

Corporate Plan: 2014-2016

“ Wirral will be a place where the vulnerable are safe and protected, where employers want to invest and local businesses thrive, and where good health and an excellent quality of life is within the reach of everyone who lives here. ”



[Our place]

Wirral is a unique place, home to a growing population of 319,800 people, including 190,000 people of working age and over 8,000 businesses providing employment for 105,800 people.

The Wirral peninsula extends to 60 square miles, with 25 miles of coastline. It is an area of outstanding natural beauty, packed full of spectacular scenery, with a rich mixture of culture and heritage. Strategically located between the economic centres of Liverpool and Chester, Wirral benefits from an infrastructure that presents significant opportunities for development.

Wirral has mostly excellent housing, schools and a high quality environment; however there are unacceptable levels of inequality which exist within the borough, particularly in relation to life expectancies. There is a strong contrast between the East and West of the borough.

Wirral's neighbourhoods range from some of the most deprived in the country (around St James Church in Bidston) to one of the most affluent, or least deprived, in South West Heswall less than six miles away. 21 areas in Wirral fall into the highest 3% in England in terms of levels of child poverty, with a total of 58 areas in the highest 20%. This results in serious quality of life issues and health inequalities, including a completely unacceptable difference in life expectancy of 9.7 years for females and 14.6 years for males depending on where a person lives in Wirral.



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[Foreword]

This Corporate Plan for 2014-2016 sets out the vision that will drive the Council's work over the coming two years. This is a time of unparalleled challenge, and opportunity, for both the Council and the Borough that we serve.

I am proud that we are in a better position than ever before to deliver for all Wirral residents and communities. Despite the unprecedented financial and demographic challenges we face this Council has been at the forefront of sector-led improvement, and we will continue our work to ensure that Wirral's journey becomes the national exemplar for public sector improvement. We have made significant progress and have achieved a great deal together over the last twelve months, but there is much work still to be done before we become the outstanding Council our residents deserve.

Our challenge now is to not lose focus. We have made an excellent start in ensuring the Council's finances are built on sound foundations, our budget challenge remains stark, while at the same time demand for our services is rising. The reductions we are facing in Government Grant are likely to be around 50% during this a five year period. We have to change the way we deliver our services - critically evaluating everything we do and finding new, innovative solutions with our partners. Crucially we will seek to empower and inspire local people to build upon the many assets that exist at the heart of all our communities.

This new way of working is particularly vital as we look to the future. In Wirral, levels of inequality exist which are absolutely unacceptable. I am determined that we must never, and will never, lose focus on our absolute commitment to do all we can to tackle the disparities that exist – in particular in terms of economic achievement, child poverty and aspiration and health and well being. Equally, we are in a time of almost



unparalleled economic opportunities that have the potential to significantly raise the aspirations and life chances of all our young people.

Last year, we highlighted the importance of Wirral beginning to punch our weight on a regional and national level. I am pleased that, already, we are seeing major developments on this front through the proposal to establish a Combined Authority for the City Region. This will absolutely put Wirral in a stronger position to access funding and influence policy across the City Region, particularly in relation to economic development, transport and housing.

Our staff do a magnificent job and are our greatest asset. I am proud that Wirral Council pays the 'Living Wage'. I want to extend this to our contractors and eventually I want all of our employers to adopt this standard so that Wirral becomes a 'Living Wage' borough and all of our businesses also avoid employing people on zero-hours contracts.

This Corporate Plan provides the blueprint for the next stage in our improvement journey – towards a Council that is outstanding, serving our residents with openness, honesty and pride.



Phil Davies

Cllr Phil Davies
Leader of Wirral Council



[Our vision]



An excellent
quality of life is
within the reach
of everyone who
lives here

This refreshed Corporate Plan will ensure a robust approach to the Council's business planning; ensuring that our vision, priorities and spending decisions are based on sound evidence, through analysis and understanding of community needs.

Crucially, it will ensure that the priorities identified in the Corporate Plan will be underpinned by a sustainable budget over the next two years and can be delivered within resources available to us.

“Wirral will be a place where the vulnerable are safe and protected, where employers want to invest and local businesses thrive, and where good health and an excellent quality of life is within the reach of everyone who lives here”

We pledge to support this vision and serve our residents, by further improving our organisation and becoming the outstanding Council that the people of Wirral deserve.



