

ITEM 4: CABINET, 9TH DECEMBER 2014

2015/16 BUDGET OPTIONS

Executive Summary

The Tory-led government has made unprecedented cuts to Wirral Council's budget. Since 2010, £151m of savings have been imposed. By 2017 our grant from central government will have been sharply reduced by a massive 57% in just five years and this is before further cuts are imposed in 2018.

In these circumstances, the Council has had to make some difficult decisions. The Labour administration is determined to do everything possible to protect front-line services and focussing as many of the savings on back-office efficiencies which have minimal impact on services.

In addition to the £20m already agreed for 2015/16, we will need to deliver additional savings totalling £18m. £15.5m will be achieved through making changes to our workforce, getting the best value for contracts, proposing different and innovative ways of delivering services and reducing the cost of senior management.

Taking account of the additional £100k saving from the extension to the BIFFA contract, this leaves £2.4m of savings which need to be found in 2015/16. To help us decide how to achieve this sum, earlier in the year the Chief Executive set out a series of budget options totalling £4m which has been the subject of a consultation exercise with the public, businesses and partners.

After considering the outcome of the consultation we have decided the following:

- We have listened to the public and, in light of the overwhelming opposition to cuts to our Youth and Play service we will not be taking forward this saving.
- Similarly, we recognise that the vast majority of respondents said they would not support charging for parking in our country parks. This option is therefore rejected.
- A substantial majority of residents said they were against closing public conveniences. Once again, we have listened to the public and this option will not be supported.
- With regard to Community libraries, whilst a majority of those who took part in the consultation said they would support a reduction in opening hours, we believe that the scale of savings proposed by the Chief Executive was extreme. We will therefore be supporting a reduced saving which will see Community libraries opening for 18 hours per week.
- We have responded to the concerns expressed by residents regarding the importance of providing salt for grit bins during periods of bad weather. We will not be making this saving.

- The safety of our children is paramount and we have decided not to implement the saving relating to school crossing patrols.
- In line with our corporate priorities around protecting vulnerable communities we will not be charging for introducing cold calling zones or imposing additional charges for pest control.
- We believe the savings in preventative maintenance proposed by the Chief Executive are excessive. We will therefore reduce this by £200k which will enable us to carry out emergency maintenance and safety works.

In order to deliver the savings we require to meet the cuts imposed by the Government, we will introduce a small increase in fees at Council- maintained allotments, bowling greens and football pitches. Both of these options were supported by a majority of residents. We also feel that it is appropriate to introduce a modest charge for parking at Fort Perch Rock in New Brighton up to 6 p.m.

We are reluctantly removing the 5% discount on the Council Tax for households where everyone is over 70 years of age. Wirral is the only authority which has such a discount, but we simply cannot afford to continue this measure in the light of the savings we are being forced to make and also in the knowledge that many in the group affected will be in receipt of benefits.

The saving relating to West Kirby Marine Lake can be achieved through internal efficiencies.

The All Age Disability Service will generate a £600k saving through changes to Willowtree respite home and greater integration with other services

Joint commissioning with the NHS will enable us to realise savings in relation to Girtrell Court.

Finally, we will adopt a tough new approach to litter and dog fouling which we are confident will realise an additional £70k through stronger enforcement.

We are pleased that we have been able to deliver required savings without the need to close any children's centre, library or One Stop Shop.

We intend to continue to invest in employing Council apprentices and we will continue our work so that Wirral becomes a Living Wage Borough.

Cabinet thanks the public for engaging in the consultation process. We recognise these are difficult decisions and they are not choices we would have ideally wished to make. They have been forced on us by the unfair cuts imposed by the Government. We will continue to campaign for a government which believes in strong local government and vibrant public services.

Introduction

1. Following the consultation on the Chief Executive's budget options, this resolution sets out a number of budget savings for 2015/16. It is important to emphasise that we are not setting next year's budget. It would be unwise to do this in the absence of key information such as the Revenue Support Grant and the levies and precepts from the Joint Boards. However, given the scale of savings required next year it is sensible to agree budget options as early as possible.

