

This proposed budget will result in General Fund balances of £6.1m. This is a prudent level of balances which is in line with my recommendation to the Cabinet on 25 January 2006 following discussion with the District Auditor.

The adequacy of reserves and provisions is reviewed by the Cabinet at least twice per year. This proposed budget would utilise balances, reserves and provisions totalling £10.6m. The remaining reserves of £52.2m and provisions of £1.8m should be adequate for the intended purposes. The reserves include £8.7m of schools balances.

2. ACHIEVABILITY OF SAVINGS

Chief Officers have confirmed that all of the savings contained in this proposed budget can be achieved.

This proposed budget assumes that £1.2m of savings can be delivered from the letting of contracts during 2012-13.

This proposed budget provides for pay awards of £250 per year for those employees earning less than £21,000 per year, with no provision for those employees earning over £21,000 per year. There is no provision for general price inflation although provision has been made for specific inflation as agreed with Chief Officers.

This proposed budget provides for £5.5m to be invested in services to enable the delivery of future efficiencies and, in addition, provides for the creation of an early intervention and innovation fund of £2m.

3. IMPLICATIONS FOR 2013-14

This proposed budget provides £0.6m for the remaining costs of implementation of the job evaluation scheme.

This proposed budget provides for the Pension Fund revaluation of 2010 to be implemented in phases over three years from 2011-12 to 2013-14. The Pension Fund will be revalued again in 2013 and this will impact on the budget for 2014-15.

This proposed budget would utilise balances, reserves and provisions totalling £10.6m, £4.4m of which would impact on the 2013-14 budget. However, this proposed budget assumes that savings of £5.4m will be available from the strategic change programme in 2013-14 as reported to the Cabinet on 21 February 2012.

In view of current economic conditions this budget has provided for the following:-

- (a) a continuing reduced level of capital receipts
- (b) a continuing reduced level of investment income
- (c) no change in the number of claims for Housing and Council Tax Benefits

A review of fees and charges will be undertaken during 2012.

This proposed budget includes the use of the Council Tax Freeze Grant for 2012-13 of £3.3m. This grant is receivable for 2012-13 only.

The Government is intending to change the Local Government Finance system for 2013-14. The changes are subject to the passage of the Local Government Finance Bill through Parliament and to negotiations with Local Government. The main elements of the changes are intended to be:-

- a) the localisation of Business Rates
- b) the localisation of Council Tax Benefits
- c) updating of population for the Census 2011
- d) general data revision.

All of these elements are likely to have a negative impact on the resources available in 2013-14. This will be the subject of a detailed report to Cabinet on 15 March 2012.



A handwritten signature in black ink, appearing to read 'I. Green', is written over a faint circular stamp. The stamp contains the text 'COUNCIL TAX BENEFITS' and 'DIRECTOR OF FINANCE'.

DIRECTOR OF FINANCE.

LIBERAL DEMOCRAT GROUP BUDGET AMENDMENTS

Under Section 25 of the Local Government Act 2003 I am required to present a written report to accompany each budget proposal submitted to the Council. This report will address the robustness of the proposed budget with particular reference to:-

- (a) the adequacy of General Fund balances and reserves
- (b) the achievability of any savings included within the budget
- (c) the impact of the proposed budget for 2012-13 on the setting of the budget for 2013-14.

1. GENERAL FUND BALANCES AND RESERVES

This proposed budget will result in General Fund balances of £8.1m. This is a prudent level of balances which is in line with my recommendation to the Cabinet on 25 January 2006 following discussion with the District Auditor.

The adequacy of reserves and provisions is reviewed by the Cabinet at least twice per year. This proposed budget would utilise balances, reserves and provisions totalling £10.3m. The remaining reserves of £52.2m and provisions of £1.8m should be adequate for the intended purposes. The reserves include £8.7m of schools balances.

2. ACHIEVABILITY OF SAVINGS

Chief Officers have confirmed that all of the savings contained in this proposed budget can be achieved.

This proposed budget assumes that £2.5m of savings can be delivered from staff turnover in 2012-13.

This proposed budget assumes that £1.2m of savings can be delivered from the letting of contracts during 2012-13.