[How we are changing]

The Council is on a pathway of improvement requiring it to change virtually every aspect of its operation; from corporate governance arrangements and service delivery models to organisational design.

We have made a strong start in delivering this agenda through achieving financial stability and agreeing a number of transformation projects, implementing major governance improvements and developing a culture change programme.

The framework set out in this report is designed to drive the improvements needed for us to become one of the best local authorities in the country and communicate our ambitions for the Wirral peninsula.

To support the delivery of this ambition, the Leader of the Council and the Chief Executive are consulting with Members, staff and partners on the following three principles which will underpin and focus the activity of the Council:

Local Solutions, Local Decisions:

Our members are leaders within their communities, using devolved powers and responsibilities to make the best use of resources in their area. They will inspire communities to come together to find the right solutions to address local need and improve residents' lives.

Promoting Independence:

We will strive to ensure that all residents, especially the most vulnerable, are recognised for the talents and assets they have. We will work to equip them with the tools and knowledge to enable them to make the choices that are right for them and their families.

Driving Growth and Aspiration:

We will work with residents, encouraging them to hold the same level of ambition for their communities as we have for Wirral; driving growth in our economy and with it aspiration, achievement and employment, particularly among younger people. This will help to reduce poverty and secure a healthier economic future for our communities.

Using our role as the leader of public services in the borough, the Council will work with our partners and residents to ensure that these principles support and drive a change in relationship between the Council and residents. Rising demand for many of our services including social care, housing and debt advice combined with the scale of reductions to our budget, is forcing us all to re-evaluate the way we do business.

We must be recognised as a receptive Council that listens, responds and engages as locally as possible with strong civic and community leadership through a strengthened role for local members. We will build on the assets already in our communities and ensure local residents are empowered to take a leading role in tackling issues in their communities.

Innovative approaches to services that are delivered in partnership with citizens are essential. We must significantly reconfigure our business and organisational arrangements over the next two years in order to continue to provide services that are good value for money. The financial challenges we face mean that our responses must be more ambitious, strategic and targeted than simply reducing services.

Changing the way we work will ensure that even in times of unprecedented financial challenges we are able to prioritise the safety of the most vulnerable residents, through seeking new and innovative ways of providing services, and through capitalising on the huge opportunities for economic development which are within our grasp. In this way we will ensure that where you live is never a barrier to having and achieving high ambitions and enjoying an excellent quality of life.



Driving growth in our economy and with it aspiration, achievement and employment



[Working together]

Wirral Council is emerging from one of the most difficult periods in its history; a period in which we have critically evaluated everything we do, and invited others to do the same.

Our past failures have made this work necessary. We have invited challenge, and made ourselves open to criticism. Historically, a number of independent external reports have raised concerns and made specific recommendations about how we needed to change our processes and our constitution. We have listened, and we have changed, but there is more work to do.

Our next challenge is to embed these improvements throughout the organisation, to ensure that we do not lose focus in our determination to deliver the outstanding Council that our residents deserve. We continue this journey in the context of unprecedented financial challenges; huge reductions in funding, increasing demand for our services and changing demographics mean we have to continually innovate, challenge ourselves and seek new solutions to make sure our residents can access the services they need.

We recognise that at a time of diminishing resources from central government that we must prioritise our efforts and make tough choices to ensure a sound financial base. While doing this we will never compromise our ambitions for Wirral and everyone who lives here - regardless of how strong their voices are.

We will do nothing alone that we could not deliver more efficiently and effectively with others and we will integrate our services wherever it will improve standards for residents. Most importantly we will capitalise on Wirral's strong physical, economic and community assets ensuring a lasting legacy and a better future for this generation and the next.

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We have listened,
and we have
changed

We have recently established a new way of implementing Neighbourhood Working in the borough, and will drive forward this approach, empowering our Members, as community leaders, to use devolved powers and responsibilities to maximise public resources in their areas.

We are devolving decision making to local elected members wherever it makes sense to do so. This will enable them to capitalise on the assets present in all our communities while designing robust solutions to address local need and improve residents' lives.

We will be an inclusive Council, valuing the principles of equality and diversity in all we do.

