

**MINUTE EXTRACT  
BUDGET CABINET  
18 FEBRUARY 2019**

54 **COUNCIL BUDGET 2019/20**



**Councillor Phil Davies (Leader of the Council) said:**

*“We have a responsibility to set a fair, sustainable and balanced budget. This is a challenge which gets more difficult every year, as austerity policies continue to bite.*

*Despite the continued reductions in our budget, we are determined we will deliver on what we promised. This budget, despite the ongoing reductions to our funding, is balanced, it protects key services, and ensures investment in the areas most important to residents. It also protects our workforce, and ensures once again we are able to deliver a fair, sustainable budget without making compulsory redundancies.”*

Councillors Phil Davies, Janette Williamson and Bernie Mooney introduced reports on the following budgetary matters:

- (A) Revenue Budget 2019/20 and Medium Term Financial Strategy 2019/20 to 2022/23 (Councillor Davies) – the report provided a technical update on the proposals to balance the budget for 2019/20 and the Medium Term Financial Strategy previously reported to Cabinet on 26 November 2018. It described the background to balancing the budget gap and the key elements contributing to the preparation of the budget, and set out the formal recommendations on the 2019/20 budget and council tax for Full Council. The report included the updated Medium Term Financial Strategy (MTFS) and Resilience Plan for 2019/20 – 2022/23. This also included the publication of the Corporate Risk Register for 2019/20. These documents were dynamic and subject to change. In light of the Government fair funding review and recent funding consultations there was no certainty of funding past April 2020. However, the MTFS had been prepared on the best of knowledge available at the time including known future pressures and plans already underway to change the way the Council provided its services.
- (B) Schools Budget and Funding Formula Changes 2019/20 (Councillor Mooney) - the report set out the Schools Budget for 2019/20 having been previously considered by the Schools Forum at their meeting on 16th January 2019. The Schools Budget covered education provision for all Wirral Pupils aged up to 18 in Early Years, Primary, Secondary and academy schools and for some pupils up to the age of 25 in Special Schools and High Needs providers. Most budgets were delegated to schools with some central provision for support services including school admissions and High Needs. The report proposed a number of changes to the local funding formula for Schools to allow a transitional transfer to the National Funding Formula. There were also changes proposed to High Needs. The Schools Budget provided resources to support all children and

young people pledges, and the proposals within result in an in-year deficit of £2,343,200 on the DSG budget.

- (C) Capital Programme and Financing 2019/23 (Councillor Phil Davies) – the report provided Cabinet with the draft Capital Programme 2019/23 for consideration and referral to Council for approval. It also included information regarding the revenue implications of this Programme and an update on the latest forecast for capital receipts. The 2019/23 Capital Programme represented a combination of schemes originally approved as part of the 2018/21 Programme, updated through the Capital Monitoring reports in 2018/19 and new bids for inclusion as detailed in the report.
- (D) Capital Financing Strategy 2019/20 (Councillor Janette Williamson) – the report stated that the Authority's treasury management activity was underpinned by CIPFA's 2017 Code of Practice on Treasury Management ("the Code"), in which there was a new requirement for Council to approve an annual Capital Strategy. This report fulfilled the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
- (E) Treasury Management Strategy Statement 2019/22 (Councillor Janette Williamson) – the report stated that The Authority's treasury management activity was underpinned by CIPFA's 2017 Code of Practice on Treasury Management ("the Code"), which required the production of annual Treasury Management Indicators and a Treasury Management Strategy Statement on likely financing and investment activity. The Code also recommended that Members were informed of treasury management activities at least twice a year. This report fulfilled the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
- (F) Investment Strategy Statement 2019/20 (Councillor Janette Williamson) – the report stated that in February 2018 the Ministry for Housing, Communities and Local Government (MHCLG) published updated 'Guidance on Local Government Investments'. The previous edition covered only Treasury Management investments. In recent years local authorities have had an increasing focus on commercial activities including but not exclusive to property. Such activity had the potential to bring both increased returns and increased positive and negative risk. The revised Guidance on Local Authority Investments required that a separate Investment Strategy focusing on non-treasury investments was produced and approved annually by Council. The report fulfilled the requirement of the MHCLG to produce an investment strategy that covered non-treasury activities.

