



COUNCILLOR PHIL DAVIES

**CABINET
17 DECEMBER 2015**

**COUNCIL BUDGET 2016/17 AND
MEDIUM TERM FINANCIAL STRATEGY**

Councillor Phil Davies said:

“We continue to face unprecedented financial challenges, as ongoing national Government austerity policies place huge pressure on the services and support Wirral people rely on. In our Wirral Plan we made a commitment that we would never use this as an excuse for doing nothing, and we reaffirm that commitment to Wirral people today.

Setting a budget for next year is once again a difficult task – made more difficult yet again by the Chancellor with yet more cuts to local government following his Autumn Statement.

Of the £24 million which we are currently required to save next year, almost two-thirds have been proposed which have no impact at all on the services which we provide. This is a clear demonstration of our commitment to finding new, innovative and progressive ways to set a balanced budget and still protect our services and our residents as best we can.

We are a responsible and pragmatic Administration, and for as long as I am Leader of this Council we will always set a balanced, fair and sustainable budget which protects the most vulnerable and makes the best use of our resources to ensure we can deliver on our Pledges to local people.”

REPORT SUMMARY

Over the next five years, Wirral Council is projecting a funding gap of £126 million due to Government austerity measures and increasing demands for services.

The report presents a series of proposed actions to enable the Council to take the necessary steps to set a balanced budget for 2016/17 and be in a better position to prepare balanced budgets in the subsequent four years to 2020/21.

The size of the funding gap means that there will be an impact upon services for the people of Wirral. The Budgets will be informed by, and aligned to the pledges, within the Wirral Plan.

The focus is on generating more income into the Council and the borough, on finding new ways of achieving positive outcomes for residents, on building further integration with our partners and communities and on ensuring the £201 million annual budget Wirral Council will be investing into the borough by 2020 delivers value for money for residents.

The recommendations in this report are considered urgent and any delay likely to be caused by the call process is considered likely to seriously prejudice the council's and/or public's interest in that it would adversely affect the ability of the council to set a balance budget for 2016/17 as legally required. The Council's Chief Executive has agreed that the decision to waive the call-in procedure is reasonable in all the circumstances and that it should be treated as a matter of urgency.

The report affects all Wards within the Borough.

The decisions in this report are key decisions.

RECOMMENDATIONS

The Cabinet is recommended to:

1. Note the forecast Budget funding gap for 2016/17 is currently £24 million and that the projected Budget funding gap for the period 2016/21 is £126 million.
2. Note the impact of the Budget reductions and proposals for 2016/17 as summarised in Section 3.34 and detailed in Appendix A.
3. Authorise officers to complete the required consultation and engagement with residents, partners and other stakeholders on the budget proposals in advance of Budget decisions in February 2016 as detailed in Appendix B.
4. Receive an updated Budget Report and Medium Term Financial Strategy at the Cabinet meeting on 22 February 2016. This to cover the updated financial projections, including the impact of the Local Government Finance Settlement expected in mid-December 2015, and the outcome from the engagement and consultation undertaken.
5. Waive call-in in respect of these decisions as they are considered urgent as any delay likely to be caused by the call-in process would seriously prejudice the Council's and/or public's interest, in that it would adversely affect the ability of the Council to meet the legal requirement to set a balanced Budget for 2016/17.

SUPPORTING INFORMATION

1.0 REASONS FOR RECOMMENDATIONS

- 1.1 The Medium Term Financial Strategy and its associated financial governance arrangements are key to ensuring that the Council is well run and financially stable. Throughout the year the major financial matters are presented in a series of reports which highlight the financial position of the Council and the decisions needed to ensure the Council remains financially stable.
- 1.2 The Council has to meet a legal requirement to set a balanced Budget in March 2016 for the 2016/17 financial year. This report details the approach and includes proposals and initiatives to meet the challenge for 2016/17 and for the five year period as the Medium Term Financial Strategy supports the delivery of the Wirral Plan and the outcomes as set out in the Wirral pledges for 2020.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The Council has a legal requirement to set a balanced Budget each March for the following financial year. This report includes proposals and initiatives which are subject to consultation but, if implemented, increase income or reduce expenditure which supports the delivery of the Wirral Plan.

3.0 BACKGROUND INFORMATION

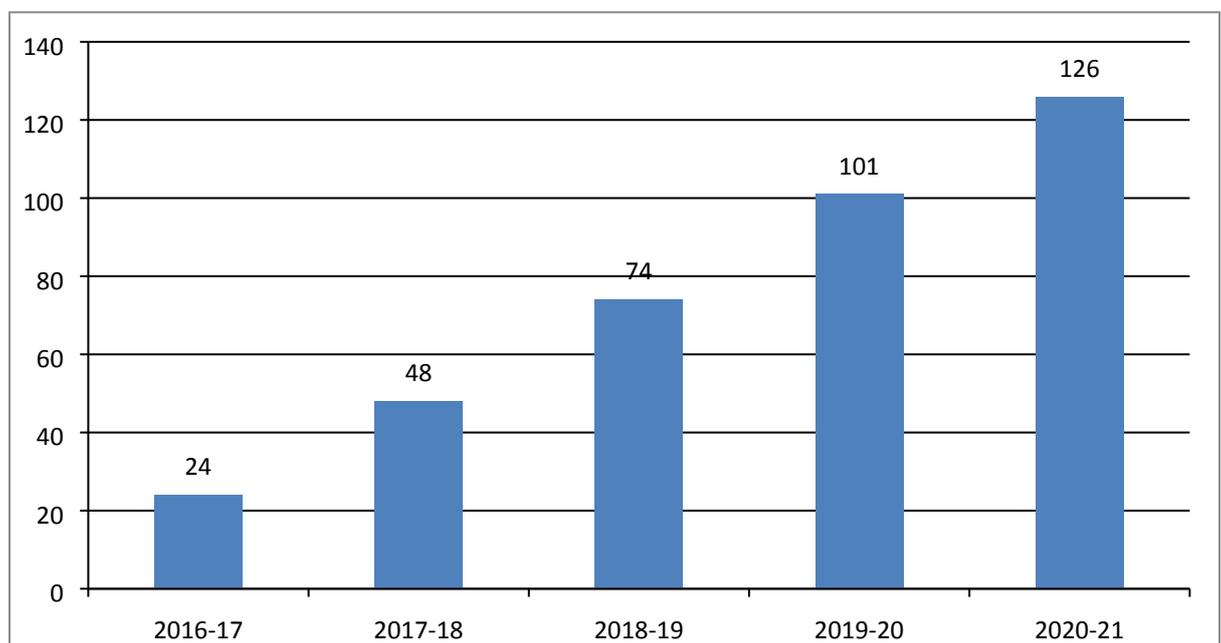
- 3.1 The Council continues to face unprecedented financial challenges. Over the next five years the Government will remove the Revenue Support Grant and the Council faces additional demand for services as a consequence of the demographic changes associated with an ageing population.
- 3.2 The proposals detailed in this report are intended to enable the Council to manage the pressures in a planned way not only to meet the legal requirement for a balanced Budget for 2016/17 but also contribute towards addressing the forecast funding gap over the period of the Medium Term Financial Strategy 2016/17 - 2020/21.