A Wirral Public Service Board is well established to drive this work forward. The Board brings together senior representatives from Merseyside Police, Merseyside Fire and Rescue, Wirral Metropolitan College, Job Centre Plus, Health organisations and Magenta Homes. The Board will focus on bringing the public sector together to make efficiencies and integrate services to provide better results for residents and make the best use of resources. This important work will help to mitigate the stark health inequalities that exist within Wirral.

Our approach aims to inspire local people to come together and find the right solutions to the issues and challenges in their local communities. This approach will not just deliver more cost effective services; it will deliver better outcomes for local residents.



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[What we will deliver over the next two years]

A coherent set of performance measures and targets are being developed to ensure priorities are achieved over the two year period covered by this plan. A delivery plan will be in place that will include measures and targets subject to regular and rigorous review. This will form the basis of robust performance management and monitoring arrangements for the two year period.

The delivery of the Corporate Plan will be supported by key strategic policy documents including the Wirral Investment Strategy, Children and Young People's Plan and Child Poverty Strategy. Our activity will be driven by the Council's Future Financial Position (available in Appendix One) and the emerging Commissioning Plan. The Council's three Strategic Directors will develop two year plans that underpin the Corporate Plan and set out in more detail how the activities identified within the plan will be delivered together with the agreed resources required.

This Corporate Plan will continuously be reviewed and refreshed throughout the two years based upon research, policy, economic development and the feedback and engagement of our communities.



INVESTING IN OUR FUTURE [Regeneration and Environment]

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We have had,
and are working
towards, huge
successes

Wirral's local environment and the economy are arguably the two biggest factors in driving the quality of life, health and levels of achievement for our residents. Every year, the Council invests huge resources in both maintaining and improving the local environment, and in stimulating the local economy – through helping our local businesses to succeed and expand, and encouraging businesses to start up or relocate in Wirral.

We have had, and are working towards, huge successes. Projects such as the New Brighton development, the revitalisation of Birkenhead Park, the International Trade Centre, and International Golf Resort and, particularly, Wirral Waters are significant on a national and global scale.

Wirral's economy today has a total value of around £3.4 billion per year and is home to many international businesses. Our tourism economy is worth £310 million with visitor numbers continually rising and outperforming the regional trend. We are at the forefront of developing a globally-significant International Golf Resort in the borough – driving jobs, further investment and hugely increased visitors.

There is a strong track record for securing opportunities for investment in key growth sectors such as the offshore wind energy industry, low carbon economy, advanced engineering, technology and manufacturing services and in particular the automotive supply chain. We remain a strong supporter and key player in the sustainable energy sector – demonstrated by our successful bid for £5 million from the Regional Growth Fund to further develop our offshore wind capacity.

We are leading across the City Region in tackling youth unemployment, through the Youth Unemployment Task Force, and since 2009 have worked with over 300 businesses to employ over 400 young people as Apprentices.

The number of Jobseekers Allowance claimants in Wirral has fallen steadily since March 2013, with 8 consecutive months of falling numbers, outperforming both the regional and national averages; however focus is required on those who are most hard to reach.

We are determined that Wirral will be a place where businesses flourish and people have access to good jobs, and quality, affordable homes in a pleasant, safe and clean environment. Our regeneration projects are underway and will transform our economy, and our physical landscape and location are the envy of the country – proven by the numbers of visitors to Wirral rising at a faster rate than anywhere in the North West.

We are also transforming the way we deliver services at the most fundamental level – giving every Wirral community, every resident and every group the opportunity to almost design their own Council, in their own street. Our approach to Neighbourhood Working has already received national attention, and will mean residents being able to direct Council funding and resources in their own community towards the areas that matter most to them.

We will help to drive continued economic growth in Wirral's economy, prioritising job creation and skills by capitalising on our unique strengths, particularly in green technologies. We will inspire our young people to grasp these opportunities, helping to reduce poverty and securing a healthier economic future for all.