Councillor Phil Davies informed that the Council continued to face another year of challenge to its budget setting year arising from further cuts in funding imposed by the Government. This year's budget had been structured in such a way that it contained three main elements i.e. the generation of income, providing services in a joined up fashion and the delivery of better services with greater efficiencies via the Council's transformation programme. Councillor Davies further informed that these decisions had been, as in previous years, a direct result of the huge

pressures placed on Local Authorities by Government because of the loss of the Revenue Support Grant funding. The Leader concluded that despite the difficult circumstances faced by the Council, he was proud to be in a position to deliver a balanced, sustainable and legal budget. In conclusion, he added his thanks to residents who had taken part in the budget consultation process, Scrutiny Members for their role in examining the draft proposals, together with Cabinet colleagues, the Chief Executive, Strategic Leadership Team, and all staff who helped deliver good quality services day-in, day-out.

Cabinet Members each raised their own concerns about the continued financial pressures faced by Wirral from Government and the significant reduction of funds over time. Members commented that they were proud to have managed to retain front line services against the background of austerity, and that the Council remained committed to delivery of its 20 Wirral Plan Pledges and continued in its aim to help grow the Wirral economy through the development of more investment, jobs, businesses and improved income for Wirral residents and workers.

Councillor Paul Stuart stated his support of the proposed budget and the pressures placed on those involved in its preparation to create a balanced budget against the background of Central Government austerity. He added that the Council had done extremely well to deal with these pressures e.g. Extra-care Housing, Children's Services, Street Lighting and Highways and had still managed to invest in other areas such as improvements to leisure service facilities, additional funding for the regeneration of Rock Ferry, and support for those struggling financially via the introduction of a Council Tax Reduction Scheme.

Councillor George Davies endorsed the budget, and added his condemnation of the nine years of austerity that had placed significant pressures on the Council. He stated that he wished to see the construction of more affordable, and quality, houses for the people of Wirral. Councillor Davies also made reference to the success of the private sector landlord accreditation scheme that helped to improve the standard of rental accommodation in four key areas of the borough. He fully endorsed the Leaders comment in relation to the significant achievement in delivery of a required £45million in savings, the result of Government austerity, and having produced a balanced budget without the need to resort to cutting services.

Councillor Bernie Mooney endorsed the comments that had been made, adding that the Council had been brave in its decisions over recent years, approaching issues in a different way (which had not always been easy) that had resulted in the Council being able to retain facilities and services, for example to retain its libraries, because once lost the cost of re-instatement could be prohibitive. Councillor Mooney stated that the budget was a testament to the leadership and the hard work of Council Officers, and that she was proud to support the budget recommendations.

Councillor Janette Williamson commented on how the Council had continued to make decisions in line with its priorities, but it was clear that the economy was not working well for many people on Wirral, and that Central Government's disdain for Local Government and the Public Sector was clear. She agreed with earlier speakers that it was a significant achievement to deliver the £45million demanded

in savings as a result of Government austerity. She was proud that this Council had made progressive and ethical decisions, and thanked the Finance Officers for all their support in helping preparation of the budget.

Councillor Angela Davies described how Wirral Council was ambitious in its targets for the borough and made no apology for this, she supported the Council's ethical growth and investment strategy and plans for income generation. She stated her support for existing and future plans for the Wirral Growth Company, job creation, apprentices, encouraging local wealth and development of the visitor economy. Councillor Davies added that she looked forward to building on past success of events such as the 'The Giants' and the 'Tall Ships', and welcomed with excitement Wirral's year as borough of culture and the hosting of events that included the Tour of Britain cycle event.

Councillor Anita Leech stated that she was pleased that despite austerity, the budget would help continue to develop the work Council had already undertaken on improvements to infrastructure, buildings and reducing its carbon footprint. She commented on the improvements to equipment in children's play areas and state of the art football facilities. She also highlighted ongoing work by the Council that continued to provide supportive aids and adaptations to people's accommodation that enabled them to stay in their own homes much longer.

