



## Transformation and Resources Policy and Performance Committee

<b>Date:</b>	Wednesday, 6 November 2013
<b>Time:</b>	6.00 pm
<b>Venue:</b>	Committee Room 1 - Wallasey Town Hall

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### AGENDA

**1. MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST / PARTY WHIP**

Members are asked to consider whether they have any disclosable pecuniary interests and/or any other relevant interest in connection with any item(s) on this agenda and, if so, to declare them and state the nature of the interest.

Members are reminded that they should also declare whether they are subject to a party whip in connection with any item(s) to be considered and, if so, to declare it and state the nature of the whipping arrangement.

**2. MINUTES (Pages 1 - 6)**

To approve the accuracy of the minutes of the meeting held on 23 September, 2013.

**3. BUDGET OPTIONS (Pages 7 - 30)**

The summary document and individual budget options papers are attached.

A presentation will also be made on this item.

**4. ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR**

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## TRANSFORMATION AND RESOURCES POLICY AND PERFORMANCE COMMITTEE

Monday, 23 September 2013

<u>Present:</u>	Councillor	S Whittingham (Chair)	
	Councillors	P Gilchrist C Blakeley P Glasman R Gregson M Johnston	C Muspratt L Rowlands J Salter A Sykes
<u>Deputies:</u>	Councillors	B Mooney (In place of RL Abbey) M Sullivan (In place of J Williamson) W Clements (In place of A Hodson) C Povall (In place of J Hale)	
<u>In attendance</u>	Councillor	A Jones	

### 11 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST / PARTY WHIP

Members were asked to consider whether they had any disclosable pecuniary interests and/or any other relevant interest in connection with any item(s) on this agenda and, if so, to declare them and state the nature of the interest.

Members were reminded that they should also declare whether they were subject to a party whip in connection with any item(s) to be considered and, if so, to declare it and state the nature of the whipping arrangement.

Councillor P Glasman declared a non-pecuniary interest in agenda item 4 – Directorate Plan Performance Management Report (see minute 14 post), by virtue of her being Chair of the Pensions Committee.

Councillor C Povall declared a non-pecuniary interest in agenda item 4 – Directorate Plan Performance Management Report (see minute 14 post), by virtue of her being a member of the Pensions Committee.

### 12 MINUTES

**Resolved – That the minutes of the Transformation and Resources Policy and Performance Committee of 30 July, 2013 be approved.**

## 13 ICT STRATEGY

The Committee received the report of the Interim Head of ICT, and a presentation on the Council's ICT Strategy and Strategic Implementation Plan. The report provided the Committee with an opportunity to undertake some pre-decision scrutiny in advance of the Strategy being submitted to Cabinet for approval. The ICT Strategy, appended to the report included sections giving an overview, the vision of the IT Service and Key Drivers. However, the main elements of the strategy were developed around providing overall ICT leadership across four key themes:

Transforming the Council  
Core Business Systems  
Infrastructure  
ICT Governance

An ICT Strategic Implementation Plan had been developed and was also appended to the report. This highlighted the key projects that delivered the ICT Strategy and prioritised these as well as highlighting the outcome being sought, the cost of the work, the associated savings and the key milestones of the work involved.

All aspects of the IT strategy were financially covered. The £675,000 pa refresh budget for all new equipment and software was available to IT and special capital budgets for the Swift replacement project had been made available. The refresh budget could be released when necessary to deliver more replacement hardware and software.

Responding to comments from Members, the Interim Head of ICT explained how the WRap2 system worked in connecting securely Council computers in Members' homes to the Local Authority's services. The Government had issued firm advice warning Councils not to run software that couldn't be secured, it had also warned recently against the use of personal devices to access Local Authority computer systems. With data now also been shared across services from the Departments of Adult Social Services and Children and Young People with partners in health there was a need to ensure security of the Council's IT systems were as up to date as those in the National Health Service.

A Member suggested that as with other Councils, Members should be able to provide their own devices and access the Council's email. The special software required for encryption could be put on Members' own devices to ensure it met the Government's security requirements.

In response to further comments, he elaborated on the improvements to be made in the event of future power loss, the backup available and the refresh budget for new equipment and software.

With regard to the Government's recommendations on IT security requirements for Local Authorities, he agreed that it would be useful for Members to see this information. He was not aware of any Government grants to cover the increased IT security arrangements required.

He assured Members of the security of the WRap2 connection and would provide this assurance in writing. It was also confirmed that the broadband connection did not have to remain switched on and could be switched off.

A Member suggested the need to build into the strategy an acknowledgement of those members of the community who did not have access to the internet.

