

CONSERVATIVE GROUP BUDGET AMENDMENT 2013/14

Proposed by Councillor Jeff Green
Seconded by Councillor Lesley Rennie

Wirral's Conservative Councillors believe that in difficult economic times, residents of Wirral must be supported and that now is not the time to raise Council Tax.

We also believe that, at a time when private sector employment is growing, it is vital that young people in the Borough have the skills that employers need.

We do not believe that the Council's budget should be balanced on the backs of the most vulnerable people in the community and we therefore oppose proposed closure of adult day centre.

We welcome the Administration's consultation exercise and believe that by working together, with effort, all parts of the Council; Councillors, Senior Directors and Council staff can play a part in keeping bills down and protecting the vulnerable.

We welcome the Government's offer of financial support to the Council to freeze Council Tax for Wirral residents and regret that the current administration is recommending the rejection of this £1.3 million Government grant.

We are therefore proposing to utilise this Government grant to reverse the Cabinet's proposal of a 2% increase to ensure that there is no increase in the Wirral Council Tax for 2013/14 and that the Administration's budget proposals be amended as follows:

Additional Expenditure

1)	Delete the Cabinet proposal to increase Council Tax by 2% and accept the Government's grant to freeze Wirral Council Tax.	£1,300,000
2)	Last year we deleted a Labour proposal to close day centres. We remain totally committed to this vital provision for the most vulnerable members of Wirral's society. Therefore delete the Cabinet proposal to close day centres and reduce day services.	£750,000
3)	We welcome the downward trend of unemployment in Wirral however; we still have 2,540 unemployed 18-24 year olds in the Borough. Therefore delete the cabinet proposal to cut £420,000 from the Apprenticeship Programme and create 200 extra opportunities for youngsters to find work and training.	£420,000
4)	The level of cuts proposed by the Cabinet will have unintended consequences and unforeseen impacts on local residents lives and services. We are therefore recommended the provision of a 'Resilience Fund'. Use of this Fund will be allocated to services by the Cabinet following a recommendation of the all party Leaders Board.	£1,000,000

At a time when the Council is having to make very difficult decisions regarding where to invest any expenditure we believe it is vital that we do not duplicate spending and take every opportunity to invite wealthy organisations to work in partnership with us and shoulder a reasonable share of the Council's financial burden.

Delete the following Growth Items

1)	<p>Last year the Council funded a free and independent information and advice service open to all Wirral residents but specifically targeted towards meeting the needs of families living in poverty. The service is responsive to those in greatest need, providing a package of information, advice and support in relation to welfare and benefits, debt and financial management, employment and housing this service already costs the taxpayer £290,000.</p> <p>We note that the Government is running housing benefit and universal credit pilots to see what support people might need and will make alternative arrangements for some people including paying landlords direct.</p> <p>We therefore believe the £100,000 recommended by the Cabinet for additional information and advice services can be deleted.</p>	£100,000
2)	<p>As Trades Unions are wealthy organisations we do not believe the Council Tax payer should be expected to fund Full Time Trades Union officials we therefore believe this item of budget growth recommended by the Cabinet can be deleted.</p>	£270,000

We believe all elements of the Council; Councillors, the Council bureaucracy and Council staff playing their part to do all we can to make it a little easier for pensioners and families to cope when bills arrive we therefore believe additional savings should be made.

Additional Savings

1	Reducing support to Councillors	£113,000
	Cancellation of Councillors casework management IT system.	£50,000
	Reduce Councillors training spend.	£20,000
	Reduce policy support for Councillors by 25% (1 FTE).	£42,000
	Withdraw from membership of SIGOMA.	£1,000

2	Leaning the Council Bureaucracy	£1,323,860
	Delete Head of Policy post and reorganise responsibilities of staff and senior management.	£50,000
	Reduce 'Performance and Intelligence Team' from 18.5 FTE to 16.	£100,000
	Reduce Council PR budget (this equates to the printing and distribution costs of 4 'One Council' editions per year).	£10,560
	Additional reductions in Council management (difference between Chief Executive option in cabinet report of 18 th February and saving in listed Cabinet budget proposal).	£163,000
	Noting the effectiveness of the Chief Executive's spending freeze in controlling Council expenditure during 2012/13 – we believe it would be prudent to reintroduce the spending freeze process and discipline during 2013/14.	£1,000,000

Council notes the discipline and management of the Strategic Change Programme (SCP) delivered £10.725 million of cashable benefits in the 2010/11 financial year. The Conservative Group remains disappointed that the Labour Administration formed in May 2011 did not actively manage the SCP and the opportunity it provided to reduce year on year revenue expenditure during the year was ignored.