FINANCIAL PROJECTIONS

- 3.3 The current Medium Term Financial Strategy (MTFS) covering 2015/16-2017/18 was approved by Council in February 2015. This detailed the financial challenge and the size of the anticipated remaining funding gap for the period to 2017/18. With the development, and agreement, of the Wirral Plan the MTFS has been extended to cover the years 2016/17-2020/21.
- 3.4 The Wirral Plan provides the framework within which the Budget and the MTFS will be developed and informs the development of budgets, the prioritisation of resources and the difficult decisions that need to be made over the coming five years. The intention is to set a sustainable, stable budget and MTFS over the five years.

- 3.5 It has previously been reported that over the five years 2016/21 the Council faces a continued, challenging financial future. The reductions in Government Grant together with the pressures of demographic changes and inflation mean there is an anticipated funding gap of £126 million over the five years and this includes a £24 million funding gap in 2016/17.
- 3.6 The objective is to develop a financial strategy and associated programme of changes to close the funding gap and focus future limited resources on the delivery of Wirral Plan outcomes and pledges. This includes using the council's projected net revenue budget of £201 million by 2020/21 in the best way to deliver on our pledges, in partnership with our other public sector colleagues.

THE CUMULATIVE BUDGET GAP 2016-2021



- 3.7 Forecasts of the financial position are kept under review as circumstances change and decisions are taken. These are based on assumptions about inflation, financial pressures and levels of income such as grant.

AUTUMN STATEMENT : SPENDING REVIEW 2015

- 3.8 The Chancellor of the Exchequer delivered his speech on 25 November 2015. This confirmed the Government commitment to protect areas of public spending such as education, health and police. The major changes to welfare reform were deferred and whilst headlines were released for local government it is the Local Government Finance Settlement which provides the detail for individual authorities. The Settlement is to be announced in mid-December 2015.
- 3.9 It is stated that local government spending, in cash terms, will be the same in 2020 as 2015. However the balance of funding between Government and

local authorities will see Government Grant support reduce with more raised locally through Council Tax (and the Adult Social Care precept).

- 3.10 The main areas affecting local government, and impact on Wirral, are:-
- 3.11 **Revenue Support Grant to be phased out by 2020** The Government will be ending the general grant support to local authorities. The details and timings will be within the Local Government Finance Settlement. The Government projections also include potential change to New Homes Bonus moving to a four year support scheme, rather than the current six years, and additional support for the Better Care Fund which is linked to the changes to New Homes Bonus. For Wirral this will lead to the £65 million of Revenue Support Grant being removed by 2020. This has been factored into the Budget gap of £126 million over the period 2016/21. Indications are that the Grant could be reduced by £15 million in 2016/17 (compared to the forecast of £12 million) which would potentially increase the Budget gap for 2016/17 from £24 million to £27 million. This will be clarified in the Settlement.
- 3.12 **Other Grant and Changes** Details of the Specific Grants will be released with the Settlement. In the Autumn Statement there was reference to the Public Health Grant reducing over the period and services being funded by local authorities following a consultation linked to Business Rates changes. Whilst Dedicated Schools Grant is to be maintained there will be a £600 million reduction in Education Support Grant and a new schools funding formula to come in from 2017 with all secondary schools and Sixth Form colleges to be Academies by 2020. A new Apprenticeship Levy applicable to major employers set at 0.5% of pay bill could cost the Council £0.7 million from 2017/18.
- 3.13 **Adult Social Care Precept** Councils can levy a 2% levy on Council Tax to support the costs of social care. With this being through Council Tax the amount raised by local authorities will depend upon their Council Tax Base rather than be reflective of the demand or cost of adult social care in the local authority. It is clear from local and national projections that this precept does not cover the increased requirements for social care. Government have assumed in their financial projections that all local authorities will implement this precept.
- 3.14 **Greater flexibility to local authorities to spend capital receipts** The extension of present arrangements so that all authorities can benefit, rather than those which met specified criteria, from using capital receipts to fund 'reform projects' Wirral presently uses capital receipts from the sale of assets, buildings and land to fund capital schemes to avoid the need to borrow and therefore save on the future interest and repayment costs of such borrowing.
- 3.15 **Councils to keep 100% of all business rates collected from 2020** Local authorities are to keep the rates collected locally by the end of the Parliament and will be able to determine the level of Business Rates which is presently set by Government. Reference to the current system of 'top-ups' (for authorities who receive an additional payment reflective of need as they used

to receive from Government more than they collected such as Wirral) and 'tariffs'(authorities which collect more than they 'need') to remain in place. The Business Rates changes will not impact until 2020 and without the Government maintaining the 'top up' this could mean a £6 million loss of income to Wirral from 2020/21. There is reference to taking on additional responsibilities including funding such as Public Health and Housing Benefit administration which could bring additional costs. This will be subject a future consultation by Government.

THE WIRRAL PLAN

- 3.16 The Council Plan was approved by Council on 13 July 2015 and was then adopted by all strategic partners from the public, private and third sectors to create the first Wirral Plan.
- 3.17 The Plan provides a clear ambition for the borough based on three overarching priority areas:-

PEOPLE

Wirral is a place where the vulnerable are safe and protected, every child gets a good start in life and older residents are respected and valued.

BUSINESS

Wirral is a place where employers want to invest and businesses thrive.