Councillor Stuart Whittingham stated that preparation of the revenue budget had been challenging, but he was pleased that the Council was currently still in a position to maintain services. He thanked the staff for their hard work and welcomed the capital programme that would help deliver improvements to street lighting and provision of cycling infrastructure, assisting with the delivery of Council policy and public health improvements. Councillor Whittingham welcomed the additional funding allocated within the budget to help provide support to New Ferry town centre.

Councillor Chris Jones agreed with earlier speakers that it was a significant achievement to have steered the Council through the past few years of austerity and echoed Members' earlier comments regarding new ways of thinking and the use of innovative ideas to deliver services for the people of Wirral. She thanked frontline staff and Officers for their efforts, making particular reference to Social Workers and their colleagues and the unprecedented levels of demand on their service year on year. Councillor Jones further praised the integration of services with those of the NHS and welcomed that care packages were now being delivered much quicker than had been done in the past as a result of this innovation.

Councillor Phillip Brightmore expressed his discontent with the continued financial pressures faced by Wirral imposed by Central Government and the significant reduction of funds in all the time he had served as an Elected Member. He thanked staff, volunteers and Trade Unions who had all contributed to help the Council in maintaining services in such key areas of leisure and recreational services.

Prior to moving to a vote on the content of the Council Budget, the Leader called upon Councillor Bernie Mooney to speak specifically on the Schools Budget and Funding Formula Changes 2019/20. Councillor Mooney responded, highlighting

the testing circumstances face by schools in the borough, and commented on the efforts made by Head Teachers and their staff, often going beyond what was required when dealing with Central Government imposed cuts and changes to funding formulae. She added that she was also extremely pleased with the extensive consultations and dialogue undertaken via the schools forum.

It was moved by Councillor Mooney, and seconded in a number of places that a fifth recommendation be included under item 6B (Schools Budget and Funding Formula Changes 2019/20) that:

- 'v) That Council calls upon the Government to stop cutting the DSG and move to start funding every child in Wirral appropriately giving them the start in life all children deserve'.

**RESOLVED: (unanimously)**

**That the following Budget Resolution be agreed and recommended to the Budget Council:**

#### **BUDGET RESOLUTION 2019/20**

##### **NATIONAL CONTEXT**

We are now entering our ninth year of austerity. We have suffered almost a decade of Tory cuts which have decimated local services.

This Tory austerity agenda has driven councils throughout the country to breaking point. Pay freezes, redundancies, cuts to benefits, public service closures and fears about the future of the NHS are the main outcomes from nine years of Conservative-led Government.

The Local Government Association estimates that Councils face an overall funding gap of £3.2 billion in 2019/20.

A recent report from independent thinktank Centre for Cities confirmed what we all already knew. Towns and cities in the north of England have borne the brunt of austerity. Our region was and continues to be targeted by this Government.

In Wirral, these national policies have forced us into implementing £200 million in budget cuts. We have lost more than half of our national grant funding, and the rest will disappear in just 18 months.

It was only a few months ago that Theresa May promised an end to austerity. Sadly, like most of this Prime Minister's promises, the reality is far removed from the rhetoric.

Every year, as we face seemingly insurmountable challenges, we continue to deliver on our priorities in the Wirral Plan: Protecting Vulnerable People; Growing Our Economy; and Improving the Environment. We have found new ways to save money and generate additional income, while still providing the services residents need. And, somehow, every year we achieve it.

Despite this, the Conservatives locally refuse to acknowledge the damage done to local services by the policies of their government. They devote huge amounts of time to generating cheap headlines but remain largely silent when it comes to standing up for the residents of Wirral against the savage policies of their own ministers, or even suggesting constructive ideas to mitigate the impact of government cuts.

The decisions by their friends in Westminster, voting through more cuts to services in the House of Commons just weeks ago, should send a chill down their spines.

How can they stand by and do nothing whilst Wirral has been battered by austerity?

Once again, in what we know to be a forlorn hope, this Cabinet calls on the Conservative Group in Wirral to do what is right and join us in our fight to get a fair funding settlement for Wirral residents.

