

MINUTE EXTRACT

CABINET

8 DECEMBER 2016

68 REVENUE MONITORING 2016/17 (QUARTER 2)

Councillor Phil Davies introduced a report which set out the projected revenue position for 2016/17 as at the end of quarter 2 (30 September 2016). The latest forecast was an under spend of £0.2 million for 2016/17, being an improvement of £1.3 million on the quarter 1 forecast. (£1.1 million over spent).

The over spend in the Families and Wellbeing Directorate had increased during the second quarter. The Treasury Management report on the agenda recommended to Council the adoption of the annuity method for calculating Minimum Revenue Provision (MRP) in respect of capital financing. This change would contribute a significant one-off saving in 2016/17 and compensate for the over spends elsewhere in the 2016/17 budget.

The report also provided details of the re-allocation of existing budgets to reflect the New Operating Model which had been implemented on 1 November 2016.

Councillor Davies highlighted a forecasted over spend of £3.6 million which related predominantly to Community Care, where a number of ongoing pressures existed around demographics and demand. The actions to deal with these at the start of the year were now experiencing slippage.

A number of savings were rated red or amber and were mainly prior year savings. Progress of these was being closely monitored, however delivery of them was challenging as they related to changes in care. Resources were identified within – and had been allocated from – the Revenue Budget Contingency to offset the pressures in 2016/17.

Adult Social Care Budgets across the country are under pressure with local authorities, public sector agencies and private providers all highlighting concerns to the Government. Councillor Davies informed that there was a real crisis in social care and the Chancellor of the Exchequer had not taken the opportunity to announce some help for local authorities on this in his Autumn Statement.

Councillor Ann McLachlan made reference to the Government's decision to let local authorities increase council tax by 2% to fund social care and informed that it had not taken account of changing demographics and that people are now living longer. The Council tax base in Wirral was mostly in the A, B and C bands so the situation was dismal for Wirral and the situation regarding social care was disgraceful.

Councillor Bernie Mooney agreed with Councillor McLachlan and informed that

more needed to be done to highlight the issues and that the Government must find ways to invest more into care services for the elderly and the disabled.

RESOLVED: That

- (1) the quarter 2 forecast year end underspend of £0.2 million, which contains a number of significant variances, be noted;**
- (2) Officers identify actions and take measures to assist to reduce the impact of the projected overspends;**
- (3) the significant in-year contribution offered by the change in Treasury Management assumed in the projections be noted;**
- (4) the realignment of budgets to reflect the New Operating Budget are referred to Council for approval; and**
- (5) Cabinet believes that the failure by the Chancellor of the Exchequer to announce any additional funding to tackle the crisis in social care in his recent Autumn Statement was a huge missed opportunity. Cabinet requests that all parties on the Council make strong representations to the Government to make extra resources available for social care, as a matter of urgency, to ensure that Councils like Wirral can continue to provide good quality care to the most vulnerable members of the community.**