



POLICY AND RESOURCES COMMITTEE

Wednesday, 17 February 2021

REPORT TITLE:	BUDGET 2021/22 AND MEDIUM TERM FINANCIAL PLAN 2022/23-2025/26
REPORT OF:	DIRECTOR OF RESOURCES (S151 OFFICER)

REPORT SUMMARY

This report is part of the Council's formal annual budget process, as set out in the constitution and in accordance with the legal requirements to set a balanced budget. This report presents details of the annual budget for 2021/22 and the key elements contributing towards the preparation of the budget and set out recommendation on the budget and council tax for 2021/11. The report provides an update on the Medium-Term Financial Plan (MTFP) covering the period from 2022/23 to 2025/26 previously reported to the Committee on 18 December 2020.

The report contains several appendices, some that are required to be published as part of the statutory annual budget process and others that provide the Committee with relevant financial information relating to next year budget and future years financial assumptions. These assumptions will change, and any changes will be reported through the usual governance process for budget monitoring within the Committee system.

The 2021/21 budget has been compiled using the figures in the provisional Local Government Finance Settlement for 2021/22 as the final figures will not be published until 10 February 2021. Any changes to the final settlement that impact on the assumptions included within the 2021/22 budget report will be reported verbally to the Committee at the meeting.

This is a key decision which affects all Wards within the Borough.

RECOMMENDATIONS

It is recommended that the Committee:

1. Note and consider the response to the financial proposals forming a draft budget for the purposes of public consultation (minute 32/20-21), available between 21st December 2020 and 29th January 2021, set out as:
 - Appendix 1 Pressures
 - Appendix 2 Savings Proposals
 - Appendix 3 Five Year Medium Term Financial Plan
 - Appendix 4 Proposals included within public budget consultation.
 - Appendix 5 Policy & Service Committee Savings Proposals Feedback
 - Appendix 6 Public Consultation Responses
 - Appendix 10 Report of the s.151 officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves.
 - Appendix 12 The estimated position for the Dedicated Schools Grant
2. Recommend to Council a Revenue Budget, subject to the Local Government Finance Settlement to be issued by HM Treasury of £329.4m
3. Accordingly recommend that Council:
 - a) Adopt the summary Medium Term Financial Plan (MTFP) set out as Appendix 3 and the Medium Term Financial Strategy and Financial Resilience Plan (MTFS) set out as Appendix 11.
 - b) Adopt the fees and charges set out as Appendix 7, with delegated authority being granted:
 - (i) to the Section 151 Officer to update the Council's Fees and Charges Directory prior to publication before 1 April 2021.
 - (ii) to the relevant Director with portfolio, in consultation with the relevant Committee's Chair and Group Spokespersons, to vary existing fees and charges.
 - c) Approve the Discretionary Rate Relief Policy for Business Rates for 2021/22 set out as Appendix 8.
 - d) Set and maintain the level of General Fund Balances the higher of
 - (i) £10.7m of general fund
 - (ii) 3% of the Council's new revenue budget, to be based on a locally determined assessment of the financial risks that the Council may face in the future in accordance with the report of the s.151 Officer (Appendix 10).

