

WIRRAL COUNCIL

BUDGET CABINET

18 FEBRUARY 2013

SUBJECT:	BUDGET OPTIONS: TRANSFORMATION AND RESOURCES
WARD/S AFFECTED:	ALL
REPORT OF:	CHIEF EXECUTIVE
RESPONSIBLE PORTFOLIO HOLDER:	LEADER OF THE COUNCIL
KEY DECISION?	YES

1.0 EXECUTIVE SUMMARY

- 1.1 This report documents progress in relation to the implementation of the Council's consultation programme "What Really Matters", initiated by Cabinet in June 2012.
- 1.2 The report presents budget options for Cabinet recommendation to Council. These options form part of the strategic directorate of Transformation and Resources and as such fall under the management of the Finance Department, Department of Law, HR and Asset Management, and Chief Executive's Department.
- 1.3 These options have been subject to comprehensive and robust public, staff, service user and partner consultation, the results of which were reported to Cabinet on 7 February 2013. Cabinet is also referred to all reports and minutes relating to these budget options as referred to in Subject History.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 In November 2012, Cabinet instructed the Chief Executive to publish and then consult in relation to a series of budget options, designed to enable the Council to begin the process of making savings of £109 million over the next three years. Cabinet further resolved that a number of principles, which were detailed in the resolution, should be paramount in the design of those options.
- 2.2 The Chief Executive further outlined in communications to residents and the Council workforce that the budget options have been designed to, as much as possible, mitigate the impact on the 'front line' and look to the back office for savings. These principles, combined with the need to make immediate and medium term savings have formed the further basis for the publication of these options.
- 2.3 The options presented in this report relate to, primarily, back office functions and are designed to ensure that the Council is able to achieve the significant financial savings required while still providing the place structures, mechanisms and resilience to deliver on our improvement agenda.

3.0 RATIONALE FOR DEVELOPING OPTIONS

- 3.1 The Council is going through fundamental change, while facing unprecedented challenge in relation to its budget. To enable the Council to meet and overcome these

challenges it is essential that we have a clear vision and approach, strong leadership, and effective and efficient use of resources.

- 3.2 The financial challenges the Council faces means it is imperative that new and more innovative methods of delivering and providing services are found. The Council is exploring alternative delivery models for services; including a range of options such as social enterprises, mutuals and cooperative organisations.
- 3.3 To achieve this, a radical and determined approach will be adopted to ensure that the identified and prioritised needs of the Council remain the central focus and driving force for achieving excellence, improving democracy, accountability and the utilisation of resources. Services will be reviewed and restructured (as necessary) to provide high quality, value for money advice, assistance and support to enable the effective delivery of Council services.
- 3.4 Good governance, transparency and accountability are essential for the Council and a cornerstone for improving services. Through clear direction, innovation, learning, scrutiny and challenge, a culture of high performance, accountability and continuous improvement will be embedded across the organisation.

4.0 BUDGET OPTIONS: TRANSFORMATION AND RESOURCES

4.1 REDUCE COUNCIL MANAGEMENT

2013/14 £000s	2014/15 £000s	2015/16 £000s	TOTAL £000s
£ 5,163	£ -	£ -	£ 5,163

This option was recommended by Cabinet on 20 December 2012, and will result in a full re-structure of all Council management. This process will be completed through a full review of service delivery, needs and future projections and will serve to refresh and modernise Council structures which are in some cases outdated.

4.2 WORKFORCE CONDITIONS OF SERVICE

2013/14 £000s	2014/15 £000s	2015/16 £000s	TOTAL £000s
£ 4,361	£ -	£ -	£ 4,361

Consultation was extended with Trade Unions in relation to this option, which will, if accepted, result in a range of amendments to employees' current terms and conditions of service. These include car mileage, enhancements, unpaid leave and single time working. Further detail around this option is available within appendix one.

4.3 PROCUREMENT

2013/14 £000s	2014/15 £000s	2015/16 £000s	TOTAL £000s
£ 320	£ 4,000	£ 5,000	£ 9,320

This option was recommended by Cabinet on 20 December 2012, which will involve a range of new procurement systems designed to increase income and make further savings, through transferring payments online and charging schools for support.

4.4 TREASURY MANAGEMENT

2013/14 £000s	2014/15 £000s	2015/16 £000s	TOTAL £000s
£ 1,700	£ -	£ -	£ 1,700

This option was recommended by Cabinet on 20 December 2012, which will involve funding capital works through internal funds rather than borrowing.

