



# Council

## Budget Supplement (2)

Town Hall  
Wallasey

1 March 2011

Dear Councillor

Attached are further additional papers for the meeting of the Council to be held at **6.15 pm on Tuesday, 1 March 2011** in the Council Chamber, within the Town Hall, Wallasey

**Contact Officer:** Andrew Mossop  
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## AGENDA

### 6. MATTERS FOR DEBATE (Pages 1 - 18)

In accordance with Section 25 of the Local Government Act 2003, the Director of Finance's reports on each set of proposals, giving his view on their robustness. Also attached are the Budget Summaries on the Labour Group Proposals.

A handwritten signature in black ink, appearing to be "B. Mossop".

Director of Law, HR and Asset Management

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Ian Coleman BSc, CPFA  
*Director of Finance*

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## **CABINET BUDGET PROPOSAL 2011-12**

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 2011-12 on the setting of the budget for 2012-13.

### **1. GENERAL FUND BALANCES AND RESERVES**

This proposed budget will result in General Fund balances of £6.9m. 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 and was most recently reviewed by the Cabinet on 9 December 2010. This proposed budget would utilise balances, reserves and provisions totalling £7.2m. The remaining reserves and provisions should be adequate for the intended purposes.

### **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 £2m of savings can be delivered from the letting of contracts during 2011-12 and that £0.5m can be delivered from the renegotiation of existing contracts.

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 any specific inflation requested by Chief Officers.

This proposed budget provides for £5.5m, to be invested in services to enable the delivery of future efficiencies, of which £2m has been earmarked for restructuring services.

This proposed budget provides for £1m for outstanding equal pay claims in schools.

### 3. IMPLICATIONS FOR 2012-13

This proposed budget provides £1m 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 £7.2m, none of which would impact on the 2012-13 budget.

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) an increased number of claims for Housing and Council Tax Benefits

A review of fees and charges will be undertaken during 2011-12..

This proposed budget would, on current projections and assuming no Council Tax increase, require efficiencies of £21.3m to be delivered for 2012-13. This will be the subject of a more detailed report to the Cabinet on 17 March 2011.



DIRECTOR OF FINANCE.

## WIRRAL COUNCIL

### SUMMARY OF GENERAL FUND ESTIMATES

#### LABOUR AMENDMENT 1

	BASE ESTIMATE 2010/11 £	CURRENT ESTIMATE 2010/11 £	BASE ESTIMATE 2011/12 £
<b>EXPENDITURE</b>			
<b>Departmental budgets</b>	<b>309,262,300</b>	<b>302,247,200</b>	<b>267,861,600</b>
Merseytravel	27,344,000	27,344,000	28,817,000
Local Pay Review	1,130,800	956,300	956,300
LABGI grant	(200,000)	0	0
LAA grant	(1,400,000)	0	0
Council tax Freeze Grant	0	0	(3,285,000)
Contribution to fund EVR / VS Scheme	0	2,600,000	4,400,000
<b>Net Budget</b>	<b>336,137,100</b>	<b>333,147,500</b>	<b>298,749,900</b>
Contribution from balances	(4,354,000)	(3,919,400)	(2,805,900)
Contribution from balances (EVR / VS)	0	(2,600,000)	(4,400,000)
<b>BUDGET REQUIREMENT</b>	<b>331,783,100</b>	<b>326,628,100</b>	<b>291,544,000</b>
<b>INCOME</b>			
Revenue Support Grant	20,016,300	20,016,300	37,498,000
National Non Domestic Rate	137,844,200	137,844,200	121,312,000
Area Based Grant	42,725,000	37,570,000	0
Council Tax Income	131,197,600	131,197,600	131,434,000
Collection Fund Surplus	0	0	1,300,000
<b>TOTAL INCOME</b>	<b>331,783,100</b>	<b>326,628,100</b>	<b>291,544,000</b>
<b>STATEMENT OF GENERAL BALANCE</b>			
General Balance at 1 April	10,723,000	10,723,000	14,070,600
Adjustment (following 2009/10 outturn)	0	3,035,000	0
Contribution from Insurance Fund	0	3,400,000	0
Budgeted contribution	(4,354,000)	(6,519,400)	(7,205,900)
Contribution from Reserves	0	3,432,000	0
<b>GENERAL BALANCE AT 31 MARCH</b>	<b>6,369,000</b>	<b>14,070,600</b>	<b>6,864,700</b>