ENVIRONMENT

Wirral has an attractive and sustainable environment, where good health and an excellent quality of life is enjoyed by everyone who lives here.

- 3.18 The ambition for Wirral is underpinned by 20 specific pledges which set define the outcomes to be achieved over the next five years. This shared set of outcomes, goals and objectives will see work towards integrating services and budgets and making best use of the available public sector resources for the benefit of Wirral people. Partners have committed to playing a lead role in achieving 8 of the 20 pledges.
- 3.19 To ensure the Wirral Plan becomes a reality there is to be an under-pinning Delivery Plan. Phase One of this Plan was agreed by Cabinet on 8 October 2015 and this has since been subject to consultation and review in order to inform the series of strategies and plans which provide the detail as to how the pledges will be delivered by 2020. The strategies will be reported to Cabinet on 25 January 2016 with the Delivery Plan Phase Two being reported to Cabinet in February 2016.

RESIDENTS INSIGHT

- 3.20 The Council must set a balanced budget, but it must do so in a way which is strategic and facilitates the delivery of the Wirral Plan. A fundamental principle in achieving this is to ensure that decisions are made, and policy and strategy

is set, based on robust insight and market intelligence and a complete understanding of what residents want, need and aspire to.

- 3.21 The first step in this move towards becoming an insight-led organisation was the delivery of the 2015 Residents' Survey, completed on behalf of the Council by Ipsos Mori. The Council has not undertaken research of this kind since 2008. The research has told the Council that the fundamental principles of the Wirral Plan are the right ones.

HIGHEST PRIORITIES AS RATED BY RESIDENTS

Reducing Crime and anti- Social Behaviour	60%
Street Cleanliness and Road maintenance	35%
Encouraging Job Creation and Skills	29%
Support for the Vulnerable (Adults and Children)	27%
Rubbish Collection and Recycling	21%

LOWEST PRIORITIES AS RATED BY RESIDENTS

Housing services	9%
Libraries, Arts and Museums	9%
Road Safety	8%
Parks and Countryside	8%
Sports and Recreation Facilities	6%

- 3.22 The results of this insight work have been used to develop the budget proposals, and are being embedded in the production of strategies and the final Delivery Plan to ensure the achievement of the Wirral Plan Pledges over the next five years.

THE BUDGET STRATEGY

- 3.23 The Council has a projected funding gap of £126 million over the next five years with a current budget gap of £24 million for 2016/17. In achieving the 2016/17 target the organisation has to ensure it is best placed to deliver and achieve the 20 Pledges for local people that were committed to in the Wirral Plan.
- 3.24 The Strategy which has been developed for the next five years is different from the budget setting process in previous years. The Council is increasingly planning for the longer-term, with a view to setting sustainable and achievable 5-year plans to deliver improved outcomes for local people. The budget proposals for 2016/17 demonstrate that approach; with a focus on ensuring resources are invested in the right places, taking regard of the needs of residents and the Wirral Plan pledges. The Strategy is produced according to four overarching themes:
- 3.25 **Income and resource management** The Council must do all it can to build its way to a sound financial position. More investment, more jobs and more housing coming into the borough transforms our finances. It translates into

more business rates, more Council Tax and more people in work. Every pound we bring into the Council is a pound we can invest in the kind of modern service people need.

- 3.26 **Managing Demand** Reducing the demand (and subsequently the cost) of specialist, substantial services mean we are able to invest more resources into early intervention and prevention services. In line with the Wirral Plan and the views of residents it is important to protect the vulnerable. The proposals seek to make no overall reductions in the levels of spending on care services for adults and children. Working with Health partners to improve the health and well-being of Wirral people will see the integration of resources to realise efficiencies to help meet the increasing demand from within the currently available budget.
- 3.27 **Delivering Differently** The Wirral Plan sets out how public services will work better together to deliver better job opportunities, a quality local environment, better health and a good life for local children and older people in particular. The Council continues to find new and innovative ways of working in partnership to achieve the outcomes Wirral residents need and will build upon the initiatives around Community Asset Transfer and the recently launched Schools Company (Edsential) and Day Services company (Wirral Evolutions).
- 3.28 **Service Changes:** The scale of the financial reductions which are imposed on us makes it impossible to avoid changing or reducing some services. We will do all we can to work with partners to manage the impact of those reductions, particularly on the most vulnerable, and we will challenge ourselves to be more efficient, to integrate more and come up with new solutions to make our money go further.

THE BUDGET FOR 2016/17 AND THE MTF5 2016/21

- 3.29 At the time of preparing this report there areas number of key elements which will influence the longer term MTF5 and for which clarification is awaited:-
- 3.30 In the Spending Review the Government set out its intentions regarding the funding of local government in that local authorities can implement a 2% Adult Social Care Precept on top of the permissible 1.99% rise in Council Tax, the General Grant will be phased out by 2020 and local authorities will retain 100% of Business Rates. However it is the Local Government Finance Settlement which provides the detail for individual authorities. This will be available in mid-December 2015. The Settlement, and subsequent announcements, should clarify the phasing of the reduction in the General Grant and any reductions in Specific Grants.
- 3.31 The Council has a legal requirement to set a Budget for 2016/17 by March 2016. For future years the MTF5 provides a direction of travel for the ensuing years which will be reviewed and refined as the areas are further developed. Key influences will be the progression of the Wirral Plan to deliver the key outcomes for Wirral people as in the 20 pledges. Clearly this work is key to

determining the most effective use of public resources, be it money, people, buildings, technology or accessing those willing to become more involved.

