

## LIBERAL DEMOCRAT GROUP – BUDGET AMENDMENT 2017/18

Date of Budget Council: **Monday 6 March 2017**

Date submitted: **Wednesday 1 March 2017 (at 1000hrs)**

Proposed by: **Cllr Phil Gilchrist**

Seconded by: **Cllr Alan Brighthouse**

Council notes the Cabinet's Budget recommendations with the following observations:

### **SECTION 1 - REVENUE BUDGET AND COUNCIL TAX LEVELS 2017/18 (AGENDA ITEM 6A)**

Council recognises the financial challenge that Wirral faces and endorses the concerns expressed by Lord Porter, the Chairman of the Local Government Association...

*"Councils, the NHS, charities and care providers remain united around the desperate need for new government funding for social care. By continuing to ignore these warnings, social care remains in crisis and councils and the NHS continue to be pushed to the financial brink."*

In the midst of this crisis, the diversion of resources to support the Leader with an Executive Support Officer, the appointment of an Investor Development Manager and an inordinate use of highly paid interims, agency and consultancy services cannot be an appropriate use of the Council's limited resources.

In the light of this, Council declines to fund the posts of the Executive Support Officer (costed at **£58,000**) or the Investor Development Manager (costed at **£50,000**) since doubts about the genesis, necessity for and effectiveness of these roles persist.

Similarly, there is no justification for the continued publication of Wirralview which has been plagued by problems with its irregular and incomplete distribution and questions around its legality. It has devoted far too much content to addressing the image of the current administration and has failed to establish itself as a respected publication. The publication should be discontinued, **saving £152,000**, and the energy put into its creation applied to more meaningful and targeted information and genuine consultation.

In November 2012, the Chief Executive stated that *"we should spend less on ourselves, taking savings first from our 'back office' and so mitigating as much as possible the impact on services to residents, particularly our poorest and most vulnerable."*

Council recognises the need to continue to scrutinise back-office and central corporate costs and believes a **reduction of £260,000** is achievable in 2017/18 by a reduction of six posts within the Performance, Policy and Communications elements of the Strategic Hub.

Careful management of the spending on highly paid interim, agency and consultancy posts would enable a further reduction in spending during the course of the year. However, the pressing needs of Adults' and Children's social services should continue to be recognised and safeguarded.

Council reaffirms its commitment to improving the health of local residents by encouraging the use of Wirral's country parks and the New Brighton waterfront. It acknowledges that the introduction of parking charges in all these areas would run counter to such a policy and, for consistency in policy, determines that parking charges for our Country Parks runs counter to that objective.

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Also, at a time of uncertainty in the 'high street' and given the intense competition from on-line retailing, it would not be appropriate to increase car parking tariffs.

Council, therefore, calls upon the Cabinet to drop proposals which will have an adverse impact on retailing and reduce visits to our open spaces.

Therefore, a **sum of £370,000 income** foregone needs to be budgeted for.

### **Providing consistent funding for Constituency Committees**

The suggested removal of core funding places projects at risk. The Constituency Committees need the flexibility to draw up their own priorities. Council believes that Cabinet should not impose restrictions on the use of funds allocated to Constituency Committees in 2017/18.

Council further recognises the valuable contribution made by the Constituency Committees and will **allocate a further £150,000** in 2017/18, thus restoring the original allocation levels.

Earlier confirmation of the Integrated Transport Budget would enable real progress to be made in involving communities in the planning of local safety and highway initiatives.

### **Establishing effective monitoring of the Budget**

There is a need for a new mechanism for Members to get a grip on spending. Council believes that the release of Financial Monitoring reports to Members must be both timelier and more regular.

Members cannot take reasonable steps to monitor and control expenditure when there are considerable time lags in presentation, linked to a calendar of infrequent scrutiny meetings. In 2016, Cabinet considered the Quarter 1 Monitoring report (April – June) on 18 July, the Overview and Scrutiny Committees considered it on the 8, 13 and 21 September. The second Quarter ended on 30 September 2016 but Cabinet considered it on 8 December after the Overview and Scrutiny Committees had met on 28, 29 and 30 November.