The national picture

2. These are difficult and challenging times for local government and the communities we serve. Because of the Tory-led government's decimation of local government, councils are being asked to do more with diminishing resources. Local government has faced the biggest cuts of any part of the public sector. The Local Government Association says that over this Parliament, local government core funding will fall by 40% and councils will have to make £20 billion of savings. As a result, we are having to take very tough decisions about the future of local services at a time when there are rising pressures, particularly the growing number of older people and demands on children's services.
3. Nationally, Labour is committed to balancing the books in the next parliament so budgets will be extremely tight. But there will be one difference; the money we have as a country will be distributed more fairly.
4. The Prime Minister and the Local Government Secretary say that tough times involve tough choices, but they have forgotten one very important principle. Tough times demand tough choices that are fair. And yet if we look at the way in which the Tory led Government has chosen to take most from those who have least – the most deprived local authorities – it is clear just how unfair and unjustifiable this is.
5. This is confirmed by the Joseph Rowntree Foundation which published research in November stating: *"Cuts in spending power and budgeted spend are systematically greater in more deprived local authorities than in more affluent ones"*
6. Labour has done an analysis of how the reductions in government funding for local authorities have affected different communities in different parts of the country. They show that under the Coalition, households in the ten most deprived local authorities in England will have faced a reduction in spending power per household 16 times greater than the ten least deprived.
7. What is more, because of these decisions the principle of a local government grant settlement which equalises differences in needs and differences in resources between authorities is being eaten away. On current plans, nationally the revenue support grant element, which recognises need, will shrink from £15.2 billion in 2013-14 to £9.3 billion by 2015-16.

8. Wirral Council is four years into an onslaught on its budget and there is no let up. This Tory led Government is failing the people of Wirral, heaping untold misery on them with £151m of cuts since 2010.
9. The 57% reduction in Wirral Council's grant is a slap in the face to Wirral residents from an out-of-touch Tory Government that has nothing positive to say about our future.
10. Residents are being hit from all sides by this Government.
11. Nationally, wages have not kept pace with prices for 52 of the last 53 months under the Tory led government. Working people are on average £1600 a year worse off than they were in 2010.
12. Their botched reorganisation of the NHS has cost £3bn, stretching services and failing patients.
13. Their attack on students as they trebled tuition fees has hit families hard.
14. And, their complete failure to tackle the energy companies has seen prices rise by almost £300 per annum at a time when nobody can afford it.
15. According to the Office for Budget Responsibility, public spending is set to fall to levels not seen since the 1930s. The Local Government Association is predicting further cuts of at least 30% to local authority funding.
16. In spite of their austerity policies, the Government has missed its targets on reducing the deficit and the national debt.
17. And their austerity will only continue, as this Government presides over further cuts to public services. The Institute of Fiscal Studies has reported that less than 50% of the Government's planned spending cuts have been made.
18. A total cut to Local Government funding in 2015-16 of 8.2%, compared to a 1% across the rest of government, is irrefutable evidence of this Government's disregard for the local services that actually matter to residents.
19. Their focus on cutting public services in the North, and particularly deprived North West communities, remain as stark as ever. The simple fact is that Wirral households have lost over double the amount of funding than affluent areas in the South. This is morally indefensible.
20. For the fifth consecutive year of this government, Councils in the North of England are being forced to set their budgets in the context of what they can cut, rather than how they can improve the lives of their residents.
21. Locally, when the Tories and Liberal Democrats were last in control of the Council they left an overspend of £17m and £10m in unrecoverable debt. This is incompetence on a

comparable scale to George Osborne admitting in the recent Autumn Statement that he had missed his financial targets and had to borrow £50bn more than planned in 2010. Wirral residents are losing out as a result of this Government's utter failure to improve the economy.

Labour's priorities

22. At the heart of every decision this Labour administration makes sits three key principles. These principles are embedded in our Corporate Plan, and in the policies which flow from this. In support of our vision for Wirral, we will continue to:

- Protect vulnerable people and communities
- Attract investment and jobs
- Narrow the gap in inequalities

23. Underpinning every decision made by this Council, these principles drive our thinking towards protecting front-line services as far as possible in the face of draconian Government cuts.

24. It is our moral imperative to ensure a sustainable budget for this Council. Not to do so would put all services at risk. Irrespective of this Governments' illogical and damaging policies we must set a legal budget, we must show we are a Council that will make best use of its resources and we must exercise good financial management.

25. The answer to this challenge is not withdrawing money from earmarked reserves, which are limited and identified for specific purposes. This would be irresponsible short-termism and would simply build up more problems for the future. This money can only be used once and avoids having to make tough decisions.

26. We will not risk the future stability of this Council with this kind of gesture politics. We must continue to challenge ourselves so we can be sure Wirral is a council that continues to deliver despite Tory led government cuts. That challenge calls for innovation, rigour and fairness.

Delivering for Wirral, protecting vital services

27. Our budget savings for 2015/16 begin with reducing the running costs of the Council. We have been clear from the outset that the broadest shoulders must bear the greatest burden and every effort will be made to mitigate the impact of these draconian cuts on front-line services. Minimal impact on the public is what this Labour administration fights for and so internal efficiencies is key to meeting the expectation of residents.

