

**CABINET 18<sup>TH</sup> FEBRUARY 2013****WIRRAL COUNCIL BUDGET RESOLUTION****EXECUTIVE SUMMARY**

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.

This budget involves some difficult choices: standards in some of our services will have to be less generous and charges for some services will have to increase, however, this Labour Administration is determined to put the Council's finances on a sustainable footing and ensure that Wirral Council continues to deliver good quality services for our residents. Over the next three years, we will also deliver a transformational change programme which puts in place new models for providing some services which will enable us to achieve further economies.

Our budget proposals for 2013/14 are set out in detail in this resolution. Key elements include the following:

- We will protect front-line services: no Children's Centres, Libraries or One Stop Shops will close.
- We will retain pensioner discounts for Council Tax.
- We will make appropriate provision for increased demand for our services for vulnerable families and adults, despite lack of increased funding from Central Government in this vital area.
- We will invest £1m of capital in a new state-of-the-art Youth Zone.
- We will invest £300,000 in funding for an innovative project to address child poverty led by Frank Field MP.
- We will give a high priority to assisting the delivery of the Wirral Waters scheme and will work with our partners to ensure we maximise the opportunities to attract new investment in the offshore wind sector and the return of the British Open to Hoylake in 2014.
- We will develop the skills of our young people to prepare them for work through our apprenticeship programme, ensuring the next generation benefit from the economic opportunities we create.
- We will maintain our commitment to be a Living Wage employer – one of only 10-15 Councils to apply this nationally.
- We will maintain an enhanced severance scheme for Council staff.
- We will remove unnecessary layers of management.
- We will establish powerful new Constituency Committees and devolve £200,000 to be focussed on reducing inequalities.
- We will mitigate the impact of benefit cuts by investing £100,000 in enhanced advice services.
- We will ensure that funding for tackling domestic abuse will continue by utilising the Community Fund and working closely with the Police and Crime Commissioner to ensure this vital priority is funded appropriately in the future.

- We will invest £50,000 in enhancing road safety around our schools.
- We will explore a range of opportunities to deliver savings and improve our services through new partnerships with other Councils across the north west. The first, a shared internal audit service with Liverpool City Council, will be delivered this year.

## **1. INTRODUCTION**

- 1.1. This budget is the most important – and challenging - in recent history. Cuts, unprecedented since 1945, combined with changing demographics and residents who both demand and have a right to expect value for money and high quality services, present challenges this Administration is determined to address.
- 1.2. This Council faces a £109 million budget deficit over the next three years – we have to reduce our net revenue budget by a third. Over the next three years it is estimated that we will receive a 57% reduction in grants or £62 million less from central government to spend on our services. We are also facing increased demand of approximately £47million over the next three years. This includes costs associated with increasing numbers of older people in our communities who are living longer and requiring more support from the Council. These factors result in the £109 million savings that we must make by 2016.
- 1.3. In 2013/14 we face a £39 million budget shortfall due to a combination of cuts by government to our grant, together with unfunded demographic growth. We also have to address exceptional items totalling £38.4 million. This includes an inherited overspend from the previous Administration of £17 million. These figures have been confirmed by external experts.
- 1.4. This Administration is determined to get the Council's finances in order and be open and transparent in all its decision making processes. We have appointed a new Chief Executive and senior management team with an excellent track record. The formation of new cross-cutting Directorates will enable us to modernise services through a programme of transformation and improvement, ensuring that we deliver the best possible outcomes for our residents. In partnership with the Local Government Association we are at the forefront of developing a new approach to sector-led improvement. We have established an Improvement Board which has agreed a robust Improvement Plan with the aim of moving Wirral forward to become a high-performing Council. We are committed to working with our partners and across parties to meet our challenges.
- 1.5. External validation of our plans to address areas of weakness has been provided by a Corporate Peer Challenge of the Council which took place between 29<sup>th</sup> October and 1<sup>st</sup> November 2012. The Team concluded that:
 

***'The Council has a good grasp of the scale and urgency of the challenges it is facing. You recognise the significant financial challenges will continue to increase as time elapses and that immediate and decisive measures to address them are required. We think the overall strategy you are working to, including the plans for organisational improvement and budget reduction, is appropriate given the challenges you face. Put simply we think you have a good awareness of the issues and an appropriate plan of action.'***
- 1.6. This budget will help to deliver financial stability for this Council, dealing with the challenges we face head on. We have a duty to make tough decisions and to get our own house in order. We will ensure that public money is

safeguarded, properly accounted for and used efficiently and effectively. A detailed report on the Council's financial position is being prepared by Eugene Sullivan, former Chief Executive of the National Audit Commission. We will publish this report and are determined to learn the lessons from the key findings.

