

CABINET

Monday, 26 November 2018

Present: Councillor P Davies (Chair) Leader of the Council

Councillors	A Davies	Jobs & Growth
	G Davies	Housing & Planning
	C Jones	Adult Care & Health
	A Leech	Environment
	B Mooney	Children & Families
	P Stuart	Law & Order
	J Williamson	Finance & Resources
	S Whittingham	Highways & Transport

Apologies: Councillor P Brightmore

28 CARE LEAVERS APPRENTICESHIP SCHEME

Councillor Janette Williamson announced that the Council had been commended for an award at the National Social Value Award Conference for its work on its Care Leavers' Apprenticeship Scheme. She thanked the Assistant Director – Commercial Management (Nicola Butterworth) for the fantastic work she had carried out on this important initiative.

Councillor Phil Davies informed that this achievement was terrific news that the Council was now facilitating care leavers to obtain apprenticeships. He was aware that Councillor Bernie Mooney had been involved with this work, this would be built upon and more work would be carried out. Councillor Davies thanked everyone concerned.

29 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

Councillor Anita Leech declared a personal and prejudicial interest in Item No. 11 on the agenda – Council Tax 2019/20 (Tax Base, Discounts, Exemptions and Council Tax Scheme) (Minute No. 39 refers) by virtue of her being a Board Member of the Prima Group. She informed that she would be leaving the meeting whilst this item of business was under discussion.

30 MINUTES

RESOLVED:

That the Minutes of the meeting of Cabinet held on 1 October 2018 be confirmed as a correct record.

31 EXECUTIVE KEY DECISIONS TAKEN UNDER DELEGATED POWERS

RESOLVED:

That the following Key Decisions taken under delegated authority from the period 21 September 2018 (date of publication of last Cabinet agenda) to date be noted:

Key Decision – taken under delegated powers. Period 21 September, 2018 (date of publication of last Cabinet agenda) to date.

Decision Maker – Cabinet Member – Environment

The Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018

Effective 25 October 2018.

32 BIRKENHEAD COMMERCIAL DISTRICT



Councillor Angie Davies, Portfolio Holder Jobs & Growth, said:

“Regeneration sits at the core of this administration’s economic growth and development plans. This report seeks approval to initiate broad consultation on Wirral Growth Company’s proposed redevelopment of Birkenhead town centre as part of our wider programme for economic growth in Wirral. By listening and engaging with local residents and businesses we will shape a Birkenhead town centre masterplan which will benefit local business, improve opportunities for residents and deliver thousands of new jobs.”

At the heart of a thriving Birkenhead town centre will be a commercial district which includes Grade A office space, a new market and retail options, and an improved leisure offer. Creating a vibrant commercial district will attract new businesses to Birkenhead, provide space for existing Wirral firms to grow, and also offers the opportunity for our borough’s largest employer, the public sector, to consolidate its real estate and office requirements in line with One Public Estate policies. Currently Wirral Council alone has in excess of 1,700 administrative staff spread across a range of sites and buildings. This report therefore also supports the proposal to

consolidate many of these staff into premises which support greater efficiency in the delivery of support services and reduce the cost of expensive leases and maintenance of buildings which could free resources to be better used to meet the needs of residents in other ways.

Wirral Growth Company will submit a Partnership Business Plan in early 2019, informed by the consultation and the emerging ideas for Birkenhead Commercial District. This is anticipated to attract an investment of up to £150m – the largest single investment in Wirral ever made – and this report seeks approval for officers to identify suitable funding and investment providers, including exploring opportunities with Merseyside Local Government Pension Fund and other social and ethical sources.

Finally, our ambitions for Wirral Growth Company are anchored in our desire to see economic, social and environmental opportunities increase for Wirral residents.

Through the schemes it delivers Wirral Growth Company will support us in meeting these social values – including generating job and training opportunities, providing local supply chain procurement, building affordable homes and improving the public realm in our town centres.

Our plans for Wirral are ambitious and progressive. To ensure we deliver these social outcomes and they are recognised as central to the ethos and actions of Wirral Growth Company, I am delighted to be recommended to serve as Chair of the Board of Directors for Wirral Growth Company.”

Councillor Angela Davies introduced a report by the Subject Matter Expert: Assets, the purpose of which was to initiate an extensive consultation programme to support the development of Birkenhead Commercial District. The Cabinet noted that this development was intended to drive the wider regeneration of Birkenhead through the provision of 300,000 square feet of Grade An office space with 70% destined for private sector occupancy together with a new leisure and market offer. The consultation would shape how and when these developments might be brought forward.

It was proposed that the Birkenhead Commercial District would be delivered through the Wirral Growth Company, the Council's partnership with Muse Developments.

The report was supported by two business cases. There was a commercially sensitive and therefore exempt draft business case for Birkenhead Commercial District elsewhere on the agenda (Appendix 1, Minute No. 44 refers) to demonstrate that it was a viable proposition for the Council. Members noted that it was intended that a significant proportion of the commercial office space would be taken up by private sector businesses. The business case evidenced demand for Grade A office space across Merseyside. In addition, it was the Council's ambition to create a public sector hub where services from a range of organisations could be co-located to provide residents with more joined up and integrated services. Also, attached elsewhere on the agenda was commercially sensitive business case for the consolidation of the Council's back office services into a single building in Birkenhead (Appendix 2, Minute No. 44 refers). The Cabinet noted that whilst the majority of staff would be relocating from elsewhere in Birkenhead, the business case illustrated the financial benefits of moving away from the Council's current aging asset base.

The simple economics were that to achieve a regeneration of Birkenhead required an increase in the numbers of people who worked and lived in the town. The proposal to develop Birkenhead Commercial District would create the space for 2000 additional employees to work in the town centre.