- e) The Council proceeds with the request for exceptional financial support with the conditions outlined in the letter from the Minister of State for Regional Growth and Local Government dated 2 February 2021
 - f) Approve the 2021/22 Schools Budget of £299.487m
 - g) Authorise, in respect of the Budget Proposals, that:
 - (i) the relevant Committee receiving the further work being undertaken in respect of:
 - (1) car parking charges;
 - (2) golf provision;
 - (3) enforcement costs recovery; and
 - (4) grass cutting and re-wildingto develop and implement proposals in line with the agreed Budget.
 - (ii) the Director with portfolio undertake such actions as they consider are necessary to implement the agreed Budget and consequential proposals developed as part of the formulation process and update Committees accordingly.
4. Recommend (subject to a separate vote at Council) that Council:
- a) Sets the Band D Council Tax at £1,663.27 for the Wirral Borough Council element of the Council Tax, representing a general increase of 1.99% and 3.00% ringfenced increase to Adult Social Care, and the Council Tax requirement for the Council's own purposes for 2021/22 of £156,677,700 as detailed in Appendix 9.
 - b) Notes that the additional precepts from the Police & Crime Commissioner for Merseyside, the Merseyside Fire & Rescue Authority and the Liverpool City Region Combined Authority remain in estimated form and delegates authority to the Section 151 Officer to implement any variation to the overall council tax arising from the final notification of the precepts.
5. Delegate authority to the Section 151 Officer, following consultation with the Chair and Group Spokespersons of the Policy & Resources Committee, to do anything necessary to give effect to the proposals contained in this report and address any funding changes, if any, arising from the final Local Government Finance Settlement once agreed by Parliament.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 Policy and Resources Committee is required to recommend a Budget to the Council for its meeting on 1 March 2021. The Council has to set a budget for 2021/22 by 11 March by law. The issues detailed in this report support the recommendations to be in a position to recommend a Budget proposal.
- 1.2 Section 25 of the Local Government Act 2003 requires the Chief Financial Officer to report on the robustness of the estimates made for the purposes of the Council's Budget calculations and the adequacy of the General Fund Balances and Reserves.
- 1.3 The MTFP supports the delivery of the Wirral Plan and is key to ensuring the Council is financially stable. Progress against the MTFP is monitored by the relevant Committees and reported to Policy & Resources Committee throughout each year, as part of routine financial management, to ensure that plans are on track and any necessary corrective action is taken at the earliest opportunity.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The Council has a legal obligation to set a balanced budget in March each year for the following financial year and this report sets out proposals and initiatives that increase income or reduce expenditure to assist in decisions regarding budget setting. The Committee could choose alternative options to delivering a balanced budget before the budget is finalised in March 2021.

3.0 BACKGROUND INFORMATION

Impact of the National Context

- 3.1 In September 2019, the Government announced the Local Government Finance Settlement for 2020/21 budgets, in the form of a single year Spending Round. A multi-year Spending Review was expected to follow in 2020, however the economic uncertainty caused by the Covid pandemic has caused the Government to halt its long-term Comprehensive Spending Review and a single year Spending Round was announced on 25 November 2020. Local authorities received the formal notification of the provisional impact of the review on 17 December 2020.
- 3.2 The impact of the assumption in the provisional settlement was reported to the Policy and Resources Committee on 20 January 2021. Consultation took place on the provisional settlement and closed on 16 January 2021. The final 2021/22 settlement is to be laid before the House of Commons for its approval on 10 February 2021.

2021/22 Budget

- 3.3 A balanced budget for 2020/21 was approved on 2 March 2020, following identified savings of £29.85m to bridge the 2020/21 gap. The Covid pandemic caused delays to the delivery of these savings initiatives, which has had an impact on future years assumptions.

- 3.4 On 18 December 2020, a range of proposals, contributing to the 2021/22 draft budget were published as part of the public budget consultation process. The draft budget, at that time was presenting a balanced position for 2021/22 based on a number of assumptions.
- 3.5 As the final local government finance settlement will not be published until 10 February 2021, this report still contains the assumptions from the provisional settlement. Once published, where the final settlement impacts on the assumptions laid out in the report, there will be a verbal update provided to the Committee at the meeting.
- 3.6 Achieving this balanced position for 2021/22 remains dependent on the financial position of the Council remaining stable throughout the year. Factors such as changes to demand for services, the as yet unknown longer-term impact of Covid-19 and the economic outlook present risks to this position of stability.
- 3.7 Following the approval of the 2021/22 budget, the monitoring of the budget will take place via the relevant committees throughout the year to ensure a balanced forecast can be reported at the end of 2021/22. Where budgets are at risk of reporting an adverse position, the Committee's will be required to take action to ensure they can be brought back in line.
- 3.8 Following some changes to assumptions and estimates used for the purposes of public consultation on 18 December, the 2021/22 budget now presents a £1m surplus.
- 3.9 The changes relate to a reduction in pressures having received the final figures from the Merseytravel levy, clarification of the cost of the pay increase for employees earning under £24k, and permanent workforce savings that can be included in 21/22. There has also been a removal of a £93k saving from the Review of 4 Golf Courses saving that was part of the public consultation as one golf course is linked to a development agreement. A temporary capital receipt has also been included for Right to Buy sales.