Given the large amount of revenue savings to be achieved in the Strategic Change Programme agreed by the previous Labour Administration (special Cabinet Monday 13 February 2012 refers) we also deeply regret the current Labour administration's decision to abolish the all party arrangements for leadership, management and political oversight of the Strategic Change Programme recommended at the subsequent 2012/13 Budget Council meeting (Cabinet minute 7, 21 June 2012 refers) and note that once again the opportunity it provided to reduce year on year revenue expenditure was ignored.

Having had time to reflect on the Cabinet's failure to deliver their own Strategic Change Programme in 2011/12 and the transformational nature of the large scale cuts, Service Reviews, change projects and proposals for Shared Services now recommended by the Cabinet.

Council recommends the Administration accept the discipline, rigor, risk management and political oversight of the ambitious change portfolio it is recommending through the establishment of a Strategic Change Board on an all party basis to be lead by the Leader of the Council.

3	Workforce Conditions of Service	£896,000
	Introduce Chief Executive proposals as outlined in 18 February Cabinet report and include the 5 days unpaid leave proposed by the Cabinet.	£896,000
	(It be noted that this proposal whilst tough does ensure that staff will receive their entitlement to pay progression and increments for 2013/14 at a cost to the Council Budget of £730,000).	

4	Discretionary Severance Scheme	£1,300,000
	<p>Replace the 'Severance Scheme' recommended by Cabinet and agreed by Employment & Appointments Committee and introduce a 'severance multiplier' of 1.2 uncapped.</p> <p>(It is noted that whilst below the 1.8 uncapped multiplier recommended by Cabinet this remains significantly above the basic statutory entitlement).</p>	£1,300,000

This budget amendment will:

Result in a zero percent Wirral Council Tax increase,

Maintain the entire Councils commitment to a sustainable, budget,

Increase the Council's Balances from £13.6 million in the Cabinet's proposal to £14.1 million providing increased protection against the risk of non delivery of the Cabinet's recommendations of £0.5 million.

For the financial year 2013/14 the Council will ensure that the pensioner discount continues to be awarded at the percentage awarded for 2012/13. This applies where:

(i) the Council Tax payer pays Council Tax in Wirral as their main home and all individuals in the household that are counted as resident for Council Tax purposes are aged 70 or over on 1 April 2013 (but where the qualifying age criterion is met after 1 April 2013 eligibility will be effective from the relevant birth date only);

(ii) this reduction will be calculated after deduction of all other Council Tax discounts and reliefs;

(iii) application must be made for the reduction where it is not currently in payment or the potential claimant is not in receipt of Council Tax Benefit;

No pensioner household in receipt of full Council Tax Benefit will qualify for the reduction.

1.0 SETTING THE COUNCIL TAX

- 1.1 In setting its council tax the Council is required to have regard to the various determinations set out in the Local Government Finance Act 1992 as amended by the Localism Act 2011. The principal amendment conferred by the Localism Act is the requirement to calculate a council tax requirement and not a budget requirement as previously.

The Statutory Calculations and Resolution

- 1.2 The statutory calculations associated with each Council Tax increase are set out below and the Council is now invited to approve.
- 1.3 It be noted that in accordance with section 31B of the Local Government Finance Act 1992 (as amended), that the Interim Director of Finance on 24 January 2013 calculated the Council Tax Base 2013/14 for the whole of the properties in its area as 87,116.4 (Item T in the statutory formula).
- 1.4 That the following amounts be calculated and approved by the Council for the year 2013/14 in accordance with sections 32-36 of the Local Government Finance Act 1992 (as amended) ("the Act");
- a) £109,174,700 being the amount calculated in accordance with section 31A (4) of the Act (amended) as the Council Tax Requirement for 2013/14 (item R in the statutory formula). This amount (d) is determined as being the difference between:
 - i. £810,987,200 this being the aggregate of the amounts calculated in accordance with section 31A (2) of the Act (as amended), i.e. the aggregate of the amounts that the Council estimates that will be charged to a revenue account for the year in performing its functions, that are required to be set aside for contingencies and reserves and required to be transferred from its general fund to its collection fund in the year and
 - ii. £701,812,500 this being the amount calculated in accordance with section 31A (3) of the Act (as amended), i.e. the aggregate of the amounts of income that the Council estimates will be credited to a revenue account for the year in accordance with proper practices, the amount of reserves that are estimated to be used to provide for the items referred to in paragraph 1.4(a) above, and required to be transferred from its collection fund to its general fund in the year.
 - b) £1,253.20 being the amount calculated in accordance with section 31B (1) of the Act (amended) as the Basic Amount of Council Tax for 2013/14. This amount being calculated as item R in paragraph 1.4(a) above divided by item T in paragraph 1.3 above.