Attached to the report was Appendix 3 – Overview of Principal Legal Documents and Appendix 4 – Approach to Consultation. Appendix 5 – Plan of the Strategic Acquisition with redline boundary. (Minute No. 44 refers.)

The Cabinet was aware that historically, attempts to regenerate Birkenhead through speculative building had not achieved the desired outcomes. Therefore, it was noted that to continue in that way would not meet the needs of the Council, its partners and residents and would risk endangering Wirral's future prospects.

This was a Key Decision and had been included in the Forward Plan.

Councillor Angela Davies reminded the Cabinet that at its meeting on 27 November 2017 it had agreed to acquire the Europa Building on Europa Square in Birkenhead, a strategic acquisition, to assist with the restoration of the town. She proposed that this building be added to the option agreement.

Councillor George Davies welcomed the approach informing that it had been a long time in the making and was a well thought out scheme that would benefit the people of Birkenhead and the rest of Wirral. The area currently looked tired and this scheme would bring it up to where it should be. The scheme would be morale boosting for local people and he wholeheartedly supported it.

Councillor Stuart Whittingham informed that the proposals for Birkenhead were transformational for the area and for the Council's staff who would be all together in high quality office space. It would also transform and regenerate small businesses. He was proud to be involved in making it a reality.

Councillor Bernie Mooney considered that these proposals were a good example of how ambitious the Council was for the people of Wirral. The Council had gone through difficult times with the Government's austerity programme and had lost a lot of funding. This new approach to rejuvenating Birkenhead was a game changer and would put Wirral on the map. Councillor Mooney was proud of the Growth Company, the thorough way it had gone into it and the ambitious plans for young people.

Councillor Chris Jones was of the opinion that the approach being adopted was fantastic news for Wirral. She was also pleased that the University of Chester was basing itself in Marriss House in Birkenhead and would provide the space and technology to equip student nurses to practice clinical skills. However, she did refer to the fact that the plans for Seacombe had been put back and requested Members not to leave the area behind.

Councillor Angela Davies responded to Councillor Chris Jones informing that Seacombe was an area that the Administration wanted to work on but it needed to generate some income first.

Councillor Phil Davies welcomed the report and considered that this model was a pragmatic response to the challenges around regeneration. Birkenhead had been struggling in recent years and the way forward was to enter into a public/private partnership. This approach would provide an ongoing revenue stream for the Council going forward and would be critical to sustain public services.

Councillor Davies informed that his hobby horse was the provision of a brand new market similar to the one in Altrincham and other successful markets around the country. The aim was to recreate Birkenhead as almost a new destination by integrating leisure with retail and culture. Underpinning all of this were local people and businesses that would benefit.

Councillor Phil Davies was pleased that Councillor Angela Davies would Chair the Wirral Growth Company Board of Directors. He thanked the officer team who was responsible for putting together the project to development of Birkenhead Commercial District. This was just the first phase and was a model that would be rolled out across Wirral and no area would be left behind.

RESOLVED: That:

- (1) a consultation programme with a view to informing a Masterplan for the Redevelopment of Birkenhead recognising that the Commercial District would be a key element be initiated;**
- (2) a draft Business Case for Birkenhead Commercial District that will be refined through public consultation and engagement with a funder be agreed;**
- (3) the recommended funding approach be agreed and the S151 Officer be authorised to initiate work on a Forward Funding model of finance with Wirral Growth Company;**
- (4) the Staff Relocation Business Case be agreed with a view to moving administrative functions to Birkenhead whilst retaining front line services in communities. This will result in disposal/development/termination of lease(s) of 14 existing sites;**
- (5) the appointment the Portfolio Holder for Jobs and Growth to Chair the Wirral Growth Company Board of Directors be agreed;**
- (6) it be noted that Wirral Growth Company is also proposing to progress public consultation in Moreton, Bebington and West Kirby, as well as with stakeholders for Bromborough's Industrial Estate, to inform future development plans and masterplanning;**
- (7) capital expenditure from the budget set aside for strategic acquisitions to complete land assembly within the BCD redline boundary be approved; and**
- (8) the Europa Building, Europa Square, Birkenhead be added to the option agreement.**



Councillor Phillip Brightmore, Cabinet Member – Leisure and Recreation said:

“The Floral Pavilion is a fabulous facility, which brings enjoyment and no small measure of pride to thousands of residents throughout the borough. The theatre is approaching its 10th anniversary and has gone from strength to strength since being unveiled as the centrepiece of the Council-led regeneration of New Brighton.

The time has come for the Floral Pavilion to take the next stage on its development. We want this theatre to continue to grow, to attract bigger and better shows and become a visitor destination for the entire region. To get there, we believe we need an expert theatre organisation to take over the business.

We want the Floral Pavilion to thrive. We want it to remain a place where residents can come together, a stunning waterfront facility which every Wirral resident can be proud of. We believe under the leadership of a specialised theatre company, the Floral Pavilion can look forward to its next ten years with huge confidence.

The Floral Pavilion would remain in public ownership, but become part of a specialised theatre chain – saving Wirral residents money, which can then be reinvested into services, and ensuring the products, services and shows on offer at the Floral improve”.

Councillor Phil Davies introduced a report by the Assistant Director – Community Services that informed that the Council provided extensive leisure, recreation, cultural, open space and library services. The cost to the Council of delivering these services was £17 million, when income from external funding was taken into account. The Council faced significant budget savings due to the removal of the revenue support grant and needed to review how services could be delivered effectively whilst reducing costs, especially for discretionary services.

The Cabinet noted that over the past year the Council had undertaken a detailed review of Leisure and Cultural Services to try and find ways of transforming these services to make them more sustainable, flexible and appropriate. The Council did

not wish to be in a situation where it needed to consider closing or reducing services in order to balance its budget. The Council's preference was for a model which allowed for discretionary services to generate their own funds so they could grow. There was no legal requirement for the Council to provide a theatre service either directly or indirectly.

