

## **LIBERAL DEMOCRAT BUDGET RESOLUTION 2013/14**

**Proposed by: Cllr Tom Harney**

**Seconded by: Cllr Stuart Kelly**

*Delete all and insert:*

Council notes the challenging circumstances in the production of the 2013/14 budget comprising loss of grant from Government and underlying budget stability problems dating back many years.

The original breakdown of our budget pressures indicated a £17m loss of grant, coupled with £22m associated with Wirral Council's own historic 'bad budgeting'; this has now increased to £35m as a result of further investigation by the Director of Finance.

This means that 66% of Wirral Council's budget challenge is 'Made in Wirral' and Council believes that this will take a number of years to stabilise.

In formulating this budget response to the challenge Council faces, we will take into account the consultation results and be mindful of the impact of decisions taken on vulnerable sections of our community whom we seek to protect in the options detailed below. As a result, this budget resolution will:

- Protect the Day Care Services **preventing the closure of a centre.**
- Protect universal Youth Services and Outreach to ensure **no youth club will close.**
- Ensure **no charges for collection of any refuse service** including the proposal for charges for garden waste.
- Recognise the **vital role played by the Community, Voluntary and Faith Sector** in the provision of important services and advice to vulnerable sections of our community, not least the role played by CAB in welfare advice at this time of change and provide additional funding to secure and enhance this.
- Make provision to continue localised **grants to voluntary groups** via neighbourhood arrangements.
- Make provision to allow the Council to continue to **support tourism events** where there is a benefit to the tourism economy.
- Protect the **School Crossing Patrol** service.
- Maintain the Birkenhead **Dog Kennels** whilst working with the 'Friends' groups' to achieve efficiencies in its operation.
- Ensure **the Council chamber takes its share** of the changes with a reduction in Members to 60, biennial elections and cuts to basic and SRA allowances.
- Provide for **No Increase in Council Tax** at a time when household budgets are under pressure and the effect of any increase would impact adversely on those on lower incomes given the regressive nature of the council tax.

Council notes the reports of the Chief Executive detailing the budget options available and the outcomes of the consultation 'What Really Matters', along with the minutes and views expressed through the Scrutiny Committee process.

Council notes the previous decisions made at Council November 2012 and January 2013 amounting to budget savings of £9.4m. The budget recommendations from Council of 20 December 2012 are noted and altered as detailed below.

Council notes the Chief Executive budget options outlined in Cabinet reports 4a, 4b, and 4c to Cabinet 18 February 2013 set against the 2013/14 budget requirement of £39.6m are agreed **with the exception** of those listed below.

## **1 FAMILIES AND WELL BEING**

**1.1 Day Care and Day Services** – Council recognises that rushed changes will have a large impact which, if not handled with sensitivity, will be devastating and that the only way to make changes is to fully and honestly involve carers and clients at every stage. Council believes that this proposal is not sufficiently advanced in development to command the support and confidence of service users and their carers. Council, therefore, resolves not to proceed with this option as a budget saving option for 2013/14 and requests officers to continue to work closely with advocacy groups, service users and their carers in developing a more client-centred approach for future consideration.

**1.2 Review of Voluntary, Community and Faith Sector Grants** – Council believes that the VCF sector has a vital role to play in provision of services within communities, for example in the area of welfare advice and assistance and resolves that the sum of £350,000 remain available for grants in 2013/14 and asks officers to work with the VCF sector to explore options to increase value for money, efficiency and to reduce duplication within the sector.

**1.3 Youth and Play Services** - Council resolves that no further action is taken on this proposal and believes the current range and availability of youth and play services within communities should remain available to Wirral young people, including funding for Wirral Youth Theatre and Outreach Service and that as a result of this decision, the following 11 youth facilities will be protected - Greasby, Bebington (located in Bromborough Ward), Viking (Rock Ferry), Charing Cross (Birkenhead), Cavendish (Bidston), Callister (Birkenhead), St Mary's (Wallasey), Moreton, Leasowe, Belvedere (Wallasey) and Fender (Upton).

