

POLICY AND RESOURCES COMMITTEE

Wednesday, 19 February 2025

Present:

Councillor P Stuart (Chair)

Councillors	J Robinson	T Jones
	JE Green	J McManus
	J Bird	I Lewis
	P Gilchrist	S Mountney
	P Cleary	L Rennie
	EA Grey	S Bennett
	A Davies	G Jenkinson

84 **WELCOME AND INTRODUCTION**

The Chair welcomed everyone to the meeting as well as those watching the webcast.

85 **APOLOGIES**

There were no apologies for absence.

86 **MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST**

The following Members declared a registerable interest as Members of Trade Unions.

Councillors:	Interest:
Paul Stuart	Member of Community the Union Member of Unite the Union
Julie McManus	Member of Unite the Union
Jean Robinson	Member of Unison
Jo Bird	Member of Unison Member of The Bakers Union, BFAWU
Pat Cleary	Member of Unite the Union
Elizabeth Grey	Member of the National Education Union
Angela Davies	Member of Managers in Partnership, part of Unison
Tony Jones	Member of Unison (retired)
Stephen Bennett	Member of Unison (retired)
Gail Jenkinson	Member of Unite the Union

87 MINUTES

Resolved – That the minutes of the meeting held on 15 January be approved as a correct record.

88 PUBLIC QUESTIONS

The Chair advised three public questions had been submitted in advance of the meeting. 1 question, relating to housing and regeneration had been referred to the Economy, Regeneration and Housing Committee on the grounds it related to matters within that committee's Terms of Reference. The Chair reiterated the Council's commitment to its Brownfield only policy which was unchanged by the Council's financial situation.

The Chair then invited Vicky Forfar on behalf of Together All Are Able to ask her question.

Ms Forfar noted that at Policy and Resources Committee on 15th February 2023 the then chairperson said future budget processes would be coproduced with Together All Are Able and queried why that had not happened so far.

The Chair responded to state that the budget processes referred to in 2023 were specifically based around resident budget consultations, those being

consultations where a budget proposal may result in a service change that could impact on residents. Whilst there was no such consultation for the previous budget savings in 2024/25, for any budget savings for 2025/26 which may require this type of consultation to take place, the Council is committed to ensuring that all accessibility needs are addressed.

Ms Forfar was informed that the Committee was to consider a new consultation policy in March 2025, which included details of reasonable adjustments and when planning and developing consultations that may result in a service change, Directors will consider what level of accessibility is legally required and appropriate.

The Chair then invited Andrew Hobson to ask his question.

Mr Hobson noted budget overspends for 23/24 and 24/25 and queried if the 25/26 budget was overspent it was likely that the council would need to borrow more money to add to the outstanding loans to be paid for by council taxpayers.

Mr Hobson asked if anything had changed in the way officers were to forecast their spending to reduce the risk of overspend in the 25/26 budget.

The Chair responded to state that the overall Council budget was balanced in both 22/23 and 23/24, and the Adults budget was underspent in 22/23.

There were many factors affecting the Council's budget over the course of a year, many of which are uncontrollable and cannot be predicted. It is for this reason that the Council needed to hold sufficient reserves to manage these risks and issues.

Forecasting of pressures in both Adults and Children's services was undertaken using the best available data at the time. This included national data sets around adult population and needs forecasts. The growth in demand for adult services had changed significantly post Covid, changing the long-term trends, at least temporarily. Forecasting this growth and meeting the costs of the increased demand was presenting a significant challenge for Council's across the Country.

A spike in activity for both Children's and Adults occurred in the final quarter of the 2023/24 budget and had a significant impact in the current year. The significant inflationary growth in the cost of Children's care placements had also impacted.

These increases are so far in excess of the underlying rate of inflation that the Government is now looking at whether this warrants direct intervention.

The budgets for 25/26 had been revised to reflect both the current activity and the increased demographic growth levels seen over the past 2 years. The budget monitoring information presented to Committees reflected these issues and the reports track actual activity against assumptions.

89 **STATEMENTS AND PETITIONS**

The Chair invited Paul Harris to make a statement in relation to agenda item 10.

Mr Harris presented a statement regarding the Council's financial position and government borrowing.

