



Policy and Resources Committee

Date:	Wednesday, 18 January 2023
Time:	6.00 p.m.
Venue:	Committee Room 1 - Wallasey Town Hall

Contact Officer: Dan Sharples
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Please note that public seating is limited, therefore members of the public are encouraged to arrive in good time.

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AGENDA

- 1. WELCOME AND INTRODUCTION**
- 2. APOLOGIES**
- 3. MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST**

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.

- 4. MINUTES (Pages 1 - 10)**

To approve the accuracy of the minutes of the meeting held on 9 November 2022.

5. PUBLIC AND MEMBER QUESTIONS

5.1 Public Questions

Notice of question to be given in writing or by email by noon, Friday 13 January 2023 to the Council's Monitoring Officer (via the online form here: [Public Question Form](#)) and to be dealt with in accordance with Standing Order 10.

Please telephone the Committee Services Officer if you have not received an acknowledgement of your question by the deadline for submission.

For more information on how your personal information will be used, please see this link: [Document Data Protection Protocol](#)

5.2 Statements and Petitions

Notice of representations to be given in writing or by email by 12 noon, Friday 13 January 2023 to the Council's Monitoring Officer (committeeservices@wirral.gov.uk) and to be dealt with in accordance with Standing Order 11.1.

Petitions may be presented to the Committee if provided to Democratic and Member Services no later than 10 working days before the meeting, at the discretion of the Chair. The person presenting the petition will be allowed to address the meeting briefly (not exceeding three minute) to outline the aims of the petition. The Chair will refer the matter to another appropriate body of the Council within whose terms of reference it falls without discussion, unless a relevant item appears elsewhere on the Agenda. If a petition contains more than 5,000 signatures, it will be debated at a subsequent meeting of Council for up to 15 minutes, at the discretion of the Mayor.

Please telephone the Committee Services Officer if you have not received an acknowledgement of your statement/petition by the deadline for submission.

5.3 Questions by Members

Questions by Members to dealt with in accordance with Standing Orders 12.3 to 12.8.

6. REPORT OF THE INDEPENDENT ASSURANCE PANEL (Pages 11 - 16)

SECTION A - KEY AND OTHER DECISIONS

7. COUNCIL TAX 2023/24 (TAX BASE, DISCOUNTS AND EXEMPTIONS AND LOCAL COUNCIL TAX REDUCTION SCHEME)

(Pages 17 - 30)

SECTION B - BUDGET AND PERFORMANCE MANAGEMENT

8. 2023/24 BUDGET UPDATE (Pages 31 - 62)

SECTION C - WORK PROGRAMME / OVERVIEW AND SCRUTINY

9. WORK PROGRAMME (Pages 63 - 72)

Policy & Resources Committee Terms of Reference

The terms of reference for this committee can be found at the end of this agenda.

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POLICY AND RESOURCES COMMITTEE

Wednesday, 9 November 2022

Present: Councillor J Williamson (Chair)

Councillors	T Anderson	P Stuart
	P Gilchrist	H Cameron
	P Cleary	L Rennie
	EA Grey	J Bird
	T Jones	M Booth
	Y Nolan	K Hodson
	J Robinson	J Johnson

In attendance: Councillors C Davies I Lewis
S Percy

63 **WELCOME AND INTRODUCTION**

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

64 **APOLOGIES**

No apologies for absence were received.

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

Members were asked to declare any disclosable pecuniary interests and any other relevant interest and to state the nature of the interest.

No declarations were made.

66 **MINUTES**

Resolved – That the minutes of the meeting held on 5 October 2022 be approved as a correct record.

67 **PUBLIC AND MEMBER QUESTIONS**

The Chair reported that there were no public questions, statements, petitions or questions by members.

68 **CAPITAL MONITORING QUARTER 2 2022/23**

The Assistant Director – Finance introduced the report of the Director of Resources which provided an update on the progress of the Capital Programme 2022/23 at the end of September 2022, and recommended that

the Committee agreed to the revised 2022/23 Capital Programme of £98.7 million which took account of re-profiling, virements, additional funding requirements and grant variations identified since the Capital Programme was formally agreed on 28th February 2022 and later revised in the Quarter 1 monitoring report.

The Committee discussed the schemes with significant budget deferrals in Quarter 2 including the Maritime Knowledge Hub and the wider Birkenhead regeneration programme, noting that progress would be reported to the Economy, Regeneration and Housing Committee. Following queries on a number of schemes it was clarified that there was ongoing prioritisation work underway to assess the deliverability of capital projects and those schemes discussed would be reviewed accordingly. Further discussions took place in relation to capital receipts including projected revenue return.

Resolved – That

(1) Council be recommended to approve the revised Capital Programme of £98.7m for 2022/23, including the virements of budget referred to in Appendix D.

(2) Council be recommended to approve the additional funding for the schemes referred to in section 3.7 of the report.

69 **ASSET STRATEGY**

The Assistant Director Special Projects and Interim Assistant Director for Assets introduced the report of the Director of Regeneration and Place which sought approval of the draft Wirral Council Asset Strategy 2022-2027. The Asset Strategy was one of five strategies that shape the Council's new operating model and delivery of the Improvement Plan.

The Assistant Director Special Projects and Interim Assistant Director for Assets outlined how the strategy brought about a new way of managing council assets under the corporate landlord model as support by the Chartered Institute of Public Finance and Accountancy to help deliver the maximum benefits of the Council's priorities. The proposal was to broaden out asset transfers beyond community asset transfers to allow a greater degree of flexibility in dealing with assets, as well as to report annually to Policy and Resources Committee on the delivery of the performance measures in the strategy.

Members welcomed the strategy and sought further information on how it contributed to the Council's priorities, in particular the environmental benefits as well as the impact on health outcomes.

It was moved by the Chair, seconded by Councillor Jean Robinson, that –

- (1) the Asset Strategy 2022-27 attached as Appendix 1 to the report be approved.
- (2) further to the decision of the Tourism, Communities, Culture and Leisure Committee on 25 October 2022 in relation to Bromborough Library expressions of interest in community asset transfer in relation to the Bromborough Civic Centre including the former library be invited before considering any other alternative options for the asset. Such expressions of interest to be submitted by 20th December 2022, and the Director of Regeneration and Place be requested to report back to the relevant service committee in January 2023 on any expressions of interest received.
- (3) the Chief Executive be requested to ensure that sufficient officer resources remain in place to assist and support any group seeking to submit a bid and to incorporate asset transfer into business as usual moving forward.

The following amendment was then moved by Councillor Jo Bird, seconded by Councillor Pat Cleary –

At paragraph 2.

1. Delete: *before considering any other alternative options for the asset*
2. Insert: The asset not be considered for any other alternative options, until after the Community Asset Transfer process has been fully exhausted.

The Committee discussed the amendment and sought clarification on the Community Asset Transfer process and at what point the process would be considered as fully exhausted. Following clarification from the Assistant Director Special Projects and Interim Assistant Director for Assets the amendment was put and lost (3:12).

The original motion was then put, and it was –

Resolved (9:6) – That

- (1) the Asset Strategy 2022-27 attached as Appendix 1 to the report be approved.**
- (2) further to the decision of the Tourism, Communities, Culture and Leisure Committee on 25 October 2022 in relation to Bromborough Library expressions of interest in community asset transfer in relation to the Bromborough Civic Centre including the former library be invited before considering any other alternative options for the asset. Such expressions of interest to be**

submitted by 20th December 2022, and the Director of Regeneration and Place be requested to report back to the relevant service committee in January 2023 on any expressions of interest received.

(3) the Chief Executive be requested to ensure that sufficient officer resources remain in place to assist and support any group seeking to submit a bid and to incorporate asset transfer into business as usual moving forward.

70 **2023/24 BUDGET SETTING PROCESS**

The Interim Director of Finance introduced the report of the Director of Resources which provided a further update on the preparation of the 2023/24 budget further to the previous report highlighting the worsening gap position due to external factors leading to increased inflation, energy prices and pay cost pressures. The report set out the work undertaken and currently in progress to address the forecast gap position and enable a balanced budget to be set in February 2023.

The national financial position was outlined where it was clarified that the local government settlement figure was still to be determined. The process for setting the 2023/24 budget was outlined in detail to the Committee, part of which was the legal requirement to undertake service impact consultations, staff impact consultations and statutory budget consultation and the report sought approval from the Committee to delegate authority to the relevant directors to undertake this activity once budget policy options had been developed.

Assurances were provided to the Committee that any decisions to consult on options would be done in consultation with the Group Leaders Budget Working Group.

Resolved – That

(1) the ongoing work to prepare for the 2023/24 budget be noted.

(2) the Director with portfolio, in consultation with the Budget Working Group, be authorised to undertake any required service consultations that are linked to budget policy options being brought forward, in line with the timetable to enable a budget recommendation in February 2023.

71 **COST OF LIVING ACTION GROUP UPDATE**

The Director of Public Health introduced the report which provided an update on actions undertaken by the Cost-of-Living Action Group following a series of

recommendations agreed by Policy and Resources Committee on 31 August to address the impact of the increase cost of living on residents and businesses in the Borough.

An overview was provided of the financial support available to residents to help with cost-of-living pressures, including the Emergency Financial Hardship Fund and supplementary Discretionary Housing Payments, for both of which Wirral was an outlier in terms of the extent of the support available. It was reported that the Department for Work and Pensions had updated its guidance to address the issue of residents in receipt of housing benefits only not being able to access other government support, where it was estimated approximately 1,500 Wirral residents were affected and funding would be required to support this cohort.

Following queries from members, the Director of Public Health undertook to review the communications plan to ensure hard to reach residents such as those who had never had to access support and those digitally excluded were engaged. It was further clarified that the public health spend would be reviewed to ensure it was delivering effective public health outcomes.

Following advice from the Monitoring Officer, it was moved that by the Chair, seconded by Councillor Jean Robinson, that the recommendations as detailed in the report be moved subject to the amending of recommendation 3 so that delegated authority be given to the relevant Director with portfolio rather than the Senior Leadership Team. This was put and agreed by assent. It was therefore –

Resolved – That

- (1) the actions completed by the Cost-of-Living Action Group in addressing the recommendations of the Committee of 31 August 2022 be noted.**
- (2) further reports on actions to address cost of living challenges for residents be reported to the Health and Wellbeing Board to ensure that there is strategic oversight from partners on action being taken to mitigate cost of living challenges.**
- (3) authority be delegated to the relevant Director with portfolio to manage the allocation of the Household Support Fund via Officer Decision Notices based on insight from local people.**

72 **WARM HUBS**

The Director of Public Health introduced the report which provided an update on work undertaken to understand the need for warm hubs within the borough to support residents struggling to heat their homes due to the increase in

energy costs. Warm hubs relate to any building that is or could be open to the public to enable them to keep warm.

It was reported that a review of actions by other councils had been undertaken and showed a range of approaches being explored and implemented, many of which were already in place in Wirral including a directory of warm spaces clearly marketed, the offering of grants to the Community, Voluntary and Faith Sector and the marketing of Council buildings already open as warm hubs offering refreshments and free access to Wi-Fi.

The Committee discussed the availability of warm hubs, where it was clarified that the existing 32 on offer was due to be increased to 62 following planned further discussions with the Contain Outbreak Management Fund Working Group the following day. Members urged officers to ensure that the additional investment was achieving value for money in keeping residents warm, and that due diligence had taken place to ensure safety and deliverability of the hubs.

Resolved – That

- (1) the availability of warm hubs across the Borough be noted.**
- (2) the work being undertaken with the Community, Voluntary and Faith sector in identifying the support required by residents to address cost of living challenges be noted.**
- (3) further reports on actions to address cost of living challenges for residents be reported to the Health and Wellbeing Board to ensure that there is strategic oversight from partners on action being taken to mitigate cost of living challenges.**

73 REVENUE BUDGET MONITORING QUARTER TWO 2022/23

The Assistant Director – Finance introduced the report of the Director of Resources which set out the financial monitoring information for the Council as at quarter 2 (30 September) of 2022/23. The report provided Members with an overview of budget performance, including progress on the delivery of the 2022/23 saving programme and a summary of reserves and balances, to enable the Committee to take ownership of the budgets and provide robust challenge and scrutiny to Officers on the performance of those budgets. It was reported that at the end of Quarter 2, there is a forecast balanced position on the Council's net revenue budget, of £330.6m. This position was based on activity to date, projected trends in income and expenditure and potential mitigation to offset areas of adverse variance.

The Committee was advised of the budget pressures that the Council was facing in-year, including the recently agreed pay award which presented a estimated budget pressure of £3.4m but had been built into the 2023/24 budget planning. Further pressures outlined included inflationary costs associated with children's services, including increased numbers of children in care and increased costs of assisted transport for children with special education needs and disabilities.

Resolved – That

(1) the balanced forecast revenue position presented at Quarter 2 be noted.

(2) the progress on delivery of the 2022/23 savings programme at Quarter 2 be noted.

(3) the forecast level of reserves and balances at Quarter 2 be noted.

74 **TREASURY MANAGEMENT MID-YEAR REPORT 2022/23**

The Assistant Director – Finance introduced the report of the Director of Resources which provided the mid-year position for the Council's Treasury Management activity. The Council's treasury management activity was underpinned by CIPFA's Code of Practice on Treasury Management which requires the production of an annual Treasury Management Strategy Statement on likely financing and investment activity and recommended that Members were informed of treasury management activities at least twice a year. The report fulfilled the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the Department for Levelling Up, Housing and Communities (DLUHC) Investment Guidance.

It was reported that at the Mid-Year point the Treasury Management budget forecast for the current year was for an overspend of £0.1 million. The forecast overspend was due to an increase in the interest rate environment, which would impact upon the borrowing costs of the Council. Some of the increase in interest cost would be offset by higher interest generated on Treasury Management investments. This position was incorporated into the Quarter 2 Revenue Monitoring report.

In response to a query, the Assistant Director of Finance clarified that the investment in the Public Sector Investment Fund was in accordance with treasury management best practice and expected to yield financial benefits on a long-term basis.

Resolved – That the Treasury Management Mid-Year Report for 2022/23 be noted.