On a motion by the Chair, seconded by Councillor Glasman and incorporating the suggestion made by Councillor Johnston, it was –

**Resolved –**

- (1) In terms of the ICT governance proposals, it is recommended there is Member involvement in the proposed Senior Board, to be determined by Cabinet.**
- (2) It is recommended that part of the Senior Board's remit is horizon-scanning to identify new technologies that improve service quality and deliver efficiencies.**
- (3) In terms of implementing the Strategy, it is recommended that a management dashboard approach is taken to monitoring performance and that this is reviewed by this committee.**
- (4) An Equalities Impact Assessment is carried out.**
- (5) It is recommended that the Strategy includes a statement recognising that there is a vulnerable section of the community with limited or no access to the internet and that the Council needs to remain mindful of this in seeking to engage with all residents.**

#### 14 **DIRECTORATE PLAN PERFORMANCE MANAGEMENT REPORT**

The Strategic Director presented a report which outlined the current performance of the Transformation and Resources Department (as at 31st July 2013) against its Directorate Plan for 2013/14 in a Performance Dashboard. It translated the priorities set out in the Plan into a coherent set of

performance outcome measures and targets that would be used to evaluate the achievement of the priorities outlined in the Plan over the next year.

The report also included appendices with exception reports on those three items which had been 'red' rated for non-compliance against the specified target.

Responding to comments from Members, the Head of Business Processes stated in respect of indicators, DP11 and DP11a, that there were a number of initiatives to recover debt and that as with all debts the first twelve months were the key time to recover them. He outlined the work of the Collection and Recovery Team (CaRT) and the need for staff training so that people from whom the debts were being claimed were fully aware of what they were paying for and their responsibilities. The two software systems being used in the processing and recovery of debt, civica and oracle were capable of running together and no data was lost between the two.

The Chair suggested that it might be useful to have a separate indicator to measure performance in the recovery of historic debt.

In respect of further comments on other indicators, the Strategic Director acknowledged the gap in information from Human Resources in respect of CP3. HR were involved in all of the establishment restructures which would conclude in November and he would make sure that more information was provided in the next report. With regard to indicator CP5 there had been a significant reduction in the use of agency staff and the use of consultants and he would provide further information on this to the committee.

With regard to indicator P7, Head of Legal and Member Services, informed the committee that the Standards and Constitutional Oversight Committee had been cancelled in September due to the unavailability of the Chair, and items for that Committee could be dealt with at the meeting in November.

The Interim Director of Resources, in respect of indicator P3, stated that once the 'no purchase order no pay policy' had been introduced, SME's would be guaranteed payments of invoices within 10 days if they had a purchase order 10 days in advance.

A Member commented upon the need to ensure all officers were present to respond to questions which might be raised. The Strategic Director appreciated the point made and explained that the focus of the 'performance dashboard' was on exception reporting.

Members expressed congratulations to all those responsible for the improved dashboard and a Member suggested that it would be helpful to have exception reports not just on those indicators which were 'red' but also those moving in the wrong direction.

**Resolved - That the Performance Dashboard be noted and the information contained within it be used to inform the Committee's future work programme.**

15 **TRANSFORMATION AND RESOURCES FINANCIAL MONITORING 2013/14 (MONTH 3)**

The Interim Director of Resources presented a report which proposed an approach to future financial monitoring arrangements for this Committee to ensure consistency across the Policy and Performance Committees and that Members had sufficient information to scrutinise budget performance for the Directorate. With this Committee being the first to 'pilot' the new arrangements the financial information for Month 3 (June 2013) reported to Cabinet on 19 September was included.

The report gave details of performance against revenue and capital budgets and in year efficiency savings for 2013/14. The Strategic Director drew the Committee's attention to the currently forecast underspend of £246,000 and assured the Committee of continued monitoring to make sure that this became a reality.

In response to comments from Members, the Head of Business Processes assured the committee that the Council only used accredited bailiffs and there was a policy on dealing with vulnerable clients. In respect of Discretionary Housing Payments, it was expected that the Council would use up the full Government contribution of £917,214 by the year end and any additional contributions which would be given, once the Department of Work and Pensions had released information on the procedure to apply for these. He also stated that in respect of the Under Occupancy Regulations, he would include in a future report to the Committee what movement there had been in the numbers moving from the social to the private sector.

**Resolved –**

**(1) That this Committee approves the proposed approach for future financial monitoring arrangements.**

**(2) That the comments of the Committee be noted.**

16 **POLICY UPDATE**

The Director of Public Health / Head of Policy and Performance submitted a Policy Briefing report which provided the Committee with the opportunity to review new areas of policy and government initiatives that would impact on local government in the short to medium term.

**Resolved – That the report be noted.**

17 **WORK PROGRAMME**

Further to minute 9 (30 July 2013), the Chair presented an update upon the outcome of discussions with party spokespersons upon the formulation and development of the work programme for the ensuing municipal year. He presented a detailed work programme in the form of a schedule for the municipal year, highlighting proposed activity against the following headings –

- Scheduled Reviews
- Potential Reviews
- Reports Requested
- Standing Items

The Chair asked for Members to volunteer to sit on the task and finish groups.