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## WIRRAL COUNCIL

### SUMMARY OF GENERAL FUND ESTIMATES

#### LABOUR AMENDMENT 2

	BASE ESTIMATE 2010/11 £	CURRENT ESTIMATE 2010/11 £	BASE ESTIMATE 2011/12 £
<b>EXPENDITURE</b>			
<b>Departmental budgets</b>	<b>309,262,300</b>	<b>302,247,200</b>	<b>268,661,600</b>
Merseytravel	27,344,000	27,344,000	28,817,000
Local Pay Review	1,130,800	956,300	956,300
LABGI grant	(200,000)	0	0
LAA grant	(1,400,000)	0	0
Council tax Freeze Grant	0	0	(3,285,000)
Contribution to fund EVR / VS Scheme	0	2,600,000	4,400,000
<b>Net Budget</b>	<b>336,137,100</b>	<b>333,147,500</b>	<b>299,549,900</b>
Contribution from balances	(4,354,000)	(3,919,400)	(3,605,900)
Contribution from balances (EVR / VS)	0	(2,600,000)	(4,400,000)
<b>BUDGET REQUIREMENT</b>	<b>331,783,100</b>	<b>326,628,100</b>	<b>291,544,000</b>
<b>INCOME</b>			
Revenue Support Grant	20,016,300	20,016,300	37,498,000
National Non Domestic Rate	137,844,200	137,844,200	121,312,000
Area Based Grant	42,725,000	37,570,000	0
Council Tax Income	131,197,600	131,197,600	131,434,000
Collection Fund Surplus	0	0	1,300,000
<b>TOTAL INCOME</b>	<b>331,783,100</b>	<b>326,628,100</b>	<b>291,544,000</b>
<b>STATEMENT OF GENERAL BALANCE</b>			
General Balance at 1 April	10,723,000	10,723,000	14,070,600
Adjustment (following 2009/10 outturn)	0	3,035,000	0
Contribution from Insurance Fund	0	3,400,000	0
Budgeted contribution	(4,354,000)	(6,519,400)	(8,005,900)
Contribution from Reserves	0	3,432,000	0
<b>GENERAL BALANCE AT 31 MARCH</b>	<b>6,369,000</b>	<b>14,070,600</b>	<b>6,064,700</b>

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## WIRRAL COUNCIL

### SUMMARY OF GENERAL FUND ESTIMATES

#### LABOUR AMENDMENT 3

	BASE ESTIMATE 2010/11 £	CURRENT ESTIMATE 2010/11 £	BASE ESTIMATE 2011/12 £
<b>EXPENDITURE</b>			
<b>Departmental budgets</b>	<b>309,262,300</b>	<b>302,247,200</b>	<b>267,861,600</b>
Merseytravel	27,344,000	27,344,000	28,817,000
Local Pay Review	1,130,800	956,300	956,300
LABGI grant	(200,000)	0	0
LAA grant	(1,400,000)	0	0
Council tax Freeze Grant	0	0	(3,285,000)
Contribution to fund EVR / VS Scheme	0	2,600,000	4,400,000
<b>Net Budget</b>	<b>336,137,100</b>	<b>333,147,500</b>	<b>298,749,900</b>
Contribution from balances	(4,354,000)	(3,919,400)	(2,805,900)
Contribution from balances (EVR / VS)	0	(2,600,000)	(4,400,000)
<b>BUDGET REQUIREMENT</b>	<b>331,783,100</b>	<b>326,628,100</b>	<b>291,544,000</b>
<b>INCOME</b>			
Revenue Support Grant	20,016,300	20,016,300	37,498,000
National Non Domestic Rate	137,844,200	137,844,200	121,312,000
Area Based Grant	42,725,000	37,570,000	0
Council Tax Income	131,197,600	131,197,600	131,434,000
Collection Fund Surplus	0	0	1,300,000
<b>TOTAL INCOME</b>	<b>331,783,100</b>	<b>326,628,100</b>	<b>291,544,000</b>
<b>STATEMENT OF GENERAL BALANCE</b>			
General Balance at 1 April	10,723,000	10,723,000	14,070,600
Adjustment (following 2009/10 outturn)	0	3,035,000	0
Contribution from Insurance Fund	0	3,400,000	0
Budgeted contribution	(4,354,000)	(6,519,400)	(7,205,900)
Contribution from Reserves	0	3,432,000	0
<b>GENERAL BALANCE AT 31 MARCH</b>	<b>6,369,000</b>	<b>14,070,600</b>	<b>6,864,700</b>