The budget for 2021/22 is now calculated as follows:

Table 1 – 2021/21 Budget

	21-22
	£m
Funding	
Council Tax	(156.6)
Business Rates	(138.3)
Other	(35.5)
Total Funding	(330.4)
Budget Requirement	
Baseline	304.7
Pressures/Investments	49.4
Savings	(24.6)
Total Budget Requirement	329.4
Budget Surplus	(1.0)

Funding

- 3.10 The Council's main source of funding is made up of Income from Council Tax and Business Rates. The statutory calculation for Council Tax for 2021/22 is included within Appendix 9. The Business Rates calculations include business rate relief as set out in the Discretionary Rate Relief Policy included within Appendix 8. The total business rate funding is made up of:
- Business rate income and Section 31 grants of £85.1m
 - Government top-up grant of £34.5m
 - Better Care Fund Grant of £18.8m
- 3.11 Other sources of funding include the Social Care grant of £14.6m, which includes an increase of £3.34m from the previous year. This grant is ring-fenced to expenditure for Adults and Childrens Social Care. It is as yet unallocated and will be kept aside and drawn down in year for eligible expenditure. Details of as yet expected new additional in-year pressures pertaining to the use of this grant are highlighted in the section on pressures.
- 3.12 Included with the other sources of funding is:
- New Homes Bonus of £0.2m
 - Lower Tier Services Grant of £0.5m
 - Government Tranche 5 Covid-19 Emergency Funding Grant of £10m
- 3.13 In October 2020, the Policy and Resources Committee approved the request for exceptional financial support (capitalisation directive) from the Ministry of Housing,

Communities and Local Government (MHCLG) to enable a balanced budget to be reported for 2020/21 and 2021/22. The Ministry have indicated that they are minded to approve a capitalisation direction up to a maximum value of £10.7m for 2021/22, subject to conditions.

- 3.14 A recommendation has been included in this report that the Policy and Resources Committee recommend to Full Council to accept this conditional offer. The sum is included within the Other Sources of Funding as, in accepting the conditional offer, a robust assumption is made that this support, if required, will be available.
- 3.15 As previously reported, the capitalisation directive can only cover expenditure and pressures that are as a result of the indirect impact of Covid-19 e.g. savings not being able to be made, and cannot be used for usual annual pressures such as demographic growth, contract inflation and levies.
- 3.16 To support the Councils response to the pandemic, the Council has been provided with, to date, just under £200m additional funding from Government. Of this, £122m has been fully passported over to third parties, £13m has been partially passported and £59m has been available for the Council to use in providing its response. This funding is forecast to be fully spent and is not forecast to overspend.

Baseline Budget Requirement

- 3.17 At its Budget Council on 2 March 2020, the budget for 2020/21 of £304.7m was approved. No permanent changes have been made to this position in year and therefore this presents the starting position for the 2021/22 budget.

Pressures/Investments

- 3.18 A full list of the pressures by Directorate for 2021/22 is included within Appendix 1. The main areas are summarised below:
- Local data anticipates the continuing growth in Older Peoples demographic of around 3% per annum, whilst demographic growth in adults with Learning Disabilities and Mental Health issues is around 1% over the next five years (however, it should be noted that these estimates are based upon pre-Covid19 data). The key activities being undertaken to mitigate this growth revolve around developing solutions which support individuals to remain independent for longer, and therefore require less intensive, less expensive support. This has positive outcomes for the individuals and the services that support them. The Council is currently investing in and developing alternative care models, such as Extra Care housing and investment in assistive technology but these activities require capital investment and will take a number of years to be fully implemented. As such, demand-related expenditure will remain an issue for the foreseeable future.
 - In addition to this, Adult Social Care provided essential support throughout the Covid pandemic, with significant assistance from one off Government grants. Going forward there is an increased risk of, potentially significant, growth in demand for care services as the impact of Covid-19 and the periods of lockdown are realised. Higher cost of care fees are anticipated as care providers continue to face higher charges from increased PPE, greater infection control measures

and higher insurance costs, as well as an increased focus on their employees workforce pay and conditions. Wirral Council has already committed to helping providers pay the Real Living Wage to all their employees.