**Resolved – That the Transformation and Resources Policy and Performance Committee work programme, set out in Appendix 1 to the report now submitted, be approved.**





**Budget Options:**  
Summary Document for  
Transformation & Resources

*If you care about tomorrow,  
you need to tell us today.*

# Message from the Chief Executive

## Dear Resident

I'm sure you will be aware that Councils across the country are facing major cuts in funding.

The Government is continuing to reduce the amount of money Councils are able to spend on services. These cuts are falling more and more on deprived, northern areas such as Wirral. While we fiercely believe the way these cuts are being allocated is both disproportionate and unfair, we have no choice but to implement them.

These are tough times - for our staff, Councillors, and most importantly the people who we serve. We have more extremely tough decisions to make over the coming months. To refuse to make the savings demanded of us would mean setting an illegal budget, which would ultimately result in the wholesale closure of services - putting thousands of vulnerable people at very real risk. Our duty as public servants is to do all we can to use the limited resources we have left in the most effective way possible to continue to ensure the services you rely on most remain available in some form. The only way we can do this is in partnership with you. We need your input and your views.

We started this process last year, and agreed savings of almost £50 million. This was a good start, and we were able, thankfully, to make most of these savings through so-called 'back office' costs, including efficiencies in areas such as management administration, marketing, agency costs, car mileage and phone bills. We also made significant progress in removing the legacy of bad financial management at this Council - we have made sure that going forward Council budgets are robust and are based on sound evidence, and the mistakes of the past are not repeated.

However, this year, we need to make further savings and are again asking for your help. Once again, we tried to come up with options which would mitigate, as much as possible, the impact of these budget cuts on our most vulnerable residents. Within this document you will find both an explanation of the Council budget, plus a series of principles which have been used to develop these options.

I put forward to you my options for where savings might be found, and I am asking all of you - residents, partners, and staff - to consider how we can spend less while minimising the impact on our poorest and most vulnerable residents. I understand how difficult it may be to contemplate some of these options, but the only responsible thing for us to do is to deal with the financial challenges we face.

Last year, we knew we had to save £109 million over the next three years - that figure has actually grown due to further announcements by the Government. This coming financial year, our budget gap is £27.5 million. We have found efficiency savings which add up to around £7 million, which do not impact on services. We are also assuming a below inflation rise in Council Tax which would generate £2 million. This means, of the budget options which have been put forward, only around £17.5 million need to be agreed - which I hope demonstrates that there is real choice over where savings can be found.

My pledge to you is that I will consult with staff, residents, community, voluntary and faith groups and businesses so that we can make these tough decisions together. I urge you to work with us and let us have your views.

**Graham Burgess,**  
Chief Executive.

# Message from Strategic Director, Joe Blott

**Wirral Council is already almost unrecognisable from the organisation it was a year ago – the pace of our change, innovation and development has been unprecedented. Our improvements, and the pace at which they have been delivered, have been nationally praised.**

However, as we are faced with bigger and deeper savings, we have no choice but to continue to adapt and look for ways of saving money while retaining the quality, the efficiency and the accountability we have committed to.

The Leader of the Council has been, and remains, unequivocal in his position that the savings we implement should focus on the administration of the Council first and should protect, as far as possible, the services you rely on every day. We are making rapid progress on a whole series of measures to get the very most out of every penny of public money we spend.

We are working towards sharing some of our back office services with a neighbouring Council – bringing huge savings.”

We are continuing to make sure Council management is stripped down and streamlined – last year we saved £5 million from reducing management, and this year we will go even further – making sure as much as possible of our resources are committed to the front line.

We will focus on the culture and accountability of our workforce. We will work hard to make sure that even with vastly reduced resources, our workforce remains as committed to public service as ever and our focus on delivering you the very highest level of performance never wavers.