It was reported that the Floral Pavilion currently cost the Council £899,300 per year to keep open. As a mid-scale (800 seat) receiving theatre, the Floral Pavilion was limited as to the performances it may attract, the percentage of ticket sales it may retain and the income it may generate. Whilst the Council could and would continue to develop new commercial opportunities within the facility – extended bar opening and maximising secondary spend, reviewing programming, developing marketing campaigns to attract new conference and wedding business among others; it was not thought that the Council could get the subsidy to '£0' within the medium term using the current business model. Cuts to the subsidy, without change, could result in the partial closure of facilities.

The current service model for this service was, therefore, financially unsustainable. This issue required a solution which would:

- Reduce the level of financial support required by the Floral Pavilion from the Council.
- Ensure that the Floral Pavilion continued to operate and deliver cultural, social and economic outcomes for the people of Wirral.

Members noted that the option of no change had been considered for the future delivery of the Theatre and Conference Centre, where the theatre would continue to operate as part of the Council. Over the past two years every area of secondary spend had been examined to maximise income including reviewing systems to ensure they were aligned to operational effectiveness, pricing structures, staff structures, marketing and market development. Examples of the approach were taking a more assertive commercial stance over specific one off events or in terms of running the base operation such as the bar. Members noted that this had paid dividends, but the size of the theatre and Council's structures had limited this approach. The ability to make decisions quickly to benefit from opportunities as they arose was required in order to develop significant income.

The theatre's management had projected that the requirement for a subsidy through these measures would fall from £961,500 in 2017/18 to £771,506 by 2020/21, from a mixture of improvement strategies for earned income and cost reductions. It was not thought that a '£0' subsidy would be achieved within the medium term.

The recommended option was to transfer the operation of the Floral Pavilion Theatre and Conference Centre, as a going concern on a long lease, to a suitable alternative provider, but importantly retaining the freehold. This proposal, if pursued, would see the Council retain ownership of the Floral Pavilion, but see its

operations run by an expert organisation. This represented the greatest opportunity for long term savings whilst keeping the theatre open as an attraction in New Brighton and serving residents and visitors to the Wirral.

The Cabinet noted that the long lease of the Floral Pavilion as a going concern would create revenue savings, as the Council would no longer be responsible for the running of the theatre and a 'one off' receipt arising from the long lease being paid up front. It would also avoid any capital costs arising from the refurbishment of the theatre as it approached its 10th year of operation.

The savings from the transfer of the Floral Pavilion was expected to be annual revenue saving of £550,000 (current net expenditure less fixed support costs and capital charges). In addition, following a valuation undertaken by Lambert Smith Hampton, there was the expectation that a one off receipt would also be achieved.

Councillor Phil Davies informed that the report and the next one on the agenda regarding Golf Courses set out how the Council could sustain the important services it provided for Wirral into the future. The Council's leisure services element was under pressure due to its funding situation, notably with social care. Consequently, it needed innovative ways to continue to fund services going forward. This transfer to a leasing arrangement proposal for the Floral Pavilion Theatre and Conference Centre offered the best chance to sustain it financially. The transfer would achieve economies of scale and provide the expertise required to attract big shows to Wirral.

Councillor Phil Davies was keen to emphasise that the approach being recommended was not a sell-out, as the Council would retain the freehold of the building. It was a transfer of the Floral Pavilion on a long lease that would sustain it into the future. Discussions would continue with the Trade Unions regarding staff and a TUPE transfer etc. The future of the Floral Pavilion would be part of the forthcoming consultation on the Council's budget options.

RESOLVED:

That the Corporate Director for Delivery Services (Assistant Chief Executive) be authorised to transfer the Floral Pavilion Theatre and Conference Centre at best consideration as a going concern on a long lease.



Councillor Phillip Brightmore, Cabinet Member - Leisure and Recreation, said:

“Wirral is famous for its golf courses. Host of the Open Championship as recently as 2014, our borough gives residents and visitors unrivalled choice and quality for the sport.

We know our residents are proud of that, and we know they recognise the health and wellbeing benefits of this unique sport. That’s why we have maintained such a wide variety of golf options for so long, and why we do all we can to encourage people to be more active.

We believe we can do a better job. We believe running golf courses is not necessarily a job the council is right for, and we know there are specialist golf companies throughout the country who could provide a better service for our residents. Should this proposal be accepted by the Cabinet, then that is what we will look for.

We will not sell the courses. We will keep them in public ownership. Instead, we will look for an expert to come in and improve our golf courses. We will make them more efficient, better managed and higher quality”.

Councillor Phil Davies introduced a report by the Assistant Director – Community Services which informed that the Council provided extensive leisure, recreation, cultural, open space and library services. The cost to the Council of delivering these services was £17 million, when income from external funding was taken into account. The Council faced significant budget savings and needed to review how services could be delivered effectively whilst reducing costs, especially for discretionary services.

The Cabinet noted that over the past year the Council had undertaken a detailed review of its Leisure and Cultural Services to try and find ways of transforming them, to make them more sustainable, flexible and appropriate. The Council did not wish to be in a situation where it needed to consider closing or reducing services in order to balance its budget.

It was reported that the Council ran three 18 hole golf courses, one 9 hole golf course and two ‘fun courses’ (Pitch & Putt and Crazy Golf). The operational revenue cost of municipal golf in Wirral in the financial year (2018/19) was £255k

(£430k if the current overspend was included). The Cabinet noted that a number of reviews of Council golf provision had been undertaken in previous years which had identified the requirement for significant capital investment in courses in order that they remained playable. The Cabinet also noted that the current service model for this service was, therefore, financially unsustainable.

