

**What
Really
Matters?**

Budget Options:
Summary Document for
Transformation & Resources

*If you care about tomorrow,
you need to tell us today.*

Message from the Chief Executive

Dear Resident

I'm sure you will be aware that Councils across the country are facing major cuts in funding.

The Government is continuing to reduce the amount of money Councils are able to spend on services. These cuts are falling more and more on deprived, northern areas such as Wirral. While we fiercely believe the way these cuts are being allocated is both disproportionate and unfair, we have no choice but to implement them.

These are tough times - for our staff, Councillors, and most importantly the people who we serve. We have more extremely tough decisions to make over the coming months. To refuse to make the savings demanded of us would mean setting an illegal budget, which would ultimately result in the wholesale closure of services - putting thousands of vulnerable people at very real risk. Our duty as public servants is to do all we can to use the limited resources we have left in the most effective way possible to continue to ensure the services you rely on most remain available in some form. The only way we can do this is in partnership with you. We need your input and your views.

We started this process last year, and agreed savings of almost £50 million. This was a good start, and we were able, thankfully, to make most of these savings through so-called 'back office' costs, including efficiencies in areas such as management administration, marketing, agency costs, car mileage and phone bills. We also made significant progress in removing the legacy of bad financial management at this Council - we have made sure that going forward Council budgets are robust and are based on sound evidence, and the mistakes of the past are not repeated.

However, this year, we need to make further savings and are again asking for your help. Once again, we tried to come up with options which would mitigate, as much as possible, the impact of these budget cuts on our most vulnerable residents. Within this document you will find both an explanation of the Council budget, plus a series of principles which have been used to develop these options.

I put forward to you my options for where savings might be found, and I am asking all of you - residents, partners, and staff - to consider how we can spend less while minimising the impact on our poorest and most vulnerable residents. I understand how difficult it may be to contemplate some of these options, but the only responsible thing for us to do is to deal with the financial challenges we face.

Last year, we knew we had to save £109 million over the next three years - that figure has actually grown due to further announcements by the Government. This coming financial year, our budget gap is £27.5 million. We have found efficiency savings which add up to around £7 million, which do not impact on services. We are also assuming a below inflation rise in Council Tax which would generate £2 million. This means, of the budget options which have been put forward, only around £17.5 million need to be agreed - which I hope demonstrates that there is real choice over where savings can be found.

My pledge to you is that I will consult with staff, residents, community, voluntary and faith groups and businesses so that we can make these tough decisions together. I urge you to work with us and let us have your views.

Graham Burgess,
Chief Executive.

Message from Strategic Director, Joe Blott

Wirral Council is already almost unrecognisable from the organisation it was a year ago – the pace of our change, innovation and development has been unprecedented. Our improvements, and the pace at which they have been delivered, have been nationally praised.

However, as we are faced with bigger and deeper savings, we have no choice but to continue to adapt and look for ways of saving money while retaining the quality, the efficiency and the accountability we have committed to.

The Leader of the Council has been, and remains, unequivocal in his position that the savings we implement should focus on the administration of the Council first and should protect, as far as possible, the services you rely on every day. We are making rapid progress on a whole series of measures to get the very most out of every penny of public money we spend.

We are working towards sharing some of our back office services with a neighbouring Council – bringing huge savings.”

We are continuing to make sure Council management is stripped down and streamlined – last year we saved £5 million from reducing management, and this year we will go even further – making sure as much as possible of our resources are committed to the front line.

We will focus on the culture and accountability of our workforce. We will work hard to make sure that even with vastly reduced resources, our workforce remains as committed to public service as ever and our focus on delivering you the very highest level of performance never wavers.

The savings which are being proposed this year are difficult. They impact on you, as a resident, and they impact on our staff. They are tough choices, but necessary ones, and if we are to be successful we need to work together – staff, residents, partners and Councillors. We have made an excellent start, but the situation is still serious – I urge you to let us have your views.