- 1.7. This budget is being set against the background of a system of local government funding which, in our view, is grossly unfair. It cannot be right that authorities like Wirral, which have areas of high deprivation, have had their funding cut by £151 per head of population since 2010, whereas Councils in relatively affluent areas such as North Dorset are being required to find a cut of only £2 per head of population. The coalition government has cut Wirral Council's funding by a total of £64 million since 2010. This includes a key specific grant – the Area Cost Adjustment, worth £37 million, which provided funding to help address deprivation. The impact of removing specific grants from Councils in the most deprived areas is clearly spelt out by the Audit Commission in their report, 'Tough Times 2012' (see paragraph 31).
  - 1.8. The scale of government cuts to Wirral Council's budget is also evident in an analysis of changes in revenue spending power 2013-14 which showed that of the 47 local authorities which are members of the Special Interest Group of Metropolitan Authorities outside London (SIGOMA), Wirral has had the biggest cut (2.62%) compared to the average cut (1.76%).
  - 1.9 This Administration has made a number of representations to government regarding the Council's budget. The Leader of the Council has written to the Secretary of State for Communities and Local Government and, together with the other Party Leaders, the Leader has met with a minister from DCLG. Some flexibility has been agreed with regard to capitalisation to fund our severance scheme. Wirral has contributed to lobbying activity led by SIGOMA. We have also supported the 'Come Together' Campaign organised by Council Leaders from the Core Cities and Faith Leaders who have launched an e-petition which calls on the government to apply the cuts more fairly across the country, protecting those most in need, and making sure those in wealthy parts of the country pay their fair share. We will continue to lobby government to give Wirral a fair deal.
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## **2. NEW CORPORATE PLAN**

- 2.1 We have developed a new three-year Corporate Plan which we have recommended for adoption by Council. This sets out a vision for Wirral and contains the key principles and priorities which will underpin the Plan. Our budget proposals will flow from three policy priorities and three guiding principles set out in the Corporate Plan:

### ***Policy Priorities***

- **Protecting the most vulnerable in our Borough**
- **Driving growth in our economy**
- **Tackling health inequalities**

### ***Guiding Principles***

- **We will spend less on the cost of running the Council**
- **Those with the broadest shoulders must bear the greatest burden**
- **Every effort will be made to mitigate the impact of savings on front-line services**

## **3. CONSULTATION**

- 3.1 Our priorities and budget proposals have been informed by the 'What Really Matters' consultation, the largest such consultation ever undertaken by Wirral Council, both in terms of reach and scope. This involved a two-stage consultation process: engaging the community firstly in debating the principles the Council should explore to develop the budget options and then further debate around those options. This is the first time that the Council has published all budget options and sought the views of residents well in advance of finalising the budget.

- 3.2 The main route for resident involvement was via a questionnaire which was available on-line and also in hard copy. In addition, the engagement team attended around 250 community events where residents gave their views on the budget. Stage one received almost 7000 responses. Stage two achieved 6522 responses. In addition, an extensive programme of staff consultation was delivered and since November 2012 over 20 meetings have taken place with the Trade Unions. In addition, a number of petitions, emails and letters have been received regarding budget options. Cabinet is grateful to all those who took part in the consultation.

## **4. TRANSFORMATIONAL CHANGE**

- 4.1 Given the scale of reductions in funding by central government, we will put in place over the next three years a radical programme of transformational change to replace the traditional model where Councils deliver most services directly. This will require us to build on the excellent work we have done in recent years with key partners such as the NHS, the police service, the fire authority and the voluntary, community and faith sectors. We are looking closely at the experience of Community Budget pilots and have a programme of visits to other authorities which operate trusts, mutuals, social enterprises and co-operatives. We are the lead authority in Merseyside for developing a plan for sharing services with other Councils and will continue our positive

discussions with Cheshire West and Chester Council with the aim of realising further savings over the coming months.