The Cabinet was informed that whilst the Council was working with Celtic Manor on developing options for the Hoylake Municipal Golf Course there were also opportunities to seek alternative providers for the remainder of the Council's golf courses. A number of options for the future delivery of the golf courses had been considered as follows:

- No change - retain golf courses 'in house.' Whilst the courses had been managed in house in the past few years and had recently undergone a major staffing restructure (Jan 2017), the financial pressures the Council was currently under would mean that significant cuts would have to be made to the service provision.

This was not considered an acceptable option because if the Council continued to operate golf courses it would remain responsible for any future capital expenditure required to maintain them in 'general/average' municipal playing conditions and to provide capital monies for future commercial developments at the sites. The Council would need to borrow a significant amount of capital in order to bring the courses up to a reasonable course standard and maintain the existing customer base. Given the increased competition from private golf courses it was by no means certain that the Council would recover the investment it made and increase income as a result of the investment.

- Course Closures - the courses could be closed and returned to parkland. While this would reduce the maintenance and operating costs of the golf courses it would close a much valued leisure opportunity to residents. The closure of courses would also lead to staff reductions, possibly through compulsory redundancy. In addition the income currently generated from the golf courses would be lost. There would be further costs for parks and countryside to maintain these courses as parkland.

Given that the Council currently maintained in excess of 240 separate areas of land across the borough and given that resources had been reduced substantially over the last few years this was not a desirable situation.

- Golf Concession Contract - the Council had previously explored contracting out its golf service to a specialist provider. Seeking a provider that would run the golf courses at a nil subsidy to the Council on the basis that the provider retained any profit it made from the courses.

This option had been explored in 2014 and most recently in January 2018 through a soft market test. Whilst there were a number of providers who expressed an interest in the running and operation of the courses most required a long lease to do so. This was far in excess of the length of contract the Council could offer under current regulations and as such, this option was not currently possible.

The report recommended the transfer of Arrowe Park and The Warren Municipal Golf Courses to an alternative specialist golf provider on a long lease, whilst the Council retained the freehold ownership. The Cabinet was told that this represented the most appropriate opportunity for savings in the long term whilst keeping the courses open for the benefit of residents and visitors to Wirral.

The Cabinet noted that there was no legal requirement for the Council to provide a golf service either directly or indirectly. At a time of reduced financial support, the Council needed to review its discretionary services and seek to reduce its expenditure on non-essential services.

Councillor Phil Davies reported that there was a need to sustain the Council's golf courses going forward and a transfer on a long lease (with safeguards built in) of Arrowe Park and The Warren Municipal Golf Courses was the appropriate way forward and their best chance of being sustained into the future. The specialist provider who would lease the courses would be able to provide capital to upgrade them. This arrangement would generate income for the Council which it could reinvest in its front line services.

RESOLVED: That

- (1) the recommended option to offer the operation and management of golf courses on a long lease to a suitable alternative provider be noted;**
- (2) that statutory consultation, in accordance with Section 123 (2A) of the Local Government Act 1972, in relation to the Golf Courses be commenced; and**
- (3) the results of the statutory consultation be reported to the Cabinet for a final decision.**



Councillor Janette Williamson, Cabinet Member for Finance and Resources, said:

“The Council set a balanced, sustainable and fair budget in March 2018, despite significant government cuts and increasing demand for costly, specialist children’s social care services. No additional funding from government has been forthcoming to support this national crisis. Setting the budget for 2018/19 under such difficult circumstances was tough but we continued to protect those services most important to our most vulnerable and target our resources to the areas that matters most to our communities.

Already during Quarter 2 we are feeling the extent of our reduced funding with pressures already mounting in some areas as demand continues to rise. This is early and while cautious it is prudent to ensure we forecast a realistic representation, I am confident the plans and restrictions we have in place will once again enable us to deliver a balanced budget for the coming year”.

Councillor Janette Williamson introduced a report which set out the projected revenue position for 2018/19 as at the end of Quarter 2. (30 September 2018).

The Cabinet noted that the forecast outturn position as at the end of Quarter 2 was a potential overspend of £0.907m. It was anticipated that mitigating savings could be identified to offset the potential overspend, however as these were yet to be formalised, it was prudent to report an overspend position.

Since the 2018/19 the budget was set in March 2018, there were several areas of significant pressure across the Council as a result of increasing demand and there was a robust mitigation programme in place to ensure these pressures did not materialise.

The report provided an update on the achievement of savings proposals for 2018/19, some of which were currently not being realised, however the Cabinet noted that areas to offset these via other means were being explored so that the total savings target could be met by the end of the year.

The Cabinet was made aware that in addition to its formal Quarterly report, the budget position was reported monthly at Directorate Management Team meetings and at Strategic Leadership Team meetings. This was to ensure that any early

warning highlighting pressures could be collectively resolved. The outcome of the quarterly monitoring and any medium to long term effects was fed into the Medium Term Finance Strategy to ensure the impact could be assessed against the Council's future financial sustainability.

This was a key decision which affected all Wards within the Borough.

RESOLVED: That

- (1) **the Quarter 2 forecast to the year-end of a £0.907m overspend which incorporated a number of adverse variances across the range of directorates, be noted;**
- (2) **officers be requested to continue to identify actions and take measures to effectively manage the overall budget and reduce the impact of any adverse projected pressures that may result in overspends; and**
- (3) **the change to the bottom line net budget in paragraph 3.2.2 of the report and as follows be referred to the Council for approval:**

‘There has been a change relating to the bottom line of the budget that requires approval at quarter two. This is:

Original Budget: £300.520 million
Change requesting approval at Quarter 2:

- Capital Receipts funding for Children’s Services Transformation Programme brought forward from 2017/18 £1,100,000.’