75 **WORK PROGRAMME**

The Head of Legal Services introduced the report which provided the Committee with an opportunity to plan and regularly review its work across the municipal year.

Resolved – That the work programme be noted.

76 **ACTIVE TRAVEL FUNDING - TRANCHE 3**

The Director of Regeneration and Place introduced the report which sought approval for the amendment to the Capital Programme so that the £2,225,000 grant funding allocated to Wirral Council by Liverpool City Region Combined Authority from the Active Travel Fund Tranche 3 be allocated to the Conway Street/Europa Boulevard Movement Scheme. The budget secured from the Tranche 3 Programme would enable the scope of the proposed Conway Street / Europa Boulevard Movement Scheme to be extended as set out in Appendix 1 of this report.

The report had been considered by Economy, Regeneration and Housing Committee at its meeting on 19 October 2022 and recommended for approval by Policy & Resources Committee. In accordance with the Council's Constitution any amendment to the Capital Programme requested by a committee or officer in excess of £500,000 is reserved to Policy & Resources Committee.

Resolved – That the Capital Programme be amended so that the £2,225,000 grant funding allocated to Wirral Council by Liverpool City Region Combined Authority from the Active Travel Fund Tranche 3 be allocated to the Conway Street/Europa Boulevard Movement Scheme.

77 **DEVELOPMENT FUNDING FOR TRANSPORT PIPELINE - BIRKENHEAD CENTRAL GATEWAY**

The Director of Regeneration and Place introduced the report which sought approval to amend the Capital Programme so that the £2,674,629 grant funding allocated to Wirral Council by Liverpool City Region Combined Authority be allocated to the development of the Birkenhead Central Gateway Programme. The report also noted the approved slippage of £1,092,129 from 2021/22 development funding grant award. The development funding would support key regeneration projects including Argyle Street, Dock Branch Park, Hind Street and Woodside.

The report had been considered by Economy, Regeneration and Housing Committee at its meeting on 19 October 2022 and recommended for approval by Policy & Resources Committee. In accordance with the Council's

Constitution any amendment to the Capital Programme requested by a committee or officer in excess of £500,000 is reserved to Policy & Resources Committee.

Resolved – That the Capital Programme be amended so that the £2,674,629 grant funding allocated to Wirral Council by Liverpool City Region Combined Authority be allocated to the development of the Birkenhead Central Gateway Programme.

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POLICY & RESOURCES COMMITTEE

Wednesday, 18 January 2023

REPORT TITLE:	REPORT OF THE INDEPENDENT ASSURANCE PANEL
REPORT OF:	CHIEF EXECUTIVE

REPORT SUMMARY

This report presents the second update report of Wirral's Independent Assurance Panel (IAP). The Panel has been set up to oversee the Council's improvement in response to the external assurance review commissioned by the Department for Levelling Up, Housing and Communities (DLUHC) which was published in November 2021. The External Assurance Review was undertaken as a condition of the Council's request for exceptional finance support in 2020-21 and 2021-22.

The letter, included as Appendix 1, provides an update from the Chair of the Independent Panel following three formal meetings since the last report to the Council in June 2022. The letter fulfils the request of the Council for the Panel to report to the Council on progress at least twice a year but is effectively a holding letter to allow for further work on the Council's budget, with a further, more detailed report expected following the next meeting of the Panel in January 2023.

There are no direct ward implications, and the report is not a key decision.

The report contributes to the delivery of all of the priorities of the Wirral Plan 2022-2027.

RECOMMENDATION/S

The Policy & Resources Committee is recommended to note the content of the letter.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 For the Policy and Resources committee to understand the Independent Assurance Panel's external assessment of the Council improvement progress and compliance with the external assurance review recommendations.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 No other options have been considered as the Panel report is a requirement in line with its Terms of Reference.

3.0 BACKGROUND INFORMATION

- 3.1 Following Wirral's request to government for exceptional financial support, DLUHC commissioned an external assurance review in summer 2021 as part of the conditions for granting a capitalisation directive. The review was split into governance and finance and led to the publication of two reports in November 2021.
- 3.2 One of the key recommendations from the governance review involved the Council setting up an Independent Assurance Panel to oversee the Council's improvement and compliance with the recommendations arising from the review. In December 2021 the Chief Executive, with support from the Local Government Association (LGA), appointed the Independent Assurance Panel which is made up of senior leaders from local government with expertise in local government finance, law and assets. The Panel also includes two peer members from other local authorities that work on behalf of the LGA in supporting local government improvement.
- 3.3 Following an introductory meeting in December 2021 and a series of informal meetings with senior officers of the Council, the Panel has been meeting formally since January 2022.
- 3.4 The terms of reference of the Panel specify the requirement to report to the Secretary of State and Council every six months on progress implementing against an agreed Improvement Plan. The Council's Improvement Plan was approved by Council 11 July 2022.
- 3.5 Following the most recent set of meetings of the Independent Panel, the Chair of the Panel, Carolyn Downs, outlined her intention to send a holding letter, to fulfil the requirement to formally report to the Council every six months on progress. The purpose of sending a holding letter was to enable further time for the Council to work to address its financial position and give further assurances that it was able to set a balanced budget for 2023/24. The letter is appended to this report.
- 3.6 The next meeting of the Independent Assurance Panel is scheduled for Friday 13 January. Following this meeting, the next formal report of the Panel will be issued. This will be published and circulated when it is available.

4.0 FINANCIAL IMPLICATIONS

4.1 A small budget has been allocated to support the costs of the independent panel. To date costs have been kept to a minimum through the use of on-line meetings.

5.0 LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising from this report.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 There are no staffing, ICT or asset implications arising from this report.

7.0 RELEVANT RISKS

7.1 There are no specific risks arising from this report.

8.0 ENGAGEMENT/CONSULTATION

8.1 The Independent Assurance Panel has been appointed to act in an advisory capacity and also has an assurance role that Wirral Council is making good progress. As well as formal monthly meetings, there have been a number of separate informal meetings between Panel members and Council officers to provide guidance and support.

9.0 EQUALITY IMPLICATIONS

9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.

9.2 There are no direct equality implications arising from this report.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 The Panel have where possible continued to meet remotely to reduce unnecessary travel.

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 There are no direct community wealth implications arising from this report.

REPORT AUTHOR: **Michael Callon**
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APPENDICES

Appendix 1 – Independent Assurance Panel Letter

BACKGROUND PAPERS

Wirral Council Improvement Plan
Independent Assurance Panel Terms of Reference
Department for Levelling Up, Housing and Communities External Assurance Review
Governance

TERMS OF REFERENCE

The report is being considered by Policy and Resources Committee in accordance with the agreement with the Department for Levelling Up, Communities and Housing for reporting to the Council.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Policy & Resources Committee	30 Nov 2021 8 June 2022
Council	11 July 2022

7th December 2022

Dear Cllr Williamson and Paul,

Wirral Independent Assurance Panel Report to the Council

This letter fulfils the request of the council for the Independent Assurance Panel to report to the Council twice a year in its progress following the review of Ada Burns in 2022. Since I last reported to the Council on 8th June, Policy and Resources Committee and referred to Council on 11th July. The panel has had 3 formal meetings and visited Wirral to consider the council's ambitious regeneration proposals. Panel members have provided guidance and support on an ongoing basis and between meetings.

The independent assurance panel is pleased that the council has now recruited a new S151 officer, Monitoring Officer and Regeneration Director. Panel members were involved in the recruitment and are confident that the new appointments, once established in post will help the council to continue its improvement.

Since May 2022 the financial context in which the council finds itself, along with all other councils, has worsened considerably with inflation for utilities, goods and services and a recently agreed pay award creating considerable in year and future year pressures.

The panel is assured that the 2022/23 in year pressures of £11m can be covered by reserves and are aware that the Chief Executive and Senior Leadership Team are starting work to reduce all but essential spending to reduce this call on reserves. We strongly support this action as reserves need to be preserved as much as possible.

The panel is also assured that the delivery of savings in 2022/23 are either completed or largely on track for delivery.

With regards to the savings for 2023/24 the panel cannot, as yet, give assurance. The original figure for savings was agreed with the panel at £14m. Officers and members started the process for identifying these savings in a timely manner and the panel was reassured that the council would deliver budgetary proposals in good time for early consultation. This figure then changed as a result of spiralling inflation and increased to £49m. The panel commented on several occasions that this figure seemed to be too high and the council has subsequently and very recently reduced it to £38.4m. The previous assumption of such a large budget gap was not accompanied by a strategy to deliver savings of that magnitude and this strategy is still being progressed.

At this point in the process the council has identified and effectively discussed with members, savings of £26m after allowing for possible double counting of some proposals. This leaves a gap of £12m. In effect the council effectively now has just over 2 months to identify, agree and consult upon these additional savings or to revise its assumptions e.g. Increase council tax to the full 5% (as many other councils will be doing) or reduce the level of contingencies being made. As mentioned above, we are aware that earmarked reserves will be used to balance the 2022/3 pressures and there is likely to be a further call to part bridge the gap, and cost of associated redundancies, which would leave reserves

very much reduced at March 2024 which will limit the scope for future financial flexibility given General Reserves still being below the recommended level.

The Panel strongly supports that effective consultation on savings proposals and the possible level of Council Tax increase is commenced urgently as any delay will possibly impact the ability to deliver savings from the start of the financial year

This letter is effectively a holding letter given the current situation and the Panel will reconvene in January 2023 and hopefully at that point be able to give full reassurance on the ability to deliver a balanced budget

With regard to broader governance issues, the panel remains reassured by the member development programme that was undertaken following the elections in May 2022 but also acknowledges that the all-out elections in May 2023 will continue to create a relatively volatile political environment that may well be unhelpful when there is such a challenging budgetary situation.

Yours sincerely



Carolyn Downs

Cc:

Cllr Tom Anderson

Claire Hogan

Michael Wilcox

Shaun Davies

Quentin Baker

Richard Paver

Sean Hanson



POLICY AND RESURCE COMMITTEE

Wednesday 18 January 2023

REPORT TITLE:	COUNCIL TAX 2023/24 (TAX BASE, DISCOUNTS AND EXEMPTIONS AND LOCAL COUNCIL TAX REDUCTION SCHEME)
REPORT OF:	DIRECTOR OF FINANCE

REPORT SUMMARY

This report brings together related issues regarding the proposed Council Tax Base for 2023/24 upon which the annual Council Tax levels will be set. This needs to be approved by the 31 January.

The proposed Council Tax Discounts including Local Discounts, Exemptions, and the Local Council Tax Reduction Scheme to be used during 2023/24. These need to be approved by Council by 11 March 2023.

The Wirral Plan 2021 - 2026 sets out the Council's vision to secure the best possible future for the Council's residents and covers the following five themes:

- A thriving and inclusive economy, creating jobs and opportunities for all;
- A clean-energy, sustainable borough, leading the way in tackling the environment crisis;
- Brighter futures for all regardless of their background;
- Safe and pleasant communities that our residents are proud of; and
- Healthy and active lives for all, with the right care, at the right time.

The proposals within this report align with the above themes by supporting some of the most vulnerable members of the community and providing a financial framework to assist with funding the Council's services.

The matter affects all Wards within the Borough.

This is a key decision.

RECOMMENDATIONS

Policy and Resources Committee is recommended to:

1. **approve the figure of 95,585.07 as the Council Tax Base for 2023/24. This is an increase of 412.67 (0.43%) on last year's Council Tax Base.**
2. **recommend to Council that**

(1) The level and award of each local discount for 2023/24 be as follows: -

Wirral Women's & Children's Aid

To continue to award Wirral Women & Children's Aid 100% discount. This remains unchanged from 2022/23.

Care Leaver's Discount

To award Care Leavers the requisite discount to reduce their Council Tax liability to zero until they are 25. This to remain unchanged from 2022/23.

Empty Property Discounts 2023/24

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 to remain unchanged from 2022/23, and to include an exception for properties requiring adaptations to meet the need of a disabled person who will be occupying the property as soon as the adaptations are complete and in addition awaiting renovations prior to being occupied by someone under Ukraine resettlement scheme

Empty Property Premium =

100% (200% Council Tax) for unfurnished properties empty for more than two years.
200% (300% Council Tax) for unfurnished properties empty more than five years.
300% (400% Council Tax) for unfurnished properties empty more than ten years.

All remain unchanged from 2022/23, save for an exception from 1 April 2023 for properties that have restrictions placed upon them restricting the sale to a particular group (usually leasehold properties for the elderly which attract high service charges). An exception to be introduced to the Premium from 1 April 2023.

Council Tax Discretionary Hardship Relief Scheme

The Council Tax Discretionary Hardship Relief Scheme, approved by Cabinet in October 2013, to continue in its current format for 2023/24. The Scheme offers help and assistance in exceptional cases of hardship.

(2) Local Council Tax Reduction Scheme (LCTRS)

The current Local Council Tax Reduction Scheme to remain unchanged from 2022/23 apart from the following

- a. The scheme to be aligned to all the Department of Work and Pensions uprating's and changes for Housing Benefit and Universal Credit
- b. There to be no loss of entitlement due to payments made under Homes for Ukraine Scheme (£350)

- c. In response to the government announcement (Council Tax Support Fund) of the 23 December, an additional reduction of at least £25 where a liability in excess of this exists, for all recipients of Council Tax Support for 2023/24 at the time of annual billing.
- d. Delegated authority be given to the Head of Revenues & Benefits in consultation with the Director of Finance and Leader of the Council to create a discretionary scheme based upon government guidance to utilise any remaining funding provided under the Council Tax Support Fund for 2023/24

(3) Changes to Empty Property Discounts 2024/25

To reduce the Empty Property Premium from 2024/25 to properties that have been empty for more than one year (Currently Two). So that the following apply:-

100% (200% Council Tax) for unfurnished properties empty for more than one year.
200% (300% Council Tax) for unfurnished properties empty more than five years.
300% (400% Council Tax) for unfurnished properties empty more than ten years.