This year, we will:

- Continue to deliver our Investment Strategy
- Provide a clear leadership role within the City Region and Combined Authority
- Continue to develop, support and encourage the creation and accessibility to jobs through providing a supportive and enabling environment
- Maintain and develop further the focus on ensuring Wirral is a place where businesses flourish, supporting the growth of Wirral's economy
- Continue to address the need for quality, affordable and safe homes through the development of partnership working
- Continue to maintain and develop systems to support Wirral's ambitions for economic growth
- Improve our regulation and inspection services
- Continue to explore and maximise appropriate funding opportunities and investment activities to support regeneration and infrastructure priorities to maximise Wirral's economy



We will help to drive continued economic growth in Wirral's economy



PROMOTING INDEPENDENCE

[Families and Wellbeing]

The challenges we are facing, both in a financial and demographic sense, mean that we must change, we must adapt, and we must innovate to ensure that we continue to deliver services which are relevant to those who need them.

We have an ageing population, and more vulnerable adults needing our help. We have more and more children needing our care, and we have growing levels of child poverty. At the same time, the aspirations of the people we work with are, quite rightly, rising – as are their expectations of us. However, we have less money than ever to support them. Our challenges are clear – they are significant, but not insurmountable.

We will continue to fulfil our duties to safeguard those who are most vulnerable whilst targeting the resources we have to ensure we achieve maximum value for the Wirral pound. We will continually adapt and find innovative solutions to make certain the financial restraints being placed on the Council do not impact on our residents' ability to live full lives and achieve their aspirations.

To do this we must adopt a new way of thinking – working with and supporting individuals and communities to become more resilient, thereby reducing dependency and encouraging greater independence. This will require residents, people using our services and also our workforce to think and work differently.

We have an agreed approach in place to totally transform our services for children and adults over the next two years. This transformation will implement a change in culture – moving away from social security to social productivity. We will also shift our focus – away from professions and organisations and onto residents and communities. This means we will involve people who use our services in the design, delivery, commissioning and evaluation of the services they use.

We will put more emphasis on early intervention in order to reduce spending on crisis situations. We will work with our partners in the NHS to integrate health and social care in a way which looks at the ‘whole person’ as opposed to individual elements of an individual’s care needs.

It will also mean we will work much more closely with partners looking at how we can deliver services better together. We will also be looking at whether other organisations can deliver services on our behalf.

Every penny we spend will be scrutinised – this will include who is funded for what as well as how that funding is provided. We will commit public resources only where it will have most impact – and ensure that impact is targeted, evaluated and substantial.

We recognise that none of these changes can happen overnight. We have a lot of work to do to ‘get the basics right’ and to bring our finances into line. We have already made a good start – and we will continue to work hard to make sure we get there.

We will strive to ensure all residents, especially the most vulnerable, are given the tools to enable them to make the choices that are right for them and their families. We believe this will help to deliver healthier and happier outcomes for those who need our help the most.

This year, we will:

- Deliver the improvement programme for children’s and adults services including:
 - Remodel the early intervention and prevention services
 - Develop the All Age Disability service for children, young people and adults
- Develop a strategic approach for commissioning Council services
- Deliver the transformation programme for leisure services
- Maximise the impact of our public health leadership role
- Create a social enterprise delivery vehicle for disability services
- Expand and enhance the traded services offer to schools; ensuring school resources are used effectively to close the attainment gap, and that the quality of learning and teaching increases.
- Develop and deliver the integrated transformation plan with health partners
- Re-model early intervention and prevention services to ensure we manage demand efficiently and community based care effectively e.g. developing services, early help services
- Ensure that safeguarding arrangements for vulnerable children and adults continue to strengthen, informed by national learning
- Develop the All Age Disability service for children, young people and adults



We will commit public resources only where it will have most impact



TRANSFORMING THE COUNCIL [Transformation and Resources]

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.

Wirral's Improvement Board was established in February 2012 and has fully recognised the significant transformation and improvement that has taken place at the Council over a relatively short period of time. A review of this work has now been concluded which outlines the progress the Council has made so that it can move forward in confidence.

We are committed to learning from past mistakes and the work of the Improvement Board has been essential to provide external challenge and support to the Council as we have taken robust action to put things right. We cannot promise that nothing will go wrong at Wirral Council ever again. However, what we do promise is that all issues we are told about or discover ourselves will be dealt with quickly, fairly and effectively so that they cannot be repeated in the future.

Much of our revenue comes from Government Grant, this has been significantly reduced over recent years. We continue to face bigger and deeper savings targets and 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.

Last year, we knew we had to save £109 million over the next three years. In 2014/2015 our budget gap is £27.5 million. We have found efficiencies savings and identified assumptions which add up to around £10 million, which do not impact on services.