Table 1: 2018/19 Net Budget by Directorate

	£000
Economic & Housing Growth	25,01
Business Management	10,95
Strategy & Partnerships	18,27
Delivery Services	65,55
Children’s Services	88,16
Adult Care & Health	93,66
Total Net Budget	301,62



Councillor Janette Williamson, Cabinet Member for Finance and Income Generation, said:

“We are making major investments in Wirral this year – improving infrastructure, the public realm and the local environment which residents are rightly proud of.

This report demonstrates this investment, it provides a helpful summary of our progress, and makes it clear that we are using the resources available to us to their best effect to help improve services for local people”.

Councillor Janette Williamson introduced a report updating the Cabinet on the progress of the Capital Programme 2018/19 as at the end of September 2018. It recommended that the Cabinet agreed the 2018/19 Capital Programme of £60.9 million which took account of re-profiling identified since June together with any additional funding requirements. Expenditure to date was £16.3 million.

This matter was a key decision which affected all Wards within the Borough.

Appended to the report were:

- Appendix 1 – The Capital Programme and Funding 2018/19; and
- Appendix 2 – The Capital Receipts.

Councillor Bernie Mooney drew the Cabinet’s attention to the significant spending on schools that was detailed in the report at paragraph 3.6. She welcomed the fact that the Council was putting children and their schools first.

Councillor Stuart Whittingham referred to the investment the Council was making in the highways network, cycling schemes and street lighting despite austerity.

RESOLVED: That

- (1) the spend at Quarter 2 of £16.3 million be noted;**
- (2) additional funding for the schemes referred to in paragraph 3.9 of the report and below be noted:**
 - **Hoylake Golf Depot (3110,000)**
 - **Landican Crematoria (£280,000)**
 - **Williamson Art Gallery creation of an online catalogue (£150,000)**
 - **Leasowe Leisure Centre Outdoor 3G Pitches (£323,000)**

- Access Wirral (£250,000)
- Early Voluntary Retirement/Voluntary Severance (£2,000,000)

(3) Council be recommended to approve the revised Capital Programme of £60.9 million for 2018/19 as set out in Table 1 of the report and below:

£000	
Programme agreed by Cabinet on 16 July 2018	86,391
Re-profiling	(26,869)
Additional requirements	2,989
Reduced requirements	(1,563)
Revised 2018/19 Programme	60,948

Table 1: Capital Programme 2018/19 at 30 September 2018

	Capital Strategy	June	September	Actual Spend Sept 2018
	£000	£000	£000	£000
Adult Care & Health	7,912	8,543	3,468	381
Business Management	4,990	3,729	5,489	777
Children's Services	19,099	20,852	18,341	7,542
Delivery Services	25,775	34,280	22,724	7,435
Economic & Housing Growth	16,785	18,987	10,926	157
Total expenditure	74,561	86,391	60,948	16,292



Councillor Janette Williamson, Cabinet Member for Finance and Income Generation, said:

“We continue to face huge financial pressures, as increasing demand, rising costs and ongoing austerity policies combine to place unprecedented strain on our budget, and services. The extent of ongoing government cuts mean that we are unable to carry on doing everything the way we have previously and we need to look to new and innovative ways to provide services to protect our most vulnerable.

This is why an innovative, commercial, entrepreneurial but responsible approach to Treasury Management is so important. This report to Cabinet demonstrates that our efficient approach in this area has delivered savings to Wirral residents of almost £5 million – money which is now available to invest in the services our residents rely on.

We will continue to capitalise on these opportunities and do all we can to make sure our money goes further to deliver the outcomes our residents want”.

Councillor Janette Williamson reported that the Council’s treasury management activity was underpinned by CIPFA’s Code of Practice on Treasury Management (“the Code”), which required the production of annual Prudential Indicators and a Treasury Management Strategy Statement on likely financing and investment activity. The Code also recommended that Members were informed of treasury management activities at least twice a year.

The Cabinet noted that the report fulfilled the Council’s legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the Ministry of Housing, Communities and Local Government (MHCLG) Investment Guidance.

Proactive Treasury Management activity had resulted in:-

- Estimated one-off savings in year of a minimum £1.1 million from reduced 2018/19 interest payments and management of the Council’s Capital Financing. The ongoing savings were being used to support the Council’s budget for 2019/20.

- Due to the implementation of the Council's revised Minimum Revenue Provision (MRP) policy, approved by the Council in 2017/18, the charge the Council would pay in 2018/19 had reduced by £3.8 million compared to the charge scheduled under the original MRP policy. This reduction had been accounted for when setting the 2018/19 Budget.

This matter affected all Wards within the Borough and the decisions to be made were key decisions.

Appended to the report were:

- Appendix 1 – Prudential Indicators 2018/19; and
- Appendix 2 – Revised Authorised Signatory List.

RESOLVED: That

- (1) **the Treasury Management Mid-Year Report for 2018/19 be agreed; and**
- (2) **the revised Authorised Signatory List relating to Treasury Management activity be approved.**

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MEDIUM TERM FINANCIAL STRATEGY AND COUNCIL BUDGET 2019/20



Councillor Phil Davies, Leader of the Council, said:

“We have a responsibility to set a fair, sustainable and balanced budget. This is a challenge which gets more difficult every year, as austerity policies continue to bite.

Once again, this year, we are facing an almost unimaginable financial challenge. Continued reductions in our support from Central Government, combined with growing demand for our services, mean we must find ways to reduce our spending – or raising our income – by £45 million just next year.

This is on top of the more than £200 million in cuts we have been forced into delivering since austerity began. This means we must make ever more difficult decisions, but we will never shirk our responsibilities to Wirral residents. We will always find ways to use

our diminishing resources to improve our borough and the quality of life our residents can enjoy.