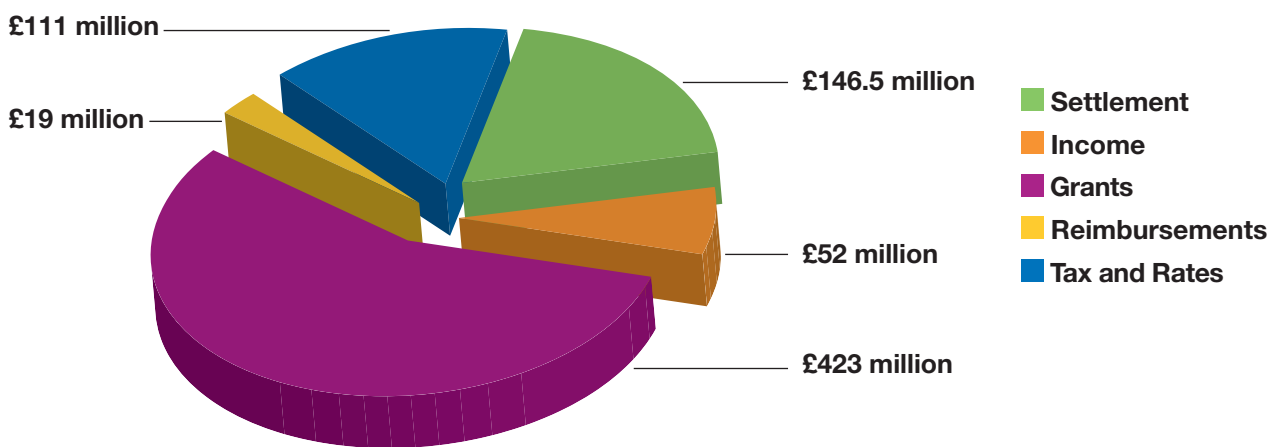
The savings which are being proposed this year are difficult. They impact on you, as a resident, and they impact on our staff. They are tough choices, but necessary ones, and if we are to be successful we need to work together – staff, residents, partners and Councillors. We have made an excellent start, but the situation is still serious – I urge you to let us have your views.

**Joe Blott,**  
Strategic Director -  
Transformation and Resources

# Your Budget Explained

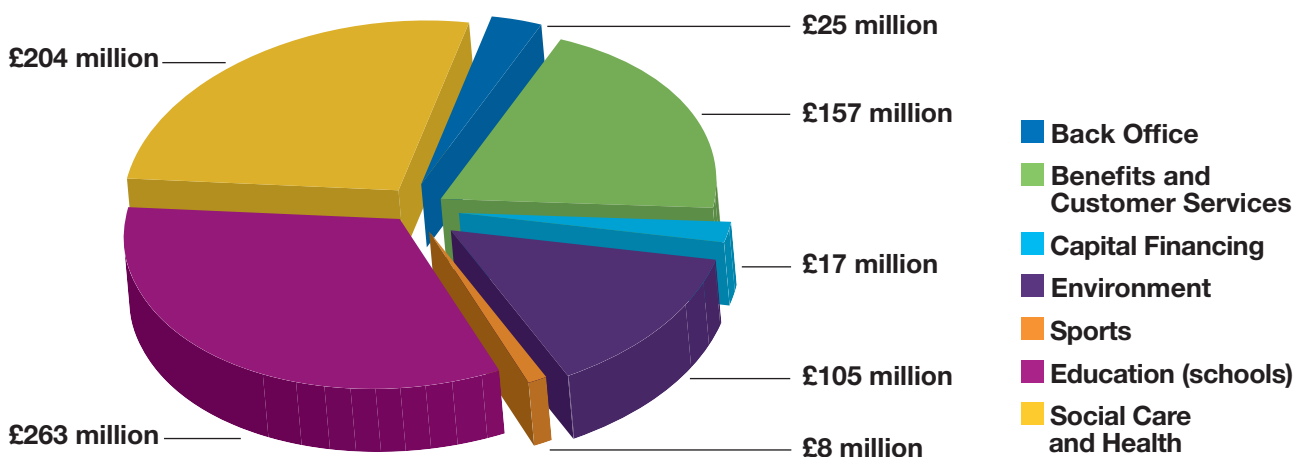
The Council, like a lot of public sector agencies and big organisations, has an extremely complicated budget. We've tried to simplify it on this page, to explain to you why we need to make savings and where our £27.5 million budget gap has come from.

## WHERE OUR MONEY COMES FROM (2014/15):



Firstly, it's important to be clear about where the money Wirral Council spends actually comes from. As you'll see from the chart – the vast majority of the money comes from the Government, in the form of 'Grants' (£423 million), which is money provided to Councils to do specific jobs mainly for schools and housing, and a 'Settlement' (£146.5 million), which is divided up among all of the Councils in the country based on need and deprivation. We also receive £111 million from Council Tax and Business Rates, £52 million in income from services and £19 million in 'reimbursements', which is where organisations like the NHS pay us for delivering services on their behalf.