90 **QUESTIONS BY MEMBERS**

The Chair then advised Members that one Member question has been submitted under standing order 12 from Councillor Phil Gilchrist.

Councillor Gilchrist asked a question about the budget and proposed car parking charges in Bromborough and Eastham, stating concerns about the potentially damaging impact on shops and business due to the competition from the retail park. Councillor Gilchrist asked if the Chair was content that that the expected income of under £20,000 from both sites could be justified and was it really necessary.

The Chair responded to state that the purpose of the Parking Strategy, which was agreed by all parties in December 2023, is to help to manage the expeditious, convenient and safe movement of vehicular and other traffic (including pedestrians). Isolating one area of the Borough and looking at the potential income it may generate is disingenuous, as it would undermine the agreed strategy. An argument could be made for each individual area, street, or car park, that the income generated is not sufficient to justify inclusion. However, members are expected to consider the implications for the Borough as a whole, taking account of the overall financial position of the Council and the policies and strategies that have been democratically agreed.

91 **2025/26 BUDGET AND MEDIUM TERM FINANCIAL STRATEGY**

A report of the Director of Finance set out the budget for the forthcoming financial year 2025/26.

The report was based on the usual work and analysis undertaken by the Section 151 Officer and finance team.

The draft budget was proposed for approval by the Policy and Resources Committee and onward recommendation to Council on 3 March 2025.

All Members of the Council need to agree a budget to fulfil their legal obligation to set a balanced and sustainable budget for 2025/26. The draft budget was offered for consideration accordingly. The report presented the following financial aspects:

- details of the annual budget for 2025/26
- the key elements contributing towards the preparation of the Budget.
- recommendations on the budget and council tax
- the Medium-Term Financial Strategy (MTFS), which incorporates the Medium-Term Financial Plan (MTFP) covering the period from 2025/26 to 2029/30.

The report contained several appendices, some that were required to be published as part of the statutory annual budget process and others that provided the Committee with relevant information relating to short and medium-term budget planning, inclusive of consultation aspects and financial assumptions. These assumptions would change and would be reported through the Council's governance process for budget monitoring within the Committee system.

The 2025/26 budget had been compiled using the figures in the Final Local Government Finance Settlement for 2025/26, which was laid before the House of Commons and approved on 5 February 2025.

The budget proposals, which had been produced with the engagement of Finance Working Group and the Policy and Service Committees during the last year, and the associated recommendations laid out in the report were a key step in achieving the Council's commitment to produce a stable, prudent and sustainable financial basis to operate from. The proposals also recognised the finite resources available and prioritising them for the best outcomes for Wirral, with the ongoing aim of delivering better services.

The report was necessarily extensive, covering complex information on a number of areas including:

- The Section 151 officer's report on the robustness of estimates for budget calculations
- The national context and local government funding The approach to formulating the Budget.
- The Budget Proposals
- The Medium-Term Financial Strategy (MTFS) with Medium-Term Financial Plan (MTFP)
- Council Tax
- Business Rates

- Schools' Budgets
- Levies
- The Council's Financial Reserves

Members were informed that the Government was undertaking a review of funding for local authorities and had promised a three -year settlement later this year, which will provide a clearer picture of the future funding.

This current forecast and the budget for 2025 -26 illustrated that the Council continued to face a challenging position in relation to the demand pressures set against the available funding.

The terms of the financial settlement for this year were received in December 2024 and had been approximately £11 million better than had been assumed within the budget projections pre-settlement.

The proposed budget took account of all the current known demographic and service pressures that had resulted in the forecast in-year overspend for £20 million, which were detailed in the Quarter 3 Budget Monitoring Report later on the agenda. The assumptions for the growth in the demand-led areas of adults and children were also detailed in this report. Members discussed the prospect of a Liverpool City Region devolution deal and additional funding options that this could bring and also queried the sufficiency of the financial resources team, the school's budget, and public consultation. In addition, Members discussed early voluntary retirement options available to staff, querying how the council could be kept informed of this process as well as support offered to Council staff.

The chair advised Members that the Director of Finance had requested an additional text be included in recommendation 2 on the budget report.