We will invest public resources where it will deliver the most impact – in creating jobs, in improving the local environment, and in protecting our most vulnerable children, adults and families.

We will deliver on all of our promises to Wirral residents. Our medium-term financial strategy provides a budget for next year, which delivers on our priorities for Wirral and meets our principles as an Administration – it protects our most vulnerable, it shields the services our residents rely on most from the worst of the cuts, and it safeguards our workforce.

Even in these most challenging circumstances, it is a budget we can be proud of and a budget I believe Wirral residents will support.”

Councillor Phil Davies introduced a report which was part of the Council’s formal budget process as set out in its Constitution and in line with the legal requirements to set a balanced and sustainable budget for 2019/20. The report presented an update on the Medium Term Financial Strategy (MTFS) agreed earlier in the year including details of the preparations for the following financial years. The Cabinet was required to initiate and propose financial options to set the budget for next year. The purpose of the report was to approve a set of proposals.

The Cabinet considered the following financial matters:

- The approach to the preparation of the Council’s 2019/20 Budget. It was anticipated that the Council would set a balanced budget in 2019/20 via increased income including that received from Council Tax, the implementation of a number of financial proposals that were included in Appendix 1 to the report and the use of one-off funding that would close the budget gap.
- an update on the progress of the MTFS, a renewed version would be considered by the Cabinet in February 2019.
- Details of the main financial challenges and changes that would occur in the next financial year. The Council continued to face a funding gap

projected at £45 million as a result of financial pressures and, in part, the planned reduction in Government grant.

This was a key decision which affected all Wards within the Borough.

The Cabinet was aware that the Council had a legal requirement to set a balanced Budget each March for the following financial year. The report detailed proposals and initiatives that increased income or reduced expenditure and assisted in decisions regarding setting the Budget. The Cabinet could choose alternative approaches to the delivering of a balanced budget.

Councillor Phil Davies made reference to the Government statement that the period of austerity was at an end. He had reservations about that in the light of the £45m the Council had to save in 2018/19 and the £22m it had to save in the following two years. He reminded the Cabinet that the Council would not receive any revenue support grant after 2021. Councillor Davies was adamant that the Council would balance its budget and that it would not be allowed to go bankrupt.

Councillor Phil Davies welcomed specific items detailed in the report that the Chancellor had announced in his Budget on 29 October 2018 that would benefit local government. However, he considered that they appeared to be one offs. He was particularly concerned that the Government had not yet provided solutions to the social care crisis. Councillor Davies informed that he hoped the Government would come up with a set of solutions as there was still uncertainty about local government funding post 2021. There was a need to sustain good quality public services going forward. The Council had huge budget pressures and there was a need to be more focused on early intervention.

Councillor Phil Davies also referred to the levies around Merseytravel and Waste which were unknown at present. He informed that the Council had to start the process of how to close the £45m budget gap for next year. It needed to identify opportunities to generate additional income and to transform services by finding new innovative ways to deliver them. The Council needed to introduce interventions around social care and find ways to get people back into employment. This would reduce the pressures on health and demands for social care. Councillor Davies hoped that once the Brexit debate was settled the Government would focus on local government funding and the social care crisis.

Councillor Phil Davies drew the Cabinet's attention to the proposed engagement and consultation arrangements contained in the report and informed that any suggestions to raise income and save money that were not set out in Appendix 1 would be gratefully received and would be considered by the Cabinet in the New Year.

Councillor Stuart Whittingham informed that the Council was delivering good quality services for the people of Wirral despite austerity. He asked Cabinet Members to imagine what they could deliver if the Council was funded properly.

He informed that he found the way that the Government had treated Wirral and other areas in the north appalling.

Councillor Bernie Mooney informed that it was almost perverse that social credit was not working and was pushing people into debt. This had implications for social care. The Government needed to put funding in place for early intervention. It was heart breaking how the Council had to budget. The Cabinet wanted the people of Wirral to have their say through this consultation exercise and come forward with any ideas they may have.

Councillor Anita Leech highlighted that although the Council did not know the levy for waste, the tonnage had increased and this could possibly be an added pressure on the budget.

Councillor Janette Williamson was of the view that the Government's austerity agenda showed that it did not care. She hoped that Wirral residents would take part in the consultation exercise. She also informed that she was pleased with the innovative decision to set up the Growth Company to bring new expertise, new ideas and new investment to Wirral.

RESOLVED: That

- (1) the financial proposals for 2019/20 that will be the subject to consultation and further consideration by the Cabinet in February 2019 as set out at Appendix 1 to the report be approved;**
- (2) the financial challenges facing the Council in setting a sustainable and balanced budget for MTFS 2019/20 - 2022/23 be noted;**
- (3) the approach the Council is taking to close the budget gap over the four year budget planning horizon to deliver a sustainable budget be noted;**
- (4) the approaches the Council is pursuing to ensure future budget sustainability be noted; and**
- (5) an updated Budget Report and MTFS be presented to the Cabinet at its meeting scheduled for 18 February 2019.**

39 COUNCIL TAX 2019/20 (TAXBASE, DISCOUNTS, EXEMPTIONS AND COUNCIL TAX SUPPORT SCHEME)

Councillor Phil Davies, Leader of the



Council, said:

“In the face of such prolonged austerity policies from Central Government, it is vital we maximise council tax collection, so we can continue to fund the services which residents rely on every day.

However, it is equally important we remember our values and our commitment to social justice and protecting the most vulnerable. I am incredibly proud we have been able to exempt all care leavers from paying council tax until they reach the age of 25. These young people deserve every bit of support we can give and I hope this gesture helps them as they build their lives and careers.

I am also delighted we have been able to give Wirral Women’s and Children’s Aid a 100% discount on their Council Tax. This organisation does fantastic work in our borough, and it is right we do everything we can to help them continue.”