4.2 As part of our savings for 2013/14 we have entered into an agreement with Liverpool City Council to share our internal audit service and we are talking to other authorities about sharing other services. We have developed an exciting plan to involve local Friends Groups, The Reader Organisation and other similar organisations in a number of libraries and we are looking at opportunities for developing social enterprises from the work done by people with learning disabilities.

4.3 We will continue to provide the resources necessary to provide training opportunities to ensure Members have all the skills necessary to lead this new way of working and to fulfil the role of 'community champions' in our new neighbourhood working arrangements.

## **5. LABOUR'S PLEDGE TO OUR STAFF**

5.1 Our employees are the Council's most valuable assets and we want to protect frontline and low paid workers as far as possible. We are one of only a small number of Councils nationally to introduce the Living Wage as a minimum pay level for our staff.

5.2 Last year, one of the opposition aims was to reduce the amount of money the Council spent on Trade Unions. We believe that a business case can be made for good industrial relations: the Trade Unions play an important role in representing staff and helping the Council to achieve efficiencies. We will continue to support this work however, in conjunction with the Trade Unions, during the course of the next financial year we intend to review the funding for full time Trade Union Officials to ensure we are achieving the best value for money.

5.3 We have adopted a severance multiplier of 1.8, a reduction from the current multiplier of 2.2 but it is far above the basic, statutory entitlement. It is important to us as Councillors, to try and secure something above the statutory level for those employees leaving the authority. Although times are tough we have taken time to consider the best way to try and soften the blow of redundancy for employees as much as possible.

5.4 Although we are having to make significant changes to the way we do our business, our employees are key to the success of providing good quality services for local communities and we will continue to try to mitigate the impact of the cuts being forced upon us.

5.5 We will continue to work with Voluntary Community Action Wirral (VCAW) to support the creation of social enterprises. We will also provide our staff with the necessary skills and training to take over the running of Council services through the creation of mutuals.

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## **BUDGET PROPOSALS**

### **6. Transformation and Resources**

- 6.1 Our proposals in this area are designed to ensure that the Council is able to achieve the significant financial savings required while still providing the structures, mechanisms and resilience we need to ensure we improve the way we do business.
- 6.2 This budget will bring about major savings in our buildings, marketing, information technology and what we spend on our senior management. We will also improve the value for money we achieve for goods and services through major changes to our procurement systems.
- 6.3 We believe that it is important to reduce the cost of democracy, while still ensuring that elected members have support in place to fulfil their essential role in our local communities. We therefore propose to save £275,000 by holding elections once every four years, and reviewing the number of meetings and committees held to both reduce administration costs and to enable Members to focus on what really matters to local people.
- 6.4 We are also taking steps to eliminate waste across the Council, ensuring that every penny of Council resources is targeted at improving our residents' quality of life. We will save around £20,000 by ceasing production of a glossy brochure and newsletter which previous Administrations opted to mail to every resident, at great expense. We believe this is an unnecessary extravagance and that it is not a responsible use of scarce Council resources.
- 6.5 We have also instructed Officers to rapidly explore innovative models of delivering back office services with our neighbouring Councils, with internal audit, procurement and information technology services likely to be the first to realise savings. We have worked hard with the Trade Unions to achieve savings in staff Terms and Conditions minimising the affect on contractual conditions and over the next year we are committed to working with them to identify further efficiencies.
- 6.6 We will continue to provide advice and support to event organisers in the borough, but will no longer provide funding to events. We will not renew the Tranmere Rovers Football Club sponsorship agreement but we will continue to support the excellent work the Club does in both local Schools and the wider Community across Wirral.
- 6.7 We recognise the vital work which is done by our partners in the voluntary, community and faith sectors and, while we will no longer provide funding through our Area Forum programme, we will reinvest £200,000 of this to kick-start work on our innovative proposal for a new model of Neighbourhood Working.
- 6.8 Welfare Reform will have far reaching consequences. We propose to delete vacant posts that are no longer required in the Revenues and Benefits team as the new Universal Credit is implemented. However, we will also mitigate against the impact of benefit cuts by investing £100,000 in information and advice services for Wirral residents, which will help signpost them to the support available in their local area and ensure that agencies are alerted to families at risk of financial crisis. Central Government have also transferred £237, 000 of Housing Benefit Administration costs to us that we have had no choice but to make provision for. We have also had to deal with a cut of 10% or £3.2million in the funding we previously received from central government for administering council tax benefit.