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## WIRRAL COUNCIL

### SUMMARY OF GENERAL FUND ESTIMATES

#### LABOUR AMENDMENT 4

	BASE ESTIMATE 2010/11 £	CURRENT ESTIMATE 2010/11 £	BASE ESTIMATE 2011/12 £
<b>EXPENDITURE</b>			
<b>Departmental budgets</b>	<b>309,262,300</b>	<b>302,247,200</b>	<b>267,861,600</b>
Merseytravel	27,344,000	27,344,000	28,817,000
Local Pay Review	1,130,800	956,300	956,300
LABGI grant	(200,000)	0	0
LAA grant	(1,400,000)	0	0
Council tax Freeze Grant	0	0	(3,285,000)
Contribution to fund EVR / VS Scheme	0	2,600,000	4,400,000
<b>Net Budget</b>	<b>336,137,100</b>	<b>333,147,500</b>	<b>298,749,900</b>
Contribution from balances	(4,354,000)	(3,919,400)	(2,805,900)
Contribution from balances (EVR / VS)	0	(2,600,000)	(4,400,000)
<b>BUDGET REQUIREMENT</b>	<b>331,783,100</b>	<b>326,628,100</b>	<b>291,544,000</b>
<b>INCOME</b>			
Revenue Support Grant	20,016,300	20,016,300	37,498,000
National Non Domestic Rate	137,844,200	137,844,200	121,312,000
Area Based Grant	42,725,000	37,570,000	0
Council Tax Income	131,197,600	131,197,600	131,434,000
Collection Fund Surplus	0	0	1,300,000
<b>TOTAL INCOME</b>	<b>331,783,100</b>	<b>326,628,100</b>	<b>291,544,000</b>
<b>STATEMENT OF GENERAL BALANCE</b>			
General Balance at 1 April	10,723,000	10,723,000	14,070,600
Adjustment (following 2009/10 outturn)	0	3,035,000	0
Contribution from Insurance Fund	0	3,400,000	0
Budgeted contribution	(4,354,000)	(6,519,400)	(7,205,900)
Contribution from Reserves	0	3,432,000	0
<b>GENERAL BALANCE AT 31 MARCH</b>	<b>6,369,000</b>	<b>14,070,600</b>	<b>6,864,700</b>

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## **LABOUR BUDGET AMENDMENT 1 PROPOSAL 2011-12**

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 2011-12 on the setting of the budget for 2012-13.

### **1. GENERAL FUND BALANCES AND RESERVES**

This proposed budget will result in General Fund balances of £6.9m. 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 and was most recently reviewed by the Cabinet on 9 December 2010. This proposed budget would utilise balances, reserves and provisions totalling £7.2m. The remaining reserves and provisions should be adequate for the intended purposes.

### **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 £2m of savings can be delivered from the letting of contracts during 2011-12 and that £0.5m can be delivered from the renegotiation of existing contracts.

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 any specific inflation requested by Chief Officers.

This proposed budget provides for £5.5m, to be invested in services to enable the delivery of future efficiencies, of which £2m has been earmarked for restructuring services.

This proposed budget provides for £1m for outstanding equal pay claims in schools.

### 3. IMPLICATIONS FOR 2012-13

This proposed budget provides £1m 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 £7.2m, none of which would impact on the 2012-13 budget.

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) an increased number of claims for Housing and Council Tax Benefits

A review of fees and charges will be undertaken during 2011-12..

This proposed budget would, on current projections and assuming no Council Tax increase, require efficiencies of £21.3m to be delivered for 2012-13. This will be the subject of a more detailed report to the Cabinet on 17 March 2011.