- 3.32 The Resident Insight programme has provided initial findings which are being further analysed. The overall findings need to be understood to inform the longer term plans, including the MTFs, to ensure that the aspirations and needs of the people of Wirral are successfully addressed by the implementation of the Wirral Plan. This programme of insight needs to be underpinned by further, more detailed insight work to support all aspects of policy-setting and decision-making.
- 3.33 The Council wants to ensure the elements detailed have been addressed before determining the detail of its future financial plans. Therefore the Budget for 2016/17 will be set in March 2016 with a direction of travel for the ensuing four years which will be refined in the summer of 2016.
- 3.34 The proposals for 2016/17 are detailed in Appendix A and summarised as:-

SUMMARY OF THE PROPOSALS FOR 2016/17

	£000
Income and Resource Management	17,912
Managing Demand	2,100
Delivering Differently	2,161
Service Changes	4,677
TOTAL PROPOSALS	26,850

- 3.35 The proposals, if implemented, will help the Council set a balanced Budget for 2016/17. The financial position remains subject to review given the Local Government Finance Settlement is awaited and the Transport and Waste levies have to be confirmed.
- 3.36 For future years the proposals in respect of Income and Resource Management and Managing Demand are anticipated to continue. They will be kept under review and inform the annual Budget and Council Tax setting process. To close the gap further work will be undertaken with actions focussed on areas such as the opportunities offered by the greater use of technology, the engagement of the thriving volunteers in Wirral which has seen a transformation in community centres and libraries as well as reducing the public subsidy within the area of leisure and culture. These will be expanded upon further as the Wirral Plan Delivery Plan is developed in the coming months.

GENERAL FUND BALANCES AND RESERVES

- 3.37 The level of General Fund balances and reserves that the Council maintains is critical to its financial resilience. It is important balances and reserves maintained are sufficient to fund costs that occur be it from planned activities or unexpected events. A review of reserves, provisions and general fund

balances is being undertaken as part of the process to set the 2016/17 Budget. This will take account of the financial risks anticipated to be faced in the coming period 2016/21 and known commitments and plans. The outcome of the review will be reported to Cabinet on 22 February 2016.

CAPITAL PROGRAMME

- 3.38 The Council has a planned 2015/18 Capital Programme and the 2016/17 onwards Programme will be reported to Budget Cabinet. In preparing this the existing Programme will be revised with the re-profiling of schemes and the resources anticipated being available. New schemes will be considered for inclusion in the Programme.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The financial implications are detailed in the report. The projected Budget Gap for the period 2016/21 has previously been reported as £126 million with £24 million relating to 2016/17. In light of the Autumn Statement : Spending Review the phasing of the Government Grant reduction could potentially increase the 2016/17 gap by £3 million but this, and any other grant changes, will not be known until the Local Government Finance Settlement is issued in mid-December 2015. The levies for Transport and Waste are anticipated in February 2015. The financial implications will be further updated in the Budget / MTFS Report to Cabinet on 22 February 2016.

5.0 LEGAL IMPLICATIONS

- 5.1 The Council is required to agree a Budget for 2016/17 by 10 March 2016. As part of agreeing the Budget the Chief Financial Officer is required under Section 25 of the Local Government Act 2003 to produce a report on the robustness of the estimates made for the Council Budget.
- 5.2 The duty of the Council is to avoid a budget shortfall which is not just an academic exercise in balancing the books. The Chief Financial Officer of a local authority has a personal duty under Local Government Finance Act 1988 Section 114A to make a report to the Executive if it appears that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

- 6.1 Investment into ICT continues and the future years will see the development and implementation of a Digital Strategy. In respect of assets the Council is reducing the number of buildings it has in order to reduce running costs and also generate capital receipts from the disposal of surplus assets which are used to fund capital investment. Those proposals that include implications for staff form part of the engagement and consultation with Trade Unions and employees.

7.0 RELEVANT RISKS

- 7.1 The financial position for 2016/21 is based on forecast amounts which are outside of Council control such as Government funding and the levies from other bodies as well as reflecting changing demand for services. A key risk is that any of these assumptions can change which is increasingly the case when projections are made over the medium term. This is mitigated by keeping the MTFs under, at least, an annual review.
- 7.2 The scale of the financial challenge and the Council's ambitious response to enable it to deliver the very best outcomes from increasingly limited resources inevitably carries risk. This report sets out a planned approach to the funding deficit and the risks that arise are from the considerable reductions in expenditure required. To mitigate the risks associated with the delivery of the transformation required, which includes the identification and progression of Alternative Delivery Models, this will be overseen by the Officer Transformation Board. Funding for implementing the change exists in the Remodelling Reserve / Transformation Fund.
- 7.3 There is a risk that agreed changes will not be delivered. The progress on the delivery of the agreed Budget will be through the Financial Monitoring reports presented to Cabinet. The level of General Fund balances includes an element to reflect the risk associated with the delivery of the savings. In the medium term the delivery of the new homes is reliant upon developers being able and prepared to build the housing.
- 7.4 A number of the decisions in this report are subject to engagement / consultation with residents and other stakeholders. The results of the consultations will be assessed by Cabinet as part of Budget decisions in February 2016.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 Subject to Cabinet agreement, the Council will immediately commence appropriate, robust and meaningful consultation on the budget proposals. This consultation will include working with people who use services, residents and stakeholders.
- 8.2 The Council will also work with staff and Trade Unions to ensure obligations in relation to statutory, staff consultation is delivered appropriately and within agreed guidelines.

9.0 EQUALITY IMPLICATIONS

- 9.1 For each of the proposals consideration has been given to the need for an Equality Impact Assessment and the details are in the Appendix.
<http://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments/equality-impact-assessments-2014>

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APPENDICES

Appendix A Proposals for 2016/17

Appendix B Consultation on proposals for 2017/21

SUBJECT HISTORY

Council Meeting	Date
Cabinet - Revenue Budget 2015/16 and 2015/16 and Council Tax Levels 2015/16	10 February 2015
Council - Wirral Plan	13 July 2015
Cabinet – Delivery Plan (Phase One)	8 October 2015
Budget Council Arrangements	5 November 2015

APPENDIX A

BUDGET PROPOSALS 2016/17

SUMMARY OF THE PROPOSALS FOR 2016/17

	£000
Income and Resource Management	17,912
Managing Demand	2,100
Delivering Differently	2,161
Service Changes	4,677
TOTAL PROPOSALS	26,850

Almost £18 million of the currently projected 2016/17 budget gap of £24 million can be met through generating more income and making changes in how the Council operates. This includes the implementation of the Government's permissible Council Tax rise and Adult Social Care Precept as well as increases in housing and business rates, re-assessment of the assumptions regarding such as pay, reductions in the Council's liabilities in relation to pension and national insurance, projected rebates on contracts and reductions in levies and waste funds and changes in treasury management is completed.

From the proposals identified under the other categories there are a number that require engagement and consultation. A detailed explanation of these proposals is provided at Appendix 2.