6.9 In order to protect our libraries from closure we will deliver the service more efficiently by further integrating One Stop Shop services into libraries. We will bring our libraries in line with other Council services by closing them during those times when they are rarely used, during Christmas and New Year. Crucially, we have instructed Officers to accelerate discussions with the Reader Organisation and Friends Groups to explore opportunities for alternative delivery of this valuable service in the future.

6.10 Consultation is ongoing with the Trade Unions. Cabinet recommend the following changes to Terms and Conditions to achieve £3.8 million of savings be agreed and recommended to Budget Council on the 5<sup>th</sup> March 2013.

- All employees to take 5 days unpaid leave. This will be reviewed after three years.
- All voluntary overtime, additional hours and casual work to be paid at plain time.
- Review and revise criteria for car allowance scheme, reduce essential user lump sum and move to HMRC mileage rate for all.
- Implementation of an increment freeze for all employees for one year.
- Removal of disturbance, relocation and telephone allowance.

6.11 In addition we will work together with the Trade Unions to review current working arrangements to maximise the efficiency and cost effectiveness of services including annualised hours during this financial year which could mitigate the need for ongoing savings.

<b>TRANSFORMATION AND RESOURCES</b>	<b>2013/14 £000s</b>	<b>2014-16 £000s</b>	<b>TOTAL £000s</b>
Reducing Council Management	5000	0	5000
Reducing the numbers of Agency workers	500	0	500
Service Restructures	905	642	1547
Trade Union funding	- 270	0	-270
Reducing the Cost of Democracy	100	175	275
The Mayor of Wirral	50	0	50
Procurement	320	9000	9320
Treasury Management	1700	0	1700
Information Technology Service	210	90	300
Better Use of Buildings	100	458	558
Transforming Business Support	500	2000	2500
Revenues and Benefits	550	0	550
Marketing and Public Relations	167	0	167
Tranmere Rovers Sponsorship	135	0	135
Power Supplies - Contract Saving	11	0	11

<b>TRANSFORMATION AND RESOURCES</b>	<b>2013/14 £000s</b>	<b>2014-16 £000s</b>	<b>TOTAL £000s</b>
Reduction in External Audit Fees	140	0	140
Workforce Conditions of Service	3800	0	3800
Area Forum Funding	391	0	391
Libraries and One Stop Shops	391	583	974
Shared Services Development	0	1400	1400
Council Tax Increase	2600	0	2600
Council Tax: Discounts and Exemptions	2284	0	2284
Council Tax: Court Costs	2429	0	2429
Council Tax: Discretionary Relief	0	320	320
<b>Transformation and Resources Total</b>	<b>22013</b>	<b>14668</b>	<b>36681</b>

## 7 Families and wellbeing

7.1 Increasing demand for our services adds to the unprecedented financial challenge we face. Our recommendations address this, while ensuring we are able to focus on our duty to serve and protect the most vulnerable in our communities. We will “think family”, while working towards our goal of delivering services in ways which are easy to access, focus on the front line, eliminate duplication and reduce back office costs.

7.2 We are committed to providing and commissioning the best and most appropriate levels of care and support possible, involving our partners throughout the voluntary, community and faith sector and we will further integrate our work with that of the NHS to improve residents’ experience of support services. These recommendations are in line with our policy of delivering more personalised services, to enable residents to stay independent for as long as they can. We believe it is right to review the support we provide to Carers to ensure we secure effective services for them whilst enabling short breaks and other services to be part of the cared for person’s budget rather than the carer.

7.3 We have had to think radically about the options for savings given the scale of the budget cuts and the options therefore include some proposals to reduce the universal services provided in our Children’s Centres. This Administration will ensure that our Children’s Services are focused on those children most in need, and we will therefore protect core Sure Start services within our most deprived areas to support our most vulnerable and disadvantaged families. We will maintain all of our Children’s Centres and Satellite Centres attached to Schools will be taken over by the Schools.

7.4 The work of our staff to safeguard Wirral’s most vulnerable children is vital. We have therefore made a provision that will be targeted at hard to recruit and retain front line child protection social workers.