## **THE WIRRAL CHALLENGE**

Wirral is forced to reduce its spending, or generate more income, by another £67 million by 2021/22. Our immediate challenge is to meet a £45 million funding shortfall for 2019/20.

These reductions are being made at the worst possible time. We have an ageing population, we're supporting deprived communities with complex needs, and more children than ever need our help.

Decimating our budgets when thousands of families need us most is, in the view of this Cabinet, unfair, unsustainable and irresponsible.

However, as residents know, we refuse to play the same game as this Government. We will not simply pass on the cuts to our budget with cuts to our services and our workforce. Our residents deserve better, and our staff deserve better.

We are a well-run Council. We have an established financial strategy, which focusses our energies on creating new income – to replace what has been taken from us – and delivering better services, with better value.

Our strategy is paying dividends.

Despite the best efforts of this Tory Government:

- We are again proposing a budget which is balanced, sustainable and legal.
- We are again closing no services.
- We are again protecting our workforce and making not a single compulsory redundancy.
- We have secured major investment for vulnerable children and families.
- We continue to challenge every pound which we spend to make sure it is delivering the best value.

This Cabinet rejects austerity. We believe in fairness and social justice. We believe that public services and support should be available to everyone.

Our overall budget strategy of focussing on ethical investing, to bring in the additional revenue our services need to survive, on improving services, so they are fit to meet modern needs and on delivering better value, to ensure we are as efficient and lean as possible, will continue.

This is our response to austerity, and it is working. Our performance analysis shows we are delivering for residents against the Pledges we set out at the start of this journey in the Wirral Plan.

## **ETHICAL INVESTING**

The huge reductions in our funding from Government have left us with two choices: cut our cloth, and cut services, or make the money to pay for them ourselves. We have chosen the latter option. We will replace the money we have lost with money we have made ourselves, but we will do it with a Labour Stamp and with a social conscience.

We will invest our resources and our time in projects which bring a surplus, which we can reinvest into services, but which will also put money into the pockets of local businesses and people. Our Community Wealth Building initiative is a shining example, which will see the Council and other public institutions come together to make sure more public money is spent in Wirral, with Wirral companies, employing Wirral people. We think this work will boost our local economy by more than £10 million in the next year.

This is also why we have created the Wirral Growth Company. We are maximising the value from old, unused council assets to build prosperity and growth. It will create jobs and opportunities for local people and the developments brought forward will put money in the pockets of local businesses and people; creating the homes, offices, leisure and retail opportunities our borough so desperately needs.

The Growth Company will also bring money directly into this Council's coffers. This year, before a single brick has been laid, we will see a dividend of more than £5 million. This is money which we otherwise would not have had. Without this money, our budget gap would be £5 million bigger, and services would have had to be cut, rather than invested in.

We are calling this approach 'ethical investing.' It is about bringing growth to the borough, bringing revenue into the Council, with a Labour conscience – a private sector head, and a public sector heart. It is abundantly clear that only our Administration has the capability and ambition to bring prosperity to this borough.

We are now officially Liverpool City Region Borough of Culture for 2019, with a programme of events which will even outstrip our incredible achievements of last year. The centrepiece of our calendar will be the Tour of Britain events scheduled for May and September, which will be broadcast live throughout the world and will put Wirral firmly on the map. The evidence shows that culture can provide the rocket fuel for growth. And we are making our borough a more attractive place to invest, to work, to live in and to visit.

The Wirral Growth Company is an example of the importance we attach to adopting a more commercial approach. This will enable us to fund good quality public services by replacing government grant with new income streams. Going forward, if we are to avoid the fate of Councils such as Tory-led Northamptonshire County Council, we will need to identify further projects which will generate new income for the Council.

## **BETTER SERVICES**

When budgets are tight, and demand is rising, making services better than they were before is an almost impossible task. The way we can improve them and make sure people get better support costing less money is to break down the barriers between services and public agencies. When we work together, we are stronger, and we can make our money go further.

Wirral's public services are now the most joined-up in the country. That is a huge statement, and one we should be proud of. We should be proud not because we have saved money by joining with our partners. We should be proud because we have improved our services and made people's lives better.