(4) Changes to the treatment of second homes (dwellings that are furnished but are not someone's sole or main residence)

From April 2024 the council to charge 100% (200% Council Tax) for any person with a second home within Wirral. Double the amount of council tax of a property occupied as someone's sole or main residence.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The Council must agree its Council Tax Base for 2023/24 between the 1 December 2022 and 31 January 2023.
- 1.2. The Council must determine annually it's Local Council Tax Reduction Scheme by the 11 March 2023.
- 1.3 The Council must decide on the level of Local Discounts and Exemptions by 31 March 2023.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 In respect of the Council Tax Base there a legal requirement that this must be set by 31 January each year, therefore no other option has been considered.
- 2.2. The Local Discounts, Exemptions and the Local Council Tax Reduction Scheme are reviewed annually and could be amended which would have a financial impact for the authority as set out in this report.

3.0 BACKGROUND INFORMATION

- 3.1 The Council has a statutory duty to take decisions each year regarding the administration of Council Tax which must be set by the 11 March each year.
- 3.2 In Accordance with The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 the Council is required to set its Council Tax Base annually in order to determine the appropriate number of properties to be considered for Wirral, the Preceptor Authorities (Police & Crime Commissioner and Fire & Rescue Services) and the Environment Agency (Flood Defence). The Council Tax Base has a direct impact on the Council Tax that will be levied for Wirral for 2023/24.
- 3.3 The Council Tax Base must be determined between the 1 December 2022 & 31 January 2023 and will be used to calculate the Council Tax charges for 2023/24.
- 3.4 The Tax Base calculation process is as follows; -
 - Calculate the number of properties on 30 November 2022 and adjust for changes due to demolitions and new builds up to 31 March 2024 which are then converted to a full year Band D equivalent. The council also adjust for discounts, exemptions and disabled relief and add any changes expected over the year reflecting the Local Council Tax Reduction Scheme and changes to empty property discounts and premiums.
 - Convert the number of “discounted” dwellings in each Council Tax Band to Band D equivalent.

- Adjust the total number of Band D equivalents by the estimated Council Tax collection rate for the year. The amended calculation is as below and will be utilised in calculating the Council Tax charge for 2023/24.

3.5 Forecast properties per Council Tax band within Wirral based on information as at 30 November 2022: -

Table 1: Wirral Council Tax Bandings Forecast

Band	Value (£)	Properties 2022	Change	Properties 2023	Band %	Ratio
A	<40,000	60,867	431	61,298	40.36	6/9
B	40,001-52,000	32,880	84	32,964	21.70	7/9
C	52,001-68,000	27,760	0	27,760*	18.27	8/9
D	68,001-88,000	13,528	53	13,581	8.94	9/9
E	88,001-120,000	8,399	27	8,426	5.55	11/9
F	120,001-160,000	4,362	25	4,387	2.89	13/9
G	160,001-320,000	3,174	21	3,195	2.10	15/9
H	>320,000	278	1	279	0.18	18/9
Total		151,248	642	151,890	100%	

* The figure for Band C properties has not increased, It had been anticipated that developments would have been completed during the current year and were therefore included within last years estimated taxbase calculations.

3.6 The properties are converted to the Band D equivalent and adjusted for the Local Council Tax Reduction Scheme and other Council Tax Discounts, Exemptions and Disabled Relief and adjusted by the Collection Rate to give the Council Tax Base.

Table 2: Wirral Council Tax Band D calculation 2023/24

Band	Properties 2023	Changes due to LCTRS discounts, exemptions	Revised property equivalent	Ratio to Band D	Net Band D equivalent
A	61,298	(24,733.74)	36,564.26	6/9	24,376.17
B	32,964	(7,318.10)	25,645.90	7/9	19,946.81
C	27,760*	(3,933.59)	23,826.41	8/9	21,179.03
D	13,581	(1503.42)	12,077.58	9/9	12,077.58
E	8,426	(761.71)	7,664.29	11/9	9,367.47
F	4,387	(302.70)	4,084.30	13/9	5,899.54
G	3,195	(218.22)	2,976.78	15/9	4,961.30
H	279	(34.12)	244.88	18/9	489.76
Band A Disabled		(4.8)	73.60	5/9	40.90
Total	151,890	(38,800.8)	113,158.00		98,338.55
Assumed Collection Rate					x 97.20%
Adjusted Council Tax Base					95,585.07

- 3.7 The Collection Rate is calculated by adding the current expected in-year collection together with the amounts of arrears collected expressed as a percentage of the current net collectable debit.
- 3.8 Based on previous years' experience it is prudent to apply a collection rate of 97.2% for the forthcoming financial year. This is a slight downward adjustment of 0.1% to reflect the current economic climate. This will assure that any collection fund surplus/deficit is minimised. This has been reflected in the setting of the Council Tax Base.
- 3.9 The recommended figure for 2023/24 is 95,585.07. Compared to the 2022/23 figure of 95,172.39. This is an increase of 412.67. The Council Tax Base has increased due to an increase in the number of properties, projected number of new builds and a reduction in the number of residents claiming a Council Tax Reduction. The numbers claiming support have continued to reduce over the past year.
- 3.10 The level of Council Tax is confirmed at Budget Council which for 2023/24 is scheduled for 27 February 2023.

COUNCIL TAX LOCAL DISCOUNTS & EXEMPTIONS 2023/24

- 3.11 Local Discounts and Exemptions are subject to an annual review and impact directly upon the Council Tax income as the cost is fully met by the Council. From 1 April 2013 the Council adopted 0% discount levels for empty properties and properties undergoing construction, where previously they had been exempt for 6 and 12 months respectively thus receiving a 100% discount. This report reviews the levels of specific local discounts. Any amendment or granting of discount agreed as part of this report will come into force from 1 April 2023 unless stated otherwise.
- 3.12. Local Discounts can be granted under Section 13a of the Local Government Act 1992. The Local Government Finance Act 2012 introduced changes in national Council Tax discounts and exemptions. These were considered and adopted for 2013/14 by Cabinet on 24 January 2013 and cover the level of discount awarded on empty properties and the premium charged on long term empties. Wirral chose to maximise the amount payable in each category and must review its charges each year.

A LOCAL DISCOUNTS - LOCAL GOVERNMENT ACT 1992

- 3.13 Local Discounts, as used by Wirral, are granted under Section 13a of the Local Government Act 1992 and reviewed annually. Amounts detailed below.

Table 3: Local Government Act 1992 Local Discounts in Wirral

	£
Wirral Women & Children's Aid	7,000
Council Tax Discretionary Relief (Hardship)	50,000
Care Leaver's Discount	148,000
Total	205,000

Wirral Women & Children's Aid

- 3.14 Cabinet on 22 July 2004 awarded a local discount to Wirral Women's and Children's Aid, the discount leaving no Council Tax to pay, based on the valuable work undertaken at the premises. The circumstances have changed with an additional property being used, and the cost of the award has increase and is currently £7,000. It is recommended that this discount continues for 2023-24

Council Tax Discretionary Hardship Relief

- 3.15 Regulations allow that a discount can be granted to an individual in a case of extreme hardship, covered by the Council's Council Tax Discretionary Relief policy (minute 71, 10 October 2013) or alternatively a discount can be granted to all empty properties within a specific area, such as a clearance area. This can give more flexibility to the Council which has to fund any locally defined discounts. It is recommended that this discount continues for 2023-24.

Care Leaver's Discount

- 3.16 A local discount is currently awarded to Care Leavers removing the requirement to pay Council Tax from Care Leavers until they become 25. The discount is awarded after all other reliefs and discounts have been granted and recognises the financial burden that leaving care can cause. This remains unaltered from last year and the cost of the award is currently £ 148,000 an increase of £22,000 on last year. It is recommended that this discount continues for 2023-24

B DISCOUNTS & EXEMPTIONS - LOCAL GOVERNMENT ACT 2012

- 3.17 The Local Government Finance Act 2012 introduced changes in national Council Tax discounts and exemptions which gave the option to Local Authorities to exercise discretion in setting the level of discount on certain types of property. These were considered and adopted by Cabinet on 24 January 2013 (minute 166) for the 2013/14 financial year and have continued in subsequent years. Wirral chose to maximise the charges it raises by minimising the discount awarded, i.e., 0%.

Table 4: Local Government Act 2012 Empty Property Discounts

Income from minimising discounts	£
Empty properties –unoccupied/renovation (Discount C+D) = 0%	2,758,400
Empty property – premium of 100% (Council Tax charge 200%)	223,300
Empty property – premium of 200% (Council Tax charge 300%)	686,100
Empty property – premium of 300% (Council Tax charge 400%)	435,000
Total	4,102,800

Empty Properties Discount

- 3.18 The changes allowed by the 2012 Act covered charges made against empty property and second homes. In broad terms this removed the exempt classifications A and C and allowed Councils to define their own level of discounts re-categorising them as discounts C and D. The Regulations also allowed Councils to apply a premium on

properties that had been empty for more than two years and from 2020 those empty for over 5 years and from 2021 those empty over 10 years.

- 3.19 The Council chose to award 0% discount (Discount D) – full charge - on properties undergoing renovations which were previously entitled to a 12-month exemption, or 100% discount.
- 3.20 The Council chose to similarly award a 0% discount (Discount C) – full charge - on empty properties that had previously been exempt for the first six months that they were empty, or 100% discount.
- 3.21 The Council has previously chosen to use its powers to date to charge the maximum amount of Premium on properties that have been -
- empty for more than two years which is 100% (200% of the Council Tax payable)
 - empty for more than 5 years a 200% premium (300% of the Council Tax).
 - empty for over 10 year a 300% (400% of the Council Tax).

The aim is to encourage prompt property re-occupation and discourage properties being held empty by speculators waiting for an increase in values. To remove the Premiums would cost £1.344M in lost potential Council Tax income.

3.22 From 2024/25 the council can vary these charges as follows

- empty for more than one year which is 100% (200% of the Council Tax payable)
- empty for more than 5 years a 200% premium (300% of the Council Tax).
- empty for over 10 year a 300% (400% of the Council Tax).

This change will raise an additional £0.895M from 2024/25 based on current data.

3.23 The council currently charges the maximum allowed for properties that are furnished and not occupied as someone's sole or main residence. This is the equivalent of the full council tax (100%). From 2024/25 the council can increase this charge by 100% so that these properties will be liable to a council tax of 200% of the normal charge.

This change will potentially raise an additional £ 1.062M based on current numbers from 2024/25.

3.24 The changes detailed in 3.22 & 3.23 require a period of 12 months' notice before they can be implemented. This intervening time will be utilised to contact the owners of these affected properties.

3.25 An exception to the premium is allowed in circumstances prescribed within the regulations. Wirral also has the power to establish locally determined exceptions to the premium.

3.26 The council has such a discretionary exception under Section 11A Local Government Finance Act 1992 in specific circumstances. These exceptions arise from unforeseen consequences of the council's policy of the implementation of Council Tax Empty property charges under this Section.

3.27 The circumstance is where a property is empty only because the property requires adaptations to meet the needs of a disabled person who will be occupying the property as soon as the adaptations are completed. The person must have liability for an existing dwelling and therefore this measure will alleviate the need for a chargepayer to pay council tax on two properties whilst awaiting adaptations to be made to a dwelling to meet their specific needs.

In this strictly defined circumstance, no charge will be made. The adapted property must be eligible for a Band Reduction due to the Disabled adaptations once the property is occupied.

3.28 The circumstance is where a property is empty only because the property requires work to render the property ready for occupation where the people who will be occupying the property and liable to council tax are from the Ukraine and here under the Ukrainian Settlement Scheme. These properties have a zero charge when occupied.

3.29 A new exception to the premium is proposed for properties that have restrictions placed upon them that limit who a property can be sold to. This is aimed at properties that are solely for elderly residents and generally attract high service charges. These properties can be difficult to sell, and the levy of a premium can cause significant hardship to owners with limited means.

3.30 The cost of this measures will be monitored and reported annually as part of the Tax Base Setting process

3.31 The cost of the exemption implemented in 2022/23 for properties await adaptations was £2,000

C LOCAL COUNCIL TAX REDUCTION SCHEME

3.32 Central Government abolished Council Tax Benefit (CTB) on 31 March 2013 and tasked each administering Council to formulate an individual Local Scheme to replace it. At the same time Central Government reduced the grant they awarded to Councils for CTB by 10%. The Government also stated that any Local Council Tax Reduction Scheme devised should leave pensioners no worse off than they were under the 2012/13 CTB scheme. The option was also given to define vulnerable groups and offer the groups the same level of protection as pensioners. Wirral designated persons classed as disabled or with disabled children as vulnerable in 2013/14. The Scheme must be approved each year prior to the year it will be applied.

3.33 Having regard to the financial pressures the Council resolved, on 28 January 2013, that it could not find funding from its existing budgets to make up the shortfall caused by the governments changes and decided to pass on the reduction to Local Council Tax Reduction Scheme recipients. This resulted in non-vulnerable working age claimants paying a minimum of 22% of the Council Tax charge.

3.34 Cabinet agreed on the 4 November 2019 that this minimum amount be reduced from 22% to 12%. This has helped some of the poorest households in the borough.

- 3.35 On the 23 December 2022 the Government announced an additional Council Tax Support Scheme to reduce the council tax liability by £25 to residents in receipt of Council Tax Support. This scheme is funded by central government. Wirral's' draft allocation is £789k and will provide additional monies over and above the reduction of £25. The council will need to devise a discretionary scheme once modelling has been undertaken to allocate this remaining fund. This will be undertaken as part of the year end testing process. Given the time scales involved the Head of Revenues & Benefits in consultation with the Director of Finance and Leader of the Council will agree a discretionary scheme to ensure use of this remaining fund is maximised. Any scheme will be based upon government guidance and in all likelihood involve new recipients of council tax support during the coming financial year.
- 3.36 The Scheme, its impacts and costs are continually monitored and need to be annually reviewed and approved prior to the year it will be applied.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The Council Tax Base is used to calculate Council Tax levels for 2023/24. Failure to comply with timescales could delay Council Tax bills with the potential to affect collection and cash-flow. On the assumption that the levels of support under the Local Council Tax Reduction Scheme and the Discounts and Exemptions are adopted the Council Tax Base will be increased by 0.43% from 2022/23.
- 4.2. For Local Discounts variations to the discount levels will either generate additional or less income. The cost of local discounts is met in full by the Council and do not impact upon the Council Tax Base. Any saving to the Council will result in an increase in the amount payable by the charge payer.