28. Of the projected £18 million gap for 2015/16, £15.5 million will be met through internal efficiencies and the income from the acceptance of the Council Tax Freeze Grant.

29. The efficiencies we have already identified include reviewing and rationalising our contracts in IT, telecommunications and printing. We will also renegotiate a range of

existing commissioned contracts to deliver significant savings. Overall these efficiencies will achieve over £2 million of savings and ensure that frontline services are protected as far as possible.

30. We continue to keep under review our capital investment programme to ensure that resources are used effectively. This includes the release of assets to generate capital receipts which can be used to reduce the need to borrow and deliver savings on capital financing costs.
31. Other efficiencies include deriving savings from investing in new technology, for example to provide LED street lighting. This investment will achieve long term savings without switching off street lights on our highways.
32. We have previously delivered savings of £5.5 million by streamlining senior management and we are committed to delivering further significant savings of £1.5 million in senior management costs. We have paused the restructure of our top tier of management pending the arrival of a new Chief Executive; however we continue to drive out costs in senior management and have so far made in the region of £1 million savings towards senior management costs.
33. As a result of the £15.5 million efficiencies and savings already identified, these changes will bring the budget gap to £2.5 million.
34. While dealing with unprecedented cuts to our finances it would be easy to lose focus on what is important. But we must choose between what is easy and what is right. We must remember our priorities and what we were elected to do; to improve the quality of life of our residents.
35. We are right to continue our demand of innovative and creative solutions to achieve savings. We are right to demand these savings are achieved while ensuring Wirral residents have access to key services and support they need.
36. We are a council that looks forward. That is why in October we committed to capital funding of £4 million to invest in the installation of LED street lighting throughout the borough. More environmentally friendly, cheaper to run – and therefore delivering immediate and recurring savings – and, crucially, a better service for Wirral residents. It is these solutions upon which a new Wirral Council will be built.

Protecting the Vulnerable

37. Once again this Government have neglected to adjust funding to account for demographic growth, ignoring the fact that our population is ageing, meaning more vulnerable adults need our help. We will correct this omission by continuing to invest in services and support for older people, people with disabilities, and children in need. We will not turn our back on the most vulnerable.

Tackling Health Inequalities

38. Our role in leading on the public health agenda has given us huge opportunities to tackle the disgraceful inequalities that still exist in our borough. We will ensure that we use this opportunity to direct funding and support where it will have the biggest impact in improving the health and wellbeing of our residents.

Driving Growth in the Economy

39. Successfully supporting, and embedding, growth in our economy brings benefits across the whole social spectrum. We will focus even more of our attention on ensuring Wirral's economy is robust and thriving for its residents and businesses.

40. Last year we allocated £350,000 to pilot a Selective Licensing Scheme to improve standards in private rented housing. We are currently consulting on such a scheme in four distinct areas within the borough.

41. Building on the £1.5m we allocated in last year's budget for new, affordable housing, we are determined to ensure access to quality housing while increasing our Council Tax base and our financial independence.

42. An exciting new development will transform Birkenhead Town Centre in the same way as New Brighton has once again become a thriving resort. Wirral Waters remains the UK's biggest regeneration project, with work underway on a new Wirral Metropolitan College building and a new 60,000 sq. ft. office development commenced on Tower Wharf.

43. In spite of the cuts, as a Council we are working towards a fair and prosperous vision for Wirral. As one of the Borough's largest employers we will continue to invest in an apprenticeship scheme to maintain our commitment to the borough's young people who are finding it so difficult under this Government to find work.

Listening to the views of the public

44. Part of the responsibility that comes with being elected is to make tough decisions. And, in the face of such unrelenting austerity, those decisions are tougher than ever. We have not, and will not, shirk those responsibilities.

45. We are committed to making decisions in partnership with residents, businesses and partners. As a Council committed to openness, accountability and community engagement, we are heartened that nearly 8,000 respondents – one of the highest levels of engagement of any area in the UK – took part in the budget consultation. We are proud that people have made themselves heard and proud that we have listened.

46. We would like to thank all those who took part in the consultation, sent letters, organised petitions and let us have their views on where these Tory led government cuts

must fall. The proposals contained within this document demonstrate that we value that feedback, and we have listened.