Through the Safer Wirral Hub, a unique collaboration between Merseyside Police, Merseyside Fire and Rescue Services and Wirral Council, we have seen a 30% reduction in youth offending. In just one year, that is almost unheard of.

Right now, we have the highest-ever level of disabled people in employment, thanks to our pioneering work through services like Wirral Evolutions and our partners in the local NHS.

The transfer of our Adult Social Care Social Workers to the NHS has meant that people no longer have to tell their story multiple times to multiple professionals. This integration is helping to mitigate pressures of £22 million in this service area.

We have also seen our Business Support service, delivered through our partnership with Wirral Chamber of Commerce, support local firms to create 3500 new jobs over the past three years.

Finding the best, most efficient, but crucially most effective way of providing services is vital. We will not rest until we have improved every one of our services, protecting them from Whitehall-cuts and making sure they are able to meet the modern needs of Wirral residents.

## **BETTER VALUE**

Demand for our services is at an all-time high, while cuts to our budgets have gone deeper than ever before. Our services are in a perfect storm of unbelievable pressure.

Under these circumstances, to continue to deliver on our promises to residents and continue to deliver excellent services is nothing short of astounding. The Administration is grateful to our dedicated workforce for the excellent job they do in delivering high-quality public services.

Over the past nine years, our workforce has reduced by more than a third. Almost 2,000 people have left and not been replaced. We do not believe any organisation, in any sector, in this country could cope with this level of reduction and change as well as we have.

Rather than cutting vital services, we have transformed, instead. We have taken the terrible hand the Government has dealt us, but we have not folded. We found a different way to progress.

Because of this different approach, we continue to invest in those things most important to our residents. The £20 million we found to invest into our children's services last year – more than any other Council in the country – is working. Consistent praise from Ofsted, rapidly improving services and better outcomes for children is testament to that.

We have also focussed on managing demand by prioritising early help and intervention in services such as Children & Families. We have also promoted independence with a move away from the Council doing everything and encouraging self-help and community empowerment and resilience through the Wirral Together initiative. We are also devolving more power to communities by providing budgets to individual ward members to spend on local projects.

We will also continue to invest in our local infrastructure and the communities we live in. Over the coming year we will invest more than £8 million on a programme of highway improvements, pothole repairs and road resurfacing. Residents will also soon see our ambitious programme of replacing every streetlight in the borough with new energy efficient lights spring into action.

These huge investments are only possible thanks to our ambitious, entrepreneurial and innovative approach to managing Wirral's finances.

## **HELPING LOW INCOME HOUSEHOLDS**

Because of this socially and fiscally responsible approach to budget management, we are in a much stronger position to deliver on Labour values and support the most vulnerable. This Cabinet is hugely proud to be launching a new and improved Council Tax reduction scheme.

This new programme will see more than 9,000 low income households get a better deal on their Council Tax. These are households who are struggling to get by, who are using foodbanks, who are working hard to keep their heads above water. It is right that we give them some help.

## **PROTECTING OUR STAFF**

It is only because of the success of our financial strategy – bringing new revenue into the Council from ventures such as Wirral Growth Company, to replace the money taken from us by Government – that we have been able to deliver another balanced budget without any compulsory redundancies.

This year I am pleased to say we can go further and, after extensive and positive discussions with our Trade Union colleagues, we are able to reduce the amount of unpaid leave our workforce are required to take from four days down to three.

We know our staff are our most valuable resource. It is our workforce who have worked tirelessly to keep providing the services Wirral residents rely on every day. We understand the pressure they are under, we are immensely grateful for their efforts and we will continue to do all we can to support them.

## **NEW FERRY**

New Ferry is a community we will never forget. The Government has shamefully turned their back on this town, denying them the support they deserve on no less than four separate occasions. This Cabinet remains firmly behind the regeneration of New Ferry and the support of this community.

We have done all we can to support every resident and business affected by the events of March 2017. We are purchasing properties, to make sure the rebuilding process happens at pace. We are creating new residential developments in the town, and now we are in a position to go further.