## WHERE OUR MONEY IS SPENT:

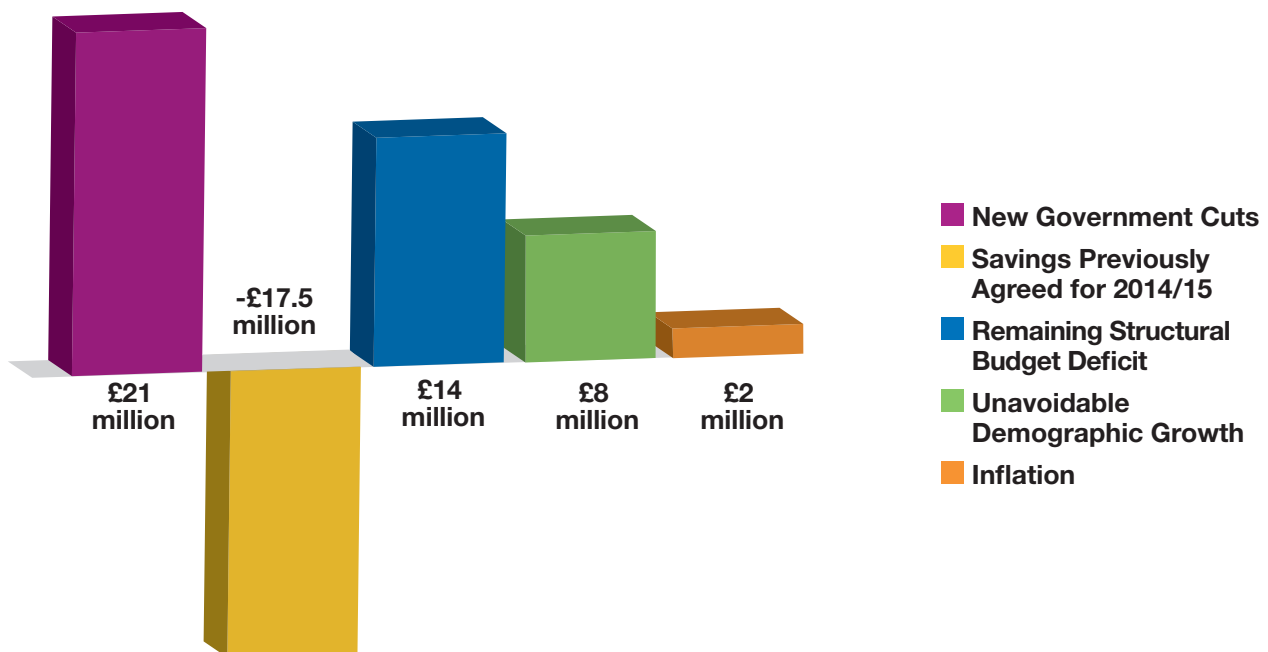


# Your Budget Explained

You will see from the chart on the previous page that most of the money is either spent on social care and health (£204 million) or on education and schools (£263 million). We also spend £105 million on services to protect and improve our environment, economy and housing, £8 million on sports and £157 million on benefits and customer services – including libraries and one stop shops. We spend £17 million on ‘capital financing’, which are costs associated with managing the Council’s finances and the hundreds of buildings which services are run from, and we spend £25 million on ‘back office support’, which are those services that you rarely see but are essential to keep the Council running – things like human resources, Information Technology and finance.

If you look at both charts, you will see that next year our current services and plans are set to spend £27.5 million more than we receive. That is the problem we are asking for your help in solving, and why this consultation is so important.

## WHERE OUR BUDGET GAP HAS COME FROM:

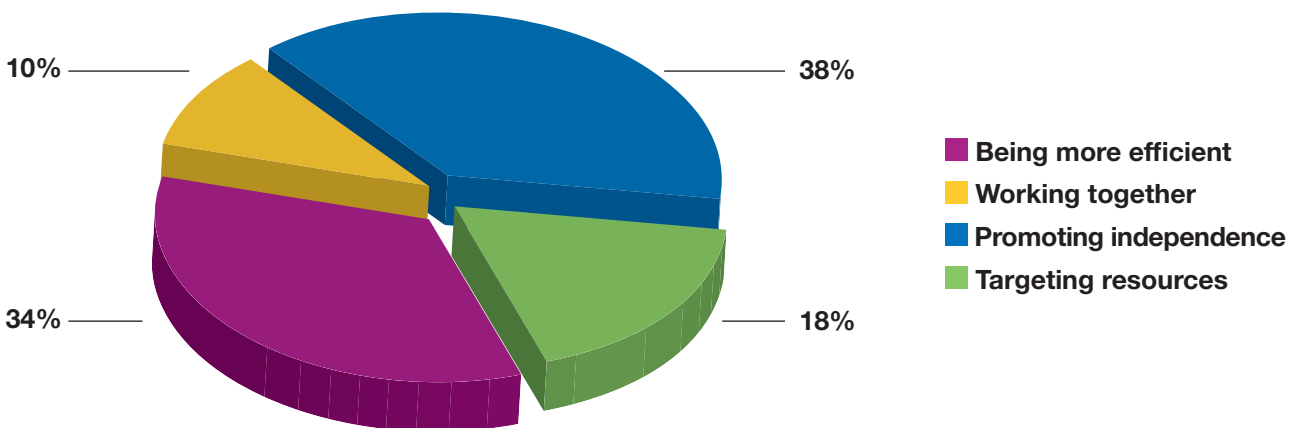


This year, we have to cope with new Government cuts of around £21 million. This wasn't a surprise – as you will know the Government has been cutting back on spending for a number of years now; so we made £17.5 million worth of savings from the last consultation which we will feel the impact of next year. We also have to deal with demographic growth, which will cost an extra £8 million, and unavoidable inflation, which will cost an extra £2 million. Also, due to a series of factors including bad financial management on our part and under funding, we have to correct our budgets for social care for adults and children – that will cost £14 million.