7.5 Previous Administrations have not ensured that the growth in demand for services for vulnerable children and families is met with appropriate levels of funding. We are therefore investing in the following critical areas:

<b>Funding increased demand (Children and Young People)</b>	<b>2013/14 £000</b>
Independent Reviewing Officers	90
Additional Social Worker capacity in Wallasey District	315
Social Workers in Schools	75
Family Justice Review	100
Staying Put Policy	100
Increase in Foster care demand	500
Youth Justice Board	50
	<b><u>Total</u></b>
	<b><u>1230</u></b>

This growth is included in the £39million target

In addition, we will ensure that appropriate funding is provided to help meet the costs of demographic growth in the numbers of vulnerable adults that is not being met by central government.

<b>Funding increased demand (Adult Social Care)</b>	<b>2013/14 £000</b>
Young Adults with Learning Disabilities	944
Older People	1773
Fees for Residential and Nursing Care	1000
	<b><u>Total</u></b>
	<b><u>3717</u></b>

This growth is included in the £39million target.

- 7.6 We will continue to provide support to the Birkenhead Foundation Trust Springboard project, which is currently receiving national recognition for its work to establish new ways of working to tackle intergenerational poverty involving communities and volunteers. The project will engage with young women in the earliest stage of pregnancy to provide support focussed on raising aspirations for them and their children. A further £100,000 will be commissioned based on priorities identified by Wirral's Child Poverty Working Group.
- 7.7 We are proud of our excellent schools and will work with them to ensure that children continue to benefit from the best possible start in life. We do believe however that it is right to target resources where they are most needed and for schools to make an appropriate contribution for the services they receive from the Council.
- 7.8 We will consolidate our youth service to operate out of the four main hubs across the borough, and retain four Satellite youth Clubs and outreach provision until the new Youth Zone opens working hard to ensure that these

services are targeted at those young people who are most in need. Funding for the excellent Wirral Youth Theatre will continue.

7.9 We believe it is vital to ensure increasingly limited resources are invested wisely. Our recommendation to charge more for non-residential services brings Wirral in line with other local authorities and we propose to re-tender contracts for extra care housing to ensure we are getting value for money while ensuring quality is maintained.

7.10 We will reduce the costs of transporting children and adults to school, day centres and other facilities by focussing provision on those in the greatest need. We are reviewing the pilot of a Community Card in St Helens, which has reduced the cost of transport significantly and enhanced personal choice. Business plans have been developed to ensure that Oaklands Outdoor Education Centre and the Schools Music Service will be self financing in the future.

7.11 The quality of some of our physical provision is simply not good enough. We propose to rationalise both our respite and day care services but will do so in close consultation with service users and their families, putting their interests at the heart of all we do. At the same time we will offer people more choice to use their personal budgets in the way that they choose.

7.12 We will focus specialist Child and Adolescent Mental Health services on those who require it most. We are determined to ensure that no young person who needs this service should be forced to do without it. We also believe that this service could be rationalised, and improved, through targeting its efforts at those most in need.

<b>FAMILIES AND WELLBEING</b>	<b>2013/14 £000s</b>	<b>2014-16 £000s</b>	<b>TOTAL £000s</b>
Education Psychology Service	80	0	80
Schools Budget	250	2500	2750
School Improvement and Income from Schools	160	0	160
Careers, Education and Advice	700	300	1000
Housing Benefits - Maximisation of Grant	2000	0	2000
Community Meals	169	31	200
Charging for Non Residential Services	880	0	880
Targeted Support through NHS Contracts	1828	2383	4211
Extra Care Housing	300	300	600
Residential and Respite Care	160	160	320
Day Care and Day Services Transformation	750	1250	2000
Review of Support for Carers	250	0	250
Assistive Technology	150	150	300
Transport Policies	250	1082	1332
Area Teams for Family Support	200	0	200

<b>FAMILIES AND WELLBEING</b>	<b>2013/14 £000s</b>	<b>2014-16 £000s</b>	<b>TOTAL £000s</b>
Schools Music Service	21	0	21
Oaklands Outdoor Education Centre	23	0	23
Foundation Learning	121	12	133
Commissioning of Parenting Services	700	200	900
Review of VCF Sector Grants	705	115	820
Review of Residential Care for Learning Disabilities	300	0	300
Review of Equipment Service	100	0	100
Review of Emergency Duty	0	100	100
Youth and Play Services	687	300	987
Youth Challenge	200	200	400
Children's Centres and Sure Start	1576	596	2172
Short Breaks for Children with Disabilities	150	150	300
Child and Adolescent Mental Health Service	250	0	250
<b>Families and Wellbeing Total</b>	<b>12960</b>	<b>9829</b>	<b>22789</b>