In addition to the £300,000 which the Council invested in the immediate aftermath of the gas explosion, we are setting aside a further £200,000 to help and support the residents and businesses of New Ferry. This money should be used to kick-start the rebirth of the town, helping businesses get back on their feet and residents to rebuild their lives. We will ask officers to report to Cabinet early in the new municipal year with a proposed methodology for allocating this funding.

## **A COLLABORATIVE BUDGET**

Again, we remind residents we are here to work for them. We will never set a budget in isolation. Consultation, engagement, and conversations with residents will always underpin every decision we take. Almost 1,300 residents took the time to give us their views on our budget, our priorities and our plans and we pledge to use this valuable feedback as decisions are made.

Cabinet thanks Elected Members – of all parties – who took part in the comprehensive scrutiny process to look in detail at the budget proposals. The feedback from that process has been provided to Cabinet and has proved extremely helpful in making these decisions.

## **CONCLUSION**

In summary, this is a balanced budget built around our Labour values of social justice, inclusive growth and delivering good quality public services for everyone. It supports the important work being done to deliver services our residents rely on. It invests in our economy, makes improvements to our environment and shares the burden fairly between all those who can afford to contribute and those who enjoy the services Wirral offers.

We are closing no services.

We are investing in what is most important to residents, those on low incomes and communities which have suffered recent tragedy.

We are protecting our workforce.

This is a budget, against a harsh Conservative austerity agenda, our Labour Council can be proud of.

## **RECOMMENDATIONS**

1. Cabinet, having had regard to the responses to the proposals announced at the 26 November 2018 meeting recommends to Budget Council for approval:-

### Revenue Budget 2019/20 and Medium Term Financial Strategy to 2022/23 (Agenda Item 6)

1. Cabinet recommends to Budget Council a Budget proposal for 2019/20 and MTFRS 2019/20-2022/23 based upon:
  - a) The updated Medium Term Financial Resilience Strategy (MTFRS) 2019/20 – 2022/23 as set out at Appendix 1
  - b) The consultation findings from the series of consultation events during December 2018 and January 2019 as detailed in Appendix 2
  - c) The fees and charges, as in Appendix 3, with delegated authority being:
    - i) given to the Section 151 Officer to update the Council's Fees and Charges Directory prior to publication before 1 April 2019.
    - ii) given to the relevant Director in consultation with the relevant Portfolio Holder and Section 151 Officer to vary existing fees and charges.
    - iii) Approval of the Pricing and Charging Policy.
  - d) Approval of the Discretionary Rate Relief Policy for Business Rates for 2019/20 as in Appendix 4
  - e) The level of General Fund Balances being recommended, as set out paragraph 3.51, continuing to be based on a locally determined approach based on an assessment of the financial risks that the Council may face in the future and that the Council maintains balances at, or above, this level.
  - f) 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 at Appendix 5.
2. Cabinet recommends to Budget Council that a separate vote be taken in respect of Council Tax levels for 2019/20 and that:

- a) For Wirral Council Services the Council Tax be increased by 2.99% for 2019/20.
- b) The Wirral Council Tax will include the precepts from the Police & Crime Commissioner for Merseyside, from the Merseyside Fire & Rescue Service and from the Liverpool City Region Combined Authority.

#### Schools Budget and Funding Formula Changes 2019/20 (Agenda Item 6B)

Cabinet recommends the 2019-20 Schools Budget of £267,661,400 to Budget Council having taken account of the views and formula proposals from the Schools Forum that:

- i) That the 2019-20 schools funding formula should be a transition formula introducing some elements of the National Funding Formula including the minimum per pupil funding formula levels of £3,500 for primary schools and £4,800 for secondary schools.
- ii) That a Minimum Funding Guarantee of 0% for Wirral schools in 2019-20 is approved to provide additional protection and stability in funding, and to ensure that no school can lose pupil funding unless there is a reduction in pupil numbers ensuring that no pupil is disadvantaged as a result of the change in formula.
- iii) That the continuing Contributions to Combined Budgets should be £875,600 in 2019-20.
- iv) That any remaining uncommitted Dedicated Schools Grant (DSG) reserves remaining at the end of 2018-19 are used as a contingency to support High Needs pressures in future years.
- v) That Council calls upon the Government to stop cutting the DSG and move to start funding every child in Wirral appropriately giving them the start in life all children deserve.