## **2 REGENERATION AND ENVIRONMENT**

**2.1 Garden Waste Collection** – Council, having regard to the consultation outcome which indicated 51.7% opposition to this proposal, resolves that no further action is taken on this proposal and notes that should charges be introduced, it is likely that recycled green waste yield will fall with a rise in landfill costs contrary to our aspiration to be a green council which promotes recycling.

**2.2 School Crossing Patrols** - Council resolves that no further action is taken on this proposal.

**2.3 Kennels Service** – Council resolves that no further action is taken on this proposal and that officers work with Wirral Friends of Birkenhead Dog Kennels to explore other options to achieve value for money and efficient working of the kennels.

## **3 TRANSFORMATION AND RESOURCES**

**3.1 Public Relations and Marketing** – whilst accepting the withdrawal of Tranmere Rovers sponsorship at £135,000, Council does not agree for 2013/14 to reduce the public

relations and marketing budget to the extent proposed and believes its activities in promoting and supporting tourism events brings a net financial benefit to the Wirral.

Council, therefore, partially accepts the reduction proposed, save that the sum of £80,000 remains within the budget to enable some support to be available for promotion of tourism events.

**3.2 Neighbourhood Forums** – Council notes the emerging constituency committees but still believes there is a place in any new structure for ward-based liaison committees with local community groups to meet with local members to discuss localised issues and concerns; Council, therefore, believes a small budget should be retained for the purpose of allowing ward-based forums to continue to support local initiatives with match or grant funding. Council believes a sum of £200,000 would be sufficient for this purpose and adjusts the budget option accordingly.

**3.3 Four Yearly Elections** – no further action be taken on this matter, but that the size of the Council is reduced to 60 elected Members in biennial elections from 30 wards.

**3.4 Pensioner Council Tax Discount** – Council resolves that no further action is taken on this proposal and pensioner discounts remain in place.

**3.5 Council Tax Court Costs** – Council resolves that this budget option is amended to allow for full cost recovery of court costs and it is noted that the effect is increased income to the council of £250,000.

#### **4. ADDITIONAL SAVINGS**

Council further notes and agrees additional savings items that did not form part of the options consultation as follows

- 4.1 - Reduction in agency workers - £500,000
- 4.2 - Power supplies contract saving - £11,000
- 4.3 - Reduction in audit fees - £140,000
- 4.4 - Cessation of production of glossy brochure - £20,000
- 4.5 - Additional Courts income (see paragraph 3.5 above) - £250,000
- 4.6 - Reduction of councillor numbers to 60 combined with biennial elections;  
50% reduction in councillor SRA and £1,000 reduction in basic allowance - £200,000
- 4.7 - Reduction in salary of 5% for senior officers over £100,000 per annum - £40,000

#### **5. BASE BUDGET**

Council notes and agrees that the following items already form part of the base budget and capital programme of the council

- 5.1 - Capital investment in the Youth Zone of £1.0m
- 5.2 - Tackling child poverty - a sum of £300,000
- 5.3 - Payment of at least the living wage rate to employees of the Council
- 5.4 - Increased demand Children and Young People - £1.23m
- 5.5 - Increased demand Adult Social Care - £3.717m

It is further noted that the one-off funding of £270,000 for full time union activity pending a review (agreed in last year's budget) has now expired with no review having taken place as instructed. However, Council instructs officers to maintain maximum flexibility to allow workplace TU representatives to carry out their duties.

## **6. SEVERANCE SCHEME**

Council resolves to establish its severance scheme based on a multiplier of 1.8 capped at £450 per week, it being noted that the reduced requirement of running the scheme is £1.0m compared with an uncapped scheme.

## **7. RESERVES AND PROVISIONS**

**7.1 20mph zones** - Council notes the in-year decision taken by Cabinet to remove the £500,000 provision established for the introduction of 20mph zones in residential areas of Wirral that want them and around schools. Council resolves to re-establish that reserve with the 2014/15 budget and continue the work of introducing these zones to reduce speeding and save lives and agrees for 2013/14 to kick start the programme outside schools with an immediate allocation from reserves of £50,000 to enhance safety outside schools, specifically Egremont Primary, Ladymount Primary, Pensby Primary, Raeburn Primary and St Saviours Primary.

**7.2 Think Big Investment Fund'** - Council also resolves to review reserves further in order to make any necessary allocation to support the 'Think Big Investment Fund' to enable resources to be made available to businesses developing and expanding in Wirral until such funds can be replaced by capital receipts becoming available.