Table 5: Local Government Act 1992 Local Discounts

	£
Wirral Women & Children's Aid	7,000
Council Tax Discretionary Relief (Hardship)	50,000
Care Leaver's Discount	148,000
Total	205,000

Table 6: Local Government Act 2012 Empty Property Discounts/ Charges

Income from minimising discounts	£
Empty properties –unoccupied/renovation (Discount C+D) = 0%	2,758,400
Empty property – premium of 100% (200% Council Tax)	223,300
Empty property -premium of 200% (300% Council Tax)	686,100
Empty property -premium of 300% (400% Council Tax)	435,000
Total	4,102,800

- 4.3 The proposed changes to how Empty Properties are charged whilst awaiting Disabled adaptations will have a minimal impact as only one case has been identified to date, the cost of the additional relief will be monitored and reported annually.

5.0 LEGAL IMPLICATIONS

- 5.1 The legislation requiring this calculation is the Local Authorities (Calculation of Council Tax Base) Regulations 1992. This requires the Authority to set and declare the Tax Base it will use to calculate the Council Tax level between the 1 December and 31 January in the financial year preceding the tax.
- 5.2 The Local Government Finance Act 1992 as amended makes provision for the determination by Council of Local Discounts and the Local Council Tax Reduction Scheme in respect of Council Tax by 11 March

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 There are no IT, asset or specific staffing implications arising directly from this report.

7.0 RELEVANT RISKS

- 7.1 If the Council Tax Base figure is not declared by 31 January 2023 the Council and Preceptor Authorities will be unable to make considered budgetary decisions that could delay the Council Tax bills and income streams for 2023/24.
- 7.2. In respect of Local Discounts and Exemptions the changes made to domestic empty property charges are expected to generate over £4.103M of additional Council Tax charges. Any changes to the current level of discounts or reduction to the Empty Premium would see a reduction in Council Tax raised and the income lost would have to be replaced by an alternative income stream or a reduction in spending.
- 7.3 The Local Council Tax Reduction Scheme provides vital support to low-income families across the Borough. A scheme needs to be approved annually as part of the budget setting process.
- 7.4 The effect the current macro-economic situation adds uncertainty in terms of the number of people who will continue to be eligible for Council Tax Support in both the current and the future financial year, however it is not expected to have a detrimental impact on the Council Tax Base going forward.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 No consultation is required in the calculation of the Tax Base. The Discount and Exemptions are proposed to be maintained at the previous year's level and no direct consultation has been undertaken on discount levels. The level of changes for discounts and exemptions were consulted upon in 2012/13 and no specific consultation has been undertaken as they are not proposed to be changed. A consultation did take place in 2019/20 on the changes to the Council Tax Reduction Scheme but the numbers who took part in the consultation were not sufficient for any meaningful data to be reported. However, there were no adverse comments.

9.0 EQUALITY IMPLICATIONS

- 9.1 There is no requirement for an Equality Impact Assessment in relation to the calculation of the council tax base.

- 9.2 The Equality Impact assessment for the Local Council Tax Reduction Scheme has been reviewed and is still appropriate. The link to the Equality Impact Assessment for the Local Council Tax Reduction Scheme is below.
<https://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments/equality-impact-assessments-2017/delivery>

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 There will be no measurable environmental impact.

11.0 COMMUNITY WEALTH IMPLICATIONS

- 11.1 The proposed Council Tax Discounts including Local Discounts, Exemptions, and the Local Council Tax Reduction Scheme to be used during 2023/24 will contribute significantly to developing a prosperous, inclusive economy where local people can get good jobs and achieve their aspirations.
- 11.2 Wirral MBC will encourage our contractors to deliver more benefits for the local area, such as good jobs, apprenticeship, training & skills opportunities, real living wage, minimising their environmental impact, and greater wellbeing. We will also help develop the local economy by supporting and encouraging more community businesses and enable greater opportunities for local business to prosper and provide decent and fair employment.'

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APPENDICES

None

BACKGROUND PAPERS

Local Government Finance Act 1992, 2003 and 2012.
Local Authorities (Calculation of Council Tax Base) Regulations 1992
Valuation Office Agency - Valuation List.
Welfare Reform Act 2012.
Council Tax Reduction Scheme (Default Scheme) (England) Regulations 2012 as updated.
Rating (Property in Common Occupation) & Council Tax (Empty Dwellings) Act 2018
Council Tax Information Letter 16/2022 Council Tax Support Fund Guidance

TERMS OF REFERENCE

This report is being considered by the Policy and Resources Committee in accordance with Section 1.2(a) of its Terms of Reference, to formulate, co-ordinate and implement corporate policies and strategies and the medium-term financial plan (budget). The report seeks a recommendation to Council in accordance with Part 3(A) of the Constitution as the setting of the Council's Council Tax requirement is a function reserved to Council.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet	5 November 2019
Policy & Resources Committee	11 November 2020
Policy & Resources Committee	17 January 2022



POLICY AND RESOURCES COMMITTEE

Wednesday, 18 January 2023

REPORT TITLE:	2023/24 BUDGET UPDATE
REPORT OF:	DIRECTOR OF FINANCE (\$151 OFFICER)

REPORT SUMMARY

This report provides an update on the 2023/24 budget position following the forecast position presented at the Policy and Resources Committee meeting on 5 October 2022 and at the subsequent Policy & Resources Committee Budget Workshop on 24 November 2022. Budget options are set out in this report, which have been developed in response to the previously outlined budget gap.

The Policy and Resources Committee, in consultation with the respective Policy and Service Committees, is charged by Council to formulate a draft Medium Term Financial Plan (MTFP) and Budget to recommend to the Council. The Policy and Service Committees are responsible for those services being delivered under their operational headings within their annual budget envelope.

The Provisional Local Government Finance Settlement was published on 19 December 2022 and the information provided in this report outlines the government’s announcements on that day and afterwards. The Provisional Finance Settlement becomes final at a date set by Government in late January or early February 2023.

The Settlement provided a level of additional resources to the Council and in addition the prospect of increasing Council Tax and the Adult Social care Precept by 4.99% for 2023/24; this is significantly below the headline rate of inflation in the UK economy at the present time (CPI c.10% at the date of this report). However, the additional resources which amount to £6.3m are insufficient to bridge the Council’s Budget shortfall which has been confirmed in the sum of £49m (gross) and £32.3m (net) following the completion of internal review and the impact of the Provisional Settlement but excluding the higher level of Council Tax increase that is now possible; that is 4.99% rather than 2.99% as envisaged in the MTFP approved by Council in February 2022.

Final budget proposals will be presented to Policy & Resources Committee on 15 February 2023 for recommendation to full Council. This report supports the delivery of the Wirral Plan as part of the process of delivering a balanced budget for all Council activity, and therefore all Wirral Plan aims and objectives, for 2023/24. This report is not a key decision.

RECOMMENDATIONS

The Policy and Resources Committee is recommended to:

1. Note the outcome of the Provisional Local Government Financial Settlement for 2023/24, in advance of the Final Settlement which is expected in late January/early February 2023.

2. Recognise the extent of the Council's financial challenge and the need to make significant financial savings in order to maintain the Council as a going concern, to avoid the issuance of a Section 114 notice and the potential ministerial intervention under Section 15 of the Local Government Act 1999 which would be likely to ensue.
3. Note the savings, efficiencies and income proposals that are available to address the 2023/24 budget gap.
4. Note the latest position on consultation and agree to consult on the Budget proposals for 2023/24, under section 65 of the Local Government Finance Act 1992.
5. Note that the Section 151 Officer may need to make further adjustments to the forecast budget shortfall pending final decisions by Members in the period ahead.

SUPPORTING INFORMATION

1.0 REASONS FOR RECOMMENDATIONS

- 1.1 The Council has a legal responsibility to set a balanced budget, which sets out how financial resources are to be allocated and utilised. To do this effectively requires engagement with staff, elected members and residents along with other stakeholders. Previous reports to the Committee have highlighted the external challenges that are impacting on the 2023/24 budget setting process and have highlighted the extent of the financial challenge faced. This report presents the culmination of the work undertaken to present options for budget formulation and to ensure the necessary preparations to facilitate a budget recommendation to Council on 27 February 2023.
- 1.2 The scale of the financial challenge that the Council faces cannot be overstated. Setting a budget, especially in the context of largely uncontrollable, macro-economic pressures, requires challenging decisions to ensure that a balanced position can be presented. Members have been engaged in the process through the work of the Policy and Service Committees and the Policy and Resource Budget and Development Group composed of Group Leaders.
- 1.3 Failure to set a balanced budget may lead to intervention from the Secretary of State under section 15 of the Local Government Act 1999. Failure to set a lawful budget by the required deadline will lead to a loss of revenue that is likely to be irrecoverable and incur significant additional costs and reputational damage. Providing this update following the announcement of the Provisional Local Government Finance Settlement, is a way of taking suitable steps to enable the Council to set a lawful budget and to protect the Council, Customers and Members from the consequences of failing to take the necessary decisions.
- 1.4 Council approved the then latest Medium-Term Financial Strategy (MTFS) at its meeting on 28 February 2022; this confirmed key principles the Council would consider in respect of its financial planning. The MTFS provides a robust, consistent, and sustainable approach to establishing and maintaining a stable and prudent financial basis on which the Council's services are to be delivered.
- 1.5 In order to fulfil the aims of the MTFS, it is imperative that proposals for budget options are evidence based and achievable. In order to ensure that this is the case, rigorous review has been undertaken through:
- Directorate Management Teams (DMT)
 - Senior Leadership Team (SLT)
 - Internal Challenge Panels
 - Council Committees.
- 1.6 This process of review and challenge is ongoing, to ensure that final proposals made to Policy & Resources Committee in February, for recommendation to Full Council, are fully scrutinised and fit and proper in terms of readiness for decision-making. Contained within this report are all current options for consideration prior to the need to make final decisions on how the budget for 2023/24 should be balanced.
- 1.7 The information contained in this report also provides the opportunity for the Policy and Services Committees at their meetings in January 2023 to provide feedback on the budget proposals for the Policy and Resources Committee to take into consideration in recommending a lawful budget to Full Council at its meeting of 27 February 2023.

1.8 As part of the budget setting process, the Policy and Resources Committee is able to take into consideration the outcome of the budget setting consultation process with residents, businesses, and all those with a stake in the future of Wirral.

2.0 OTHER OPTIONS CONSIDERED

2.1 The setting of a legal budget is a statutory requirement and therefore no other options have been considered.

3.0 BACKGROUND INFORMATION

3.1 At the Policy and Resources Committee on 5 October 2022, a potential budget gap of £49m for 2023/24 was presented. Members will be aware that the budget gap is an ever-moving target due to a number of factors; these include:

- Ongoing Government announcements of funding, including specifically the Chancellor's Autumn Statement and the Provisional Local Government Financial Settlement for 2023/24
- A process of challenge and refinement within the Council to ensure that the proposals are evidence based. Addition of new pressures that continue to materialise as further local and national evidence comes to light.
- The continuing refinement of budget assumptions including inflation.
- The development and refinement of budget options.

3.2 As a result of these factors, the budget forecast presented in October 2022 has been updated and a more robust position is now available. This position - which was estimated before Christmas at £38.4m - has been confirmed as £32.3m after application of the Provisional Finance Settlement. This represents the Budget shortfall as of the date of this report and represents the target which needs to be offset with efficiencies, savings and cost reductions in moving towards a balanced position.

2023/24 Budget Position

- The 2023/24 budget position is currently as follows:

	23-24 Budget Position Reported in 5 Oct 22 (£m)	23-24 Revised Budget Position (£m)
TOTAL FUNDING	-339.30	-363.19
BUDGET REQUIREMENT		
Baseline	330.58	330.58
Removal of one-off items from 21/22:	-2.81	-2.81
Baseline Restated	327.77	327.77
ADD KNOWN PRESSURES/ GROWTH	60.54	67.72
INITIAL BUDGET GAP	49.00	32.30
DEDUCT PROPOSED NET SAVINGS	0	-39.50
REVISED BUDGET GAP / (SURPLUS)	49.00	-7.20

A more detailed analysis of this table can be found in Appendix 1.

- 3.3 In November 2022, the Chancellor of the Exchequer make fiscal announcements in his Autumn Statement. The details of this and further information has been supplied in the Provisional Finance Settlement and the main points are summarised in Appendix 2.
- 3.4 At the Policy and Resources Committee on 5 October, it was noted that officers would work up a further package of savings proposals to meet the forecast budget shortfall at that time with Members engaged via the Group Leaders' Budget Development Working Group established by Policy and Resources Committee. Accordingly, a set of budget proposals for 2023/24 are included in Appendix 3.

Capital Programme

- 3.5 In view of the very large revenue savings needed to balance the 2023/24 revenue budget the Budget proposals do not envisage additional Capital Programming for financial year 2023/24 unless one of the following conditions are met:
- The item is to be funded from Government grants, Section 106 contributions or other contributions and funding external to the Council
 - The item is funded from capital receipts

3. The item forms part of a business case that demonstrates clearly that revenue savings will flow from the capital investment and that these savings will exceed the commitment to fund this from borrowing or revenue resources.

3.6 The underlying assumptions used to form the forecast budget shortfall have already taken into account the savings arising from ongoing slippage in the Capital Programme. In addition the review has also identified opportunities to reach for further savings from existing programming.

4.0 FINANCIAL IMPLICATIONS

4.1 This report is part of a programme of activity to ensure that a fully balanced, legal budget can be recommended by the Policy and Resources Committee to Full Council at its meeting of 27 February 2023.

4.2 The programme to develop a robust budget position, of which this report is a part, will support the Council in demonstrating compliance with CIPFA's Financial Management Code, specifically in relation to Section 4 of the FM Code which refers to the Annual Budget.