Joe Blott,

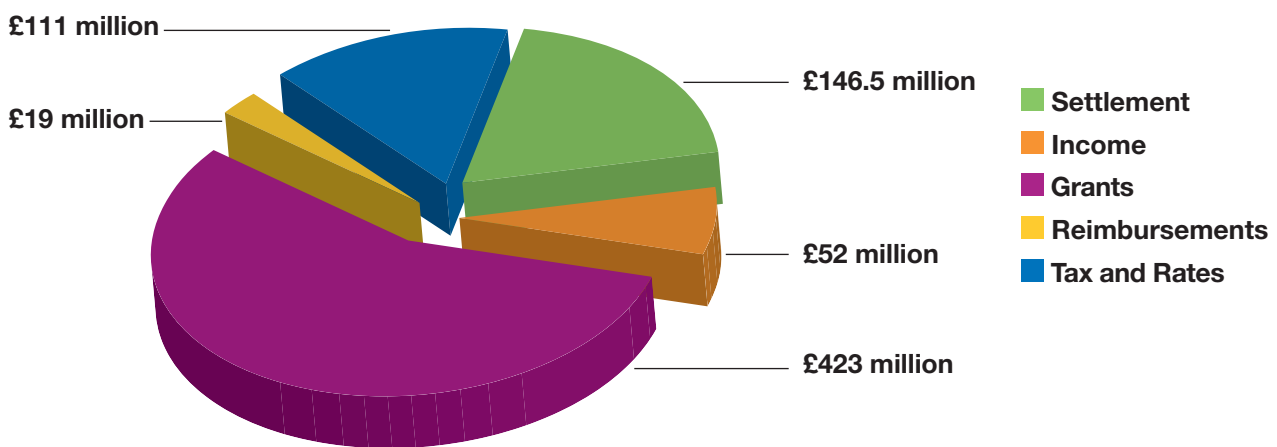
Strategic Director -

Transformation and Resources

Your Budget Explained

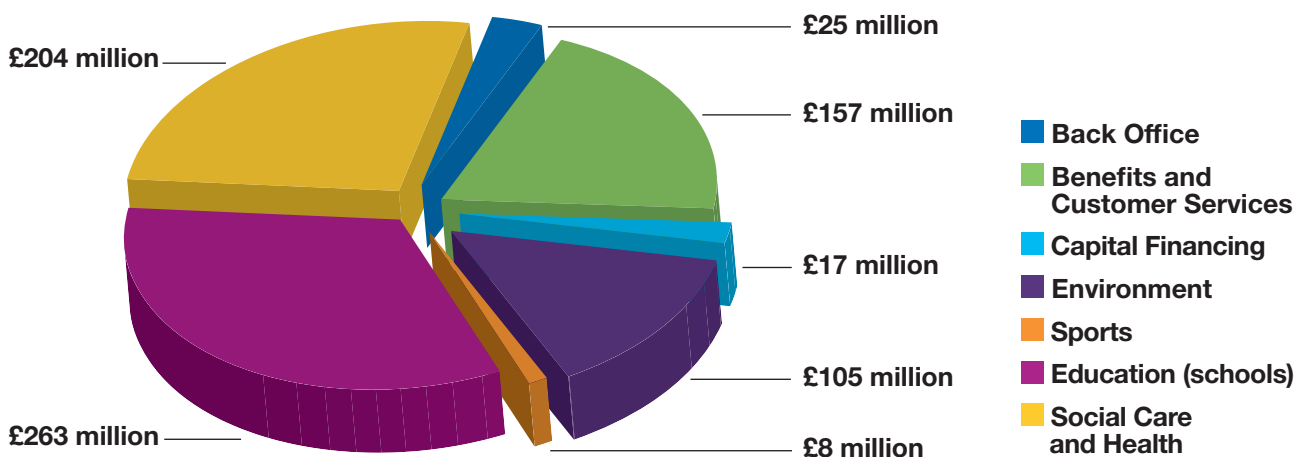
The Council, like a lot of public sector agencies and big organisations, has an extremely complicated budget. We've tried to simplify it on this page, to explain to you why we need to make savings and where our £27.5 million budget gap has come from.

WHERE OUR MONEY COMES FROM (2014/15):



Firstly, it's important to be clear about where the money Wirral Council spends actually comes from. As you'll see from the chart – the vast majority of the money comes from the Government, in the form of 'Grants' (£423 million), which is money provided to Councils to do specific jobs mainly for schools and housing, and a 'Settlement' (£146.5 million), which is divided up among all of the Councils in the country based on need and deprivation. We also receive £111 million from Council Tax and Business Rates, £52 million in income from services and £19 million in 'reimbursements', which is where organisations like the NHS pay us for delivering services on their behalf.