DIRECTOR OF FINANCE.

## **LABOUR BUDGET AMENDMENT 2 PROPOSAL 2011-12**

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 2011-12 on the setting of the budget for 2012-13.

### **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 and was most recently reviewed by the Cabinet on 9 December 2010. This proposed budget would utilise balances, reserves and provisions totalling £7.0m. The remaining reserves and provisions should be adequate for the intended purposes.

### **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 £2m of savings can be delivered from the letting of contracts during 2011-12 and that £0.5m can be delivered from the renegotiation of existing contracts.

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 any specific inflation requested by Chief Officers.

This proposed budget provides for £5.5m, to be invested in services to enable the delivery of future efficiencies, of which £2m has been earmarked for restructuring services.

This proposed budget provides for £1m for outstanding equal pay claims in schools.

### 3. IMPLICATIONS FOR 2012-13

This proposed budget provides £1m 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 £7.0m, none of which would impact on the 2012-13 budget.

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) an increased number of claims for Housing and Council Tax Benefits

A review of fees and charges will be undertaken during 2011-12..

This proposed budget would, on current projections and assuming no Council Tax increase, require efficiencies of £21.3m to be delivered for 2012-13. This will be the subject of a more detailed report to the Cabinet on 17 March 2011.



DIRECTOR OF FINANCE.



## **LABOUR BUDGET AMENDMENT 3 PROPOSAL 2011-12**

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 2011-12 on the setting of the budget for 2012-13.

### **1. GENERAL FUND BALANCES AND RESERVES**

This proposed budget will result in General Fund balances of £6.9m. 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 and was most recently reviewed by the Cabinet on 9 December 2010. This proposed budget would utilise balances, reserves and provisions totalling £7.2m. The remaining reserves and provisions should be adequate for the intended purposes.

### **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 £2m of savings can be delivered from the letting of contracts during 2011-12 and that £0.5m can be delivered from the renegotiation of existing contracts.

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 any specific inflation requested by Chief Officers.

This proposed budget provides for £5.5m, to be invested in services to enable the delivery of future efficiencies, of which £2m has been earmarked for restructuring services.

This proposed budget provides for £1m for outstanding equal pay claims in schools.

### 3. IMPLICATIONS FOR 2012-13

This proposed budget provides £1m 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 £7.2m, none of which would impact on the 2012-13 budget.

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) an increased number of claims for Housing and Council Tax Benefits

A review of fees and charges will be undertaken during 2011-12..

This proposed budget would, on current projections and assuming no Council Tax increase, require efficiencies of £21.3m to be delivered for 2012-13. This will be the subject of a more detailed report to the Cabinet on 17 March 2011.



DIRECTOR OF FINANCE.

## **LABOUR BUDGET AMENDMENT 4 PROPOSAL 2011-12**

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 2011-12 on the setting of the budget for 2012-13.

### **1. GENERAL FUND BALANCES AND RESERVES**

This proposed budget will result in General Fund balances of £6.9m. 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 and was most recently reviewed by the Cabinet on 9 December 2010. This proposed budget would utilise balances, reserves and provisions totalling £7.2m. The remaining reserves and provisions should be adequate for the intended purposes.

### **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 £2m of savings can be delivered from the letting of contracts during 2011-12 and that £0.5m can be delivered from the renegotiation of existing contracts.

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 any specific inflation requested by Chief Officers.

This proposed budget provides for £5.5m, to be invested in services to enable the delivery of future efficiencies, of which £2m has been earmarked for restructuring services.

This proposed budget provides for £1m for outstanding equal pay claims in schools.

### 3. IMPLICATIONS FOR 2012-13

This proposed budget provides £1m 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 £7.2m, none of which would impact on the 2012-13 budget.

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) an increased number of claims for Housing and Council Tax Benefits

A review of fees and charges will be undertaken during 2011-12..

This proposed budget would, on current projections and assuming no Council Tax increase, require efficiencies of £21.3m to be delivered for 2012-13. This will be the subject of a more detailed report to the Cabinet on 17 March 2011.



DIRECTOR OF FINANCE.