#### Capital Programme and Financing 2019/23 (Agenda Item 6C)

1. That the new bids as detailed in Appendix 2 requiring £30.4 million borrowing be approved for inclusion in the Capital Programme.
2. That the bids referred to in paragraphs 6.4.1 to 6.4.5 are included in the programme but where specified, are deferred to a later commencement date, on an individual basis, in recognition of an ongoing review.
3. That any new bids supported by grant funding do not commence until written confirmation has been received from the granting authority.
4. That Cabinet recommend to Council for approval the Capital Programme 2019/23(as detailed in Appendix 3).

5. That progress on delivering the Capital Programme is presented in accordance with the agreed Capital Monitoring arrangements.

#### Capital Financing Strategy 2019/20 (Agenda Item 6D)

1. That Members approve the Capital Strategy for 2019/20.
2. That the associated Prudential Indicators be adopted.
3. That Members note the Council's Minimum Revenue Provision policy.
4. That Members note the flexible capital receipts policy.

#### Treasury Management Strategy Statement 2019/22 (Agenda Item 6E)

1. That Members approve the Treasury Management and Investment Strategy for 2019/2022.
2. That the Treasury Management Indicators be adopted.
3. That Members approve the Council's Minimum Revenue Provision policy.
4. That the Council Officers listed within Appendix G, of the Strategy Statement, be authorised to approve payments from the Council's bank accounts for all treasury management activities.

#### Investment Strategy 2019/20 (Agenda Item 6F)

That Members approve the Investment Strategy for 2019/2020 which includes potential investment in the following activity areas:

- Commercial Property
- Service Investments: Loans
- Service Investment: Shares (non-currently held)
- Loan Commitments and financial Guarantees

#### **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 26 November 2018 calculated the Council Tax Base 2019/20 for the whole of the properties in its area as 93,497.8 (Item T in the statutory formula).

That the following amounts be calculated and approved by the Council for the year 2019/20 in accordance with Sections 32-36 of the Local Government Finance Act 1992 (as amended) ("the Act");

- a) £142,436,211 being the amount calculated in accordance with Section 31A (4) of the Act (amended) as the Council Tax Requirement for 2019/20 (item R in the statutory formula). This amount (D) is determined as being the difference between:

- i) £853,640,211 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) £711,204,000 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) £1,523.42 being the amount calculated in accordance with Section 31B (1) of the Act (amended) as the Basic Amount of Council Tax for 2019/20. This amount being calculated as item R divided by item T (as above).
- 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
£1,015.61	£1,184.88	£1,354.15	£1,523.42
E	F	G	H
£1,861.95	£2,200.49	£2,539.03	£3,046.84

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 2019/20 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 6% or above.

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

	2018/19	2019/20	Change	Change
	£	£	£	%
Band D	£1,479.19	£1,523.42	£44.23	2.99

To note that the Police and Crime Commissioner for Merseyside, the Merseyside Fire and Rescue Service and the Liverpool City Region Combined Authority 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. This will be as indicated in the tables which when received will be included in updated tables to Council.

**Police and Crime Commissioner for Merseyside**

A	B	C	D
£134.65	£157.09	£179.53	£201.97
E	F	G	H
£246.85	£291.73	£336.62	£403.94

**Merseyside Fire and Rescue Authority**

A	B	C	D
£52.56	£61.32	£70.08	£78.84
E	F	G	H
£96.36	£113.88	£131.40	£157.68

**Liverpool City Region Combined Authority –Mayoral Precept**

A	B	C	D
£12.67	£14.78	£16.89	£19.00
E	F	G	H
£23.22	£27.44	£31.67	£38.00

That having calculated the amounts for Wirral together with the Police, Fire and Liverpool City Region – Mayoral Precept 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 2019/20 for each of the categories of dwellings.

**Total Council Tax for Wirral**

A	B	C	D
£1,215.49	£1,418.07	£1,620.65	£1,823.23
E	F	G	H
£2,228.38	£2,633.54	£3,038.72	£3,646.46