WHERE OUR MONEY IS SPENT:

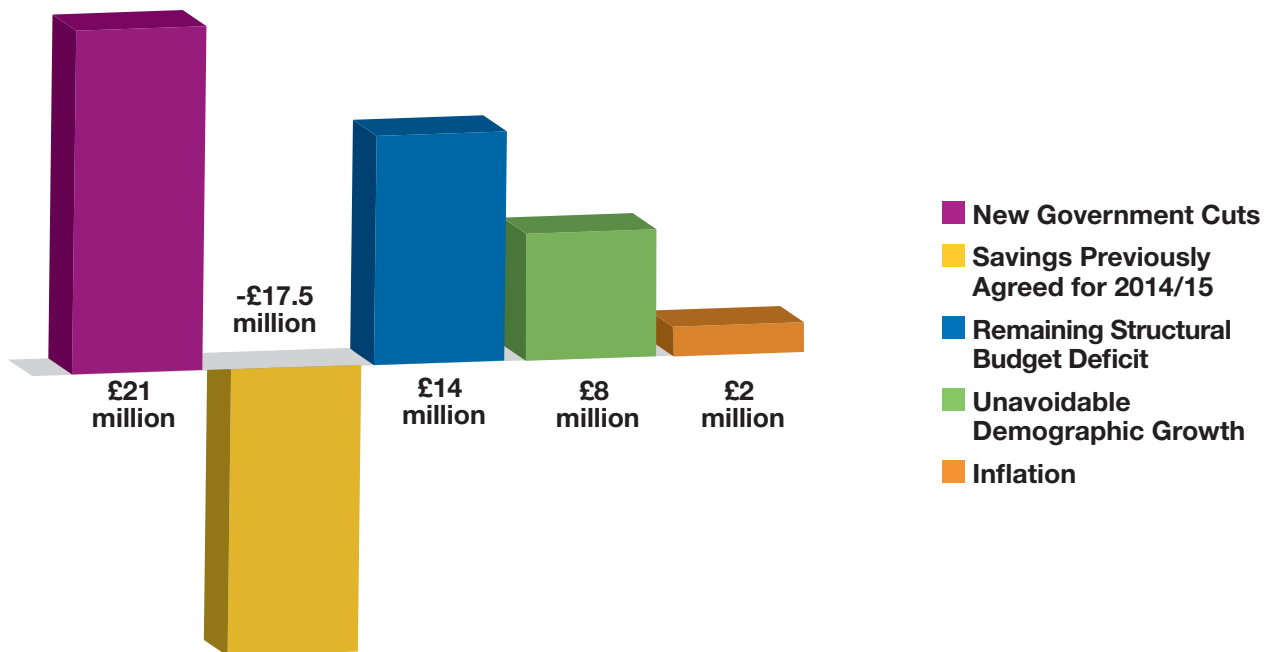


Your Budget Explained

You will see from the chart on the previous page that most of the money is either spent on social care and health (£204 million) or on education and schools (£263 million). We also spend £105 million on services to protect and improve our environment, economy and housing, £8 million on sports and £157 million on benefits and customer services – including libraries and one stop shops. We spend £17 million on ‘capital financing’, which are costs associated with managing the Council’s finances and the hundreds of buildings which services are run from, and we spend £25 million on ‘back office support’, which are those services that you rarely see but are essential to keep the Council running – things like human resources, Information Technology and finance.

If you look at both charts, you will see that next year our current services and plans are set to spend £27.5 million more than we receive. That is the problem we are asking for your help in solving, and why this consultation is so important.