Councillor Phil Davies introduced a report which brought together related issues regarding the proposed Council Tax Base for 2019/20 upon which the annual billing and Council Tax levels would be set; the proposed Council Tax Discounts including Local Discounts, exemptions for 2019/20 and the Council Tax Support Scheme to be used during 2019/20. These needed to be approved by the Council by 31 January 2019.

The Cabinet noted that the Council Tax Base had to be set by 31 January each year and there are no other options. The Local Discounts, Exemptions and the Council Tax Support Scheme were reviewed annually and could be amended which would have a financial impact for the authority and this was detailed in the report.

RESOLVED: That it be recommended to the Council: That

- (1) the figure of 93,497.8 be approved as the Council Tax Base for 2019/20;**

- (2) the level and award of each local discount for 2019/20 be:-

Wirral Women's and Children's Aid

To continue to award Wirral Women's and Children's Aid 100% discount.

Care Leavers' Discount

To award Care Leavers the requisite amount to reduce their Council Tax liability to zero until they are 25, from 1 April 2019. This remains unchanged from 2018/19.

Empty Property Discounts

Discount category D = 0% Full charge on properties undergoing renovations

Discount category C = 0% Full charge on empty properties from date they become unoccupied.

Both remain unchanged.

Empty Property Premium = 200%. Unfurnished properties empty for more than two years. This is a change from 150% in 2018/19 allowed by the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018.

This change was reported in last year's report.

Council Tax Discretionary Relief Scheme

The Council Tax Discretionary Hardship Relief Scheme continues in its current format for 2019/20.

Council Tax Support Scheme

- (3) the Council Tax Support Scheme be approved for use in 2018/19 be also approved as the Scheme for 2019/20 with additional amendments to incorporate the introduction of Full Service for Universal Credit, including backdating of reduction for up to 3 months.



Councillor Janette Williamson, Cabinet Member Finance and Resources, said:

“Wirral Council, together with the majority of Labour councils, particularly in the North, is facing a hugely challenging financial future. The combination of sustained austerity, with reducing central government grant (ending in 2020/21), and increasing financial demands, is making us address questions about the long term sustainability of all services arranged by the Council. If we are to continue to meet the demands of our residents in service areas such as children’s and adult social care, we must increase the revenue coming into the Council through becoming more commercial. Our commercial strategy will enable us to cope with the challenges of austerity and deliver the high quality services that are vital to our residents. This is about being more business minded in order to continue to serve the needs of Wirral residents.”

Commercial activity is not new to us. Wirral currently operates commercial services in a range of diverse sectors including leisure, theatre events, car park charging, garden waste and services to schools directly from the Council. What has been needed is a coordinated approach across the Council looking within for the expertise to drive this forward.

This Commercial Strategy aims to take a commercial approach to service design, management and decisions, encouraging innovation whilst optimising assets and services to exploit opportunities to generate income surplus for reinvestment and reduce costs. An important element of the Commercial approach is finding the right balance between our public sector ethos and delivering social value and our commercial practices, ensuring we meet our pledges, to improve the lives of Wirral residents supporting local businesses, as

well as increasing income and opportunity”.

Councillor Janette Williamson introduced a report by the Lead on Commercial Approach and the Assistant Director – Commercial Management that informed that Wirral’s Medium Term Financial Strategy 2019-20-2022/23 (MTFS) focus was on building the foundations for a sustainable financial future with sufficient support for services and described how to provide the funding and services so that residents received the support for their lives and communities.

The Cabinet noted that a key approach in the MTFS was to increase income for the Council. To deliver this increase in income and become more commercial required a fundamental change in how the Council did business.

The Commercial Strategy was one element of this change. The Council’s approach to becoming more commercial was not about simply charging more for its services, it was not about becoming purely profit driven, it was about becoming more business-like and so more able to take advantage of commercial opportunities which would benefit the borough, and its residents.

Appended to the report was:

- Appendix 1 – Commercial Strategy
- Appendix 2 – Report of the Business Overview and Scrutiny Committee (Aug 2018)

The Cabinet noted that the Council continued to progress a range of measures including recommissioning, contractual negotiation and service re-design to develop its approach to the medium term budgetary pressures it faced. This was in order to maintain a financially sustainable future and meet the pledges outlined in the Wirral Plan. One of the principles was the Commercial Strategy. As such this was therefore, one of a number of options being developed to respond to the Council’s financial challenges.

Councillor Janette Williamson thanked the Assistant Director – Commercial Management for her excellent work in leading on the Commercial Strategy.

Councillor Phil Davies also thanked the Assistant Director – Commercial Management for the work she had undertaken on the Commercial Strategy along with the officer team that had been supporting her. He informed that the building blocks had been put in place to deliver sustainable services going forward.

RESOLVED: That

- (1) the Wirral Council Commercial Strategy contained at Appendix 1 of the report be approved; and**
- (2) the recommendations of the Business Overview and Scrutiny Committee held on 18 September 2018 be endorsed: That**

- (1) to acknowledge the importance of Wirral's commercial approach moving forward, it was recommended that Member development should also include commercialisation training;
- (2) the Business Overview and Scrutiny Committee should receive presentations by the Investment and Change Board and the New Commercial Ideas Panel as part of its work programme to understand how they operate and to scrutinise their effectiveness; and
- (3) the Business Overview and Scrutiny Committee should receive quarterly reports detailing the progress made to deliver the Council's Commercial Strategy. This should include reporting on income received under its remit and details of whether targets have been met or not.

41 **WIRRAL TOGETHER: GETTING THE BASICS RIGHT - A NEW MODEL FOR COMMUNITY ENGAGEMENT**



Councillor Phil Davies, Leader of the Council, said:

“Working alongside communities to jointly tackle issues, solve problems and improve facilities leads to a better quality of life for residents.