We are committed to ensuring that the savings we implement are first focussed on the back-office administration of the Council and, as far as possible, protect the front line services residents rely on every day. We are making rapid progress on a whole series of measures to get the most out of every penny of public money we spend.

Most of our back office services are in the process of being merged with a neighbouring Council – bringing huge savings through a groundbreaking shared services agreement. These back office services are ones which you, as a Wirral resident, rarely see but which are essential to the running of the organisation – things such as finance, IT, human resources and procurement. We will make these functions as efficient as possible, and ensure that they provide residents with the best value for money.

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 of our resources as possible are committed to the front line.

We have made significant progress to review our governance arrangements, including strengthening the internal audit functions. We intend to reconfigure the Council's Audit and Risk Management Committee by ensuring that a majority of members are independent. This will provide a valuable element of challenge going forward.

We have also taken robust action to improve the way we respond to freedom of information requests ensuring that this Council is open and transparent. This progress has been recognised by the Information Commissioner's Office who has acknowledged that we are meeting our targets and, based on this good performance, the ICO has concluded its specific monitoring of the Council.

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 the very highest level of performance never wavers.

We will always seek to deliver new and innovative ways of delivery, ensuring our residents have access to the services, advice and guidance that help to improve their quality of life. We will harness new technologies in the most cost effective way. Wirral will, even at a time of unprecedented financial pressures, prioritise the safety of the most vulnerable residents.

We will develop a culture of responsibility, accountability and pride across the whole of the Council. We will be a confident organisation that is risk aware rather than risk averse. We will reduce demand for services and increase community resilience by focussing on building upon the great assets that exist at the heart of all our communities.

Our staff structures and organisational systems will be stable and designed to ensure that Wirral becomes an organisation that is focussed on identifying innovative solutions, with a workforce that operates flexibly, has the right skills and delivers what residents need.

Our back office costs and processes will be both affordable and examples of national best practice. Wirral Council will be one organisation working in collaboration with our partners wherever we can.



We will only deliver our vision through a programme of radical and sustained change

At all times we will be focussed on outcomes for residents and not on organisational distinctions.

This year, we will:

- Remodel the Council to ensure that our workforce arrangements reflect organisational changes
- Establish a Leadership Academy to develop capacity and drive change throughout the organisation
- Progress the work to transfer our corporate support services to a newly established company fully owned and operated by Wirral Council and partner authorities
- Review our policies and procedures to support staff to work differently
- Implement the culture change programme
- Implement a new asset management strategy to maximise both efficiency and savings
- Complete a review of our procurement processes to ensure that our contracts deliver value for money and are fit for purpose
- Maximise the benefits of new technologies through new IT Strategy and investments
- Deliver 2014/15 savings through a clearly defined programme
- Develop a three-year medium-term financial plan to put in place a robust approach for dealing with our financial challenges in 2015-17
- Transform our business support functions to deliver savings and maximise efficiency
- Develop and improve our use of technology so residents are enabled to use the most appropriate, cost effective and efficient method to access services
- Review our approach for the ways in which our residents are able to access services
- Continue to improve governance and decision making, building on the revised constitution and scheme of delegation
- Continue our programme of Member Development
- Continue our programme of visits to other local authorities to identify examples of good practice.

Corporate Plan: The Future Financial Position

1.0 Summary

The Corporate Plan provides an overview of Wirral's vision and priorities. The financial context is an essential component. It is imperative that the Council aligns resources available to the highest priority areas in the plan. It is also essential to demonstrate good financial management, understanding of the cost drivers and to adopt a risk based approach to financial planning. This document provides an overview of the Council's financial position and the decisions that are required to ensure that the Council through its Corporate Plan makes the most of the financial resources available.

2.0 Introduction

The Medium Term Financial Strategy (MTFS) provides an overview of the Council's financial position and the strategy required to operate within the finance available. It provides the financial context to the Corporate Plan.

The Council sets a detailed budget for the forthcoming financial year but the annual process fits within financial plans for a longer timeframe to ensure decisions taken have due regard to future sustainability and are part of a more strategic approach to the future challenges. The Corporate Plan will operate within the financial environment relating to the period 2014/17. Forecast net funding available over the 3 year period is £780m against a current net spend forecast of £863m. This is further broken down in Section 5.