WHERE OUR BUDGET GAP HAS COME FROM:

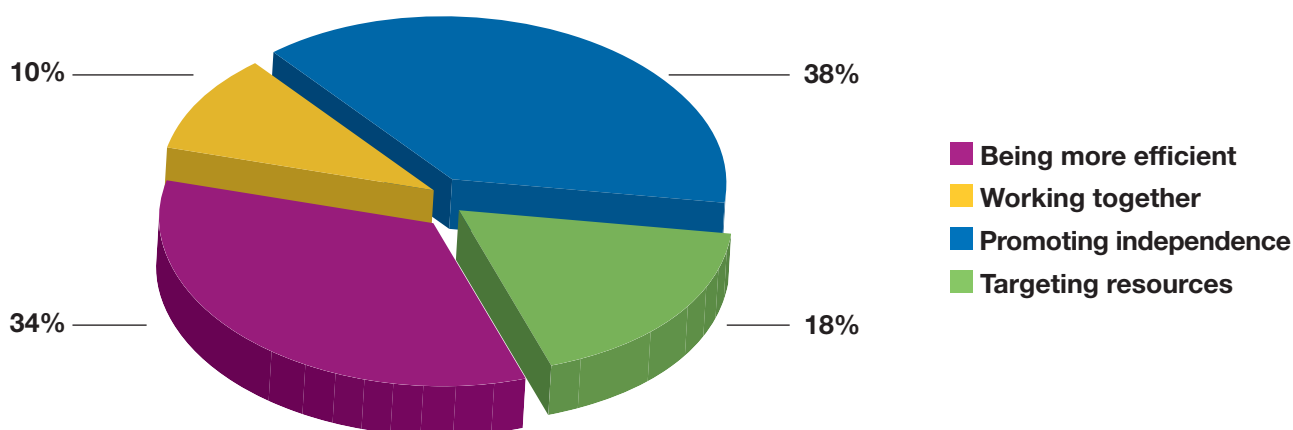


This year, we have to cope with new Government cuts of around £21 million. This wasn't a surprise – as you will know the Government has been cutting back on spending for a number of years now; so we made £17.5 million worth of savings from the last consultation which we will feel the impact of next year. We also have to deal with demographic growth, which will cost an extra £8 million, and unavoidable inflation, which will cost an extra £2 million. Also, due to a series of factors including bad financial management on our part and under funding, we have to correct our budgets for social care for adults and children – that will cost £14 million.

All of this means that we need to make savings this year of £27.5 million. We have presented lots of ideas for how we might do it – now we need to know what you think.

Budget Principles

Wirral Council is facing unprecedented budget challenges. To make the savings being demanded of us, and to continue to provide access to the services which our residents rely on, is going to take radical thinking, determination and some extremely difficult decisions.



The Leader of the Council has been, and remains, determined to ensure that the budget options we put forward lessen, as much as possible, the impact on front line services and the most vulnerable. That is the overriding principle upon which these options have been developed.

Clearly, considering the amount of savings which are required for the coming year, having some affect on services is unavoidable. So, we have developed a further four principles for developing options, focussing as much as possible on the running costs of the Council.

1. Being More Efficient: We will make sure that our services, our administration costs and our processes are streamlined, efficient and examples of national best practice to make sure no money is wasted on bureaucracy when it could be invested in services.

2. Working Together: We will work in genuine partnership with the rest of the public sector and organisations from the community, voluntary and faith sector to ensure the highest level of efficiency and the lowest levels of duplication to get you the best value for your money as a result.

3. Promoting Independence: Wirral has vibrant, strong and cohesive communities. We will make sure that our communities have the tools, the confidence and the ability to help themselves to address local needs and improve residents' lives.

4. Targeting Resources: The sheer scale of our financial challenges means that we cannot continue to invest the same amounts of money into some services, and they will need to be reduced. We will work in partnership with you to take these difficult decisions and to make sure that our limited resources and services are distributed in a way that is fair, equitable and ensures they are targeted at those who need them most.

The savings which are being proposed this year are difficult. They impact on you, as a resident, and they impact on our staff. They are tough choices, but necessary ones, and if we are to be successful we need to work together - staff, residents, partners and Councillors. We have made an excellent start, but the situation is very challenging - please let us have your views.

Taking Part

We want everyone to be able to take part in this consultation. The options are difficult, they are important, and we know they are tough choices. We have tried to make it as easy as possible for everyone to take part.

More information about the budget options in this document is available from our website, at **www.wirral.gov.uk/whatreallymatters**. You can also call into any Council building and ask for copies.