- Children and Families is experiencing significant expenditure pressure due to growth in the number of children requiring care and the costs associated with the complexity of their needs when they need residential care. There is also a general increase in demand for children social care both in number and complexity. This includes children with complex and special needs, children at risk of harm and children who need to be cared for by the council including those who need residential care.
- Early intervention activity is designed to prevent children entering the Children social care system, which has positive outcomes for children and families and is less costly to the Council. However, there is a specific pressure in the residential care market which requires the council to intervene. Proposals are in development with Liverpool City Region to provide a child-focussed, long term sustainable residential portfolio, where outcomes and resourcing can be managed. This is currently in the feasibility stage and will require £1m of capital funding. The positive impact of these proposals are expected to begin to materialise in 2021/22, and have a long lasting positive impact in future years.
- Medium and long term demand for services which support vulnerable people are likely to be negatively impacted by Covid. Both the virus and the measures to tackle it have had a more severe impact on vulnerable groups, including older people, people with disabilities, ethnic minorities and those living in deprived areas. Covid is therefore amplifying social and health inequalities. Covid is adding complexity to existing physical and mental health, and this will increase the need for complex care, accelerate previously independent people into social care, and impact vulnerable families.
- It is as yet not known when Council facilities will be able to fully re-open following the lifting of Covid restrictions. This has an impact on the value of income the Council is able to generate from functions such as Leisure and Culture. The Government Compensation Scheme for Sales, Fees and Charges has been extended for an additional 3 months to the end of June 2021 and this will result in a proportion of the assumed income deficit being recovered. However, no information has been received past that date so an assumption has been made for uncollectable income. If the scheme is extended further, this will reduce this pressure in-year.
- Within the last 12 months, many services have been brought together within the newly created Neighbourhood Services Directorate, bringing together these services to drive efficiencies and realign service provision and deliver objectives of the Wirral Plan. This approach, will help to secure the best future for our residents, inspired to achieve community prosperity, and level up inequalities, through our excellent people and services.
- When the budget was set in 2020/21, a number of savings proposals were agreed to meet the gap. Some proposals have not been achieved as a result of the Council responding to and the impact of Covid-19:

- Staff due to deliver savings have been committed and redirected to supporting the emergency response to the pandemic.
 - The requirement for additional support provided for the Children and Adult Social care sector.
 - Drop in the interest rate and economic markets have not resulted in anticipated gains.
 - The fragility of the market and inability for suppliers to renegotiate contracts.
- Many of these savings have materialised in 2021/22 under different headings to reflect the changes to the way they will be achieved from next year.

Savings/Income

3.19 A full list of the savings and income by Directorate for 2021/22 is included within Appendix 2. These include the savings that were published as part of the budget consultation on 22 December 2020 and savings and income items that were already included as part of the MTFP and did not require consultation and/or had previously been agreed elsewhere. The main areas are summarised below:

- An assumption of new income from regeneration activities commencing during the year from Council Tax and Business Rates
- Income receivable from the Wirral Growth Company, the Council's Joint Venture Company, as a result of work commencing on agreed projects
- An assumption of compensation from the Government Scheme up to June 2021 for Sales, Fees and Charges losses
- Savings ongoing preventative activities within Children and Families to reduce Demand in children social care and the number of children looked after and avoid future years cost e.g. Semi-Independent Living, the DRIVE programme designed to tackle domestic abuse, the social worker in schools programme and PAUSE
- Savings and cost avoidance activities with Adult Care and Health relating to reviews of Care Packages to promote independence and smarter use of technology to increase independence, including Extra Care Housing
- Savings related to the recognition of the ongoing change in working as a result of Covid-19 e.g. reduced building costs of temporary closure, reduced transport costs of staff travel and reduced costs of general office supplies and services.