In Partnership with our Workforce

47. Our employees remain our most valuable asset. The administration would wish to recognise their consistent dedication during turbulent times. Our staff are committed to this organisation, to Wirral and to the residents they serve. We would like to place on record our sincere thanks to them.
48. The Labour administration recognises the vital role that our Trade Unions play during these difficult times. We work closely to give employees the respect and dignity that their commitment and hard work deserves. We are keen to continue this close working relationship.
49. We are proud that Wirral was one of the first Living Wage Authorities in the country. We are now working towards Wirral becoming a Living Wage Borough.

Budget Proposals following Consultation

Cabinet proposes the following:

Transformation and Resources

50. Wirral Council is already completely unrecognisable from the organisation it was two years ago. Robust governance is now in place. Our external auditor has confirmed that we have proper arrangements in place to secure our financial resilience and challenge how we secure economy, efficiency and effectiveness. Wirral Council is already completely unrecognisable from the organisation it was two years ago with significantly strengthened governance arrangements in place. In their unqualified Value for Money assessment of the Council, our external auditors Grant Thornton have confirmed that we have secured improvements to financial planning and financial control. They also highlight that we have arrangements in place to secure financial resilience and to challenge how we secure economy, efficiency and effectiveness.
51. These improvements do not mean the work is complete. We will continue to transform and strengthen our corporate support functions to make sure they are providing value for money.
52. Wirral is presently the only Council in the UK to offer a discount on Council Tax to households based purely on the age of the resident. This 5% discount does not apply to the most vulnerable, and those on the lowest income, who already either don't pay any Council Tax or only pay a proportion. Therefore, given a majority of residents support this proposal; as a result of Tory cuts we will remove this discount to save £600,000.
53. The Chief Executive's proposal regarding libraries was to reduce the opening hours at the smaller, community libraries to 10 hours per week. This was in recognition of Wirral having 24 libraries which is more than any other council in the City Region.
54. Whilst there was a majority of residents in support of this proposal, Friends Groups and other library users made a strong the case for their local libraries.
55. Taking account of public feedback, we will not progress this saving in its current form. Therefore, we intend to manage our community libraries so that they can remain open for 18 hours per week. It should be noted that these proposals do not apply to our 4 central libraries where the opening hours will remain unchanged.

Regeneration and Environment

56. Driving growth in our economy, protecting and enhancing our local environment and building on our growing influence on the regional and national stage are interlinked priorities which deliver important outcomes for Wirral residents. It is important that our economy is strong, robust and vibrant. A healthy environment also lays the foundation for a healthy community.

57. As a responsive and listening administration, we have rejected the following savings options proposed by the Chief Executive after consideration of the consultation feedback.
58. We understand how highly our residents value parks, open spaces and beaches throughout Wirral and the important role they play in quality of life, health and recreation.
59. The biggest opposition in this year's consultation was the Chief Executive's proposal to introduce charges for car parking in countryside parks. This administration is rejecting this option and will keep the Parks and Countryside car parks free.
60. Sixty one per cent of residents told us they opposed the closure of public toilets. As a listening administration, we will reject this saving.
61. Cold Calling Zones provide protection for residents from repeat cold callers. Whilst introducing a £10 charge would have plugged some of the gap created by the Tory led government cuts, local residents made it clear that they were opposed to this measure. We will not progress this option.
62. We are determined that we will do everything possible to protect residents from bad weather this winter. Whilst the Chief Executive's proposal protected the winter maintenance and gritting routes, it would have meant that some of the grit bins placed at residents' request would not have been supplied with salt. This proposal has therefore been rejected.
63. Due to cuts by the Tory-led government, more than 1000 school crossing patrols have been axed across the country. This option was once again considered, however, the administration understands that this issue is highly emotive and a concern to many parents. We have therefore decided not to progress this option.
64. The public was consulted on an option to increase charges for pest control. However, this would have hit our most deprived communities the hardest. As a Council committed to protecting the most vulnerable people and communities, we have therefore rejected this saving.
65. Based on the feedback from the public through the consultation and other representations, we believe the following budget options should be accepted to enable us to meet the budget gap caused by the Tory-led government's cuts.
66. These options would involve increasing or introducing charges for services at Landican cemetery, to bring them in line with charges in neighbouring Councils. They would also include small increases in the fees associated with using Council-maintained allotments, bowling greens and football pitches, bringing them in line with the average costs. Both of these options were supported by a majority of residents.

67. We also feel it is appropriate that a modest charge for parking up to 6 pm. at Fort Perch Rock in New Brighton should be introduced.
68. Wirral is one of the very few councils that invests additional money in 'preventative' maintenance work across our highways and parks. The Chief Executive's option to reduce this by £570k is considered to be a step too far. We will therefore retain £200k for emergency maintenance and safety works.
69. We will clamp down on residents who blight our borough through fly tipping, graffiti, littering, dog fouling and other activities. This new, tough approach will realise £70k through stronger enforcement against the worst offenders.