A more regular analysis of the trends in income and expenditure, the delivery of savings and the progress of the Capital Programme is needed for Members to hold all those involved to account.

Council is concerned at the apparent ease and alacrity with which consultants and interims are engaged and at the high daily rates these can command. Council appreciates that certain skills and capacities arise in both the Children's and Adult Care sectors but is determined that, for other areas proposed, appointments must pass more rigorous tests.

It must be demonstrated that the investment in highly paid individuals will bring a net gain to the borough. The post of the Investor Development Manager cannot be continued without a rigorous review of any claimed benefits.

## **SECTION 2 - CAPITAL PROGRAMME AND FINANCING (AGENDA ITEM 6B)**

### **Being clear on the ambitious use of Capital Receipts**

A comprehensive report on Asset Management and Disposals was presented to Cabinet on 7 November 2013 and promised that...

*"The introduction of agile working and improvements in the use of office space could result in running cost savings of circa £2m pa"*

...and also claimed that...

*"A series of area reviews across the Borough could deliver (1) more coherent access to a range of public services for customers (2) reduction in estate costs and (3) provide capital receipts."*

The report stated...

*"While significant savings can be made in rationalising operational estate and capital receipts generated in the form of releasing surplus land and assets for sale, the process by which this is done needs to be more measured, to look at the whole public estate in a given area and to include meaningful consultation with local residents."* (3.3)

The Wirral Asset Strategy was approved by Cabinet on 27 June 2016. Concerns raised at the Business Overview and Scrutiny Committee in November 2016 led to the recognition that ward members had to be involved in shaping their communities.

The demolition of Bebington Town Hall and Liscard Municipal, for example, has appeared in the Capital Programmes approved on 18 February 2013, 12 February 2014, 10 February 2015, 22 February 2016 and in the latest programme.

The Transformation Programme in the latest Capital Programme suggests the use of £15,740,000 of Capital Receipts to bolster those areas of activity in 2017/18.

Council believes that Members need a clear explanation and understanding of the disposals expected to produce this level of receipts.

### **Securing our heritage**

Council is recommended to consider the schemes set out on page 71 of the Cabinet agenda in Appendix 2 of the Capital Programme. The new capital bids relating to the Leisure and Cultural Review were set out separately. As 3.7 of the report made clear, these were not to be progressed pending that 'review'.

Council places on record its belief that the work at the Williamson Art Gallery and Museum must be considered for early attention, notwithstanding the status of the review. Council believes that the exhibits at the Williamson cannot be jeopardised and requests that **£350,000 capital should be allocated** and the programme amended accordingly.

### **Meeting residents' priorities**

The Wirral Plan Business Theme 2016-2017 Quarter 2 pledge report stated that...

*"The measured condition of the Borough's A, B and C roads has returned to an excellent position and means that Wirral still has some of the best roads when compared to all other councils in England."*

Council notes that the report for Cabinet of 27 February 2017 contained a table which placed the more accurate data in context, highlighting that 6% of the unclassified roads required 'immediate' maintenance. This Council recognises that the condition of the network across England remains a matter of concern to all Councils.

However, Council is aware that, subject to successful legal matters and the granting of planning permission, the proceeds of the sale of assets are expected to be substantial (with £3.5 million expected from the sale of Acre Lane in this financial year alone).

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Council is, therefore, requested to consider **allocating £250,000** into the Capital Programme to fund the reconstruction and widening of narrow roads on estates where the kerbs and verges are constantly damaged. The list should be drawn up in consultation with the Constituency Committees.

Council also notes that the approved Capital Programme contains an estimate of £225,000 capital spend for webcasting, audio and the electronic voting system replacement. Council believes this item should be withdrawn until the costs have been fully investigated and the benefits have been fully assessed and justified. This represents **a saving of £225,000** from capital spending.