Delegate authority to the Assistant Director for People and Organisational Culture to carry out any measures in respect of staffing that is required to achieve savings or implementation. This may include consultation (both individual and collective), the serving of any statutory notices or other notices as required (such as HR1 and Page 134 Section 188 documentation if required), support and seeking alternatives in respect of employment, **noting that this includes a global offer to all staff to seek early voluntary redundancy'**

On a motion by the Councillor Paul Stuart, duly seconded it was,

Resolved – that,

1. Authority be delegated to the Section 151 Officer, following consultation with the Chair and Group Spokespersons of the Policy & Resources Committee, to do anything necessary to give effect to the

proposals contained in this report and address any funding changes. This extends to adding any further increases in funding to reserves.

2. Authority be delegated to the Assistant Director for People and Organisational Culture to carry out any measures in respect of staffing that was required to achieve savings or implementation. This may include consultation (both individual and collective), the serving of any statutory notices or other notices as required (such as HR1 and Section 188 documentation if required), support and seeking alternatives in respect of employment, noting that this includes a global offer to all staff to seek early voluntary redundancy.

3. Authority be delegated to the Assistant Director for Governance and Corporate Support to carry out public consultation as required in respect of any policy decisions within the agreed savings.

4. Committee notes and considers the response to the financial proposals forming a draft budget for the purposes of consultation under section 65 of the Local Government Finance Act, set out as:

Appendix 1 Budget Proposals

Appendix 2 Budget consultation

Appendix 3 Policy & Service Committee budget proposals feedback

Appendix 4 The Dedicated Schools Grant Schools Budget

Appendix 5 Provisional Council Tax Statutory Calculations

Appendix 6 Discretionary Rate Relief Policy

Appendix 7 Medium-Term Financial Strategy

Appendix 8 Budget proposal changes since November 2024

Appendix 9 Council Tax Base Calculation Process and Associated Background Information

Appendix 10 Budget Pressures and Growth

5. A Revenue Budget of £444.722m be recommended to Council, noting that the Section 151 Officer in liaison with the Monitoring Officer and Head of Paid Service may need to make adjustments to the Budget estimates before the preparation of final reports for Full Council on 3 March 2025.

6. Accordingly recommend that Council: Page 135 a) Approves the Medium-Term Financial Strategy (MTFS) set out as Appendix 7 of the report b) Approves increases to the Council's fees and charges equal to or above the annual Consumer Price Index reported by the Office for National Statistics in September 2024, unless either of the following conditions apply:

- i. There is a statutory constraint that prevents such an increase,

- ii. **The Council is operating in a market whereby such an increase would result in the Council being uncompetitive.**

c) Approves the Discretionary Rate Relief Policy for Business Rates for 2025/26 set out as Appendix 6.

d) Approves that Unearmarked Reserves (General Fund Balances) are increased by £3.562m to a total of £16.738m in 2025/26 (including a one[1]off £1.187m contribution from the collection fund surplus.)

e) Authorises, in respect of the Budget Proposals, that the Director with portfolio undertake such actions as they consider necessary to implement the agreed Budget and deliver the savings, income and efficiency proposals developed as part of the formulation process and update Committees accordingly.

f) Notes the rigorous monitoring process established to track both overall budget performance and the delivery of savings proposals, as previously reported to Policy and Resources committee in July 2024, with an updated report scheduled for March 2025. Furthermore, note the establishment of a Member Oversight Panel specifically tasked with reviewing and monitoring the progress of the transformation and change programme.

g) Approve the 2025/26 Schools Budget of £421.858m

7. Recommend (subject to a separate vote at Council) that Council:

a. Sets the Band D Council Tax at £1,982.44 for the Wirral Borough Council element of the Council Tax, representing a general increase of 2.99% and 2.00% ringfenced increase to Adult Social Care, and the Council Tax requirement for the Council's own purposes for 2025/26, as detailed in Appendix 5.

b. Notes that the additional precepts from the Police & Crime Commissioner for Merseyside and the Merseyside Fire & Rescue Authority remain in estimated form and delegates authority to the Section 151 Officer to implement any variation to the overall council tax arising from the final notification of the precepts.