INCOME / RESOURCE MANAGEMENT	2016/17 £000	Brief Description of Proposal
Council Tax Increase of 1.99%	2,200	Permitted increase in Council Tax
Council Tax Adult Social Care Precept	2,200	Precept for Adult Social Care
New Homes (Bonus & Tax)	1,693	Aim to build new houses beyond pledge
Fees and Charges	351	
Planning Fee income	50	Increase in demand for services
Home Adaptation fee income	85	Increase in demand for services
Selective Licensing Income	20	Increase in demand for services
Garden Waste Service Fee increase	196	Increase charges for Garden Waste
Pay Assumptions	1,700	
Pay Assumptions	1,000	Contain Pay within existing resources
Pay Rise limited to 1%	700	Pay award budget at 1% rather than 2%
Pension and NI Review	3,000	
National Insurance Review	2,000	Realign National Insurance budgets
Pension Strain Fallout	1,000	Short term pension costs ending
Levies and Waste Fund	2,408	
Use of Waste Fund	1,000	Support waste initiatives
Reducing cost of Levies	1,408	Previously agreed allocations
Procurement Contract	350	Contract Rebates

INCOME / RESOURCE MANAGEMENT (continued)	2016/17 £000	Brief Description of Proposal
IT Maintenance	300	Upgraded IT needs less maintenance
Finance and Treasury Management	3,710	
Transitional Fund reserve	250	End revenue contribution to fund
Business Grants	300	Unallocated match funding for grants
Treasury Interest on borrowings	1,860	Reduce borrowing requirements
Treasury Minimum Revenue Provision	450	Restatement of asset life
Community Fund	750	One-off resource from the Fund
War Widows underspend	100	Declining numbers reduce need
	17,912	

MANAGING DEMAND	2016/17 £000	Brief Description of Proposal
Children & Young People Inflation	200	Objective to cover growth & inflation
Children & Young People Demographics	400	Objective to cover growth & inflation
Adult Social Services inflation	900	Objective to cover growth & inflation
Adult Social Services Demographic	1,900	Objective to cover growth & inflation
Extra Care Housing	- 1,300	Delayed implementation of saving
Savings proposals to meet demand:-		
Girtrell Court	155	Re-provide in independent sector
Single Safeguarding Board with LCR	40	Working in partnership across the LCR
Self Assessment	500	10% reduction in Council provision
	2,100	

DELIVERING DIFFERENTLY	2016/17 £000	Brief Description of Proposal
Estate Management - Buildings	365	Implementation of estate reduction
Digital Strategy	375	
ICT	241	Increasing automation reducing costs
Communications	111	Income and restructuring
Occupational Health	23	Online booking system
Community Safety	367	
Anti-Social Behaviour Provision	165	Stay Safe Operations at reduced level
Community Patrol	150	Become self funded via partners
Dog Fouling Enforcement Team	52	New model similar to litter enforcement
Leisure Centres and Golf	641	
Beechwood Leisure Centre	73	Transfer of Centre
Leisure	500	Review of concessions
Municipal golf courses	68	Wallasey and Arrowse Park income
Libraries	203	Other providers / community transfer
Parks & Open Spaces Project	180	Full review of Service
Pest Control	30	Commercial review of charges
	2,161	

SERVICE CHANGES	2016/17 £000	Brief Description of Proposal
Education and Mental Health	160	
Child & Adolescent Mental Health	100	Changes to funding of the service
Education Social Welfare Service	60	Reduction in line with DFE benchmark
Public Health	800	
Funding of Council Health Services	2,271	Ending of temporary funding support
Health Trainers / Promotion	838	Re-commission for different approach
School Hubs	50	Ending 'pump priming' as self sufficient
Recovery through nature project	51	Decommission contract
Data for the drugs and alcohol service	39	Decommission contract
Workforce training programme	30	Decommission contract
BME Health Improvement Service	53	Decommission contract
Get into Reading	132	Contract reduction
Young Peoples Outreach Programme	46	Contract reduction
HIV Prevention Service	27	Contract reduction
On-line Counselling for young people	25	Contract reduction
Public Health budget reductions	239	Unfilled posts and declined need
Public Health Grant Reduction	(3,000)	Projected reduction from Government
Highways and Road Safety	320	
Winter Service – Grit Bins	30	Residents fill if they wish to use them
Highways Maintenance Works	200	Use revenue only for safety works
Road Safety	90	Remove crossing patrols at pelicans, etc
Supported Housing	591	
Supported Housing Contracts	500	Reduction in contracts (part agreed)
Homeless Prevention	50	Reduction in costs
Strategic Housing Services	41	Reduction in costs
Staff Pay / T&C's	2,400	
Unpaid Leave	1,200	Continuation of 4 days unpaid leave
Car Allowances	600	Removal of essential user car allowance
Enhancements	600	Removal / reduction of pay enhancements
Discretionary / Welfare Support	406	
Closure of Welfare Rights Unit	106	Link to alternative services (such as CAB)
Discretionary Housing Payment	300	Funding at level of Government Grant only
	4,677	

APPENDIX B

BUDGET PROPOSALS 2016/17

PROPOSALS FOR ENGAGEMENT AND CONSULTATION

The following pages provide Cabinet with a summary of the proposals for savings which will be subject to public consultation.

Consultation on these proposals will close on 29 January 2016. The feedback received by the Council will then be provided to Cabinet in order to allow for informed decisions to be made in setting the Council's budget for 2016/17.

All are further supported by detailed Equality Impact Assessments.

The proposals detailed on the following pages are:-

Proposal	£
Community Safety	367,000
Discretionary Housing Payments & Advice	406,000
Girtrell Court service re-provision	155,000
Highways Maintenance and Road Safety	320,000
Leisure Centres and Golf Courses	641,000
Libraries Re-provision	203,000
Parks Community Partnership Working	180,000
Charging for the Pest Control Service	30,000
Charging for the Garden Waste Service	196,000

BUDGET 2016-17

Savings Proposal for Consultation

Proposal	Community Safety
Saving in 2016/17	£367,000

SUMMARY OF OPTION

This proposal would see the Council make changes across a number of its community safety services, moving towards being financially self-sufficient, through increasing income from external organisations such as schools and landlords, while at the same time making a small reduction in the management of the service.