## 8 Regeneration and Environment

- 8.1 Wirral has enormous potential for economic regeneration – opportunities such as Wirral Waters, the International Trade Centre and the launch of a world class golf resort are of international significance. The size of our budget pressures are such that we will need to review our business support and reduce available business grants, however we are entirely confident that we will continue to create more jobs and attract investment through increasingly targeted activity.
- 8.2 We will continue to ensure that Wirral accesses external funding opportunities, including the new European Regional Development Fund Business Support programme and continues to work with UK Trade and Investment to attract investment locally from overseas companies.
- 8.3 We recognise the importance of developing the skills of our young people to prepare them for work. We will therefore continue to invest in our apprenticeship programme through funding the cost of apprenticeship training through the Liverpool City Region model. This funding will be matched with contributions from the National Apprenticeship Service.
- 8.4 Decent housing is crucial to residents' quality of life. We will continue to work with Registered Social landlords and Private Sector landlords to maximise the number and range of quality homes for rent. We will continue our programmes to restructure the Housing Market and work with House Builders to increase the number of new homes built in Wirral. We will prioritise the remaining Housing Market Renewal funding to provide priority affordable housing in our most deprived areas.

- 8.5 In accordance with our guiding principle of focussing resources on those who are most in need, we propose to target the handy person scheme to support those who have recently been discharged from hospital. The Home Insulation scheme will be reduced and future work will be targeted at tackling fuel poverty and energy efficiency projects such as the Green Deal.
- 8.6 We know that the quality of the local environment matters to local people, however we simply cannot afford to deliver certain services in the same universal way. We will better target street cleansing in the future and increase the charge for the optional ERIC service and introduce an 'opt in' service for garden waste. In addition we propose to charge for pre-planning advice to developers in the future.
- 8.7 We believe it is important that all residents pay their share and that it is unfair to charge different rates for car parking across Wirral. We therefore propose to standardise charges in car parks at the current rate for Birkenhead car parks, reducing the all day charge for on-street long stay bays in Birkenhead to £2.50 and to introduce competitive annual and season permits rates. We will also reduce office, maintenance and operational expenditure across the service.
- 8.8 We have no choice in the future but to target investment at where it is most needed. We therefore propose to rationalise street lighting maintenance and reduce street lighting where to do so does not present a risk. In addition we will reduce pro-active highway maintenance work – again ensuring that our primary focus is on the safety of our residents.
- 8.9 We will invest in enhancing road safety around our schools and will put in place road safety improvements, including for the following schools within the Council's four constituency areas; Egremont Primary, in Wallasey, Ladymount Primary and Pensby Primary in Wirral West, Oxton St Saviours Primary in Birkenhead and Raeburn Primary in Wirral South.
- 8.10 We have also listened to our many residents who place huge value on our parks and open spaces. Two separate options were proposed in this area; to reduce the maintenance frequency across some open spaces, and to remove the maintenance on some parks and bowling greens. Feedback from parks groups, bowling teams and residents have made it clear that while they would accept a reduction in maintenance frequencies, the removal of maintenance across many of our parks and open spaces would bring too great an impact at this time. We agree with this view, and therefore recommend that while the reduction in parks maintenance should be accepted, the removal of maintenance should not.
- 8.11 We believe that the budget option proposed for the Council Kennels/Dog Warden Service that the service should join the Merseyside Consortium should not be progressed at this time. The Friends of Birkenhead Kennels have submitted to the Council an alternative budget savings proposal and therefore we recommend that the decision to accept this budget option is delayed and the Friends of Birkenhead Kennels be requested to submit more detailed proposals for consideration.
- 8.12 The dog fouling team will be organised to align with the new Constituency Committees, with an enforcement Officer dedicated to each of the Constituencies. We also instruct the Council's Marketing Team to bring forward a campaign to target irresponsible dog owners to effect behavioural change.