92 2025-30 CAPITAL PROGRAMME

The Director of Finance provided Members with the proposed Capital Programme 2025-32 for consideration and referral to Council for approval. The report included information regarding the revenue implications of this Programme and an update on the latest forecast for capital receipts. The 2025-32 Capital Programme represented a combination of schemes originally approved as part of the 2024-29 Programme, updated through the Capital

Monitoring reports in 2024-25 and new bids for inclusion as detailed in this report. Members discussed the re-development of Mosslands School and proposals for the site, as well as capital schemes for Community Asset Transfer, disposals, asset rationalisation and Library Works. Also considered was the proposed car parking capital equipment expenditure of £1m for 2025/26. After a debate, Councillor Simon Mountney proposed the following amendment to recommendation 2, seconded by Councillor Jeff Green.

“The Capital Programme 2025-32 as detailed in Appendix 3 to this report, deleting reference to the car parking equipment proposing capital expenditure of £1m in 2025/26 as set out on page 172 of this report”.

The amendment was then put to the vote and was lost (05:10)

The original motion was therefore put to the vote, and it was – Resolved (15:00)- That Council be recommended to approve,

**1 The new bids as detailed in Appendix 2 to this report requiring £18.8m of funding for inclusion in the Capital Programme; and
2 The Capital Programme 2025-32 as detailed in Appendix 3 to this report.**

93 **CAPITAL FINANCING STRATEGY 2025/26**

The Head of Finance for Corporate Services presented the report of the Director of Finance which outlined the Council’s treasury management activity is underpinned by the Chartered Institute of Public Finance and Accountancy (CIPFA) 2021 Code of Practice on Treasury Management (“the Code”), in which there is the requirement for Council to approve an annual Capital Strategy. The report fulfilled the Council’s legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

Members discussed monitoring of capital receipts and requested more detailed reporting on the repayment of debt.

Resolved - that Council be recommended to approve,

**1. the Capital Strategy for 2025/26;
2. the associated Prudential Indicators to be adopted, contained within this report; and the Council’s Minimum Revenue Provision policy as set out in Appendix 1 of this report;
3. the Council’s Minimum Revenue Provision policy as set out in Appendix 1 of this report.**

94 **2024-25 CAPITAL MONITORING QUARTER 3**

The Head of Finance for Corporate Services introduced the report of the Director of Finance which informed Members of the progress of the Capital Programme 2024/25 at the end of December 2024 (Quarter 3).

The report requested that committee recommended to Council the revised 2024/25 Capital Programme of £93.953m which took account of re-profiling, virements, additional funding requirements and grant variations identified since the Capital Programme was formally agreed on 26th February 2024.

Members queried the amendment to the Minimum Revenue Provision (MRP) asking why it required change and what the practical effect of that change would be and also sought assurances that it would not lead to an increase in monies paid. Officers were able to provide Members with this assurance.

Resolved - that Council be recommended to approve

- 1. The revised Capital Programme of £93.953m for 2024/25, including the virements of budget referred to in Appendix 3 of this report;**
- 2. Additional funding for the scheme referred to in section 3.7 in this report; and**
- 3. The amendment to the Council's Minimum Revenue Provision policy as set out in 3.9.2 of the report.**

95 **2024/25 BUDGET MONITORING FOR QUARTER 3 (THE PERIOD TO 31 DEC 2024)**

A report of the Director of Finance set out the financial monitoring information for the Council as at Quarter 3 (31 December) of 2024/25. The report provided Members with an overview of budget performance, including progress on the delivery of the 2024/25 saving programme and a summary of reserves and balances, to enable the Committee to take ownership of the budgets and provide robust challenge and scrutiny to Officers and where appropriate, Committees on the performance of those budgets.

At the end of Quarter 3, the financial outlook had deteriorated further since quarter 2. Current estimates forecasted an adverse outturn position of £22.590m on Directorate spend. This position was based on activity to date, projected trends in income and expenditure and changes to Council funding.

The Council had faced a severe financial challenge throughout the year to achieve a balanced budget. All possible measures to curtail spending and generate substantial cost savings had been applied. However, the current forecast showed that the Council would not be in a position to provide a balanced budget by financial year-end. Consequently, the Section 151 officer had submitted an application for Exceptional Financial Support (EFS) to the Ministry of Housing, Communities & Local Government (MHCLG).

