

**What
Really
Matters?**

Transformation and Resources
Budget Options
from the Chief Executive

The Budget Challenge in Wirral

Dear Resident

I was appointed as Chief Executive to improve the way in which Wirral Council operates. My first task is to ensure we address the unprecedented budget challenge before us. Unprecedented cuts to Council funding from central Government, combined with unfunded increased demand for social care in particular, mean that we have no choice but to cut around a third of our net budget over the next three years.

These are tough times – for our staff, Councillors, and most importantly the people who we serve. We have some tough decisions to make over the coming months.

Today I publish my options for where savings might be found for Councillors, Partners, staff and the public to consider. I have sought to offer these options according to the overriding principle that we should spend less on ourselves, taking savings first from our ‘back office’ and so mitigating as much as possible the impact on services to residents particularly our poorest and most vulnerable.

These options also represent around 25% more than we need to save in this first year. That is to make sure that our Councillors, when they consider these options alongside your feedback, have the opportunity to make choices as they take these extremely difficult decisions. These savings are proposed as part of a three year drive, which will see the Council building firm foundations for the future of the borough by transforming the way we work and provide services.

I am therefore firstly proposing to reduce our Senior Management costs by around a third. I am also consulting on reducing other staffing costs such as car mileage and phone bills.

In addition I am bringing forward options to make better use of our buildings and Information Technology. Importantly I am reviewing the amount of money spent on Agency Staff, Consultants, marketing and all other non essential spending.

Given the size of the budget gap this will not however be enough. The further options I put before you are not easy ones. Council services must change – there is no other way of finding the massive amount of money we need.

My pledge is that I will consult with staff, residents, community, voluntary and faith groups and businesses in order that we make the tough decisions we need to - taking your views and opinions into account.

Graham Burgess,
Chief Executive.

Budget Options

The budget options in this report have been proposed to try and re-design the services we deliver; to make the savings we need to make but at the same time maintain safety standards and protect the quality of services as much as possible.

These budget options have been developed by Council Officers and, as much as possible, we have tried to develop them following what you told us in the first stage of this consultation.

That consultation focussed on four main themes: raising income, changing service delivery, re-shaping services and stopping services. The options in this report also follow those four main themes.

For each of the options summarised in this report, you can find much more detailed information as to what likely impact they will bring by visiting our website at www.wirral.gov.uk/whatreallymatters or calling us on 0151 606 2030.

Budget Options

Option: Reduce Council Management

In the first stage of consultation, one of the main themes which emerged was that Wirral residents believe that the Council should drastically reduce the amount of middle and senior managers within the Council.

Wirral Council has around 4800 employees, working to deliver back office and front line services across hundreds of areas. Some of the structures in departments, and services, are no longer fit for purpose and could be updated and reduced, to achieve major savings.

This option involves a total restructure and significant reduction in middle and senior management layers across the entire Council. The Council will also reduce what it spends on agency workers by more than £500,000.

This will also cost the Council; but after initial costs in severance payments, the benefits of restructure in terms of savings in staffing costs will be realised. Pension costs will also be felt for 5 years. Changing the way services are delivered across the Council will help reduce the impact of the loss of personnel and management structures will be modernised and redesigned.

**Budget Saving:
£5.5 million**

Option: Workforce Conditions of Service

The Council currently employs 4800 people, and has a current salary cost of £102 million. Enhancements and allowances based on national and local conditions of service total around £6 million per year.

This option would involve reviewing the Council's current terms and conditions of employment to make financial savings, which would include:

- ***Reviewing car mileage allowances***
- ***Review of enhancements***
- ***Review of policies including mobile phones***
- ***Unpaid leave***
- ***Single time working***

Single time working involves staff being paid enhanced salaries for working unsociable hours. The impact of these proposals affect the Council workforce, but do not put staff at direct risk of redundancy and have in fact been proposed in order to reduce the overall number of redundancies which will be required.

**Budget Saving:
£4 million**

Budget Options

Option: Procurement

The Council will look to make significant savings through improving and streamlining the way it pays for the goods and services it needs to operate.

This will be done through the reorganisation of the Merseyside Procurement Partnership, saving £11,000 per year, introducing a payment card solution to pay small invoices, saving £40,000 per year, and re-charging schools and academies for their use of the procurement systems in the Council, which will generate income of £80,000.

We will also look into all utility payments from the past five years to determine if any overpayments have been made, and instigate a similar project to investigate VAT payments. A full review of the procurement service is also underway to investigate if there are further savings to be made.

Budget Saving:
£51,000 (Savings) | £80,000 (Income)

Option: Treasury Management

Improving the way the Council manages its cash flow and borrowing through Treasury Management systems could generate significant savings.

This option involves funding 'Capital' works, which include road repairs, building investments and other works, through internal funds rather than borrowing.

With current interest rates, this could generate the Council significant saving but could result in borrowing being required later if internal funds are reduced too significantly.

Budget Saving:
£1.7 million

Budget Options

Option: Rationalisation of Civic Services

The Mayor operates a range of civic and fundraising duties throughout the year, the calendar and programme of this being developed by the mayor themselves.

The option here is to change the function to deliver efficiency savings and manage the service within allocated resources. The Council could consider reconfiguring the service to ensure service provided is more flexible and provides greater value for money.

The services provided to the Mayor are crucial to the Mayor being able to carry out the civic role. To enable the reconfiguration of the service, the attendant and officers would be managed proactively and be required to work more flexibly to ensure the highest level of service to the Mayor and Deputy Mayor.