The Council has already started to respond to a changing and challenging local government financial environment. This needs to continue. It will impact on the shape and direction the Council takes, including the services it provides. This is recognised in the Corporate Plan. The MTFS provides the financial foundations to the Corporate Plan and highlights the resource constraints.

3.0 Background

The Council faces a difficult financial outlook. Reductions in central government funding (the main source of the Council's income) are expected to continue until at least 2017/18. There are also increasing financial demands to be met in the same timeframe. The Council will need to deal with an increasing budget deficit over the coming years if it does not take action to reduce expenditure or generate alternative sources of income. The 2013/14 budget shows an overall net budget of just over £300m. This is forecast to reduce in the three year period to £275m. These figures will be reforecast as decisions are taken and are designed to indicate the current projection to assist decision making.

This update to the MTFS sets out how the Council will respond to the difficulties it faces whilst needing to prioritise resources to deliver the Corporate Plan.

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4.0 2014/17 Financial Influences

The Council's MTFS covers the three year period 2013/16 as agreed in March 2013. It sets out anticipated levels of funding and financial pressures known at that time. This updated forecasts to the MTFS take into account changes that have been identified since March 2013 when the Council set its budget for 2013/14 and forecast for the 2014/15 to 2016/17 financial years.

Forecasts of the Council's financial position over three years are kept under constant review as external circumstances change and decisions are taken. These are based on assumptions about inflation, financial pressures and levels of income such as grant.

The biggest influence on the Council's budget is the expected continuation of reductions in government grant funding. Between 2010 and 2015 Government funding to local government will have been cut by 33 per cent in real terms. The reduction for Wirral is likely to be over 50% over a five year period. A further real terms cut of 10 per cent has been confirmed in the Spending Review announced in June 2013. At an individual Council level it is estimated that English Councils on average will suffer a 12.5% reduction in funding. For Wirral the loss may be more than 15 %.

Provisional funding levels for 2014/15 and the announcement of the Spending Review demonstrate that further reductions in the Council's grant funding are going to take place. A cut of 10% for 2015/16 is planned and if the 10% is repeated in 2016/17 then the financial position of the Council would become even more challenging. In terms of income the Council has limited ability to raise further income. The reduction in grants may be offset by the Council's share of any growth in real terms in business rate income and any growth in its Council Tax base. However, it is important that unachievable income projections are not used to close real budget gaps.

The Council has and continues to restrain its costs as far as possible. This authority has been through a 3 year savings programme. In 2013/14 over £48 million of savings are anticipated to be delivered, in 2014/15 over £17 million and 2016/17 a further £14 million. This amounts to £80 million for the three year period. These savings are already in progress and were approved in the 2013/14 budget setting process.

Although costs have been contained the Council continues to face cost increases and unavoidable financial demands. The assumption is that inflation is absorbed within budgets and only specific contracts receive budgeted inflationary increases.

The inflationary challenges are one element of the financial pressures faced. The ongoing rise in demand-led pressures for example of an ageing population exacerbates the Council's financial position. There are also other unavoidable increases such as levy changes and

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pension increases. The Council has little influence, in some of these areas, over the costs that it has to incur.

In March 2013 the approved MTFs for 2013/16 reflected the financial projections for the Council based on the Spending Review 2010, indicative figures for 2014/15 and the forecast impact of changes to local government finance that commenced in April 2013. This forecast that the Council would have an overall deficit of £109 million for the period 2013/16. The revised position now being updated highlights a gap of £83 million for the period 2014/17. The previous forecast gap has been updated for information released in the summer and the Council's agreed budget saving options. Further revisions have come from the announcement of the Spending Review 2013 for 2015/16 and the addition of the anticipated budget gap for 2016/17 to give a financial forecast for 2014/17. A summary of the movement in the forecast gap is given in Section 5.0

5.0 Overall Financial Projections

5.1 Funding Challenge – Updated Position

	£m
Funding Gap 2013/16 as at March 2013	109
Less:	
Savings Budget Options 2013/14	48
Savings Budget Options 2014/15	17
Savings Budget Options 2015/16	14
Add:	
Forecast Funding Gap 2016/17	25
Add:	
Revision to forecast for 2015/16	18
Revision to forecast for 2014/15	10
Funding Gap 2014/17 as at December 2013	83

The analysis of all financial influences on the Council shows that the Council is facing a growing financial deficit from 2014/15 that is expected to reach £83 million by 2016/17. The following sets out how the Council's projected deficit is built up.