4.3 The FM Code requires the Council to demonstrate that the processes used satisfy the principles of good financial management, based on the following six principles:

- Organisational Leadership – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisation culture.
- Accountability – based on Medium-Term Financial Planning, which derives the annual budget process supported by effective risk management, quality supporting data and whole life costs.
- Financial management - undertaken with transparency at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer actions and elected member decision making.
- Professional standards - Adherence to professional standards is promoted by the leadership team and is evidenced.
- Assurance - sources of assurance are recognised as an effective tool and are mainstreamed into financial management, including political scrutiny and the results of external audit, Internal Audit and inspection.
- Sustainability: issues around sustainability of local services are at the heart of all financial management processes and is evidenced by prudent use of public Resources.

4.4 Delivering financial sustainability is vitally important for the Council and the budget options presented have been drawn up with this in mind, consideration is given to areas of discretionary expenditure that could be curtailed along with demonstrating savings that can be delivered from statutory components of the Council.

5.0 LEGAL IMPLICATIONS

5.1 The Council must set the budget in accordance with the provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a statutory responsibility of the Council and, therefore, of this Committee in preparing that budget.

- 5.2 The provisions of section 25, Local Government Act 2003 require that, when the Council is making the calculation of its budget requirement in February, it must have regard to the report of the chief finance (s.151) officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. In doing so, Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered, and that new expenditure is contained within the available resources. Accordingly, proposals put forward as part of the budget process will have identified the realistic measures and mechanisms to produce the desired outcomes.
- 5.3 Once the Committee has agreed draft budget proposals, there is then a requirement under section 65 of the Local Government Finance Act 1992 to conduct specific consultation with persons or bodies appearing to it to be representative of non-domestic ratepayers about the authority's proposals for expenditure (including capital expenditure) in the forthcoming financial year. The information required to be shared as part of the consultation is set out in the Non Domestic Ratepayers (Consultation) Regulations 1992. This includes the authority's current estimates of the total of its revenue expenditure and the total of its expenditure for capital purposes for the forthcoming financial year (the draft budget proposals). It must be borne in mind that this is consultation on the budget proposals, not on the decision to take whatever decision is implied by the adoption of that budget.
- 5.4 The report sets out the relevant considerations for Members to consider during their deliberations and Members are reminded of the need to ignore irrelevant considerations. Members have a duty to seek to ensure that the Council acts lawfully and, where a service is provided pursuant to a statutory duty, it would not be lawful to fail to discharge it properly or abandon it, and where there is discretion as to how it is to be discharged, that discretion should be exercised reasonably. Members must not come to a decision which no reasonable authority could come to; balancing the nature, quality and level of services which they consider should be provided, against the costs of providing such services.
- 5.5 There is a particular requirement to take into consideration the Council's fiduciary duty and the public sector equality duty in coming to a decision.
- 5.6 Members are also individually reminded that Section 106 of the Local Government Finance Act 1992 applies to the Council meeting on the budget and therefore arguably to the formulation of the Budget. Members who are two months or more in arrears with their Council Tax must declare this to the meeting and must not vote on budget recommendations, as to do otherwise can be a criminal offence.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 The implications for staffing, ICT and Assets are complicit with individual savings proposals. Until decisions are taken in forming the final set of proposals to balance the 2023/24 Budget the overall impact is not able to be defined precisely.

7.0 RELEVANT RISKS

- 7.1 The Budget process designed for 2023/24 mitigates the risks of a Budget not being set lawfully. This is underpinned by a robust monitoring and review process both in 2022/23 and for 2023/24.
- 7.2 Failure to achieve a balanced budget would lead to the Section 151 Officer issuing a Section 114 notice and potential ministerial invention under Section 15 of the Local Government Act

1999.

- 7.3 Funding and demand assumptions can change as more information becomes available. As such, the Medium-Term Finance Plan (MTFP) is regularly reviewed and updated as part of routine financial management.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 Initial consultation has taken place in respect of the priorities and views of the public in formulating the draft budget, as set out in this report. An update on the approach, methodology and current findings as of this date (given the consultation remains live) can be found in Appendix 4.
- 8.2 Statutory budget consultation will commence subject to agreement by the Committee. This will take place in January 2023 and feedback will be taken into consideration by the Policy and Resources Committee when recommending a budget to Full Council at its meeting of 15 February 2023.
- 8.3 The Council has engaged regularly with trade unions about the Council's financial position. This will continue throughout the budget setting process.

9.0 EQUALITY IMPLICATIONS

- 9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.
- 9.2 The equality implications will be included within the individual savings proposals currently being developed and will be addressed when these are brought forward for approval.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 The environment and climate implications will be considered within the individual savings proposals currently being developed and will be addressed when these are brought forward for approval.

11.0 COMMUNITY WEALTH IMPLICATIONS

- 11.1 The community wealth implications will be considered within the individual savings proposals currently being developed. The budget proposals under consideration will take account of related matters across headings such as:
- a. Progressive Procurement and Social Value - How we commission and procure goods and services. Encouraging contractors to deliver more benefits for the local area, such as good jobs, apprenticeship, training & skills opportunities, real living wage, minimising their environmental impact, and greater wellbeing.
 - b. More local & community ownership of the economy – Supporting cooperatives and community businesses. Enabling greater opportunities for local businesses. Building on the experience of partnership working with voluntary, community and faith groups during recent years to further develop this sector.
 - c. Decent and Fair Employment Paying all employees a fair and reasonable wage.
 - d. Making wealth work for local places

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APPENDICES

Appendix 1 Forecast Budget Position 2023/24.

Appendix 2: Provisional Local Government Finance Settlement 2023/24.

Appendix 3: Budget Setting Options 2023/24.

Appendix 4: Budget Consultation Update 2023/24.

BACKGROUND PAPERS

CIPFA's Financial Management Code

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Policy and Resources Committee	09 November 2022
Policy and Resources Committee	05 October 2022
Policy and Resources Committee	13 July 2022
Policy and Resources Committee	16 March 2022
Full Council	28 February 2022
Policy and Resources Committee	15 February 2022

Appendix 1 - Forecast Budget Position 2023/24.

	23-24 Budget Position Reported in 5 Oct 22 (£m)	23-24 Revised Budget Position (£m)	Change (£m)	Note
FUNDING				
Council Tax	-168.43	-168.63	-0.20	
Business Rates	-138.07	-152.96	-14.89	
Other	-32.80	-41.59	-8.80	
TOTAL FUNDING	-339.30	-363.19	-23.89	a
BUDGET REQUIREMENT				
Baseline	330.58	330.58	0.00	
Removal of one-off items from 21/22:	-2.81	-2.81	0.00	
Baseline Restated	327.77	327.77	0.00	
ADD KNOWN PRESSURES/ GROWTH	60.54	67.72	7.18	
BUDGET GAP	49.00	32.30	-16.70	
DEDUCT PROPOSED SAVINGS				
Increasing Business Efficiencies	0	-17.91	-17.91	
Increasing Income	0	-5.36	-5.36	
Changing how we fund or provide services	0	-8.97	-8.97	
Reducing or stopping services	0	-7.26	-7.26	
Total Savings Income and efficiencies:	0	-39.50	-39.50	b
REVISED BUDGET GAP / (SURPLUS)	49.00	-7.20	-56.20	

Notes

a: Funding Changes

	£m	£m
Estimated funding assumptions 1 Oct 22		-339.30
Revised estimated funding assumptions Nov 22	-8.97	
Impact of Council Tax base increase	-0.20	
Additional funding - Provisional Local Government Finance Settlement	-14.72	
		-23.89
Revised estimated funding assumptions Dec 22		-363.19

Impact of Provisional Local Government Finance Settlement

Adjustment to funding	-14.72	
Related new pressures	8.44	
Net Impact of provisional Local Government Finance Settlement		-6.28

b: Proposed Savings

Proposed savings by Tranche	23-24 Budget Position Reported in 5 Oct 22 (£m)	23-24 Revised Budget Position (£m)
Tranche 1	0	-12.02
Tranche 2	0	-13.49
Tranche 3	0	-14.00
Total Savings Income and efficiencies:	0	-39.50

Proposed saving by Committee	23-24 Budget Position Reported in 5 Oct 22 (£m)	23-24 Revised Budget Position (£m)
Adult Social Care and Public Health	0	-5.94
Children, Young People & Education	0	-5.47
Economy Regeneration & Housing	0	-2.66
Environment, Climate Emergency & Transport	0	-1.69
Policy & Resources	0	-17.37
Tourism, Communities, Culture and Leisure	0	-6.38
Total Savings Income and efficiencies:	0	-39.50

Appendix 2

Local Government Finance Settlement 2023/24

1.0 EXECUTIVE SUMMARY

- 1.1 This briefing note outlines the government's announcement and subsequent publications on 19th December 2022 concerning the Local Government Finance Settlement 2023/24 and gives an analysis on the impact on Wirral Council's Medium-Term Financial Plan (MTFP), although as noted below all data is provisional at this stage.
- 1.2 The Local Government Finance Settlement gives a net betterment position of £6.28m compared to previous assumptions in the Medium-Term Financial Position (MTFP).
- 1.3 The £6.28m includes £12.30m more than previously assumed in Adult Social Care related ringfenced grants. However, this will bring additional cost pressures of £8.44m.
- 1.4 Despite additional funding in the settlement, additional savings will still be required in order to achieve a balanced budget position for 2023/24.

2.0 BACKGROUND

- 2.1 On 17th November 2022 the government announced The Autumn Statement, alongside the Office for Budget Responsibility's (OBR's) new set of Economic and Fiscal Outlook forecasts. The Autumn Statement responded to the OBR forecasts and set out the medium-term path for public finances and the Government's spending plans for each government department for the next two financial years, including local government.

Following this, on 19th December 2022 the Local Government Finance Settlement 2023/24 was announced, with impacts on Core Spending Power for 2023/24, Social Care Grant allocations as well as other grant details. The settlement was for a single year only based on Spending Review 2021 funding levels updated for the Autumn Statement 2022 announcements.

At the same time, a consultation related to the settlement proposals was launched, which runs for 4 weeks and concludes on 16th January 2023.

3.0 LOCAL GOVERNMENT HEADLINES

3.1 Core Spending Power

Core Spending Power is a measure of the resources available to local authorities to fund service delivery. It sets out the money that has been made available to local authorities (assuming the maximum permitted Council Tax increase is implemented) through the Local Government Finance Settlement.

The headline announcement was that an additional £5 billion of funding would be "made available" to councils, representing a 9.2% cash terms increase, with a minimum increase being guaranteed at 3%.

Despite a 9.2% cash terms increase, the increase in funding does not meet inflation pressures faced by Councils, and therefore represents a real term drop in core spending power.

The main sources of the funding are summarised in the following table:

ENGLAND Funding Source	2022-23*	Provisional 2023-24	Change 23-24	Change 23-24
	<i>£ million</i>	£ million	£ million	%
Settlement Funding Assessment	14,882.2	15,671.1	788.9	5.3%
Compensation for the business rates multiplier	1,275.1	2,204.6	929.5	72.9%
Council Tax Requirement	31,922.5	33,838.4	1,915.9	6.0%
Improved Better Care Fund	2,139.8	2,139.8	0	0
New Homes Bonus	556.0	290.6	-265.4	-47.7%
Rural Services Delivery Grant	85.0	85.0	0	0
Social Care Grant	2,346.4	3,852.0	1,505.6	64.2%
Services Grant	822.0	464.2	-357.8	-45.5%
Market sustainability and FCC (and improvement)	162.0	562.0	400	246.9%
ASC Discharge Funding	0	300.0	300	100%
Lower Tier Services Grant	111.0	0	-111	-100%
Rolled in grants	238.6	0	-238.6	-100%
Minimum Funding Guarantee	0	136.0	136	100%
Core Spending Power	54,540.5	59,543.8	5,003.2	9.2%

3.2 Council Tax

The Council Tax proposals set out in the Autumn Statement in November were confirmed as part of the settlement. The proposal for core Council Tax in 2023/24 is a referendum cap of up to 3% (previously 2%).

There is also the flexibility to add up to a further 2% adult social care precept for authorities providing adult social care services.

3.3 Improved Better Care Fund

Improved Better Care fund is unchanged in cash terms for all upper tier councils, with distribution also unchanged.

3.4 Social Care Grant

Social Care Grant will increase by £2,044.6m in 2023/24, with the additional amounts allocated as follows:

- £1,505.6m of additional grant funding.
- However, £161m of that is the rolling in of the Independent Living Fund.
- £400m for additional Improvement funding added to Market Sustainability grant.
- £300m for ringfenced Adult Social Care Discharge funding.

Allocations are related to the Adult Social Care needs formula with recognition of Social Care Council Tax precept and to previous market sustainability funding allocations. More detail will follow on additional reporting requirements, and the better care fund and discharge funding must be pooled with local health boards.

- 3.5 Lower Tier Services Grant**
Introduced in 2021/22, the Lower Tier Services Grant will cease and therefore not be distributed to Local Authorities in 2023/24. The funding for this grant will instead be used to support the guaranteed 3% increase in Core Spending Power.
- 3.6 New Homes Bonus**
The government has decided to maintain the current approach to the NHB payments in 2022/23. There will be no legacy (i.e., second) payment of New Homes Bonus, with the value previously representing legacy payments instead being used to support the 3% CSP increase referred to in paragraph 3.1.
- This results in a £265m (48%) reduction in the overall grant for 2023/24.
- 3.7 Services Grant**
The overall value of this grant, first introduced in 2022/23, has reduced from £822m to £464m partly due to the removal of the National Insurance Levy which this grant previously included support for. The reduced amount will instead be used to enhance the Supporting Families Grant and to partially fund a contingency provision.
- 3.8 Public Health Grant**
Information on the Public Health grant is not yet available and is expected in the new year.
- 3.9 Market Sustainability and Improvement Fund**
This new grant totalling £562m includes £162m from the former Market Sustainability and Fair Cost of Care Fund, with the additional £400m intended to support Local Authorities in making tangible improvements to adult social care and in particular to address discharge delays, social care waiting times, low fee rates, workforce pressures, and to promote technological innovation in the sector.
- 3.10 ASC Discharge Fund**
This is a new £300m grant for 2023/24 and is intended to form part of Better Care Fund plans. It is aimed at reducing delayed transfers of care and has been allocated based on the improved Better Care Fund shares in used in 2023/24.
- 3.11 Minimum Funding Guarantee**
A new funding stream will be distributed in 2023/24 to replace Lower Tier Services grant and is intended to provide a funding floor for all local authorities, so that no local authority would see an increase in Core Spending Power that is lower than 3% before Council Tax decisions. The total funding for this grant is £136m.
- 3.12 Funding Reform**
Government has confirmed that reforms to local government funding through the Relative Review of Needs and Resources, as well as the reset of accumulated business rates growth have both been paused for the remainder of this Spending Review period, but they are “committed to improving the local government finance landscape in the next Parliament”.