### **SECTION 3 - SCHOOLS BUDGET (AGENDA ITEM 6D)**

#### **Supporting our schools through difficult times**

Council believes that our schools are facing financial pressures as a result of the Government's spending priorities. The Government's attention is being distracted and its policies are focused on 'Brexit' and the uncertainty it has caused.

In these circumstances, the pressures on school budgets from pensions, national insurance, the Apprentice Levy and varying pupil numbers are in danger of being overlooked. The potential impact of the proposed national 'fair funding' formula has begun to alarm the education community. In these circumstances, the Council will continue to lobby against the impact of the proposed funding formula.

In respect of the Apprentice Levy, Council notes

1. the introduction of the Apprentice Levy from April 2017.
2. the fact that some maintained schools employee budgets are included within the overall council employee budget.
3. the fact that Voluntary Aided, Foundation, Academy and Trust schools' budgets are not included within the overall council budget and, as such, are not liable to pay the Levy unless their employee budget exceeds £3m.
4. that should the levy be applied to community and voluntary controlled maintained schools, it is estimated that their budgets will be negatively affected by a total of £369,711 as follows
  - Nursery Schools – £7,065
  - Primary Schools – £266,680
  - Secondary Schools – £35,100
  - Special Schools – £60,866

Council recognises that community and voluntary controlled maintained schools will currently have in place training and CPD budgets, part of which may be eligible for funding from Apprentice Levy credits.

Council considers the additional cost of the Levy can only be met from schools budgets by deleting teacher positions, enlarging class sizes or reducing available learning resources for pupils.

Council further notes the negative and challenging effect the Government's new national 'fair funding' formula will have, particularly on Wirral's secondary sector.

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Council therefore resolves:

- (i) to instruct officers to manage the Apprentice Levy corporately within the HR corporate training budget on behalf of the Council and community and voluntary controlled schools.
- (ii) to instruct officers and the Cabinet member for Children and Young People to work with appropriate maintained schools to develop a mechanism whereby community and voluntary controlled maintained schools who access the digital account contribute the equivalent training costs from their delegated budget to the Council.
- (iii) to instruct officers within other Council departments to prepare workforce development plans to maximise the draw-down from the digital account, particularly in areas of recruitment historically difficult such as children's social work.

This Amendment is made having regard to the Chief Financial Officer Statement regarding the robustness of the estimates made for the purpose of the Budget and the adequacy of the General Fund balances and reserves.

### **The Statutory Calculations and Resolution**

It be noted that in accordance with Section 31B of the Local Government Finance Act 1992 (as amended), that Cabinet on 8 December 2016 calculated the Council Tax Base 2017/18 for the whole of the properties in its area as 91,309.5 (Item T in the statutory formula).

That the following amounts be calculated and approved by the Council for the year 2017/18 in accordance with Sections 32-36 of the Local Government Finance Act 1992 (as amended) ("the Act");

- a) £127,430,400 being the amount calculated in accordance with Section 31A (4) of the Act (amended) as the Council Tax Requirement for 2017/18 (item R in the statutory formula). This amount (D) is determined as being the difference between:
  - i) £808,484,400 this being the aggregate of the amounts calculated in accordance with Section 31A (2) of the Act (as amended), i.e. the aggregate of the amounts that the Council estimates that will be charged to a revenue account for the year in performing its functions, that are required to be set aside for contingencies and reserves and required to be transferred from its General Fund to its Collection Fund in the year and
  - ii) £681,054,000 this being the amount calculated in accordance with Section 31A (3) of the Act (as amended), i.e. the aggregate of the amounts of income that the Council estimates will be credited to a revenue account for the year in accordance with proper practices, the amount of reserves that are estimated to be used to provide for the items referred to in paragraph (a) above, and required to be transferred from its Collection Fund to its General Fund in the year.
- b) £1,395.59 being the amount calculated in accordance with Section 31B (1) of the Act (amended) as the Basic Amount of Council Tax for 2017/18. This amount being calculated as item R divided by item T (as above).