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5.2 Overall Financial Context for Three Year Period

	2014/15 £m	2015/16 £m	2016/17 £m	Total £m
Forecast Expenditure (including demographic changes)	300.3	288.1	275.1	863.5
Forecast Income (including reduced grants)	272.8	257.4	250.0	780.2
Funding Gap	27.5	30.7	25.1	83.3

6.0 2014/15 Financial Strategy

The Council Medium Term Financial Strategy 2013/16 outlined savings that led to a closing of the gap, moving closer to a balanced budget. The updated financial position builds on these efficiencies and savings in order to achieve the budget reductions required to balance the Council's budget in 2014/15. This will lead the Council into a more radical refocusing of resources for the period 2015/16 to 2016/17.

Budget and budget savings for 2013/14 focused on how and by whom services are delivered. This priority approach assessed savings options under the following classification of savings:

Savings affecting residents less:

Organisation	Arrange People Better
Lean	Better Processes
Procurement	Buy at a Lower Price
Shared Services	Share Costs with Others
Capital	Reduce Revenue Costs
Terms & Conditions	Terms and Conditions of Employees
Sweat the assets	Improve Income
Change Assumptions	Revisions to Future Predictions

Savings that affect residents directly

Change Standards	Usually reduce Service Standards
Stop Doing Things	Cease Services

The budget approach for 2014/15 redefined the principles. The budget consultation has used a priority approach to assessed savings options under the following classification of savings:

- Being more efficient – Making sure that we deliver our services in the most cost effective way possible – streamlining processes,

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joining up our back office functions and never wasting money on administration that could be invested in services.

- Working together – working more in partnership with others in the public, community, voluntary and faith sectors, reducing duplication and delivering better outcomes for residents.
- Promoting Independence – moving away from the Council doing everything and instead encouraging self-help and community empowerment and resilience.
- Targeting resources – we have to target our resources on those who need our help the most – this will mean cuts in some services – which we are trying to deliver in a way that is both fair and equitable.

They reflect both the priorities of the Corporate Plan and the way we need to deliver services in the future.

7.0 2015/16 – 2016/17 Financial Strategy

The total financial resource of the authority and wider partners needs to be maximised, prioritised and channelled to the right areas and activities. All financial planning activity will be targeted towards ensuring that resources are matched to the priorities identified in the corporate plan, ensuring that statutory functions continue to be delivered and that enabling functions provide best value for money. Already the Council has examined and challenged the way services are delivered, looking for improvements in the effectiveness of services to produce savings. It has also challenged the methods of delivery, who is delivering services and the most cost effective services.

The increasing deficit coupled with the ability of the Council to continue to get “the same for less” becomes increasingly difficult and the emphasis for future years will be on challenging services the Council continues to fund, integrating with partner organisation to get focus on the overall “public purse” and ensuring that efficient ways of working is at the heart of the organisation. Efficiencies alone will not resolve the funding gap. Difficult decisions on the range of services provided will need to be made and the Corporate Plan sets out the vision and framework for those decisions.

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8.0 Conclusion and Next Steps

- 8.1 The financial challenge for the public sector is considerable. For Wirral this means a funding gap of £83m over the next 3 years against an overall net expenditure of less than £300m per annum.
- 8.2 The Council's resources will focus on protecting the vulnerable, tackling health inequalities and driving growth in the economy.
- 8.3 A step change in expectations on public funding is required to manage demand for services for a reducing level of finance and an increasingly older population with more complex needs.
- 8.4.1 The success of the Corporate Plan in this challenging financial context will depend on:
- A local approach to decisions and delivery; a more active community involvement; a return to communities finding their own solutions
 - A focus on early help and prevention to support independence and reduce demand on the public purse in the longer term
 - A focused and energetic approach to driving economic growth as the key to growing funding levels, improving well being and bringing individual and organisational financial stability and resilience.
- 8.5 The budget setting process for 2014/15 is the beginning of this ambitious realignment of resources and the financial strategy over the next two to three years will drive the prioritisation in order to achieve balanced budgets to best serve Wirral Council residents, communities and businesses.

