

LIBERAL DEMOCRAT GROUP – BUDGET AMENDMENT 2019/20

Date of Budget Council: **Monday 4 March 2019**
Date submitted: **Wednesday 27 February 2019**
Proposed by: **Cllr Phil Gilchrist**
Seconded by: **Cllr Dave Mitchell**

The proposals for 2019/20 be approved subject to agreement that the following observations on financial management and in-year adjustments will be accepted and put in place.

Council recognises that the use of reserves and the proceeds of asset sales to bolster the Budget is regrettable but necessary in this period of economic and political uncertainty.

Council fully appreciates that these are short-term steps whilst work continues to build up the local economy and financial resilience.

Council fully supports and endorses:

- i) the work being undertaken through SIGOMA and the Local Government Association to press the Government to fund Councils fairly to deal with the crisis in children's services and social care.
- ii) representations being made by the Cabinet Member for Children and Families to highlight the financial pressures and difficult decisions facing head teachers and governing bodies of Wirral's schools.
- iii) the increase in the Police and Crime Commissioner's precept and looks forward to the deployment of the extra resources in the fight against all forms of crime.

Nevertheless, Wirral still has to take further steps to get its own house in order. The public needs to be satisfied that the Council provides value for money. Members need more oversight of budget monitoring. This is required since:

- a) the Medium Term Financial and Resilience Strategy (pages 140 and 148 refer) regards this as essential and that communities need assurance that this is being done;
- b) the 'Vision for Wirral and its finances' refers to 'members and senior officials setting a tone that financial discipline is important'.

The Chief Financial Officer's Statement refers to 'ownership by the Cabinet Portfolio Holder and Senior Leadership team of proposed savings and their achievability' (page 201).

In the uncertain financial climate, new mechanisms must be brought in so that Scrutiny Chairs and Spokespersons can be included in this 'ownership'. Documents prepared for the monthly monitoring by the Senior Leadership Team should be available to them. Scrutiny Chairs and Spokespersons should be invited to take part in these reviews. A formal structure is necessary for this to be drawn up in consultation with Members, ensuring greater transparency.

Council has these further observations on current practices and calls on Cabinet to consider the issues and report back to Council:

1. Council believes that the level of expenditure on Wirralview and the number of officers employed in Communications and Engagement, along with the recent level of expenditure on consultant and interim posts, cannot be justified in this period of continued austerity. Based on the known numbers of officers in these posts, across all services, Council considers it not unreasonable that a target saving of £500,000 should be secured during the year on top of that already envisaged.

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2. Council notes that the condition of Wirral's minor roads is now, finally, recognised as deteriorating after repeated requests by Councillors. Council calls for the publication of the Condition Survey in full so that Members can be informed on the progress that may be made and help plan the programme for future years.
3. Council notes that Liverpool City Region Combined Authority and Mayor have now introduced a precept. Council calls on the City Region to set out how this precept can be justified. Council believes that the disparate structures of the Police and Crime Commissioner's office and that of the Mayor and Merseytravel should be examined and rationalised with a view to freeing up resources for front line services.
4. Council notes that this budget has been bolstered by the use of asset sales. Where the sale of an asset impacts on a local community, developers should pay a fair contribution towards the development of local infrastructure, schools and health services. Council regrets that the lack of a Local Plan has not enabled the use of the Community Infrastructure Levy, thereby losing revenue which might otherwise have been secured.
5. Council is concerned that the financial arrangements with Kingdom Services Group Ltd ensure that rewards for enforcement effectively take a share of fines income away from local services. An early exit from this contract is now essential to establish a fully accountable, cost effective and directly operated service.
6. Council notes the proposal to use one-off Public Health grant contractual efficiency savings to support the revenue budget. Council considers this to be ill-advised and, instead, calls on Cabinet to re-allocate £500,000 of these resources to support new Public Health commissioned projects.

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

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- 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