We will also put a major focus on reducing dog fouling throughout the borough through increasing enforcement activity.

CONTEXT

The 2015 Residents' Survey identified reducing crime and anti-social behaviour as residents' number one priority. This was particularly so in places such as Birkenhead and Wallasey. Residents have also identified dog fouling as one of their primary concerns related to anti-social behaviour.

WHY THIS OPTION HAS BEEN PUT FORWARD

Instances of anti-social behaviour have reduced in Wirral every year for the past seven years. Achieving this saving would allow the Council to retain its community patrol service, on a sustainable financial footing, for the longer term. It would not reduce the front line element of the service, and would also allow us to target our resources at those areas where residents have told us it is a priority for them.

HOW WE WILL DELIVER

We will immediately begin to work with the Police, with registered social landlords and community organisations to review our approach to community safety; making sure our approach is truly integrated with partners. This approach will enable the Council and partners to share intelligence and resources as well as adopt more efficient and effective ways of working. We will make sure our resources are targeted at those areas where residents feel they are most needed.

We will also increase our efforts to reduce dog fouling in the borough, through commissioning a private organisation to deliver enforcement activity, based on the same approach as has been successfully implemented to reduce litter.

BUDGET 2016-17

Savings Proposal for Consultation

Proposal	Discretionary Housing Payments & Advice
Saving in 2016/17	£406,000

SUMMARY OF OPTION

The Council receives a grant from Government to pay for Discretionary Housing Payments. This grant falls short of the cost of the payments the Council makes. This proposal would see the Council limit the payments to the level of the government grant amount.

This option would also involve the Council stopping its current 'welfare rights' service, due to similar services being provided by other organisations such as the Citizen's Advice Bureau, which are also funded by the Council.

CONTEXT

Councils administer the Discretionary Housing Payment (DHP) scheme alongside the Housing Benefit scheme. The DHP is a specific government grant which the Council 'tops up' and this proposal would involve the Council not adding this 'top up' and reviewing how the available grant is administered to target the most deserving cases.

This option will also seek to re-provide Welfare Rights Support, which provides advice to residents primarily around benefits and tax credit awards and achieves increased benefits awards in excess of its annual costs.

On the basis that similar services are delivered by independent providers within the voluntary and community sector, we believe that we can seek to re-provide this service in a different way at less cost to the Council.

WHY THIS OPTION HAS BEEN PUT FORWARD

The Council needs to review all areas of discretionary spend and find ways of achieving savings which have the smallest possible impact on residents, particularly the most vulnerable. In these areas it is proposed that we make better use of the shrinking resources which are available to keep them targeted at the most vulnerable residents.

HOW WE WILL DELIVER

Should this option be accepted we will begin the process of changing how welfare rights advice is delivered and change our approach to administering the Discretionary Housing Payment grant.

BUDGET 2016-17

Savings Proposal for Consultation

Proposal	Girtrell Court service re-provision
Saving in 2016/17	£155,000

SUMMARY OF OPTION

Girtrell Court is a respite breaks facility, providing short breaks for carers of Adults with complex physical and learning disabilities.

This is the only directly provided care home for adults owned by the Council. The majority of this type of care, in Wirral and across the country, is now provided by the independent sector.

The care that is currently being provided at Girtrell Court could be provided by an extensive range of independent providers across the borough and the region. The Council could achieve increased choice, better value and ensure the same quality of care and support through following best value commissioning practice.

CONTEXT

The site at Girtrell Court is used by 120 people who have learning and/or physical disabilities. The building is a 'respite' service, which is primarily used to give the persons' family a short break from their caring responsibilities.

This proposal would see the Adult Social Services Department working with the individuals currently using the service to re-provide the current service to people and families currently using the facility to identify alternative ways of offering respite breaks.

This would include consideration of community based provision, supported breaks, shared lives and alternative building based services. The services would be provided within Wirral and at a level which is appropriate to the needs of the person and their family.

The Council has a duty to ensure that a range of services are available to meet identified need, work is currently underway to ensure that this is available.

WHY THIS OPTION HAS BEEN PUT FORWARD

The extensive site upon which Girtrell Court is situated is also ideally suited for developing alternative housing to meet the needs of disabled people. Such developments are required for both our ageing population and Adults with disabilities

to provide alternative more independent models of accommodation and support in line with what people want. These forms of care provide a much better option for vulnerable people than traditional residential care.

HOW WE WILL DELIVER

To deliver this proposal, we will work with people who use this facility to make sure the services they receive can be re-provided in suitable alternative locations.

We will cease provision of respite care from this site whilst developing options for new forms of housing on the site. We will enter into formal consultation with the staff team who will be affected by the proposed re-provision.

BUDGET 2016-17

Savings Proposal for Consultation

Proposal	Highways Maintenance and Road Safety
Saving in 2016/17	£320,000

SUMMARY OF OPTION

The condition of Wirral's highways is among the best in the UK, and Residents' have indicated that they should remain among our highest priorities. This proposal would see the Council use only Government grant – and not council revenue funding – for preventative road maintenance.

It would also see the Council retain all 298 roadside grit bins, but require communities or constituency committees to fund filling the 198 bins which are not on the Council's gritting priority routes for grit bins. We would also work with education and health partners; including schools to explore seeking alternative funding – or stopping – the operation of school crossing patrols in those locations where a pedestrian crossing is also in place.

CONTEXT

The Council has a legal obligation to maintain highways and over the years has worked to ensure that Wirral's roads not only meet legal obligations but are among the best maintained in the UK. This proposal would not stop road and pavement maintenance, but would limit the amount of funding invested in it to just the amount required to ensure legal and safety obligations are met.

We also have an extensive programme of winter maintenance, with 10 routes covering large parts of the borough throughout the winter period to address ice and dangerous driving conditions.

This activity is supplemented by grit bins in residential areas, which are regularly filled by the Council and used by residents. 100 of these bins are in locations which are appropriate to effectively support the gritting routes, with an additional 198 being installed at the direct request of residents through community grant funding a number of years.

Many residents are already aware that the grit bins only bring limited benefits – due to the inefficient spread of the salt, and its low effectiveness on lightly trafficked roads and when the temperature of the road is very cold. There are also a number of operational factors including the fact that the time taken to refill all grit bins often exceeds the period of bad weather.