This was not a key decision and affected all wards.

The report contributed to the Wirral Plan 2023-2027 in supporting the organisation in meeting all Council priorities.

Resolved – That the Policy and Resources Committee:

- 1. Notes the Directorate forecast adverse position of £22.590m presented at Quarter 3 and the urgent need to examine all available options to address the position.**
- 2. Notes that the Director of Finance has made an application to the Ministry of Housing, Communities & Local Government (MHCLG) for Exceptional Financial Support and that the outcome of the application is still awaited.**
- 3. Notes the progress on delivery of the 2024/25 savings programme at Quarter 3.**
- 4. Notes the forecast level of reserves and balances at Quarter 3.**
- 5. Approves the budget virements, as detailed in paragraph 3.62 of the report.**

96 **TREASURY MANAGEMENT STRATEGY 2025/26**

The Senior Finance Manager introduced the report of the Director of Finance which presented the Treasury Management Strategy for 2025/2026. The strategy outlined the process for the management of the Council's cash flows, borrowing and investments, and risks associated with those activities.

Members were informed that regarding investment, the Council's main consideration was security and liquidity of its investments.

Resolved – that Council be recommended to approve,

- (1) the Treasury Management Strategy for 2025/2026, as set out in Appendix A to this report;**
- (2) the Treasury Management Policy Statement, as set out in Appendix B to this report;**

(3) the Treasury Management Prudential Indicators for 2025/2026, as set out in Appendix C to this report.

97 **INVESTMENT STRATEGY 2025/26**

The Head of Finance for Corporate Services presented the report of the Director of Finance. The report brought forward a recommendation of the Audit and Risk Management Committee, held on 28 January 2025.

The report fulfilled the requirement of the Ministry for Housing, Communities and Local Government (MHCLG) for local authorities to produce a separate investment strategy that covered non-treasury activities. It was reported that the particular investments outlined in this strategy were made by departments with a wider service objective or focus rather than for cash flow maintenance.

Resolved – that Council be recommended to approve the Investment Strategy for 2025/26 which includes the scope of potential investment in the following activity areas:

- (a) Commercial Property;**
- (b) Service Investments: Loans;**
- (c) Service Investments: Shares.**

98 **2023/24 EXTERNAL ANNUAL AUDIT REPORT**

The Director of Finance brought forward a recommendation of the Audit and Risk Management Committee, held on 28 January 2025.

That the Policy & Resources Committee is requested to recommend to Council the approval of the External Audit Annual Report 2023/24 and publication on the Council website.

Since consideration of the report at Audit and Risk Management Committee on 28 January 2025, new information received by the Council had meant an additional recommendation was required, as set out below:

In advance of the Council's consideration of the Council's accounts, the Council must receive confirmation from the external auditors that the accounts are unqualified. In the absence of such confirmation, the external auditors annual report will be referred back to Audit and Risk Management Committee.

Members queried how oversight of savings and transformation would be achieved and were informed that a report would be brought to a future meeting in relation to budget recovery.

Resolved – that Council be recommended to approve.

- 1 the External Audit Annual Report 2023/24 and publication on the Council website.**
- 2 note that in advance of the Council’s consideration of the Council’s accounts, the Council must receive confirmation from the external auditors that the accounts are unqualified. In the absence of such confirmation, the external auditors annual report will be referred back to Audit and Risk Management Committee.**

99 **PROCEDURE FOR BUDGET DECISION MEETING OF COUNCIL**

The Director of Law and Corporate Services presented the report on the assurance process in formulating the draft Council Budget and to recommend to Council a process for adoption at the Budget decision making meeting

Resolved – that it be recommended to Council that for the duration of the Extra-ordinary meeting of 3rd March 2025 (Budget Council):

- (a) the procedure attached as Appendix A be followed in respect of the meeting; and**
- (b) Council Standing Order 15.4 (timing of speeches) be suspended together with such other standing orders as may conflict with the Budget Council procedure or the Mayor’s administration of the meeting, in such a manner as the Mayor in his or her absolute discretion dictates, to ensure the objective of Council setting a lawful budget and council tax requirement prevails**