- c) that in accordance with section 36(1) of the Act that the following amounts are calculated for each valuation band in the area:

A	B	C	D
£835.47	£974.71	£1,113.96	£1,253.20
E	F	G	H
£1,531.69	£1,810.18	£2,088.67	£2,506.40

- 1.5 These amounts being the amounts given by multiplying the amount calculated as the basic amount of council tax by the number which in the proportion set out in section 5(1) of the Act is applicable to dwellings in a particular valuation band which is applicable to dwellings listed in valuation band D.
- 1.6 To note that the Police and Crime Commission for Merseyside and the Merseyside Fire and Rescue Service have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.

Police and Crime Commission for Merseyside

A	B	C	D
£102.42	£119.49	£136.56	£153.63
E	F	G	H
£187.77	£221.91	£256.05	£307.26

Merseyside Fire and Rescue Service

A	B	C	D
£45.80	£53.43	£61.07	£68.70
E	F	G	H
£83.97	£99.23	£114.50	£137.40

- 1.7 That having calculated the amounts at 1.4(c) and 1.6 above that the Council in accordance with section 30 (2) of the Act hereby sets the following amounts as the total amount of council tax for the year 2013/14 for each of the categories of dwellings shown below.

Total Council Tax for Wirral

A	B	C	D
£983.69	£1,147.63	£1,311.59	£1,475.53
E	F	G	H
£1,803.43	£2,131.32	£2,459.22	£2,951.06

- 1.8 It be determined that the amount set in 1.4(c) above as the Council's basic amount of council tax for 2013/14 is not excessive in accordance with the principles determined by the Secretary of State under section 52ZC of the Act (as amended) and that no referendum to approve the basic amount of council tax is required.

WIRRAL COUNCIL

CONSERVATIVE BUDGET AMENDMENT

SUMMARY OF GENERAL FUND ESTIMATES

	BASE ESTIMATE 2012/13 £	CURRENT ESTIMATE 2012/13 £	BASE ESTIMATE 2013/14 £
EXPENDITURE			
Departmental budgets	264,078,000	264,755,000	270,655,800
Potential Overspends	0	7,909,000	0
Merseytravel	29,060,000	29,060,000	29,497,000
Local Pay Review	217,900	217,900	217,900
Funding for Low Paid pay increase	30,000	30,000	30,000
EVR / VS Scheme 2012 savings	(290,500)	(290,500)	0
Council Tax Re-imburement	3,990,000	0	0
TOTAL EXPENDITURE	297,085,400	301,681,400	300,400,700
INCOME			
Revenue Support Grant	(471,100)	(471,100)	0
National Non Domestic Rate	145,208,200	145,208,200	0
Start Up Funding Assessment			
Revenue Support Grant	0	0	106,968,000
Business Rates Baseline	0	0	31,424,000
Business Rates Top Up	0	0	39,739,000
Council Tax Freeze Grant	6,572,800	6,572,800	1,300,000
New Homes Bonus Grant	1,000,500	1,000,500	2,119,500
Local Services Support Grant	804,400	804,400	45,000
Collection Fund Surplus	1,455,100	1,455,100	0
Contribution from balances	9,604,500	14,200,500	9,630,500
TOTAL INCOME	164,174,400	168,770,400	191,226,000
Local Council Tax Requirement	132,911,000	132,911,000	109,174,700
Less Council Tax Support allocation for calculating Alternative Notional Amount	(24,163,900)	(24,163,900)	0
ADJUSTED COUNCIL TAX REQUIREMENT	108,747,100	108,747,100	109,174,700
STATEMENT OF GENERAL BALANCE			
General Balance at 1 April	18,405,300	18,405,300	23,800,000
Adjustment (following 2011/12 outturn)	0	2,412,000	0
Budgeted contribution	(9,604,500)	(14,200,500)	(3,630,500)
Provision for slippage	0	0	(2,000,000)
Change management implementation fund	0	0	(4,000,000)
Contribution from Reserves and Provisions	0	17,183,200	0
GENERAL BALANCE AT 31 MARCH	8,800,800	23,800,000	14,169,500