<b>REGENERATION AND ENVIRONMENT</b>	<b>2013/14 £000s</b>	<b>2014-16 £000s</b>	<b>TOTAL £000s</b>
Pre-Planning Advice	10	0	10
Home Insulation	926	0	926
Pest Control	30	0	30
Invest Wirral	352	0	352
Car Parking	281	0	281
Garden Waste Collection	582	569	1151
Household Waste Collection	80	0	80
Apprentice Programme	420	0	420
Handyperson Scheme	209	0	209
Trading Standards	71	0	71
Highway Maintenance	588	0	588
Street Cleansing	1000	-250	750
Biffa Contract Break	0	600	600
School Waste	180	0	180
Street Lighting	265	0	265
Highway Drainage	106	0	106
Reduction in Parks Maintenance	450	0	450
Housing Support for BME Communities	111	0	111
Supporting People	0	2000	2000
Dog Fouling Enforcement	97	0	97
Regeneration General Running Costs	0	40	40
Modernisation of Leisure	429	0	429

<b>Regeneration and Environment Total</b>	<b>6187</b>	<b>2959</b>	<b>9146</b>
<b>TOTAL SAVINGS</b>	<b>41160</b>	<b>27456</b>	<b>68616</b>

8.13 The exceptional items, referenced at paragraph 1.3 at £38.4m of savings, that are additional to three year target of £109m, are to be funded by balances, released earmarked reserves, capital receipts and decisions taken at the November 2012 Cabinet in relation to the efficiency fund and the local council tax scheme. The Council will continue its freeze on all non essential spending.

8.14 The total savings proposed in this budget for 2013/14 amounts to £41.2 million with £27.5 million also proposed for the years 2014-2016. This means

that we still have £40.3 million to find to achieve our overall target of £109 million by 2016.

- 8.15 We request officers to bring forward a report to Cabinet no later than May 2013 in order to outline an approach for identifying further budget savings. This is as part of our commitment to be proactive in identifying the savings that we must make.

## **9. Council Tax**

- 9.1 This budget resolution makes provision for increased demand for services for vulnerable children and adults, the reduction in our Housing Administration Grant and contract uplifts, demand that should rightly be recognised in our settlement from Central Government. This equates to an unfunded increase of in excess of £5 million for the year 2013/14 that we have to meet ourselves.
- 9.2 The Government's offer of a grant of £1.3 million to freeze the Council Tax in 2013/ is a one off derisory offer that does not meet this pressure and that would not be included in our base budget. This means that in 2015/16 when the grant ends we will have to find additional cuts to replace the grant.
- 9.3 Under the Government's regulations the Council is allowed to increase Council Tax by 2%. Cabinet feels that increasing Council Tax by 2% in 2013/14 is the only responsible option before us. This would equate to a 1.6% increase in the Wirral Council element and is significantly below the Consumer Price Index which currently stands at 2.7% and the Retail Price Index which currently stands at 3.3%. This follows a two year freeze on Council Tax.
- 9.4 This Budget Resolution recommends an overall Council tax increase of £25.06 on a band D basis.
- 9.5 This represents an increase on Band D from £1,253.20 p to £1,278.64p. This represents an increase of 48p per week. The majority of Wirral residents will pay less than this as most properties are below Band D.
- 9.6 Wirral Council's element of this is 1.6% with increases in levies accounting for the rest of the difference. The increase in overall council tax is 2%.
- 9.7 Precepts relating to police and fire services are still to be announced. The impact of any change to precepts will require adding to these figures.

## **10. Recommendation**

- 10.1 That the budget proposals as set out in this resolution be agreed and recommended for approval to Budget Council on the 5<sup>th</sup> March 2013, and that Council notes this budget includes an allocation of £2 million to address any slippage that may occur in the delivery of identified savings. This figure has reduced significantly from the original early estimate of £5 million to £2 million due to management action, including the deletion of vacant posts and more effective management of savings.
- 10.3 We will work together with the Trade Unions to review current working arrangements to maximise the efficiency and cost effectiveness of services including annualised hours during this financial year which could mitigate the need for ongoing savings.

- 10.4 That officers are requested to bring forward a report to Cabinet no later than May 2013 which will outline the approach for identifying budget savings that the Council must make in 2014/15 and 2015/16.
- 10.5 That Council continues to lobby government to review the way it allocates funding to local Councils with a view to ensuring that any cuts are distributed in a way which is fair and equitable.