4.5 RATIONALISATION OF CIVIC SERVICES

2013/14 £000s	2014/15 £000s	2015/16 £000s	TOTAL £000s
£ 50	£ -	£ -	£ 50

This option will involve the reconfiguration of the service provided to support the Mayor of Wirral to achieve savings.

4.6 MOVING TO A FOUR-YEAR ELECTION CYCLE

2013/14 £000s	2014/15 £000s	2015/16 £000s	TOTAL £000s
£ 180	£ -	£ 100	£ 280

This option was recommended by Cabinet on 20 December 2012, which will change the current election system so that there are elections once every four years, beginning in 2014, rather than three elections every four years. The savings also include a one-off saving relating to no elections taking place in 2013.

4.7 REDUCING THE COST OF DEMOCRACY

2013/14 £000s	2014/15 £000s	2015/16 £000s	TOTAL £000s
£ 100	£ 75	£ -	£ 175

This option was recommended by Cabinet on 20 December 2012, which will involve a full review of the Council's constitution and a number of committees, and related meetings, to bring savings through a reduction in administration and workforce.

4.8 INFORMATION TECHNOLOGY SERVICE

2013/14 £000s	2014/15 £000s	2015/16 £000s	TOTAL £000s
£ 210	£ 90	£ -	£ 300

This option was recommended by Cabinet on 20 December 2012, which will involve the Council achieving significant savings through the implementation of a new IT strategy and an associated restructure of the division.

4.9 PUBLIC RELATIONS AND MARKETING

2013/14 £000s	2014/15 £000s	2015/16 £000s	TOTAL £000s
£ 282	£ -	£ -	£ 282

Part of this option was recommended by Cabinet in December 2012, which included the reduction of the core marketing budget by 50% and removing the funding which is used to subsidise tourism events in the borough. The option further included the non-renewal of the Tranmere Rovers Football Club sponsorship agreement.

4.10 AREA FORUM FUNDING

2013/14 £000s	2014/15 £000s	2015/16 £000s	TOTAL £000s
£ 391	£ -	£ -	£ 391

This option will involve ceasing the current format of providing funding through Area Forums to be replaced with a new method of engaging with communities.

4.11 BETTER USE OF BUILDINGS

2013/14 £000s	2014/15 £000s	2015/16 £000s	TOTAL £000s
£ -	£ -	£ 458	£ 458

This option was recommended by Cabinet on 20 December 2012, and will involve the closure of the Professional Excellence Centre at Acre Lane, Bromborough, and the Municipal Building in Birkenhead.

4.12 TRANSFORMING BUSINESS SUPPORT

2013/14 £000s	2014/15 £000s	2015/16 £000s	TOTAL £000s
£ 500	£ 1,000	£ 1,000	£ 2,500

This option was recommended by Cabinet on 20 December 2012, which will involve reorganisation and centralisation of all Council administrative staff in order to increase efficiency and make savings.

4.13 RESTRUCTURE OF ASSET MANAGEMENT DIVISION

2013/14 £000s	2014/15 £000s	2015/16 £000s	TOTAL £000s
£ 50	£ 50	£ -	£ 100

This option was recommended by Cabinet on 20 December 2012, which will involve a full restructure of the above Council department, to modernise and improve the efficiency of the service it provides.

4.14 RESTRUCTURE OF HUMAN RESOURCES DIVISION

2013/14 £000s	2014/15 £000s	2015/16 £000s	TOTAL £000s
£ 292	£ 292	£ -	£ 584

This option was recommended by Cabinet on 20 December 2012, which will involve a full restructure of the above Council department, to modernise and improve the efficiency of the service it provides.

4.15 RESTRUCTURE OF LEGAL SERVICES

2013/14 £000s	2014/15 £000s	2015/16 £000s	TOTAL £000s
£ 300	£ 300	£ -	£ 600

This option was recommended by Cabinet on 20 December 2012, which will involve a full restructure of the above Council department, to modernise and improve the efficiency of the service it provides.

4.16 REVENUES AND BENEFITS

2013/14 £000s	2014/15 £000s	2015/16 £000s	TOTAL £000s
£ 550	£ -	£ -	£ 550

This option was recommended by Cabinet on 20 December 2012. Following the implementation of Welfare Reform, and the associated increase in workload, there is a potential for a reduction in the staffing level within the service. This option would therefore, if accepted, reduce staff in this division as the new Universal Credit is implemented.