Families and Wellbeing

70. We have an ageing population, and more vulnerable adults needing our help. We have more children and young people needing our support, and we have growing levels of child poverty. We have a duty to meet those needs, and to do so we must be ever more imaginative, we must innovate and we must seek out new ways of doing things.
71. Despite the huge financial constraints placed upon us, in conjunction with our partners we will do everything we can to keep vulnerable people safe.
72. Children, young people and families associated with our Youth and Play service showed great dedication in making the case against the budget option. Residents from across the Wirral made it clear that these Tory cuts should not fall on our Youth and Play service, so this Labour administration will not be making this saving – a saving which many other Councils are taking as more than three youth clubs a week are closing
73. This administration is rightly proud of its commitment to services for young people. We invested £1m last year to partially plug the gap left by Government cuts to early years, and despite further cuts, we have listened to the views of the public and will not be making the saving that would see four satellite youth centres close and funding removed from schemes such as Duke of Edinburgh and Civic Award.
74. Cabinet recognises the support for West Kirby Marine Lake as reflected by the petition received from over 4,000 residents. We have listened to those representations and therefore propose that, while we believe the saving should be made, we would like to see it achieved through improved usage at the site rather than transferring its ownership and management to another provider. The existing staff team will produce a business plan which will set out how this will be achieved.
75. Last year we announced that Wirral had agreed to join a network of 26 'Whole-person Care Innovation Councils', established by Andy Burnham MP, Shadow Secretary of State for Health. Our membership of this network has been a success and this has helped us drive forward further integration between social care and NHS services, an innovative approach which is developing through the 'Vision 2018'. The option related to Girtrell Court will see capital investment into the facility to expand its offer for users and allow

for joint commissioning with the NHS to take place. We will also continue our redesign of our social care services, enabling a saving of £600k to be made through changes to the Willowtree respite home, reviewing how support is provided and focusing on greater integration with other services.

Council Tax

76. The Council Tax for next year will be set at Budget Council on 24th February 2015. The Local Government Finance Settlement for 2015-16 has yet to be announced, and it is therefore too early to determine the terms of any Council Tax rise or freeze grant.

77. Last year we decided to accept the government's Council Tax freeze grant on the grounds that the legislation had been amended to ensure that the grant would be built into our base budget. The working assumption in determining the savings requirement for 2015-16 is that this situation will remain and we will be able to freeze the Council tax for a further year. However, we must await the outcome of the financial settlement before a definitive decision can be taken.

Summary of Proposals

78. A summary of the budget options we are proposing is presented in the table below.

Saving Proposal	Officer Proposal	Agreed Saving
	2015-16	2015-16
	£000s	£000s
Council Tax Over 70s Discount	600	600
Community Libraries	411	190
Sub Total	1,011	790

Savings Proposal	Officer Proposal	Agreed Saving
	2015-16	2015-16
	£000s	£000s
Parking in Countryside Parks	50	0
Public Conveniences	140	0
Cold Calling Zones	80	0
Roadside Grit Bins	55	0
School Crossing Patrols	90	0
Pest Control	65	0
Allotments, Bowling and Football	35	35
Preventative Maintenance	570	370
Parking at Fort Perch Rock	25	25
Commemorations and Memorials	100	100
Litter and Dog Fouling Enforcement	70	70
Sub Total	1,280	600

Savings Proposal	Officer Proposal	Agreed Saving
	2015-16	2015-16
	£000s	£000s
Youth and Play	450	0
All Age Disability Service	600	600
West Kirby Marine Lake	25	25
Girtrell Court	385	385
Sub Total	1,460	1,010

Conclusion

79. In spite of cuts by the Tory-led Government this Labour administration has continued to invest in our communities, creating jobs and employment and protecting front-line services.
80. The savings set out in this resolution are based on our corporate priorities and have been informed by the results of the public consultation. We are proud of the fact that, in the face of massive pressure on next year's budget, we will not close a single library, children's centre or one stop shop. This is a remarkable achievement given that elsewhere in the country one children's centre is being closed every five days and two libraries are closing every week.
81. The savings set out in this resolution are not ones we want to make. They are being forced on us by this uncaring Government.
82. One thing is clear: five more years of Tory austerity will mean the end of local government as we know it. The time for lobbying this Government to reverse their disastrous policies is over. They simply will not listen. Next May the people of Wirral, and the rest of the UK, have the opportunity to consign this short-term, compassionless government to history.

Recommendation

Cabinet agrees to recommend the budget savings set out above to Council.