This option would also review the school crossing patrols which are currently at 40 sites across the borough where there is already a pedestrian, pelican or puffin crossing in place. We believe that, due to the crossing facilities which are in place 24 hours a day, the demand and requirement for a school crossing patrol is greatly reduced. Before this option is implemented, a full risk assessment will be completed on every crossing site.

WHY THIS OPTION HAS BEEN PUT FORWARD

In terms of highway maintenance, the Council is in a position to ensure that the borough's road network remains in safe and effective condition through targeting our work and making better use of the government funding we receive to perform preventative maintenance activity. We will also be able to put measures in place – through community organisations and constituency committees – to make sure that the 198 grit bins involved in this saving continue to be filled.

In terms of school crossing patrols, surveys conducted in 2012 and 2013 indicate that they assist more than 20,000 people daily at all sites across the borough. Of these, 11,000 people use the sites where a permanent pedestrian crossing is already in place. To support the change, additional road safety education and training will be delivered in schools to reduce the impact of the removal of any crossing patrol. Where patrols are to be removed, we will seek alternative options such as health and education partner funding, including schools who may wish to continue the service by paying for the provision of the patrol at that site.

HOW WE WILL DELIVER

The Council will, if this proposal is accepted, begin working with health and education partners, including schools, as well as community organisations and residents to put measures in place to achieve the saving in this area with very little impact on residents.

BUDGET 2016-17

Savings Proposal for Consultation

Proposal	Leisure Centres and Golf Courses
Saving in 2016/17	£641,000

SUMMARY OF OPTION

Our 2015 Residents' Survey told us that this was our lowest priority service: this does not mean it is not important, but rather that residents feel it is not where the council's limited resources should be invested. Our ambition is to find a new way of running leisure centres, to keep them financially viable. To achieve that ambition we must make the operating business model sustainable and attractive. Our leisure centres at the moment run at a combined cost of over £4 million per year.

To reduce this subsidy, and put the leisure centres in a position where they are more sustainable for the long term, we need to remove many of the discounts and free access to the facilities which we currently offer. This includes providing free access to the facilities for long-serving Council staff, to foster carers and their families, and free swimming for under 18s during school holidays and over 65s between 9am and 12pm. We will also continue negotiations with the community over the potential transfer of Beechwood Recreation Centre, keeping a much valued facility open and operated by the community it serves.

CONTEXT

We want to ensure that residents have access to a range of good quality leisure services, but 'leisure' is much broader than what the Council offers and our approach does not necessarily mean that the council should run seven leisure centres at a cost to the taxpayer of over £4 million each year.

Wirral Council's leisure centres are in a competitive market place and therefore we must consider stopping providing free access to the facilities unless there is an absolutely compelling case to do so. Last year almost 70,000 free swims were taken at Wirral's leisure centres by under 18s, with people often travelling into Wirral from across the City Region to take advantage of the offer.

WHY THIS OPTION HAS BEEN PUT FORWARD

We believe that we need to take a different look at how leisure is provided/facilitated by the council and find new solutions for encouraging people to access fitness and leisure facilities. To put us into a position to do that, our leisure centres need to move towards a more commercial business model.

The Council running seven heavily subsidised leisure centres across the borough is difficult to justify in the current economic climate, and given its other priorities and obligations. We believe that by making changes to how the services are offered we can begin to significantly reduce that subsidy and put the facilities onto a more sustainable financial footing.

This will in turn increase the chances that we will be able to find a trust, community organisation or not-for-profit company who will be able to run the facilities on behalf of the Council – as has been done in many other areas – to keep them available for the communities and residents who use them.

HOW WE WILL DELIVER

Operating leisure centres on a much more commercial model: with free access and concessions at a minimum, hugely strengthens the business model and makes the potential of transferring the entire service area into a trust or different delivery vehicle much more attractive and possible.

If this proposal is accepted and we remove concessions, we will continue to review how leisure centres are operated – encouraging more people to use them and become members to drive up income and making further efficiencies in how the centres are managed and operated.

BUDGET 2016-17

Savings Proposal for Consultation

Proposal	Libraries Re-provision
Saving in 2016/17	£203,000

SUMMARY OF OPTION

Wirral must and will ensure we always enable and provide a comprehensive and efficient library service, which meets the needs of our communities. This proposal would see the Council make a relatively small saving through working with community organisations and volunteers to increase their involvement in running Council-funded library buildings.

We do not believe we will have to close any library buildings as part of this proposal. We are already seeing many community organisations, groups and volunteers take an active role in running their local library; we believe we can encourage more of this work and allow the Council to make the savings we need while keeping the facilities open for the communities who want them.

CONTEXT

The Public Libraries and Museums Act (1964) places a general duty on every local authority to provide a comprehensive library service. Councils need to meet the act through paying particular regard securing a sufficient number, range and quality of avenues to access content, by any appropriate means. We are also required to encourage people to use library services, and access advice and support.

The broad definition of a library is 'a collection of sources of information and similar resources, made accessible to a defined community for reference or borrowing. It provides physical or digital access to material, and may be a physical building, a room, a virtual space, or a combination of them all.'

Our vision is of a library service in Wirral which meets community needs through: Enabling Wirral residents to have access to a lively and engaging reading offer, to make sure that they can access relevant resources, information and support and that they can be supported to get online.

Some key pieces of insight and information related to our current library offer include;

- Residents have told us that libraries, and related areas such as arts, culture and museums, should not be among our highest priorities – only 9% of residents have indicated libraries as being most important to them.

- Library usage is falling throughout the country as people find new ways to access books and content.
- Wirral has more libraries than the national comparator and all but one of our regional neighbouring authorities.
- Wirral has more libraries per head of population than the national comparator and all but one of our regional neighbouring authorities.

The library is important for all communities in Wirral, and it is an offer we believe we can invest resources into in a different way, to expand and make it more widely available. We can build upon our current approach to open up new channels to access the core library offer of accessing books and content.

WHY THIS OPTION HAS BEEN PUT FORWARD

We must be clear on the future of the service and – particularly – how we deliver the offer to residents. We want resident to be able to access a library service which is comprehensive and efficient, but also for it to be delivered in a way which is designed according to their needs. We believe we can do these across four main themes:

Our view of the future scope of the service is covered in four themes:

Visit the library. We know people enjoy, they value and they sometimes rely on the traditional library building. They go there to read books, meet friends, access the internet and a wide range of other support. We must and will retain a major element of this in our future service model.