All of this means that we need to make savings this year of £27.5 million. We have presented lots of ideas for how we might do it – now we need to know what you think.

# Budget Principles

**Wirral Council is facing unprecedented budget challenges. To make the savings being demanded of us, and to continue to provide access to the services which our residents rely on, is going to take radical thinking, determination and some extremely difficult decisions.**



The Leader of the Council has been, and remains, determined to ensure that the budget options we put forward lessen, as much as possible, the impact on front line services and the most vulnerable. That is the overriding principle upon which these options have been developed.

Clearly, considering the amount of savings which are required for the coming year, having some affect on services is unavoidable. So, we have developed a further four principles for developing options, focussing as much as possible on the running costs of the Council.

**1. Being More Efficient:** We will make sure that our services, our administration costs and our processes are streamlined, efficient and examples of national best practice to make sure no money is wasted on bureaucracy when it could be invested in services.

**2. Working Together:** We will work in genuine partnership with the rest of the public sector and organisations from the community, voluntary and faith sector to ensure the highest level of efficiency and the lowest levels of duplication to get you the best value for your money as a

**3. Promoting Independence:** Wirral has vibrant, strong and cohesive communities. We will make sure that our communities have the tools, the confidence and the ability to help themselves to address local needs and improve residents' lives.

**4. Targeting Resources:** The sheer scale of our financial challenges means that we cannot continue to invest the same amounts of money into some services, and they will need to be reduced. We will work in partnership with you to take these difficult decisions and to make sure that our limited resources and services are distributed in a way that is fair, equitable and ensures they are targeted at those who need them most.

The savings which are being proposed this year are difficult. They impact on you, as a resident, and they impact on our staff. They are tough choices, but necessary ones, and if we are to be successful we need to work together - staff, residents, partners and Councillors. We have made an excellent start, but the situation is very challenging - please let us have your views.

# Taking Part

**We want everyone to be able to take part in this consultation. The options are difficult, they are important, and we know they are tough choices. We have tried to make it as easy as possible for everyone to take part.**

More information about the budget options in this document is available from our website, at **[www.wirral.gov.uk/whatreallymatters](http://www.wirral.gov.uk/whatreallymatters)**. You can also call into any Council building and ask for copies.

If you would prefer an easy read version of this, or one of other consultation documents, then they are also available online - or you can contact us via email at **[engage@wirral.gov.uk](mailto:engage@wirral.gov.uk)**, call into any Council building or call **0151 606 2030** and we will be happy to send you a copy.

# Budget Options: Being More Efficient

## Option: Transforming Wirral Council

### Budget Savings:

2014/2015	2015/2016	2016/2017	TOTAL
£000s	£000s	£000s	£000s
3111	2500	-	5611

### Summary:

**The role of Local Government is changing at the most rapid pace in living memory; as more and more funding is removed, Councils are being forced to totally re-evaluate the way they do business – what services they continue to provide, what they outsource to the private and voluntary sector and what services are no longer available.**

We intend to pro-actively respond to the changing needs of our communities through remodelling Wirral Council to ensure we are able to deliver the most sustainable, effective, targeted services for our communities possible.

We will address the structure and makeup of the entire Council by working with staff to transform our workforce – its structure, its skills, its priorities and its size. We will totally re-evaluate, re-design and re-structure the organisation. At the end of next year Wirral Council's funding will have been reduced by around one third – the size of our workforce does not reflect this.

This option would see the workforce reduced in a targeted, strategic fashion, taking an equitable and fair approach to staff regardless of service area. This important exercise will deliver a flexible, fit for purpose organisation better able to adapt to the changing demands of our residents at a time of rapidly diminishing resources. This will also mean that even deeper cuts will not be made in front line services. We will also invest in support and training for our staff during this difficult transition period. This would also lead to a reduction in the amount of money which is invested in funding Trade Union Representatives and Training.

The Council could also, as part of this budget option, avoid paying additional costs of £2.373 million (based on 500 staff leaving) by removing the current, generous severance package available to staff leaving the organisation and instead implementing the statutory redundancy package based on actual pay.



# Budget Options: Being More Efficient

## Option: Information Technology and Telecoms

### Budget Savings:

2014/2015	2015/2016	2016/2017	TOTAL
£000s	£000s	£000s	£000s
200	70	-	270

### Summary:

The Council spends around £1.1 million every year on telecommunications, including mobile phones, phone calls, network phones, CCTV, urban traffic control links and schools

This option involves combining all of these aspects into a single contract to deliver significant savings over two years.