**Budget Saving:
£50,000**

Option: Moving to a Four-year Election Cycle

The Council currently operates a system of three elections in every four years, with Councillors elected for a four year term.

This option proposes 'all out elections' every 4 years, beginning in 2014 when all 66 members would be up for re-election for a further 4 years.

A further option in this area involves the Council achieving a saving from the budget that would ordinarily be used to deliver an election in May 2013. This is a 'fallow' election year so the budget is not required.

**Budget Saving:
£280,000**

Budget Options

Option: Reducing the Cost of Democracy

The Council currently operates a model of governance known as Strong Leader, which involves a Cabinet and five Overview and Scrutiny Committees, plus a number of other committees, who work to set Council policy, make and scrutinise decisions and set the Council budget.

This option would involve a review of the Council's constitution and a number of committees, and related meetings, to bring savings and a reduction in staff.

A new process for engaging communities will further engage members in influencing the quality of life for residents.

**Budget Saving:
£75,000**

Option: Information Technology Service

The Council invests funds in its computer equipment, which is used by thousands of Council employees on a daily basis.

Wirral Council has around 4800 employees, working to deliver back office and front line services across hundreds of areas. Some of the structures in departments, and services, are no longer fit for purpose and could be updated and reduced, to achieve major savings.

This option involves centralising, and significantly reducing, the funding spent on providing computers, printers and other IT equipment to Council, including reducing the number of employees required to service the equipment.

The same service will need to be provided to Council staff to ensure they are able to perform their jobs effectively, but with fewer resources in terms of both funding and people to be able to do it.

**Budget Saving:
£300,000**

Budget Options

Option: Public Relations and Marketing

The Council has a communications and engagement division, which is responsible for promoting Wirral as a place, the Council's services, consultation activity, public relations and media activity.

There are a number of options in this area, which can be summarised as follows:

- *Reduction in the core marketing budget of 50%*
- *Stopping the sponsorship of Tranmere Rovers Football Club, which would bring a saving of £135,000*
- *Removing the funding which is used to subsidise tourism and visitor events throughout the borough, which would bring a saving of £95,000*

These options would have no direct impact on the level of service received by Wirral residents, but would impact on the level of income the Council receives from the certain services, as well as reducing the potential for community organisations to receive Council funding.

The team also deliver the programme of Area Forum events, and also manage the distribution of Area Forum funding. This funding equates to £390,500 of core Council funding each year. This funding is used to direct additional Council services on a ward basis, and also for community organisations to apply for funding to complete projects and activities within

their own community. In 2012/13, over £700,000 was made available for this purpose and over 180 applications have been received. The distribution of this funding was frozen due to the Council's financial position.

The options in this area are: firstly to cancel the funding allocated for the current financial year, and work with those community organisations who have received funding to try, where possible, to assist with their projects.

The further option is to cease the distribution of this funding for future years, and instead bring forward a new model for neighbourhood working which allows Elected Members and community organisations to shape public and voluntary services in their area in a more fundamental fashion.

These options may have a negative impact on some community organisations in the area; however the Council would work with those groups to ensure that wherever possible their work could continue either through using different funding opportunities or through working in partnership with the Council and other partners. This approach could enhance the ability of communities to influence the quality of life in their local area more effectively.

Budget Saving:
£282,000 Marketing
£390,500 Area Forum Funding 2013/14
£735,350 Area Forum Funding 2012/13

Budget Options

Option: Better Use of Buildings

The Council owns an extensive and varied number of buildings, from which it delivers services and provides back office support.

This option involves the closure of two administrative buildings, at Acre Lane in Bromborough and the Municipal Building in Birkenhead.

These options would mean that the Council staff currently working in those buildings would have to be relocated in another Council building.

**Budget Saving:
£458,000**

Option: Transforming Business Support

The Council has a range of administration staff throughout the Council, who provide support to departments.

The option here is to bring together administration into three business units to support each strategic area, to ensure reduced costs and higher efficiency.

There will be a direct impact on staff and expectations across the Council of administration support, but no direct impact on front line services.

**Budget Saving:
£2.5 million**

Budget Options

Option: Restructure of Legal Services

The Legal and Member services team provide a wide variety of services, functions, support and assistance to the Council. This includes specialist legal advice in relation to major regeneration projects, planning, procurement, contracts, employment, child protection, adult social care and enforcement.

This option proposes a review and restructure of legal services, including fundamental changes to improve the service.

This option will have no direct impact on residents but will impact on staff, and alternative working practices and methods will be explored to mitigate the human resources implications.

**Budget Saving:
£600,000**

Option: Restructure and Outsourcing of Asset Management

The asset management division provides a corporate and strategic approach to the management of the Council's assets; is responsible for corporate asset management planning, and works with departments and services to ensure that the asset base is appropriate for current and future service delivery.

This option involves restructuring and reducing the number of staff employed within the division and then moving forward investigating outsourcing the service.

This would have no impact on Wirral residents but would impact on staff and may lead to a reduction in the amount of work currently completed for external partners.

**Budget Saving:
£100,000**

Budget Options

Option:

Human Resources Restructure

The Council's Human Resources and Organisational Development team support the Council's staff in terms of payroll, personnel and training.

This option is to reduce the number of Human Resources and Organisational development staff to deliver a saving.

This could have an immediate impact in terms of the department's ability to support the Council. A transition plan will be developed to ensure business can continue as normal.

Budget Saving:
£585,000