Almost every time, the people who know how to best improve a community, how to solve a local problem, are the people who live there. Our job, as a Council and as local Councillors, is to make sure they get the support to make that happen.

The proposals we're putting forward are about making this easier. This is about removing bureaucracy and red tape, and about taking community funding and bringing it closer to the community.

If we are to achieve our priorities then it is vital we are able to work effectively with local citizens as well as establishing an ongoing relationship which promotes coproduction, mutuality and informed

decision making. We call this approach Wirral Together. Wirral is fortunate in that it is home to many vibrant, engaged communities who work together to get things done.

This report provides Cabinet with a proposed new approach to working with citizens which is intended to strengthen the relationship between public services and citizens, enabling our communities to deliver their part and support each other, in an ongoing partnership between residents and public services. It will also support us in getting the basics right as promised in our Council Plan for 2018/19”.

Councillor Phil Davies introduced a report of the Director of Governance and Assurance that recommended that the existing community budgets be designated as the Wirral Together Fund, and that it be distributed on a Ward Member basis. It also recommended that the current funding be increased by £50,000 and the amount allocated to each Ward Member be weighted for population, deprivation and age (populations aged 0-4 and 75 and over). Staff resources were recommended to be redirected to directly supporting Councillors in this approach instead of the current focus on Constituency Committees.

The report also recommended that the Cabinet agreed the process and criteria as set out in the appendices attached to the report as follows:

- Appendix A – Ward Member Budget Allocations;
- Appendix B – Draft Guidance on Ward Member Budgets (subject to amendment as required);
- Appendix C – Draft Ward Member Budget Application Form (subject to amendment as required); and
- Appendix D – Equalities Impact Assessment.

These appendices set out guidance on how these Budgets would operate.

The Cabinet was also asked to agree the necessary officer delegations to administer the Ward Member budgets.

This matter affected all wards within the borough and was therefore a Key Decision.

The Cabinet was informed that a review had taken place during 2017/18 led by the then Portfolio Holder for Community Engagement. As part of that review, the

effectiveness of existing Constituency Committees had been raised as an issue. After consideration of this the proposal in that report was that those arrangements should be brought to an end and, instead, a more focussed approach should be put in place to directly support Members in effective ways of engaging and working with Wirral's residents, businesses and partners – and by giving local people a greater stake in community projects. Ward Member budgets should be flexible enough to enable different approaches to community leadership to take place in different wards. The budgets would be just one tool that would enable Councillors to take this approach.

The Cabinet noted that alongside this, greater focus would be placed on Member support arrangements to aid ward Councillors directly with casework and local projects.

The Cabinet also considered the alternative options as follows:

- Continuing with Constituency Committees; or
- Abolishing Constituency Committees and not establishing any equivalent grant funding or resources in their place.

These had not been recommended because

- There was a clear commitment in the Council's Plan to work and engage with more of the local community in a meaningful way to make Wirral an even better place to live; and
- With that in mind, it was not appropriate to abolish existing arrangements without considering alternatives, nor was it appropriate to continue Constituency (area) Committees in the knowledge that this mechanism had only partially achieved its objectives.

Councillor Phil Davies reported that the experience of Constituency Committees had been mixed and patchy. They had not engaged the public in all areas. The new model was worth trying as it put the power in the hands of the ward Members and the funding had been increased by £50,000. Ward Members could come up with proposals and projects. They knew the needs of their local area and of the local community groups etc. Needs were not the same everywhere so the one size fits all formula did not work. The new model would provide maximum flexibility for Members to work in their wards, across wards and at Constituency level, with support from Council officers. Proper procedures and accounts would be put in place so that the new model would be operative from the beginning of the next Municipal Year and it would be the subject of an annual review and evaluation.

Councillors Stuart Whittingham, Paul Stuart and Angela Davies all welcomed the new model for community engagement, spoke in support of it and informed that they were looking forward to playing their part.

RESOLVED: That the Cabinet agrees:

- (1) that a budget of £250,000 be distributed across the 22 wards, according to a weighting based upon 75% per head of population, 15% deprivation, 5% under 5 years population and 5% over 75 years population (as set out in Appendix A to the report), and allocated in respect of each Ward Member;**
- (2) to delegate authority to the Director for Governance and Assurance to determine applications for Ward Member budget funding;**
- (3) to delegate to the s151 Officer, in consultation with the Leader, authority to make any necessary changes to the process for awarding money from ward budgets, including changes to the officer responsible for determining applications for ward budget funding;**
- (4) that there be an annual review and evaluation;**
- (5) to recommend to the Council the deletion of the provisions of the Constitution relating to Constituency Committees as part of the Council's executive arrangements; and**
- (6) that the new Ward Member budget model should be implemented in the new Municipal year.**

42 EXEMPT INFORMATION - EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED:

That under section 100 (A) (4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information as defined by the relevant paragraphs of Part I of Schedule 12A (as amended) to that Act. The Public Interest test has been applied and favoured exclusion.

43 FULL BUSINESS CASE - BIRKENHEAD COMMERCIAL DISTRICT

RESOLVED:

That further to Minute No. 32 above the content of the following exempt documents circulated with the agenda be noted:

- Appendix 1 – Birkenhead Commercial District Full Business Case.**
- Appendix 2 – Staff Relocation & Asset Consolidation Full Business Case.**

- **Appendix – 5 Strategic Acquisitions within redline boundary.**

44 REVIEW OF LEISURE, LIBRARIES AND CULTURAL SERVICES - GOLF COURSES

RESOLVED:

That further to Minute No 34 above that the content of the Appendix to Item No. 6 which is an exempt document, circulated with the agenda, be noted: