

# CONSERVATIVE GROUP BUDGET AMENDMENT 2014/15

**Proposed Jeff Green**  
**Seconded Lesley Rennie**

Wirral's Conservative Group welcomes the national economic recovery and believes that this recovery must be supported by ensuring the costs of the Council to hardworking residents are minimised and where possible reduced. We know that every pound the Council spends is money taken from the pockets of Wirral residents and therefore it is incumbent on the Council to spend that money wisely and fairly in a way that is going to improve the lives of all of Wirral's residents.

We therefore welcome the Labour Administration's embarrassing policy U-turn and their decision to use Government grant to freeze Wirral Council Tax although we regret that this opportunity was not taken last year which led to an unnecessary financial burden being imposed on Wirral's hardworking families.

We are also mindful that since April 2013 the cost of living for an average family in Wirral has gone up by an extra £295.51 per year due to Labour approved, locally determined measures. Immediate action must be taken to reduce this additional burden. This amendment will therefore:

Result in a zero percent Wirral Council tax increase and reinstate the Councils 'pensioner discount' in full to 7.76%.

In addition we will reduce the cost of living burden by:

- Reverting to pre April 2012 car parking charges
- Reinstating the year round 'free after 3pm' parking initiative,
- Halving the charge to residents for garden waste collection
- Freezing for one year, at current levels, Wirral Council's fees & charges.

We also believe that the safety of our residents is paramount and therefore this amendment will:

- Protect school crossing patrols,
- Reverse the Administration's illogical plans to turn off street lights,
- Increase the money available to tackle the small minority of irresponsible pet owners who persistently refuse to pick up after their pets
- Invest £1 million in an immediate programme to repair pot holes and improve Wirral's roads, and pavements

We know the true value of **all** of the Borough's Children Centres and have continued our commitment to Wirral families.

## Additional Expenditure

### Reducing the cost of living for our residents

1)	<p>Pensioners should be provided with the support they need to enjoy their retirement. We disagree with the Labour proposal to reduce the level of local pensioner discount by 2.76% and their divisive measure of removing the pensioner discount completely for some, without any recognition of their means, this is completely unfair.</p> <p>We have therefore re-instated the Pensioner Discount Scheme in full by maintaining a 7.76% discount for households where all occupants are over 70 irrespective of Council Tax banding.</p>	£591,000
2)	<p>Re-instate car parking charges to pre April 2012 levels and reintroduce the year round 'Free after 3pm' parking initiative for an initial period of twelve months.</p>	£300,000
3)	<p>We have identified that Wirral's recycling rate has dropped due to the introduction of the garden waste charge to the extent that it has put the 50% recycling rate by 2020 in jeopardy (see risk based assessment of the level of General Fund balances, Cabinet 12 February 2014 refers).</p> <p>We will therefore use a proportion of the £6.7 million Waste Development Fund to halve the cost per household of the garden waste collection charge and subsidise the entry of other residents into the scheme for an initial two year period after which recycling rates will be reviewed.</p>	£550,000 per year
4)	<p>By following the Sec of State's advice and releasing funds from balances we will be able to freeze the Council's Fees and Charges for one year while officers undertake a formal review of the economic impact of Wirral's schedule of fees and charges.</p>	£900,000

### Maintaining the safety of our residents

1)	<p>We note the warm words of the Leader of the Council with regards to working in partnership with schools. However, we note his budget has not reversed this cut and therefore ensured that money meant for the education of Wirral's school children is not diverted to pay for the Council's responsibility to provide school crossing patrols. For the avoidance of any doubt we rectify that omission here by reinstating the funding.</p>	£415,000
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2)	<p>By switching off street lights, we believe the Labour Administration is putting the safety of residents, either driving or walking, at risk. Therefore we will move to end this ill-thought through measure.</p> <p>The funding identified here will be used to switch back on lights that have been previously switched off and ensure that the planned further switch off is prevented.</p>	£170,000
3)	<p>As well as being unsightly and unpleasant, dog fouling is a dangerous health risk, particularly to children causing Toxicariasis. Therefore we will increase the level of dog fouling prosecutions by doubling the number of dog fouling enforcement patrols.</p>	£88,000
4)	<p>We believe that Early Intervention is essential and any cut to Children's Centres might save money in the short term but will cost Wirral Council Tax Payers in the long term if we fail to support young families in the early years.</p> <p>Therefore we have removed the £500,000 cut imposed by the Labour Administration this year and demand that the Cabinet start looking immediately for measures that will prevent the further reduction in funding planned for 2015-2016.</p>	£500,000
6)	<p>We note the deterioration of road surfaces and pavements and the massive cuts to the resources available to improve road carriageways, pavements and repair potholes. We believe this has the potential to damage vehicles and increases the likelihood of trips and falls. Once again this demonstrates the short-termism of the Labour Administration who appear to be prepared to play fast and loose with the safety of Wirral residents.</p> <p>Therefore we are re-instating an immediate one-off improvement programme for 2014-2015.</p>	£1,000,000

We believe all elements of the Council; Councillors, the Council bureaucracy and Council staff need to play their part and do all we can to ensure Council spending is kept under control and bills are kept to a minimum.

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 therefore:

**Delete the following items:**

<b>1</b>	<b>Removing Duplication</b>	<b>£1,930,000</b>
	House Building - there are many Social Landlords in Wirral who have comprehensive investment and house building programmes planned for the next two years. For example, Magenta Living expect to complete 356 new build properties between 2014-2016. This investment is approximately £38 million.  We therefore believe that this item of expenditure can be removed.	£1,500,000
	As Trades Unions are wealthy organisations we do not believe the Council Tax Payer, or school budgets, should be expected to fund Full Time Trades Union Officials.	£130,000
	We have all been informed that the 'Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral Combined Authority' will focus on and provide economic benefit. The Labour majority in this Council appear hell bent on forcing Wirral into this alliance. We believe that the creation of a separate Wirral Council Economic Development Team is premature and unnecessary at this stage.	£200,000
	Last year a large number of organisations including the Council, Social Landlords and Voluntary, Community and Faith Organisations provided information and advice targeted to those residents affected by welfare reform. this service already costs the taxpayer in excess of £290,000.  We believe that the £100,000 additional allocation introduced by the Labour Administration is therefore a duplication and note that the money allocated for this service last year has not been fully utilised.	£100,000

<b>2</b>	<b>Reducing support to Councillors</b>	<b>£139,000</b>
	Reduce Councillors Training Budget from £36,900 to £16,900.	£20,000
	Remove 'Alternative Support to Councillors' Budget	£116,000
	Withdraw from membership of SIGOMA.	£3,000

<b>3</b>	<b>Leaning the Council Bureaucracy</b>	<b>£385,560</b>
	Reduce 'Performance and Intelligence Team' by 2.5 posts	£100,000
	Reduce Council PR budget (this equates to the printing and distribution costs of 4 'One Council' editions per year).	£10,000
	Reduce the Officer Training Budget from £516,300 to £391,300	£125,000
	Reduce the Council's Press, Marketing and Design Teams from 20 posts to 15	£150,000

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 still 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.

It would now appear that the Strategic Change Programme is morphing into the 'Future Council' project which encompasses 'Shared Services' a 'Merged Service' and 'Remodeling Wirral Council' (a project being led by Ernst and Young) plus improved 'Commissioning and Procurement'.

We are gravely concerned that the ambition, discipline, rigor, risk management and political accountability required for this change portfolio is seriously lacking and the current approach has the danger of breaking any political consensus around the structural changes required to the Council. We therefore recommend the establishment of a Strategic Change Board on an all party basis to be led by the Leader of the Council.

<b>4</b>	<b>Transforming Wirral Council</b>	<b>£1,000,000</b>
	We will vary the savings from 'Transforming Wirral Council' from £9.1 million to £11 million over the next two years. We note this remains in the lower quartile of Ernst and Young's projections and therefore, by taking immediate action to strengthen the focus of this Change Programme it will deliver an additional £1,000,000 of cashable benefit in the financial year 2014/2015.	£1,000,000

<b>5</b>	<b>Balances</b>	<b>£1.7 million</b>
	<p>We note that the Secretary of State for Communities and Local Government has recommended that Councils use their reserves for the benefit of local residents. Therefore following an in-depth analysis of the General Fund Balances and associated risk assessments it appears that a degree of duplication has taken place.</p> <p>We believe that if a prudent risk aware approach is taken the likelihood of needing all of the balances identified in 2014-2015 is unlikely and that they can be reduced by £1.7 million.</p> <p>Given our commitment to return as much money as possible back to the hardworking families of Wirral, we believe that £900,000 of this sum should be utilised to freeze any increase in Council fees and charges and the remainder placed in the remodelling reserve to support our more ambitious approach to transforming the Council.</p> <p>We note that this places £10.7 million in the Remodelling Reserve and £15.6 million in the General Fund Balances.</p>	£1.7 million

### **Council Loans**

Conservatives believe that the money raised from Wirral's Council Tax should be used for the benefit of hardworking Wirral residents and not lent out to other councils at 'bargain basement' rates. We therefore demand that Cabinet instructs Officers to produce an urgent report on how these loans (£35 million) can be recalled and Tax payer's money can be used for the benefit of Wirral residents.

**For the avoidance of doubt it should be noted that this budget amendment will:**

- **Result in a zero percent Wirral Council Tax increase**
- **Recognises that a great many pensioners are on fixed incomes and that all over 70 households should be treated equitably and addresses this through the Council's Pensioner Discount Scheme**
- **Reduces the financial burden on Wirral's hardworking families and provides respite from Labour approved, locally determined increases in the cost of living**
- **Restores our residents' safety and safeguards their wellbeing**
- **Maintains the entire Councils commitment to a sustainable, budget**

## **Local discount under Section 13a of the Local Government Act 1992 (pensioner discounts)**

That for the financial year 2014/15 the Council will ensure that a pensioner household (over 70) will receive the same percentage discount as awarded for 2013/14 against its Council Tax liability.

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 2014 (but where the qualifying age criterion is met after 1 April 2014 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 Support. No pensioner household in receipt of full Council Tax Support will qualify for the reduction.

## **The Statutory Calculations and Resolution**

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

It be noted that in accordance with Section 31B of the Local Government Finance Act 1992 (as amended), that Cabinet on 10 December 2013 calculated the Council Tax Base 2014/15 for the whole of the properties in its area as 87,786.2 (Item T in the statutory formula)

That the following amounts be calculated and approved by the Council for the year 2014/15 in accordance with Sections 32-36 of the Local Government Finance Act 1992 (as amended) ("the Act");

- a) £112,213,601 being the amount calculated in accordance with Section 31A (4) of the Act (amended) as the Council Tax Requirement for 2014/15 (item R in the statutory formula). This amount (d) is determined as being the difference between:
  - i). £768,500,665 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) £656,287,064 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 3(a) above, and required to be transferred from its Collection Fund to its General Fund in the year.
- b) £1,278.16 being the amount calculated in accordance with Section 31B (1) of the Act (amended) as the Basic Amount of Council Tax for 2014/15. This amount being calculated as item R in (a) above divided by item T 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:

**Wirral Council**

A	B	C	D
£852.17	£994.20	£1,136.23	£1,278.26
E	F	G	H
£1,562.32	£1,846.38	£2,130.43	£2,556.52

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.

It be determined that the amount set as the Council's Basic Amount of Council Tax for 2014/15 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. The principles require a Referendum to be held for any increases of 2% or above.

**Wirral – Basic Amount Of Council Tax**

	2013/14	2014/15	Change
	£	£	£
Band D	1,278.26	1,278.26	Nil

To note that the Police and Crime Commission for Merseyside and the Merseyside Fire and Rescue Service have to formally issue 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.