## **8. BALANCES AND EXCEPTIONAL ITEMS IDENTIFIED**

Council notes the reports of the Director of Finance that identify historic 'bad budgets' within council estimates potentially requiring the sum of £13m to resolve. Council believes that this historic under-budgeting can't be resolved within one year and that the programme of critical budget review should continue and each budget line challenged and assessed. It is further noted the effects of the budget decisions made above in relation to the chief executive budget options and additional savings allow resources to be allocated to addressing these exceptional items in 2013/14 and that the balance can be met from the 2012/13 general fund balances out-turn of £23m with the level of general fund balances for 2013/14 being set at £13m as recommended by the Director of Finance following assessment of risks arising. Council further notes the review being carried out into historic 'toxic' debts and asks officers to report once the review has concluded with its recommendations

## **9. CAPITAL PROGRAMME**

Council notes and approves the proposed Capital Programme with the exception that the schemes reliant upon revenue or reserve contributions are added to those schemes listed as unsupported within the capital programme and that they proceed as and when sufficient capital receipts become available. Council resolves the priority order for new schemes brought forward as capital receipts become available to be:

**9.1** - Healthy Homes (£105,000)

**9.2** - Think Big Investment Fund (£300,000)

**9.3** - Empty property interventions (£125,000)

**9.4** – Schemes currently requiring contribution from revenue or reserves (£888,000)

**9.5** - Improvements to Stock (£950,000)

**9.6** - Park Depot, plant and equipment, and vehicles

## **10. FORWARD PLANNING 2014-16**

Council instructs senior officers, including the chief Executive, Director of Finance and the Strategic Directors to continue to monitor on-going day to day expenditure to control and challenge non-essential expenditure during the course of the financial year.

Council further instructs officers to develop savings in the area of shared services with estimated further savings of £1.4m and supporting people (subject to Scrutiny review) with estimated savings of £2.0m.

## **11. COUNCIL TAX**

Council notes the net effect of the above measures requires **no increase in Council Tax** and that the Government Council Tax Freeze Grant is now available to support the budget.

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.

## **12. The Statutory Calculations and Resolution**

12.1 The statutory calculations associated with each Council Tax increase are set out below and the Council is now invited to approve.

12.2 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 24/01/2013 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).

12.3 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. £810,405,200 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. £701,230,500 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 12.3(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 12.3(a) above divided by item T in paragraph 12.2 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:

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

- 12.4 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.
- 12.5 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**

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

#### **Merseyside Fire and Rescue Service**

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

- 12.6 That having calculated the amounts at 12.3(c) and 12.5 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**

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

- 12.7 It be determined that the amount set in 12.3(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

### SUMMARY OF GENERAL FUND ESTIMATES

	<b>BASE ESTIMATE ESTIMATE 2012/13 £</b>	<b>CURRENT ESTIMATE 2012/13 £</b>	<b>BASE 2013/14 £</b>
<b>EXPENDITURE</b>			
<b>Departmental budgets</b>	<b>264,078,000</b>	<b>264,755,000</b>	<b>271,189,200</b>
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
<b>TOTAL EXPENDITURE</b>	<b>297,085,400</b>	<b>301,681,400</b>	<b>300,934,100</b>
<b>INCOME</b>			
Revenue Support Grant	(471,100)	(471,100)	0
National Non Domestic Rate	145,208,200	145,208,200	0
<b>Start Up Funding Assessment</b>			
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	10,163,900
<b>TOTAL INCOME</b>	<b>164,174,400</b>	<b>168,770,400</b>	<b>191,759,400</b>
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
<b>Adjusted Council Tax Requirement</b>	<b>108,747,100</b>	<b>108,747,100</b>	<b>109,174,700</b>
<b>STATEMENT OF GENERAL BALANCE</b>			
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)	(4,163,900)
Provision for slippage	0		(2,000,000)
Change management implementation fund	0	0	(4,000,000)
Contribution from Reserves and Provisions	0	17,183,200	
<b>GENERAL BALANCE AT 31 MARCH</b>	<b>8,800,800</b>	<b>23,800,000</b>	<b>13,636,100</b>