4.0 WIRRAL COUNCIL IMPACT

4.1 Council Tax

Previous assumptions have been that a 2% Core increase and a 1% Social Care Precept would be applied. The confirmation of the 3% core referendum principal means a potential increase in Council Tax income of approximately £1.65m.

Similarly, an additional 1% Council Tax precept for Adult Social Care would generate an additional £1.65m. Both these figures are subject to confirmation of the Council Tax Base figure for 2023/24, which is due to be reported to Policy and Resources in January 2023.

Should these increases not be fully implemented, alternative savings of £3.3m will need to be found.

4.2 Social Care Grant

Provisional allocations of the ringfenced Social Care Grant indicate that Wirral will receive £32.14m in 2023/24, which is an increase of £5.38m (including the Independent Living Fund) compared with previous 2023/24 assumptions included in the £38.4m budget gap.

However, as the Independent Living Fund has been rolled into the Social Care Grant there is a corresponding £1.52m pressure due to the removal of the grant from the revenue budget.

The net impact is therefore a £3.86m improvement on the MTFP.

4.3 Lower Tier Services Grant

With confirmation being received that this grant will cease after 2022/23, this constitutes a £0.52m reduction in funding for Wirral from 2022/23 budget and previous 2023/24 assumptions.

4.4 New Homes Bonus

It had previously been unsure if New Homes Bonus would continue after 2022/23, or if it would be distributed with the same methodology, and a reduction from the 2022/23 budget had therefore been assumed.

However, confirmation that the current New Homes Bonus approach would continue, and provisional allocations indicate Wirral will received £0.44m in 2023/24, an increase of £0.14m against previous assumptions.

4.5 Services Grant

Previous forecasts had assumed a reduction of Services grant due to the removal of the National Insurance Levy. However, provisional allocations indicate Wirral will receive £3.16m for this grant, which is £0.75m less than anticipated.

4.6 Market Sustainability and Improvement Fund

Provisional allocations allocate £4.22m of this fund to Wirral for 2023/24, which wasn't included in previous assumptions. However, although detailed conditions for this grant are not expected until early in 2023, at this stage it is assumed that this grant will be ringfenced and met with subsequent cost pressures and is therefore not an improvement to the overall budget position.

4.7 **ASC Discharge Grant**

This new grant will form part of Better Care Fund plans and Wirral has been allocated £2.7m for 2023/24. This will be met by corresponding cost pressures and therefore does not impact the budget position.

4.8 **Business Rates 100% Retention Pilot**

The settlement confirmed that the 100% Business Rates Retention pilot that Wirral participates in alongside Liverpool City Region authorities will continue in 2023/24 and will therefore continue to benefit from the resulting increased level of Business Rates receipts for another year. This was already budgeted for in the MTFP. This is positive news as Wirral benefits by approximately £7m per year as a result of participating in the pilot.

Government will review the role of such arrangements as a source of income for areas and its impact on local economic growth, and as part of deeper devolution commitments as set out in the Levelling Up White Paper.

4.9 **Business Rates Top-up**

The latest assumptions were that the Business Rates Top-up would increase by 5% to £55.69m. Settlement confirms Wirral's 2023/24 allocation as £59.24m which is a 9.1% increase from 2022/23. This is an improvement of £3.55m and constitutes the following:

- 10.1% increase based on September 2022 CPI.
- An adjustment for the impact on Business Rates of the Revaluation 2023.

4.10 MTFP Assumptions Comparison

In total, the provisional impact of the Local Government Finance Settlement on Wirral's MTFP is an improvement of £6.28m, not including the potential further Council Tax increases referenced in paragraph 4.1. The following table summarises the impact of the provisional Local Government Finance Settlement on Wirral Council's MTFP:

	2022/23 Budget £m	2023/24		
		MTFP assumption (£38.4m gap) £m	Provisional settlement £m	MTFP Impact £m
Business Rates Top-Up	(54.29)	(55.69)	(59.24)	(3.55)
New Homes Bonus	(0.44)	(0.30)	(0.44)	(0.14)
Social Care Grant	(19.77)	(26.77)	(32.15)	(5.38)*
Lower Tier Funding	(0.52)	(0.52)	0.00	0.52
2022/23 Services Grant	(5.62)	(3.91)	(3.16)	0.75
Market Sustainability & Improvement Fund	0.00	0.00	(4.22)	(4.22)*
ASC Discharge Fund	0.00	0.00	(2.70)	(2.70)*
Funding impact of LGFS measures				(14.72)
Corresponding pressures:				
Independent Living Fund removal			1.52	
Market Sustainability & Improvement Fund			4.22	
Discharge Fund			2.70	
Additional cost pressures				8.44
Total provisional 2023/24 MTFP impact				(6.28)
* Additional Adult Social Care related ringfenced grants				(12.30)

5.0 CONCLUSION

- 5.1 While the settlement brings an improvement to Wirral's MTFP position, the data outlined in this briefing note should be treated with caution as it is subject to change.
- 5.2 Firstly the settlement is provisional at this stage and is open to consultation until the 16th January 2023. Following the closure of the consultation period the settlement is subject to Parliament approval, and as such the data outlined above is subject to change.
- 5.3 The impact of the Business Rates Revaluation 2023 on Business Rates income is at this stage unclear. The estimated income generated from Business Rates for 2023/24, as well as the related Section 31 Grants for qualifying reliefs, will be analysed in detail in conjunction with the guidance when available. Such estimates have a deadline for completion and submission to Department for Levelling Up, Housing and Communities (DLUHC) of 31st January 2023, and as such the impact of Business Rates income on the MTFP is not yet clear.

- 5.4 Similarly, the estimate of the Collection Fund position will impact the 2022/23 budget. This is a statutory process and is based on the latest data available on 15th January 2022 and therefore this will not be confirmed until late January.
- 5.6 It is important to remember that the government have only impacted a single -year settlement and the additional resources for 2023/24 only provide limited and short-term certainty while creating uncertainty for longer term financial planning.

Appendix 3 - List of Savings

Budget Saving Proposals can be placed into the following categories:

- Increasing Business Efficiencies
 - This approach will identify efficiency measures that will result in more effective ways in which services are currently provided and may include cost reduction.
- Increasing Income
 - The Council will look to identify areas where it can raise income through fees and charges.
- Changing how we fund or provide services
 - We aim to ensure that the right service reaches the right resident when and where they need it, for the best cost. This may mean changing how we fund or provide services so that we are able to reduce costs and maintain services by becoming more efficient and by doing things differently.
- Reducing or stopping services
 - Although all efforts will be made to keep service reduction to a minimum, the scale of the financial challenge means that not all reduction proposals can be avoided.

ENVIRONMENT, CLIMATE EMERGENCY & TRANSPORT			
THEME	OPTION	DESCRIPTION	SAVING
Increasing Income	Introduction of Electric Vehicle charging scheme	Following a pilot, the Council is planning to introduce an electric vehicle charging policy and strategy that will introduce new charging points for electric vehicles generating a small income to the authority for re-investment.	£10,000
	Increase costs for Dropped Kerb service	The proposal would seek to increase the fees the Council applies to provide dropped kerbs outside people's houses to enable residents to access their drives. This will ensure full cost recovery to support the service.	£15,000
	Introduction of large format digital screen advertising opportunities	The Council plans to introduce large format, digital advertising screens in key gateway locations and small format free standing units in shopping areas to be used for commercial advertising to generate an income to the Council.	£20,000
	Review of Cemeteries and Crematoria service income	A review of income within Cemeteries and Crematoriums will look to increase income targets sustainable for future years.	£100,000
	Review of Pest Control service income	This option will increase the income target within the pest control team of Environmental Services in line with the recent demand for the service.	£10,000
	Review of bulky waste (ERIC) collections	The Bulky Waste collection service (ERIC service) currently collects up to 6 items for £32 per slot, with 120 slots available per week. The proposal is to reduce the number of items to 4 for £32 and increase the number of bookable slots by 5 per day - 145 per week.	£10,000

Increasing Income	Sale of Parks vehicles	A capital bid has been accepted for the procurement of new, efficient 'green' machinery. This saving would be achieved through the sale of the existing fleet, of which there are a number of vehicles that are high value.	£100,000
	Introduction of catering facilities at football playing fields	This option would see income generated through placement of outdoor catering pods at Arrowe Park Playing Fields and Levers Playing Fields to serve high footfall football traffic. A capital investment would be required.	£20,000
	Expansion of the camping offer at Wirral Country Park	This option would look to generate income through expanding the councils camping offer at Wirral Country Park.	£10,000
	Introduction of Pet Memorial Garden	This option would see an income generated through the development of a pet memorial garden for Wirral residents to commemorate their domestic pets.	£10,000
	Reintroduction of Christmas Markets at Birkenhead Park	This option would seek to restart Christmas Markets at Birkenhead Park. This model would see units / pitches being offered to traders who would pay a fee.	£10,000
	Introduction of an environmental enforcement scheme	This option proposes a move back to enforcement action against increasing levels of environmental crime including littering, dog fouling and fly tipping. The enforcement action will be undertaken by a 3rd party through an enforcement contract and would generate an income.	£150,000
Increasing Business Efficiencies	Capitalise Staff costs on infrastructure projects	A number of staff can be charged against the Council's capital programme budget leading to corresponding savings in the Council's revenue budget.	£60,000
	Review of Tree Management service	A redesign of the tree management service that will generate efficiency through the reduction of a vacant post and the generation of new income.	£50,000
	Restructure of the transport fleet	This option will deliver efficiencies through transport fleet and equipment remodelling and the introduction of replacement, alternative fuelled vehicles, and equipment.	£30,000
Changing how we fund or provide services	Environmental Health Service Review	A redesign of the Environmental Health Service to reduce the level of non-statutory provision and a reduction in staff by 1.5 FTE fixed term roles and 1 FTE permanent role.	£40,000
	Reduction in recycling promotional budget	This reflects a permanent, partial reduction of the Waste Team's recycling promotional budget from 2023/24.	£20,000
	Reduction in Waste & Environment Services budget	This option will make saving through partial reductions to elements of the Waste and Environmental Services budget.	£24,000

Reducing or stopping services	Reduction of non-statutory parks and countryside maintenance	The Parks and Countryside budget is approximately £4m. £3m of this is for statutory provision. Options have been brought forward to reduce the non-statutory element of the service by 50%.	£500,000
	Reduction in street cleansing	This option proposes the reduction in regular service street cleansing provision across the borough in residential areas, with a move to a reactive cleansing model. Cleansing would be undertaken in response to service requests and known hot spot/high demand locations. The service could still respond to fly tipping instances and service litter bins.	£500,000

TOURISM COMMUNITIES CULTURE & LEISURE			
THEME	OPTION	DESCRIPTION	SAVING
Increasing Income	Development of the events programme at Williamson Art Gallery	This option would look to generate income by developing the events programme at Williamson Art Gallery (weddings, formal dinners, birthday etc.). The option also includes savings from potential community asset transfer of the Transport Museum.	£70,000
	Review of current Neighbourhood Directorate assets/ buildings	This option would generate savings through a review of Neighbourhood Directorate assets, to identify properties/ buildings that could be considered for community asset transfer. There are currently no capital resources available from the Council in order to process CAT transfers.	£50,000
Increasing Business Efficiencies	Review of Neighbourhoods Staffing Structure	A re-structure in the Neighbourhoods Directorate that reflects a longer-term transformation plan to ensure the most efficient and cost-effective model of delivery.	£425,000
	Consolidation of under committed budgets across Neighbourhoods	This option will generate savings through a one-off collation of underspent budget lines across the service.	£60,000
	Leisure Centre service review	This saving option focuses on transformation of the service over 5-year period. The headline saving of £500k is for the first year's savings. This will focus on several key themes: energy efficiency measures, service restructures, contracts and commissioning arrangements and sales & marketing.	£500,000
Changing how we fund or provide services	Leisure Centre service review and closure of a council leisure centre	This saving option incorporates the transformation of the service saving of £500k along with the closure of one of the Council's leisure centres.	£1,000,000
	Reduce library service to 5 key sites	Wirral currently has 15 library sites. Footfall at all libraries has reduced and has not recovered from pre-pandemic levels. This option proposes a reduction in the service down to 5 sites.	£759,000

Changing how we fund or provide services	Relocation of Birkenhead & Wallasey Central libraries	This option proposes the relocation of Wirral's 2 Central libraries in Birkenhead and Wallasey from the two, current, high-cost sites into Birkenhead Town Hall and the Floral Pavilion respectively to reduce overall library service building running costs.	£280,000
	Reduce library service to 5 key sites & relocate central libraries	Wirral currently has 15 library sites. Footfall at all libraries has reduced and has not recovered from pre-pandemic levels. This option proposes a reduction in the service down to 5 sites as well as relocating Birkenhead and Wallasey sites into Birkenhead Town Hall and the Floral Pavilion.	£874,000
Reducing or stopping services	Temporary standing down of two council swimming pools	This proposal would involve standing down two of the Council's swimming pools to achieve savings in heating and running costs.	£850,000
	Closure of all non-statutory leisure services and activities	This option would involve stopping all Council leisure provision on the basis that it is a non-statutory, discretionary service that requires significant financial support from core Council budget which is forecast to increase further in 2023/24.	£4,900,000