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- c) That in accordance with section 36(1) of the Act that the following amounts are calculated for each valuation band in the area:

**Wirral – Basic Amount of Council Tax per Valuation Band**

A	B	C	D
£930.40	£1,085.46	£1,240.53	£1,395.59
E	F	G	H
£1,705.72	£2,015.85	£2,325.99	£2,791.18

These amounts being the amounts given by multiplying the amount calculated as the Basic Amount of Council Tax by the number which in the proportion set out in Section 5(1) of the Act is applicable to dwellings in a particular valuation band which is applicable to dwellings listed in valuation Band D.

It be determined that the amount set in (c) above as the Council’s Basic Amount of Council Tax for 2017/18 is not excessive in accordance with the principles determined by the Secretary of State under section 52ZC of the Act (as amended) and that no Referendum to approve the Basic Amount of Council Tax is required. The principles require a Referendum to be held for any increases of 5% or above for those authorities with Adult Social Care responsibilities.

**Wirral – Basic Amount of Council Tax Comparison for Referendum**

	2016/17	2017/18	Change	Change
	£	£	£	%
Band D	1,329.26	1,395.59	66.33	4.99

To note that the Police and Crime Commissioner for Merseyside and the Merseyside Fire and Rescue Service issue precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council’s area. These have been notified as follows:-

**Police and Crime Commissioner for Merseyside**

A	B	C	D
£110.65	£129.09	£147.53	£165.97
E	F	G	H
£202.85	£239.73	£276.62	£331.94

**Merseyside Fire and Rescue Service**

A	B	C	D
£49.56	£57.82	£66.08	£74.34
E	F	G	H
£90.86	£107.38	£123.90	£148.68

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That having calculated the amounts for Wirral together with the Police and Fire the Council in accordance with Section 30 (2) of the Act hereby sets the following amounts as the total amount of Council Tax for the year 2017/18 for each of the categories of dwellings.

**Total Council Tax for Wirral**

A	B	C	D
£1,090.61	£1,272.37	£1,454.14	£1,635.90
E	F	G	H
£1,999.43	£2,362.96	£2,726.51	£3,271.80

WIRRAL COUNCIL

REVENUE BUDGET 2017/18 - LIBERAL DEMOCRAT AMENDMENT

	Base Budget 2016/17	Base Budget (Pilot Scheme) 2017/18
	£	£
<b>INCOME</b>		
Revenue Support Grant	50,710,000	-
Business Rates Baseline	34,827,900	-
Business Rates Pilot Scheme	-	67,941,000
Business Rates S31 Grants	2,193,700	6,460,000
Business Rates Top Up	41,630,000	51,834,000
Council Tax Requirement	120,274,100	127,430,400
Contribution to Business Rates Reserve	-	- 5,373,400
New Homes Bonus	3,177,900	2,264,100
Contribution from Balances & Reserves	11,782,100	15,632,500
<b>FORECAST INCOME</b>	<b>264,595,700</b>	<b>266,188,600</b>
<b>EXPENDITURE</b>		
<b>People</b>		
Adult Care & Public Health	71,835,700	75,835,700
Children & Families	74,056,600	79,356,600
<b>People Total</b>	<b>145,892,300</b>	<b>155,192,300</b>
<b>Environment</b>		
Environmental Protection	28,425,000	27,427,900
Housing & Communities	17,126,900	16,036,400
Leisure & Culture	17,789,800	16,482,200
<b>Environment Total</b>	<b>63,341,700</b>	<b>59,946,500</b>
<b>Business</b>		
Business & Tourism	2,360,600	2,408,600
Transport, Technology & Infrastructure	36,954,700	34,149,400
Resources	1,684,500	990,400
Transformation & Improvement	2,361,900	1,501,400
<b>Business Total</b>	<b>43,361,700</b>	<b>39,049,800</b>
<b>Revenue Contingency</b>		
Adult Social Services	3,900,000	5,400,000
Children and Young People	5,000,000	5,000,000
Other Areas	3,100,000	1,600,000
<b>Contingency Total</b>	<b>12,000,000</b>	<b>12,000,000</b>
<b>FORECAST EXPENDITURE</b>	<b>264,595,700</b>	<b>266,188,600</b>