## Option: Managing the Money

### Budget Savings:

2014/2015	2015/2016	2016/2017	TOTAL
£000s	£000s	£000s	£000s
400	30	0	430

### Summary:

This option comprises a number of proposals, including improving the way the Council allocates 'capital' funding and achieving savings through insurance fund contracts.

A further element of this option is to begin recovering payment transaction charges from customers using online or credit card methods to pay for services.

# Budget Options: Being More Efficient

## Option: Improving Access to the Council

### Budget Savings:

2014/2015	2015/2016	2016/2017	TOTAL
£000s	£000s	£000s	£000s
250	69	-	319

### Summary:

This option will see the Council make savings through making the Call Centre more efficient in the first instance.

The option will also see significant early savings being made through improving the online channels people are able to use to contact the Council for such things as booking leisure and sports activity.

# Budget Options: Targeting Resources

## Option: Council Tax Collection

Budget Savings:			
2014/2015	2015/2016	2016/2017	TOTAL
£000s	£000s	£000s	£000s
140	-	-	140

### Summary:

The Council could seek Magistrate's Court agreement to increase Summons / Liability Order Costs by £10 for 2014-15 from the current total of £85 to £95 in respect of Council Tax and Business Rates non payers.

## Option: Council Tax Over 70s Discount

Budget Savings:			
2014/2015	2015/2016	2016/2017	TOTAL
£000s	£000s	£000s	£000s
1300	-	-	1300

### Summary:

Wirral Council provides a Council Tax Benefit to War Widows, people in receipt of a War Pension and people disabled due to War, as well as providing a blanket 7.76% discount on Council Tax to every household where the residents are over the age of 70 – providing they are not in receipt of Housing Benefit or Council Tax Support.

This option proposes that, while the Tax Benefits for war widows, people receiving war pensions and people disabled due to war should remain, in line with the principle of using resources to protect the most vulnerable, the blanket pensioners' discount of 7.75% should be removed.

An option within this option would be to limit the discount only to those properties falling in the lower Council Tax bands (A, B & C). This would fit with the principle of the broader shoulders bearing the greatest burden and would save £616,000.



**What  
Really  
Matters?**

**Budget Option**  
**Transforming  
Wirral  
Council**

## Savings

2014/2015	2015/2016	2016/2017	TOTAL
£000s	£000s	£000s	£000s
3111	2500	0	5611

## Option summary

The role of Local Government is changing at the most rapid pace in living memory; as more and more funding is removed, Councils are being forced to totally re-evaluate the way they do business – what services they continue to provide, what they outsource to the private and voluntary sector and what services are no longer available.

We intend to pro-actively respond to the changing needs of our communities through remodelling Wirral Council to ensure we are able to deliver the most sustainable, effective, targeted services for our communities possible.

We will address the structure and makeup of the entire Council by working with staff to transform our workforce – its structure, its skills, its priorities and its size. We will totally re-evaluate, re-design and re-structure the organisation. At the end of next year Wirral Council's funding will have been reduced by around one third – the size of our workforce does not reflect this.

This option would see the workforce reduced in a targeted, strategic fashion, taking an equitable and fair approach to staff regardless of service area. We will particularly look to remodel and achieve savings within back office, administrative areas where we have a particularly high comparative cost. This important exercise will deliver a flexible, fit for purpose organisation better able to adapt to the changing demands of our residents at a time of rapidly diminishing resources. This will also mean that even deeper cuts will not be made in front line services. We will also invest in support and training for our staff during this difficult transition period. This would also lead to a reduction in the amount of money which is invested in funding Trade Union Representatives and Training.

The Council could also, as part of this budget option, avoid paying additional costs of £2.373 million (based on 500 staff leaving) by removing the current, generous severance package available to staff leaving the organisation and instead implementing the statutory redundancy package based on actual pay.

## Potential impact

Inevitably, the primary impact from this budget option would be a reduction in our workforce. However, given the scale of the savings required and the need for change this option seeks to develop a comprehensive programme of transformation; minimising the impact on services and ensuring the reduction in workforce is achieved effectively and provides our staff and communities with the greatest degree of certainty.

## Reducing the impact

This option would lead to a completely redesigned Council – one that is much more able to deliver on its duty to Wirral residents with greatly reduced resources. Any specific potential impacts on services and/or staff would also be subject to further, detailed consultation.



Budget Option  
**IT and  
Telecomms**

## Savings

2014/2015	2015/2016	2016/2017	TOTAL
£000s	£000s	£000s	£000s
200	70	-	270

## Option summary

The objective of this proposal is to produce IT savings via a number of measures. These include:

- Merging all of our telecommunications contracts within one tender to save money
- Replacement of printing unit machinery at lower annual cost
- Review of mobile phone usage.

## Potential impact

There will be no direct impact on the public from these proposals. They are in essence reductions in the cost of back office functions.