4.17 COUNCIL TAX DISCOUNTS AND EXEMPTIONS

2013/14 £000s	2014/15 £000s	2015/16 £000s	TOTAL £000s
£ 2284	£ -	£ -	£ 2284

A range of options are available within the Council Tax area, which include reviewing all discounts including properties undergoing a repair or long term empty properties. Options in relation to Council Tax discounts and exemptions were accepted by Council on January 28th 2013.

4.18 COUNCIL TAX PENSIONER DISCOUNT

2013/14 £000s	2014/15 £000s	2015/16 £000s	TOTAL £000s
£ 1300	£ -	£ -	£ 1300

This option would, if accepted, remove the 7.76% Council Tax pensioner discount, currently available to all pensioners regardless of means.

4.19 COUNCIL TAX DISCRETIONARY RELIEF

2013/14 £000s	2014/15 £000s	2015/16 £000s	TOTAL £000s
£ -	£ 320	£ -	£ 320

Wirral Council pays Discretionary Business Rate relief to charities voluntary social, educational and sporting organisations. Each authority can propose, after giving twelve months notice, to remove some or all of these awards.

4.19 COUNCIL TAX INCREASING COURT COSTS

2013/14 £000s	2014/15 £000s	2015/16 £000s	TOTAL £000s
£ 2429	£ -	£ -	£ 2,429

This proposal is an increase to the net income from increasing court costs.

4.20 LIBRARIES AND ONE STOP SHOPS

2013/14 £000s	2014/15 £000s	2015/16 £000s	TOTAL £000s
£ 391	£ 466	£ 117	£ 974

This option would, if accepted, rationalise the book fund as well as implement a closure of all libraries between Christmas and New Year, when the sites are traditionally less used. The option would also further integrate One Stop Shop services into libraries.

5.0 RELEVANT RISKS

- 5.1 A project team was established and met weekly to develop and deliver a project plan, with robust risk assessment arrangements. The key risk for this project is that failure to deliver a successful consultation project will leave the Council unable to develop a corporate or financial plan and make the budget savings required in 2013/14.

6.0 OTHER OPTIONS CONSIDERED

- 6.1 These options are presented to Cabinet by the Chief Executive based on the principles resolved by Cabinet in November 2012. The Council is required to save approximately £109 million over the next three years and as such no other options were considered.

7.0 CONSULTATION

- 7.1 Comprehensive programmes of consultation and engagement have been completed in relation to each of the budget options outlined within this report. The mechanisms and feedback from the consultation process was reported in detail to Cabinet on February 7th 2013 and is further summarised within this report.

8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 8.1 The options within this report contain numerous opportunities to increase partnership working and commissioning within the voluntary, community and faith sector. Consultation and discussions with key organisations within the sector are continuing to ensure these opportunities are maximised.

9.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 9.1 This project has been delivered using existing resources through a cross-departmental project team.

10.0 LEGAL IMPLICATIONS

- 10.1 Recent case law has made it clear that any consultation undertaken must be meaningful, informed and reasonable. Failure to ensure this could lead to legal challenge and any decision taken which takes into account the consultation could be undermined and open to challenge by way of Judicial Review. The Local Government and Public Involvement in Health Act 2007 came into force in April 2009 and introduced a duty for local authorities to involve, inform and consult with their communities. The duty is wide-ranging and applies to the delivery of services, policy and decision making and means the Council must consult relevant individuals, groups,

businesses, organisations and other stakeholders that the Authority considers likely to be affected by, or have an interest in, their actions and functions.

11.0 EQUALITIES IMPLICATIONS

11.1 An Equality Impact Assessment has been completed for each of the budget options described within this report. Use the following hyperlink to access these assessments:

<http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/budget-options-eias>

12.0 CARBON REDUCTION IMPLICATIONS

11.1 A number of potential budget options, including the changed use of buildings across the borough, could bring benefits in terms of carbon reductions.

13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

13.1 Potential community safety implications based on budget options.

14.0 RECOMMENDATION/S

14.1 That Cabinet notes the principles upon which the budget options have been developed.

14.2 That Cabinet makes recommendations on which budget options should be accepted as savings, and as such be recommended to Budget Council, in the context of the Council being required to find savings of £109 million over the next three years.

15.0 REASON/S FOR RECOMMENDATION/S

15.1 Failure to agree significant savings for 2013/14 will leave the Council unable to set a legal budget.

REPORT AUTHOR: Peter Timmins
Interim Director of Finance

APPENDICES

- Appendix 1: Workforce Conditions of Service

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet	7th February 2013
Cabinet	20th December 2012
Cabinet	8th November 2012
Cabinet	10th July 2012
Cabinet	21st June 2012