CHILDREN, FAMILIES AND EDUCATION			
THEME	OPTION	DESCRIPTION	SAVING
Increasing Business Efficiencies	Reduction in Wirral's Looked After Children numbers	This saving reflects a reduction in Wirral's Looked After Children numbers as historic high levels align more with other authorities following practice improvements since 2019.	£410,000
	Reduction in Teacher's pension liabilities to the council	This saving reflects a reduction in Teacher's pension liabilities for the Council.	£190,000
	Review of Supporting Families funding and Early Help budgets	The proposal will involve investing the supporting families funding and Early help budgets effectively to reduce CIN and CP demand. The outlook is of increasing demand on frontline services as things return to normal post covid.	£1,121,000
	Review of contracts within Children's Services	A review will be undertaken to look at all contracts that are in place across Children's Services to explore where there are any efficiencies which can be achieved.	£250,000
	Review of council's contribution towards European Funded Send Inclusion Programme	This saving reflects the end of the Council's contribution towards a European Funded programme that will end at the end of 2022/23.	£220,000
	Reduction in financial support to Kingsway High School	Kingsway High School is being re-purposed for other educational uses and as such the occupier will pay the proportionate liability associated with the PFI deal, which will reduce costs and generate a financial saving.	£134,000
Changing how we	Reduction in contributions to the Regional Adoption	This saving reflects a reduction in contributions to the Regional Adoption Agency in line with the	£100,000

	Agency in line with the average number of referrals	average number of referrals reducing in recent years.	
	Increase the number of <i>children looked after</i> placed in family settings as opposed to higher cost residential settings	This proposal involves increasing the proportion of children placed in family settings and less in other settings such as residential and semi-independent settings. As family-based settings are lower cost than residential settings there is a cost reduction for the Council.	£1,100,000
	Remodelling of social care and early help	The proposal will involve the redesign and restructure of the Assessment and Intervention Service in Children and Families and the Family Matters service to provide one single service.	£655,000
Reducing or stopping services	Removal of budget supporting Play Services schemes	Wirral currently has 3 of out of hours and weekend play schemes. This service, which employs 9 staff, supports child development and education through play and is non-statutory. Play services currently operate at: Leasowe Adventure Playground, Gautby Play Scheme, Beechwood Play scheme as they are targeted in areas of greatest need. The option would remove this service altogether.	£284,000
	Reduction of Youth services offer to minimum statutory service	This service, which employs 68 staff, includes a youth club provision in each of the 9 neighbourhoods, detached youth workers covering the borough, and an annual contribution to the Hive Youth Zone. A number of options have been brought forward to reduce the service. This option would see the service being reduced to a statutory minimum provision.	£666,000
	Removal of budget supporting Creative Youth offer	Creative Youth Development employs 10 staff and delivers targeted packages of support to young people in crisis or with special educational needs and disabilities using a range of creative arts as therapeutic tools. The service is non-statutory, and options have been brought forward to reduce the service. This option would involve the service stopping altogether.	£343,000

THEME	OPTION	DESCRIPTION	SAVING
Changing how we fund or provide services	Review of all-age disability transition planning	This programme will focus on transition planning to better prepare young people with care and health needs for adulthood through tailored and more creative approaches to meeting care and support needs. A review of practice and approaches to transition planning will see needs identified earlier, with planned care and support leading to the delivery of the efficiency target.	£1,000,000
	Review of services to support Independent Living	A range of Demand Management initiatives will deliver the required efficiency savings. These are related to technology enabled care provision, increasing take up of Direct Payments as a cost-effective way to meet people's needs, utilising an increased range of extra care and supported housing options, and continuing to embed The Three Conversations approach to requests for care and support.	£4,935,000

ECONOMY REGENERATION AND HOUSING			
THEME	OPTION	DESCRIPTION	SAVING
Increasing Income	One off rental income for partial leasing of Cheshire Lines office space	The NHS CCG will be occupying some of the space in Cheshire Lines Building and paying a contribution towards the lease and running of costs. As the lease on Cheshire Lines is due to end in April 2024, this is a one year only income for 23-24.	£146,000
	Lease income from rental of floors 4 & 5 at Marris House	The Council had leased the 4th and 5th Floors of Marris House, with the break clause having been implemented and the lease terminated in July 22. Any make good work on the return of the lease have been met from the 22/23-part year saving on the lease costs. Full savings will be achievable for 23-24.	£136,000
	Increase eligible rechargeable costs for Building Control services	This option would generate income through increasing the eligible rechargeable costs in the areas of building control and housing services and is based on the assumptions on what can be recharged to fee income in the areas of building control, street names and numbering and land charges.	£80,000
Increasing Business Efficiencies	Review of Merseytravel levy budget	The Merseytravel levy is set by the Combined Authority, which includes any changes identified in the City Region population levels and demographics. This option will realise a saving through the financial difference between the budget set for the levy and the actual levy cost.	£122,000
	Capitalisation of salaries (Re-direction of qualifying salaries away from the council's central budget	This proposal will include a change to re-direct qualifying salaries away from the council's central budget. This will apply to staff within Assets division work on the school's capital programme, which enhances and creates schools' assets and is funded via grant.	£85,000
Increasing Business Efficiency	Stand down and disposal of a number of council owned buildings	This option is a continuation of a project that was commissioned in 2019 to review the accommodation strategy of the Council. Savings will be made on the	£672,000

		assumption that the buildings will all be empty, and functions “stood down” completed by 31 st March 2021 and disposed of no later than 31 st March 2023.	
	Decommissioning of the Solar Campus site and relocation of teams currently working from the facility.	This option will see a partial in-year saving through decommissioning of the Solar Campus and relocation of teams currently working from the facility. Full stand down savings will be realised in 24/25.	£5,000
	Standing down of Wallasey Town Hall for a 12-month period	In 2023/24, the North and South Annexes are being demolished and this will effectively put the Town Hall between two demolition sites for most of the year. This will have practical implications on the use of, and access to the building. Savings will therefore be realised through the standing down of Wallasey Town Hall for 2023/24.	£400,000
	redesign and review of contract commissioning for Economic Growth	This option will see savings made through the redesign of the specification for services completed prior to commissioning and the subsequent competitive price achieved through tendering.	£65,000
	Recharging of staff costs where eligible grant funding is in place for Economic Growth projects	This option will see a one-off saving of staff cost recovery from grant funding. This relates to eligible work across several regeneration programmes where a proportion of permanent staffing costs can be recharged for staffing time including European Regional Development Fund, European Social Fund and Town Deal.	£71,500
	Recharging of staff costs where eligible grant funding is in place for Homes for Ukraine Resettlement Programme	This option will see a one-off saving of staff cost recovery from grant funding. This relates to eligible work undertaken for the Resettlement Programme associated with responding to the Homes for Ukraine.	£593,110
	Recharging of costs where eligible grant and fee income is rechargeable within Supported Housing services	This option would realise savings where grant and fee income are rechargeable. This includes eligible costs associated with Private Rented Sector Housing Licensing, the Healthy Homes service and works linked to the Disabled Facilities Grant.	£59,600
Changing how we fund or provide services	Re-provision of homeless accommodation and review of community alarm grant	This option is a follow on from savings implemented in 22/23 that can again be realised in 23/24 – this being re-provision of homeless accommodation and review of grant to current eligible customers for the community alarm/response services charges.	£137,000
	Review of Housing Support service and Fuel Poverty contract	This proposal will realise efficiencies by moving to a single low level floating housing support service, as well as a review of the Fuel Poverty contract.	£87,500

POLICY AND RESOURCES

THEME	OPTION	DESCRIPTION	SAVING
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Increasing Business Efficiencies	Review of digital systems within the Revenue and Benefits service	This option will generate efficiencies through increased use of automation within Revenues & Benefits reducing the need for double keying and manual intervention from staff.	£100,000
	Review of council funded trade union representatives	The Council currently funds salaries for four full time trade union reps for UNISON. Funding was in place initially for three reps, but this was increased to a fourth, on a temporary basis, during the pandemic and been absorbed into the core budget. This option will realise a saving by returning to financially supporting just three full reps.	£35,000
	Review of current payroll functions	This option will realise saving through a review of the council's current payroll functions in order to reduce duplication and increase efficiencies.	£60,000
	Review of enabling (back office) services across the council	This option will bring forward a review of all enabling (back office) services across the whole organisation to identify economies of scale and opportunities for greater centralisation of these services.	£2,300,000
	Review of senior management structure	This option brings forward a package of senior management savings across the whole organisation to be achieved primarily through vacancy management.	£800,000
Reducing or stopping services	Corporate Office Restructure	This option will generate efficiencies and reduction in budget through a re-structure of the PA hub, which takes account of the changes in duties arising within this cohort since the move to remote and hybrid working. The review is inextricably linked with the review of the Chief Officer structure.	£70,000
Increasing Business Efficiencies	Use of NNDR reserve - one off	Use of the residual sum of £3m to balance budget shortfall.	£3,000,000
	Insurance reserve - one off	Following a review of Insurance Reserves, a figure of £1m can be release on one off basis.	£1,000,000
	Reprice pay budgets at mid-point	To this point council pay budgets have been costed at highest spinal point. This adjustment re-costs pay budget at mid-point which is normal for the sector and appropriate of pay commitments of this council.	£2,800,000
	Apply vacancy factor to pay budgets	A vacancy factor has been calculated in detail for each directorate of the council.	£2,300,000
	Council wide budget adjustment	Adjust operational budgets applying a factor of tenth of 1%	£440,000

Increasing Income	DSG contribution to statutory functions	This was a correction of the previous base estimate.	£1,200,000
	Increase Council Tax / ASC Levy by 2% to a total of 4.99%	Council Tax increase beyond base assumption	£3,260,000

1.0 Wirral ‘Have Your Say’ Consultation

1.1 The approach to the initial consultation was twofold; firstly, in terms of service impact consultation (where a budget option has a direct impact on reducing the level of provision of a specific service) and secondly, to gauge the opinions and priorities of our residents as to what council services matter most to them, and where they believe the council should be focusing its efforts to help develop the budget plan – this was presented via an online budget simulator.

1.2 Both were delivered through the council’s ‘Have Your Say’ platform in the form of a ‘Hub’. This approach provided users with one single location through which to engage in the service consultations and participate in the budget simulator exercise. <https://haveyoursay.wirral.gov.uk/hub-page/budget-2023-24>

Projects within the Hub include:

1. Street Cleansing Budget Option
2. Library Services Budget Option
3. Leisure Services Budget Option
4. Parks & Countryside Budget Option
5. Youth Services Budget Option
6. Budget Simulator

1.3 To ensure the consultations were as accessible as possible, a social and digital sub campaign was also carried out, which included regular messaging, targeted demographical and geographical communications, resident e-newsletters, and regular theme specific stories, linking with the narrative, and urging residents and stakeholders to take part in the consultation. communication channels included (but not limited to):

1. Social media messaging across a variety of platforms
2. Dedicated email address (for comments, ideas, request for paper copies etc)
3. Paper copies in libraries and leisure centres
4. WirralView news channel – article and links
5. Links and details in weekly Resident E-Newsletter
6. Digital and social links to the ‘Have Your Say’ Hub
7. Online redirection through local news platforms
8. Council website notices
9. Internal / Staff communications
10. Local media briefing/ media management
11. Member briefing
12. Sharing of links and paper copy locations with CVF sector

***The following data and findings are true as of 5.1.22. Consultation remains live at this date.**

1.4 Parks and Countryside <https://haveyoursay.wirral.gov.uk/budget-2023-24-parks>

At present, the online consultation has engaged 484 respondents*. Users were asked their opinion on:

1. A 50% reduction in the maintenance budget (effecting non-statutory works at a selection of parks across the parks and countryside services estate).

Current sentiment:

- a. 80% Strongly disagree/disagree
- b. 6% neutral
- c. 14% Strongly agree/agree

2. A 25% reduction in the maintenance budget (effecting non-statutory works at a smaller selection of parks across the parks and countryside services estate).

Current sentiment:

- a. 64% Strongly disagree/disagree
- b. 7% neutral
- c. 29% Strongly agree/agree

An open question is also included for respondents to register qualitative feedback.

1.5 **Leisure Services** <https://haveyoursay.wirral.gov.uk/budget-2023-24-leisure-services>

At present, the online consultation has engaged 453 respondents*. Users were asked their opinion on:

1. A Discontinuation to provide Leisure Services across the borough.

Current sentiment:

- a. 86% Strongly disagree/disagree
- b. 3% neutral
- c. 11% Strongly agree/agree

2. The Possible closure of two swimming pools

Current sentiment:

- a. 56% Strongly disagree/disagree
- b. 7% neutral
- c. 37% Strongly agree/agree

3. A reduction in the number of leisure centre sites the council owns and manages.

Current sentiment:

- a. 53% Strongly disagree/disagree
- b. 9% neutral
- c. 38% Strongly agree/agree

An open question is also included for respondents to register qualitative feedback.

1.6 **Library Services** <https://haveyoursay.wirral.gov.uk/budget-2023-24-leisure-services>

At present, the online consultation has engaged 459 respondents*. Users were asked their opinion on:

1. A relocation of the council's two biggest and most expensive library sites to operate, Birkenhead Central and Wallasey Central libraries.

Current sentiment:

- a. 46% Strongly disagree/disagree
- b. 7% neutral
- c. 47% Strongly agree/agree

2. Reducing the size of the library service to provide a small number of key, geographically located sites, supported by a wide-ranging online, digital and mobile library offer.

Current sentiment:

- a. 58% Strongly disagree/disagree
- b. 7% neutral
- c. 35% Strongly agree/agree

3. The moving of some library sites into other council buildings, reducing the overall number of library sites it currently provides. (Retaining an online and digital service and deploying a mobile library service).

Current sentiment:

- a. 40% Strongly disagree/disagree
- b. 8% neutral
- c. 52% Strongly agree/agree

An open question is also included for respondents to register qualitative feedback.

1.7 **Street Cleansing** https://haveyoursay.wirral.gov.uk/budget-2023-24-street-cleansing/survey_tools/budget-2023-24-street-cleansing

At present, the online consultation has engaged 322 respondents*. Users were asked their opinion on:

1. Moving to a reactive model of street cleaning (cleansing undertaken in response to service requests and in known hot spot/ high demand locations).