## Reducing the impact

There are no negative impacts from this proposal.





Budget Option  
**Managing  
the Money**

## Savings

2014/2015	2015/2016	2016/2017	TOTAL
£000s	£000s	£000s	£000s
400	30	-	430

## Option summary

This option comprises a number of proposals, including improving the way the Council allocates 'capital' funding and achieving savings through insurance fund contracts. A further element of this option is to begin recovering payment transaction charges from customers using online or credit card methods to pay for services.

A further breakdown of these factors is provided below:

- Reducing the Minimum Revenue Provision: Borrowing incurs two costs interest and a Minimum Revenue Provision (MRP). MRP equates to a repayment of loan principal. MRP savings can be made by applying (where allowable) any non-borrowing sources of capital financing against schemes with short asset lives. MRP only relates to schemes financed from borrowing. This proposal removes MRP against high cost schemes (i.e. the MRP charge for a 5 year asset life would be 20% rather than 4% for a 25 year asset life). This allows borrowing and the resultant MRP to be allocated to schemes with the longest asset lives, spreading costs over longer time periods and incurring lower charges on the annual revenue account.
- Insurance Fund Contracts: Savings have been achieved on Property and Fire insurance tenders
- Payment Transaction Charges: Where the Council is charged a fee for processing automated, online or credit card charges this cost would be recovered from the customer to achieve a saving of £38,000.

## Potential impact

There is no negative impact on the public from the first two elements of this is option. Future MRP savings depend upon having non borrowing sources of capital financing available and having schemes with short asset lives to which this funding can be applied.

With the payment transactions option there is a risk that customers may use other more expensive mediums to pay such as Cashiers, Post Office / Paypoint rather than on line, automated or card payment. If cash facilities were removed at the same time, then there could be a major ramification of service reduction whilst at the same time increasing costs. The authority has to ensure it only charges for what it incurs as no profit is allowed to be made in passing the transaction fee on.

There are issues with some payment handling scheme such as Pay Point and Post Office which do not allow for point of payment transaction charge add on.

## Reducing the impact

There are no negative impacts for the first two elements.

Adding payment transaction charges to card payments may have a negative impact on collection rates. These costs will have to be balanced against the income raised which offsets the costs incurred. Previous experience showed that when trying to recover the payment charge (Post Office) customers reduced the amount they paid by the charge imposed leaving the authority with numerous small debts that were inevitably written off.

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**What  
Really  
Matters?**

**Budget Option**

# **Council Tax Collection**

## Savings

2014/2015	2015/2016	2016/2017	TOTAL
£000s	£000s	£000s	£000s
140	-	-	140

## Option summary

The Council could seek Magistrate's Court agreements to increase Summons / Liability Order Costs by £10 for 2014-15 from the current total of £85 to £95 in respect of Council Tax and Business Rates non payers.

## Potential impact

Councils can charge a reasonable cost when recovering unpaid Council Tax and Business Rates. Wirral currently charges £85 for the issue of a summons and award of a liability order, which recovers most of its costs. In 2013/2014 there was an increase of £20 in these charges so this will again impact those least able to pay.

This will increase the amount of recovery work required to collect these sums and increase the level of non payment. The sum shown is the likely net amount collected.

There is a likely social impact on people as more low income households face higher payments.

## Reducing the impact

If court costs are increased the Council could be seen as profiting from those on low income. There is a negative impact with both these and this would have to be balanced against the additional income raised.



Budget Option

# Council Tax Over 70s Discount

## Savings

2014/2015	2015/2016	2016/2017	TOTAL
£000s	£000s	£000s	£000s
1300	-	-	1300

## Option summary

Wirral Council provides a Council Tax Benefit to War Widows, people in receipt of a War Pension and people disabled due to War, as well as providing a blanket 7.76% discount on Council Tax to every household where the residents are over the age of 70 – providing they are not in receipt of Housing Benefit or Council Tax Support.

This option proposes that, while the Tax Benefits for war widows, people receiving war pensions and people disabled due to war should remain, in line with the principle of using resources to protect the most vulnerable, the blanket over 70s discount of 7.76% should be removed.

An option within this option would be to limit the Discount only to those properties falling in the lower Council Tax bands (A, B & C). This would fit with the principle of the broadest shoulders bearing the greatest burden and would save £616,000.

## Potential impact

As with any budget option which involves increasing charges or fees, there is a potential impact that people will struggle to pay the increased amount, leading to an element of financial hardship.

There is also a further risk that a higher charge could lead to non-collection and therefore the levels of Council Tax arrears could rise.

## Reducing the impact

The Council would continue to work closely with all vulnerable people, and build on the work already started which is helping thousands of local people navigate the issues generated by welfare reform. The same principles would be applied here, and the Council would work with everyone affected by this budget option to ensure they are claiming the maximum levels of benefits they are entitled to.