Have the library come to you. We also know that a library building isn't right for everyone, and that bringing the library offer closer to the community will help us support literacy, access to books and access to content to those neighbourhoods who most need that support. A modern, agile outreach service should play a key role in delivering on our vision in the future.

A library in your home, or on your phone. The use of traditional libraries is falling year-on-year and people want different ways to access content and read books; we need to move with the times and think differently too. 86% of Wirral residents have access to the internet; with 6 in ten having access to a home laptop or PC. This access will continue to rise and we must make sure our offer keeps up with this demand through continuing to improve and refine our digital library service.

A library you can run. Only one in ten Wirral residents say they would not consider volunteering, and half say they would if they knew what was available. Over 1 in 4 residents are already volunteering in some form. We must capitalise on this community spirit and harness it to find new ways of providing the library offer.

HOW WE WILL DELIVER

Implementing this proposal will over time see an improved library offer, with a redefined and strengthened purpose, which has a greater reach into the community. It will see less council-funded library buildings, but instead an equivalent library service that is supported by an enhanced outreach and digital offer and a much greater volunteer and community owned provision.

To get there, we will begin discussions with stakeholders: including individuals, community groups and other organisations who have indicated they are willing to work with us as we transform the service.

This approach is not, and cannot, be about simply deciding which libraries we keep and which libraries we close. We are not approaching it in that way. We know we can deliver this service in a different way and that we can make sure our library service more than meets our statutory obligations, that it delivers the right outcomes for residents and that it is financially stable and sustainable in the longer-term.

Moving more libraries into community ownership will mean we have more volunteers, and therefore we require less staff and over the course of the next year we believe we can be in a position to transfer up to 12 of our current physical library buildings into community ownership. That means we can start to open up new access points for library services – in other council buildings, other partner buildings such as health centres and begin to grow our digital offer.

BUDGET 2016-17

Savings Proposal for Consultation

Proposal	Parks Community Partnership Working
Saving in 2016/17	£180,000

SUMMARY OF OPTION

Wirral has 240 parks and open spaces which the Council maintains; the maintenance of which currently provides good value for money. This proposal would see the Council achieve savings through increasing opportunities for community groups and volunteers to take a more active role in our parks and open spaces .

CONTEXT

Our current service provides good relative value for money – based on cost per head of the population. We do have many more parks and open spaces than the average local authority; reflecting the heritage, nature conservation and visitor appeal of Wirral.

Our residents' survey has told us a number of things which are important here. Firstly, that they don't believe parks and countryside should be a huge priority for the Council, but also that 9 in 10 residents have visited one of our parks during the past year. So we know that people think other things are more important, but they also value and enjoy our parks and open spaces.

The survey has also told us that we have thousands of residents who are already volunteering to good causes in Wirral and thousands more who are prepared to volunteer if we gave them the right information and opportunity.

WHY THIS OPTION HAS BEEN PUT FORWARD

We believe that there is an opportunity to further build on this community involvement, and over a five year period expand the volunteer input around our parks and open spaces, thereby reducing the strain on the council for their maintenance.

HOW WE WILL DELIVER

This option would involve a focus on income generation and increasing pride and community involvement in local areas, resulting in less maintenance, clean up and support being needed from the Council for parks and open spaces.

BUDGET 2016-17

Savings Proposal for Consultation

Proposal	Charging for the Pest Control Service
Saving in 2016/17	£30,000

SUMMARY OF OPTION

The Council delivers a comprehensive pest control service for residents, businesses and organisations. Parts of the service are provided at a cost, and some other elements are currently provided for free, including treatment services for rats and cockroaches. This proposal would see the Council begin to charge landlords, business and those residents who can afford to pay.

Local businesses may benefit from the review of this service as the Council will be competing on a more commercial basis with reduced subsidies.

CONTEXT

Under the Prevention of Damage by Pests Act 1949, the Local Authority has a duty to take such steps as may be necessary to secure so far as practicable that their district is kept free from rats and mice.

The exact definition of this duty is not clear and many Councils now charge for this type of service. The proposed charge being introduced for the treatment of rats offers excellent value when compared to commercial charges by the larger private companies.

WHY THIS OPTION HAS BEEN PUT FORWARD

The introduction of the charge for rats and the commercialisation of the service reduces the impact of the Council on private pest control firms that operate within Wirral.

There are a number of private businesses which operate in Wirral that offer pest control services and a number of well-known DIY stores located in Wirral that sell a range of products that can be used to control the common pests which Wirral Council currently treat.

If this budget option was approved Council customer service staff would be trained to provide general advice on where to go to get advice on home treatments and what alternative private pest control companies operate in Wirral. The Council will also make sure it provides accurate and helpful information to residents on how to mitigate any risk of pest and rat problems.

HOW WE WILL DELIVER

People who are dissatisfied with the increased charges could choose to self-treat or opt to use the wide range of commercial businesses, large and small, that offer pest control services in Wirral. As and when in-house expert advice is required that cannot be provided by our existing officers, expertise would have to be sought externally through our network of contacts or bought in, as required.

BUDGET 2016-17

Savings Proposal for Consultation

Proposal	Charging for the Garden Waste Service
Saving in 2016/17	£196,000

SUMMARY OF OPTION

The Council provides a discretionary service which collects garden waste from residents' homes. The service currently costs £35 per year per household.

This proposal would implement an increase in that charge, resulting in each resident who wants the service to pay £40 per year, with a discount of £5 if they pay online. This increase amounts to around 10p per week.

CONTEXT

The garden waste service was launched in its current form three years ago, and around 40,000 residents buy the service from the Council.

WHY THIS OPTION HAS BEEN PUT FORWARD

Since the service was launched there has been no price increase and it is therefore thought a small increase now would be appropriate. This service is entirely optional, and people are able to dispose of their garden waste in a number of different ways; including composting and waste collection points.

HOW WE WILL DELIVER

People who are dissatisfied with the increased charges could choose to cancel their subscription or use a different method to dispose of their garden waste. The Council will publish, as part of ongoing communications campaigns about waste and recycling, detailed information related to the options residents can take should they not wish to continue receiving the service.