

## MINUTE EXTRACT

### CABINET – 6 NOVEMBER 2017

52

#### REVENUE MONITORING 2017/18 QUARTER 2



**Councillor Janette Williamson (Cabinet Member for Finance and Income Generation) said:**

“It has been reported for some time that the ongoing national austerity policies continue to place huge pressure on local government, particularly in relation to social care services. Recent announcements regarding the demands for care for children highlight that this is both a national, and local, challenge which brings with it significant costs.

The Council continues to plan and manage its budget in a sustainable way. Mindful that there will always be changing requirements and the subsequent demands on the budget the Revenue Budget Contingency was made available. This helps mitigate the enormous demands on our services and why we are able to react to changing circumstances.

We continue to look for opportunities to make best value of the resources available, ensuring they are well managed, used to deliver best value for Wirral residents, and enable us to deliver our 20 Pledges.”

Councillor Janette Williamson introduced a report which set out the projected revenue position for 2017/18 as at the end of Quarter 2 (30 September 2017).

The Quarter 2 forecast was an overspend of £1.2 million for 2017/18 (Quarter 1 reported a forecast overspend of £4.2 million). The improvement was essentially due to the inclusion of unused Revenue Budget Contingency to the forecast. Underlying there was additional investment into Children’s Services and associated legal costs regarding the placement of children which had resulted in budget pressure.

Councillor Williamson commented upon the effects of seven years of austerity on the Council’s finances and the increasing pressures on Children’s Services, which were at crisis point. The Council’s General Fund balances stood at £12m (the absolute minimum level for these, set out by the Council’s S151 Officer, being £10m) and she set out the facts with regard to Council reserves:

- £27m Capital Grants, received in advance to fund specified projects and only to be used to fund these specified projects, otherwise funding had to be returned.

- £4m in Capital Receipts reserve – proceeds from the sale of buildings and land which could only be used to fund current or future capital investment.
- £51m earmarked reserves – only to be used to fund something which would happen in the future and included:
  - £17m to cover potential claims relating to insurance, tax and benefit claims.
  - £16m for specific projects and initiatives including commitments regarding public health contracts, funding for on-going apprentice programmes and similar programmes.
  - £13m relating to Schools Budgets and activities that could only be spent by schools.
  - £4m for the transformation programme to deliver services differently.

She hoped that these figures would set the record straight and put an end to the wilful misrepresentation of the facts.

Councillor Bernie Mooney informed the Cabinet on the situation in Children's Services and that as of last week there were 828 children in the Council's care. The pressures on Children's Services were increasing all around the country with three out of four Council's suffering. So much money had been taken out of the service that funds had had to be moved from early intervention to deal with crisis management. Councillor Mooney had written to both the Prime Minister and Chancellor of the Exchequer about the situation but as yet had had no reply. She had also written to Lord Porter, Chair of the Local Government Association, and received a sympathetic response as he had also called for the Government to meet the £5.8bn funding gap facing local services by 2020 at the recent National Children and Adult Services Conference.

Councillor Phil Davies commented upon the fact that Lord Porter, Conservative Chair of the LGA, was asking for the Government to provide more money to Local Authorities spoke volumes. He hoped that the Government would address the issue in the forthcoming budget. There was a huge determination to make sure that the Council delivered good quality frontline services.

**RESOLVED: That:**

- (1) the Quarter 2 forecast year-end overspend of £1.2 million, which incorporates a £4.8 million variance relating to Children's Services and related legal costs, and the projected General Fund Balances of £12 million at 31 March 2018, be noted.**
- (2) officers continue to identify actions and take measures to effectively manage the overall budget and reduce the impact of the projected overspends.**
- (3) the request for funding of £350,000 from General Fund Balances in respect of the implementation of the General Data Protection Regulation (GDPR) in May 2018 be referred to Council for approval.**