Current sentiment:

- a. 54% Strongly disagree/disagree
- b. 10% neutral
- c. 36% Strongly agree/agree

2. A reduction in cleansing schedules would see a move from 4-weekly to 12-weekly cleansing schedules across the whole borough (retaining 4-weekly alleyway cleanse service.)

Current sentiment:

- a. 56% Strongly disagree/disagree
- b. 9% neutral
- c. 35% Strongly agree/agree

An open question is also included for respondents to register qualitative feedback.

1.8 **Youth Services Street Cleansing** https://haveyoursay.wirral.gov.uk/budget-2023-24-youth-services/survey_tools/budget-2023-24-youth-services

In order to increase and ensure engagement for Wirral's under 18 residents, a Microsoft Forms version of the consultation was produced. Preliminary findings below will therefore reflect both versions.

At present, the online consultation has engaged 151 respondents through the 'Have Your Say'(HYS) hub, and 740 through the MS Forms (MSF) channel.* Users were asked their opinion on:

1. The closure of Pilgrim Street Arts Centre and re-provision of services to either an 'outreach' or 'pop-up' offer.

Current sentiment: (HYS)

- a. 67% Strongly disagree/disagree
- b. 10% neutral
- c. 23% Strongly agree/agree

Current sentiment: (MSF)

- a. 69% Strongly disagree/disagree
- b. 10% neutral
- c. 21% Strongly agree/agree

2. The removal of the Play Services budget.

Current sentiment: (HYS)

- a. 62% Strongly disagree/disagree
- b. 7% neutral
- c. 31% Strongly agree/agree

Current sentiment: (MSF)

- a. 78% Strongly disagree/disagree
- b. 4% neutral
- c. 18% Strongly agree/agree

3. The reduction of the council's Youth Services offer.

Current sentiment: (HYS)

- a. 72% Strongly disagree/disagree
- b. 6% neutral
- c. 22% Strongly agree/agree

Current sentiment: (MSF)

- a. 80% Strongly disagree/disagree
- b. 5% neutral
- c. 15% Strongly agree/agree

An open question is also included for respondents to register qualitative feedback.

1.9 **Budget Simulator** <https://haveyoursay.wirral.gov.uk/budget-2023-24-simulator>

The budget simulator is easy to use and allows residents to reduce spending across council services and see the consequences of their choices. There is also opportunity to provide comments, which will help us understand what is important when we come to set a legal budget.

At present, the online simulator has engaged 640 respondents*

The below chart indicates the average expenditure change for each slider reflecting resident priorities:

Adult Social Care & Health	
Adult Social Care commissioned services	-20.70%
Children, Families & Education	
Early Help & Prevention	-13.63%
Education & Special Educational Needs (SEN) Support	-12.11%
Children's Social Care & Safeguarding	-9.45%
Neighbourhood Services	
Community Safety	-18.09%
Highways and Infrastructure	-18.91%
Leisure, Libraries & Customer Engagement	-24.06%
Parks & Environment	-23.24%
Resources	
Revenues & Benefits	-25.35%
Regeneration	
Regeneration	-26.05%
Housing	-20.78%
Planning	-29.26%
Support Services	
Support Services	-28.40%

POLICY AND RESOURCES COMMITTEE

Wednesday, 18 January 2023

REPORT TITLE:	WORK PROGRAMME UPDATE
REPORT OF:	DIRECTOR OF LAW AND GOVERNANCE

REPORT SUMMARY

The Policy and Resources Committee, in co-operation with the other Policy and Service Committees, is responsible for proposing and delivering an annual committee work programme. This work programme should align with the corporate priorities of the Council, in particular the delivery of the key decisions which are within the remit of the Committee.

It is envisaged that the work programme will be formed from a combination of key decisions, standing items and requested officer reports. This report provides the Committee with an opportunity to plan and regularly review its work across the municipal year. The work programme for the Policy and Resources Committee is attached as Appendix 1 to this report.

RECOMMENDATION/S

The Policy & Resources Committee is recommended to comment on and note the proposed Policy and Resources Committee work programme for the 2022/23 municipal year.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 To ensure Members of the Policy and Resources committee have the opportunity to contribute to the delivery of the annual work programme.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Various formats for the workplan were explored. The current format is open to amendment to match the requirements of the committee.

3.0 BACKGROUND INFORMATION

- 3.1 The work programme should align with the priorities of the Council and its partners. The programme will be informed by:

- (i) The Council Plan
- (ii) The Council's transformation programme
- (iii) The Council's Forward Plan
- (iv) Service performance information
- (v) Risk management information
- (vi) Public or service user feedback
- (vii) Referrals from Council

Terms of Reference

The Policy and Resources Committee has two main areas of responsibility, which is to provide strategic direction to the operation of the Council, including making decisions on policies and co-ordinating spend not reserved to full Council, and to maintain a strategic overview of outcomes, performance, risk management and budgets.

The Committee is charged by full Council to:-

- (a) formulate, co-ordinate and implement corporate policies and strategies and the medium-term financial plan (budget), which includes responsibility for any decision:
 - (i) that relates to such matters to the extent that they are not reserved to full Council;
 - (ii) on any cross-cutting policies that impact on other committee areas;
 - (iii) on policy matters not otherwise allocated to any other committee; and
 - (iv) to determine any dispute or difference between committees;
- (b) provide a co-ordinating role across all other service committees and retain a 'whole-council' view of performance, budget monitoring and risk management, which includes responsibility for a decision:
 - (i) that has a major impact on a number of Council services or on the Council as a whole;

- (ii) on any virement between Budget funds (revenue) requested by a Committee or officer in excess of **£500,000**;
 - (iii) on any virement between Budget funds (capital) or any amendment to the Capital Programme requested by a Committee or officer in excess of **£500,000**;
 - (iv) regarding land and property including major acquisition and disposals, which includes reserved decision making concerning any purchase, sale or transfer of a value in excess of, or likely to exceed, **£500,000**;
 - (v) regarding companies or limited liability partnerships including acquisition and disposals; and
 - (vi) which is deemed significant in terms of impact on the Council's revenue or capital (to be determined by the Head of Paid Service and/or Section 151 Officer in consultation with the Leader);
- (c) without limiting the generality of responsibility for cross-cutting policies (at (a) above), lead on behalf of the Council:
- (i) in matters concerning relationships with HM Government, the Liverpool City Region Combined Authority and other major public and non-public bodies;
- (d) appoint Council representatives as required;
- (e) nominate councillors and other persons to outside bodies; and
- (f) undertake responsibility for developing and monitoring the enabling corporate services, including, finance and investment, project support and risk management, strategic procurement and commercial strategies, ICT, property and asset management, human resources and organisational development, law and governance, communications and public affairs, emergency planning and business continuity.

4.0 FINANCIAL IMPLICATIONS

4.1 This report is for information and planning purposes only, therefore there are no direct financial implication arising. However, there may be financial implications arising as a result of work programme items.

5.0 LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising from this report. However, there may be legal implications arising as a result of work programme items.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 There are no direct implications to staffing, ICT or Assets.

7.0 RELEVANT RISKS

- 7.1** The Committee's ability to undertake its responsibility to provide strategic direction to the operation of the Council, make decisions on policies, co-ordinate spend, and maintain a strategic overview of outcomes, performance, risk management and budgets may be compromised if it does not have the opportunity to plan and regularly review its work across the municipal year.

8.0 ENGAGEMENT/CONSULTATION

- 8.1** Not applicable

9.0 EQUALITY IMPLICATIONS

- 9.1** Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision, or activity.

This report is for information to Members and there are no direct equality implications.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1** This report is for information to Members and there are no direct environment and climate implications.

11.0 COMMUNITY WEALTH BUILDING

- 11.1** This report is for information to Members and has no direct community wealth implications.

REPORT AUTHOR: **Steve Fox, Head of Democratic and Member Services**
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email: stevefox@wirral.gov.uk

APPENDICES

Appendix 1: Policy and Resources Committee Work Plan

BACKGROUND PAPERS

The Council Plan
The Council's transformation programme
The Council's Forward Plan

Subject History (last three years)

Council Meeting	Date
Policy and Resources Committee	7 October 2020
Policy and Resources Committee	11 November 2020
Policy and Resources Committee	21 December 2020
Policy and Resources Committee	20 January 2021
Policy and Resources Committee	17 February 2021
Policy and Resources Committee	17 March 2021
Policy and Resources Committee	9 June 2021
Policy and Resources Committee	30 June 2021
Policy and Resources Committee	28 July 2021
Policy and Resources Committee	01 September 2021
Policy and Resources Committee	07 October 2021
Policy and Resources Committee (Special Meeting)	25 October 2021
Policy and Resources Committee	10 November 2021
Policy and Resources Committee (Special Meeting)	30 November 2021
Policy and Resources Committee	01 December 2021
Policy and Resources Committee	17 January 2022
Policy and Resources Committee (Budget)	15 February 2022
Policy and Resources Committee	16 March 2022
Policy and Resources Committee	8 June 2022

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POLICY AND RESOURCES COMMITTEE

WORK PROGRAMME 2022/23

KEY DECISIONS TO BE TAKEN BETWEEN JANUARY 2023 AND APRIL 2023

Item	Brief Description	Approximate timescale	Lead Departmental Officer
Capital Ward Funding (As Part of Capital Monitoring)		Between January 2023 and April 2023	Shaer Halewood
Asset Transfer Strategy		Between January 2023 and April 2023	David Ball
Household Support Fund		Between January 2023 and April 2023	Shaer Halewood

STANDING FORWARD PLAN ITEMS (AS REQUIRED)

Item	Brief Description	Approximate timescale	Lead Departmental Officer
Liverpool City Region Enabling Powers and Associated Issues	Various matters which may require the consent of this Authority as one of the constituent authorities of the Liverpool City Region Combined Authority	As required	Director of Law and Governance
Strategic Asset Acquisitions	Approval to acquire key assets as part of the Council's growth strategy	As required	Director of Regeneration and Place
Property and Land Disposals		As required	Director of Regeneration and Place
Loan / Loan Facility Application	To agree a business loan application relating to a local business	As required	Director of Resources
Treasury Management	To report and agree any significant new	As required	Director of Resources

	investments and or loan arrangements including refinancing		
Capital Programme Amendments 2022/23	To agree changes including new schemes, funding and any major variations relating to the Capital Programme.	As required	Director of Resources
Financial Support Packages	Proposed financial support packages in response to additional government support funding and additional Wirral fuel support fund.	As required	Director of Resources
Household Support Fund Winter 2022/23	Receipt and distribution of financial support to assist households in Wirral.	As required	Director of Resources

ADDITIONAL AGENDA ITEMS – WAITING TO BE SCHEDULED

Item	Brief Description	Approximate timescale	Lead Departmental Officer
Enterprise Resource Planning (ERP) – SmartBusiness	To approve the full business case for delivery of phase 2 of the project (Human Resources & Payroll).	April 2023	Shaer Halewood
Discretionary Rate Relief Policy	Proposed changes to Discretionary Rate Relief Policy (Section 47 LGFA 1988) to reflect changes made by Central Government to existing provisions and guidance.	January 2023	Director of Resources
Strategic Change Programme	This report provides an overview of the Council's emerging change programme.	Between January and March 2023	Director of Resources
External Audit Report Action	To report progress on the implementation of	TBC	Director of Resources

Progress	the Auditors recommendations		
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STANDING ITEMS AND MONITORING REPORTS

Item	Reporting Frequency	Lead Departmental Officer
Performance Monitoring	TBC	Shaer Halewood
Financial Monitoring	Quarterly	Shaer Halewood
Work Programme Update	Every Meeting	Dan Sharples

WORK PROGRAMME ACTIVITIES OUTSIDE COMMITTEE

Item	Format	Timescale	Lead Officer	Progress
Working Groups/ Sub Committees				
Task and Finish work				
Spotlight sessions / workshops				
Briefing Notes				
Wirral Growth Company Accounts		TBC	Director of Resources	

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Policy and Resources Committee – Terms of Reference

The Policy and Resources Committee has two main areas of responsibility, which is to provide strategic direction to the operation of the Council, including making decisions on policies and co-ordinating spend not reserved to full Council, and to maintain a strategic overview of outcomes, performance, risk management and budgets.

The Committee is charged by full Council to:-

- (a) formulate, co-ordinate and implement corporate policies and strategies and the medium term financial plan (budget), which includes responsibility for any decision:
 - (i) that relates to such matters to the extent that they are not reserved to full Council;
 - (ii) on any cross-cutting policies that impact on other committee areas;
 - (iii) on policy matters not otherwise allocated to any other committee; and
 - (iv) to determine any dispute or difference between committees;
- (b) provide a co-ordinating role across all other service committees and retain a 'whole-council' view of performance, budget monitoring and risk management, which includes responsibility for a decision:
 - (i) that has a major impact on a number of Council services or on the Council as a whole;
 - (ii) on any virement between Budget funds (revenue) requested by a Committee or officer in excess of **£500,000**;
 - (iii) on any virement between Budget funds (capital) or any amendment to the Capital Programme requested by a Committee or officer in excess of £500,000
 - (iv) regarding land and property including major acquisition and disposals, which includes reserved decision making concerning any purchase, sale or transfer of a value in excess of, or likely to exceed, **£500,000**, unless the Committee has delegated this function in relation to a specified area or business plan as the Committee may determine
 - (v) regarding companies or limited liability partnerships including acquisition and disposals; and
 - (vi) which is deemed significant in terms of impact on the Council's revenue or capital (to be determined by the Head of Paid Service and/or Section 151 Officer in consultation with the Leader);
- (c) without limiting the generality of responsibility for cross-cutting policies (at (a) above), lead on behalf of the Council:
 - (i) in matters concerning relationships with HM Government, the Liverpool City Region Combined Authority and other major public and non-public bodies;
- (d) appoint Council representatives as required;
- (e) nominate councillors and other persons to outside bodies; and

- (f) undertake responsibility for developing and monitoring the enabling corporate services, including, finance and investment, project support and risk management, strategic procurement and commercial strategies, ICT, property and asset management, human resources and organisational development, law and governance, communications and public affairs, emergency planning and business continuity.