If you would prefer an easy read version of this, or one of other consultation documents, then they are also available online - or you can contact us via email at **engage@wirral.gov.uk**, call into any Council building or call **0151 606 2030** and we will be happy to send you a copy.

Budget Options: Being More Efficient

Option: Transforming Wirral Council

Budget Savings:

2014/2015	2015/2016	2016/2017	TOTAL
£000s	£000s	£000s	£000s
3111	2500	-	5611

Summary:

The role of Local Government is changing at the most rapid pace in living memory; as more and more funding is removed, Councils are being forced to totally re-evaluate the way they do business – what services they continue to provide, what they outsource to the private and voluntary sector and what services are no longer available.

We intend to pro-actively respond to the changing needs of our communities through remodelling Wirral Council to ensure we are able to deliver the most sustainable, effective, targeted services for our communities possible.

We will address the structure and makeup of the entire Council by working with staff to transform our workforce – its structure, its skills, its priorities and its size. We will totally re-evaluate, re-design and re-structure the organisation. At the end of next year Wirral Council's funding will have been reduced by around one third – the size of our workforce does not reflect this.

This option would see the workforce reduced in a targeted, strategic fashion, taking an equitable and fair approach to staff regardless of service area. This important exercise will deliver a flexible, fit for purpose organisation better able to adapt to the changing demands of our residents at a time of rapidly diminishing resources. This will also mean that even deeper cuts will not be made in front line services. We will also invest in support and training for our staff during this difficult transition period. This would also lead to a reduction in the amount of money which is invested in funding Trade Union Representatives and Training.

The Council could also, as part of this budget option, avoid paying additional costs of £2.373 million (based on 500 staff leaving) by removing the current, generous severance package available to staff leaving the organisation and instead implementing the statutory redundancy package based on actual pay.

Budget Options: Being More Efficient

Option: Information Technology and Telecoms

Budget Savings:

2014/2015	2015/2016	2016/2017	TOTAL
£000s	£000s	£000s	£000s
200	70	-	270

Summary:

The Council spends around £1.1 million every year on telecommunications, including mobile phones, phone calls, network phones, CCTV, urban traffic control links and schools

This option involves combining all of these aspects into a single contract to deliver significant savings over two years.

Option: Managing the Money

Budget Savings:

2014/2015	2015/2016	2016/2017	TOTAL
£000s	£000s	£000s	£000s
400	30	0	430

Summary:

This option comprises a number of proposals, including improving the way the Council allocates 'capital' funding and achieving savings through insurance fund contracts.

A further element of this option is to begin recovering payment transaction charges from customers using online or credit card methods to pay for services.

Budget Options: Being More Efficient

Option: Improving Access to the Council

Budget Savings:

2014/2015	2015/2016	2016/2017	TOTAL
£000s	£000s	£000s	£000s
250	69	-	319

Summary:

This option will see the Council make savings through making the Call Centre more efficient in the first instance.

The option will also see significant early savings being made through improving the online channels people are able to use to contact the Council for such things as booking leisure and sports activity.

Budget Options: Targeting Resources

Option: Council Tax Collection

Budget Savings:			
2014/2015	2015/2016	2016/2017	TOTAL
£000s	£000s	£000s	£000s
140	-	-	140

Summary:

The Council could seek Magistrate's Court agreement to increase Summons / Liability Order Costs by £10 for 2014-15 from the current total of £85 to £95 in respect of Council Tax and Business Rates non payers.

Option: Council Tax Over 70s Discount

Budget Savings:			
2014/2015	2015/2016	2016/2017	TOTAL
£000s	£000s	£000s	£000s
1300	-	-	1300

Summary:

Wirral Council provides a Council Tax Benefit to War Widows, people in receipt of a War Pension and people disabled due to War, as well as providing a blanket 7.76% discount on Council Tax to every household where the residents are over the age of 70 – providing they are not in receipt of Housing Benefit or Council Tax Support.

This option proposes that, while the Tax Benefits for war widows, people receiving war pensions and people disabled due to war should remain, in line with the principle of using resources to protect the most vulnerable, the blanket pensioners' discount of 7.75% should be removed.

An option within this option would be to limit the discount only to those properties falling in the lower Council Tax bands (A, B & C). This would fit with the principle of the broader shoulders bearing the greatest burden and would save £616,000.