This proposed budget provides for pay awards of £250 per year for those employees earning less than £21,000 per year, with no provision for those employees earning over £21,000 per year. There is no provision for general price inflation although provision has been made for specific inflation as agreed with Chief Officers.

This proposed budget provides for £3.0m to be invested in services to enable the delivery of future efficiencies.

3. **IMPLICATIONS FOR 2013-14**

This proposed budget provides £0.6m for the remaining costs of implementation of the job evaluation scheme.

This proposed budget provides for the Pension Fund revaluation of 2010 to be implemented in phases over three years from 2011-12 to 2013-14. The Pension Fund will be revalued again in 2013 and this will impact on the budget for 2014-15.

This proposed budget would utilise balances, reserves and provisions totalling £10.3m, £1.4m of which would impact on the 2013-14 budget. However, this proposed budget assumes that savings of £4.4m will be available from the strategic change programme in 2013-14.

In view of current economic conditions this budget has provided for the following:-

- (a) a continuing reduced level of capital receipts
- (b) a continuing reduced level of investment income
- (c) no change in the number of claims for Housing and Council Tax Benefits

A review of fees and charges will be undertaken during 2012.

This proposed budget includes the use of the Council Tax Freeze Grant for 2012-13 of £3.3m. This grant is receivable for 2012-13 only.

The Government is intending to change the Local Government Finance system for 2013-14. The changes are subject to the passage of the Local Government Finance Bill through Parliament and to negotiations with Local Government. The main elements of the changes are intended to be:-

- a) the localisation of Business Rates
- b) the localisation of Council Tax Benefits
- c) updating of population for the Census 2011
- d) general data revision.

All of these elements are likely to have a negative impact on the resources available in 2013-14. This will be the subject of a detailed report to Cabinet on 15 March 2012.



DIRECTOR OF FINANCE.

COUNCIL VACANCIES – 1 March 2012

A. COUNCIL COMMITTEES

1. Audit and Risk Management Committee

Councillor Paul Hayes to replace Councillor Jeff Green

2. Employment and Appointments Committee

Councillor Andrew Hodson to replace Councillor Paul Hayes and to be Chair
Councillor Paul Hayes to be first deputy

3. Scrutiny Programme Board

Councillor Simon Mountney to replace Councillor Andrew Hodson as Chair

4. Children and Young People O&S Committee

Councillor Ann McLachlan to replace Councillor Jim Crabtree and to be Chair
Vacancy to replace Councillor Sheila Clarke

5. Health and Well Being O&S Committee

Vacancy to replace Councillor Sheila Clarke

B. OUTSIDE BODIES

Corporate Resources

Liverpool City Region Cabinet

Leader of the Council, Councillor Jeff Green to replace Councillor Steve Foulkes

SIGOMA (LGA Special Interest Group of Metropolitan Authorities)

Leader of the Council, Councillor Jeff Green (or nominee) to replace Councillor Steve Foulkes

Culture, Tourism and Leisure

Merseyside Cultural Forum

Councillor Lesley Rennie (Cabinet Member for Culture, Tourism and Leisure) to replace Councillor Chris Meaden

North West Regional Libraries System

Councillor Lesley Rennie (Cabinet Member for Culture, Tourism and Leisure) to replace Councillor Chris Meaden

Housing and Community Safety

Wirral Council and Riverside Challenge Fund Working Group

Vacancy (Cabinet Member for Housing & Community Safety) to replace Councillor George Davies

Wirral Partnership Homes: Community Fund Working Group

Vacancy (Cabinet Member for Housing & Community Safety) to replace Councillor George Davies

Regeneration and Planning Strategy

Liverpool City Region Boards

- Environment and Waste Board - Leader of the Council, Councillor Jeff Green to replace Councillor Steve Foulkes (Chair) plus Vacancy to replace Councillor Brian Kenny
- Improvement and Efficiency Board – Leader of the Council, Councillor Jeff Green to replace Councillor Steve Foulkes

Streetscene and Transport Services

Local Government Association Coastal Issues Special Interest Group

Councillor Dave Mitchell (Cabinet Member for Streetscene & Transport Services) to replace Councillor Harry Smith