Budget Consultation

3.20 At its meeting on 18 December 2020, the Policy and Resources Committee approved the 'Draft Revenue Budget 2021/22 - Proposals for Consultation' to begin public consultation from 21 December 2020 to 29 January 2021. The consultation was primarily conducted through the council's "Have Your Say" online portal. It included:

- A “Budget Booklet” outlining budget options.
- An online questionnaire with specific questions to capture people’s views about the budget options.
- An ideas board for residents to post their ‘ideas’ and suggestions about the council budget.
- Respondents were able to request paper copies of the survey, including an easy read version – and additional time (one week) was made available for those responding via this.
- ‘Virtual’ Public Events were held with the Leader of the Council responding to stakeholders’ questions. One of these was held each for residents, young people and council staff.
- A guestbook for stakeholders to add a list of questions they would like to ask at the events.
- A council staff Facebook page, internal email and newsletters, and direct liaison with managers.
- Individuals and groups were also able to provide feedback directly to the project team, Councillors, MPs and Senior Officers.
- A budget-specific email inbox was set up for people to obtain further information/submit questions about the consultation.

3.21 The online ‘Have your say’ portal resulted in the following activity:

- 2,715 completed questionnaires
- 236 “ideas” added to the Ideas Board
- 74 questions.

3.22 95.6% of respondents were Wirral residents with the remaining 4.4% mainly from Cheshire West and Chester and Liverpool. There was a relatively even spread of responses from the four Wirral constituencies.

3.23 Full details of the responses can be found in the Appendix 6, however, key themes which emerged can be categorised into workforce, leisure and tourism, refuse collection, revenue generation, children’s services including The Hive, parking and arts and culture, while most comments were categorised predominantly into three themes: Children’s Services including The Hive, Arts and Culture (in particular noting retention of the Williamson Art Gallery) and Refuse Collection.

Medium Term Financial Strategy

3.24 The Medium Term Financial Strategy (MTFS) is a key document in ensuring the Council can achieve the outcomes of the 2025 Wirral Plan. It spans a 5-year timeframe and sets out the Council’s strategic direction with regards to its financial ambition to ensure that all financial resources are aligned to its priorities.

3.25 The MTFS has two main elements – to provide an overview of the approach to ensuring financial sustainability for the period; and includes the Financial Resilience Plan which identifies how the Councils expenditure and income will be managed to ensure the Council’s financial sustainability can be routinely monitored.

- 3.26 The MTFS is a key document to achieving financial sustainability for the future and is intrinsic to the exceptional financial support from MHCLG. The Ministry will want to be assured that the MTFS reflects the Council future ambition and supports the achievement of the outcome of the Wirral Plan by aligning resources to priorities.
- 3.27 The MTFS focuses on the improvement of the lives of Wirral residents by delivering and investing in key public services and regeneration. It also recognises the need to respond to the financial challenges in a planned way through examination of four inter-related areas:
- Boosting economic growth
 - Driving income generation
 - Managing service demand
 - Identifying efficiencies
- 3.28 The expected outcomes of the MTFS are:
- A balanced budget and a financially sustainable future.
 - Strong alignment of Wirral financial resources to its key outcomes, as set out in the Wirral Plan.
 - Vital services continue to be delivered.
- 3.29 Within the MTFS, there are a series of strategic themes:
- **Empowering our Communities:** by enabling and supporting our communities, we can deliver more cost efficient and valued services.
 - **Driving Income Generation:** by looking to introduce new income streams and optimising the income streams already in place.
 - **Managing Service Demand:** by tackling the cause of demand through prevention and understanding how demand starts is key to managing it.
 - **Identifying Efficiencies:** by examining our process, practice and policy, we can deliver services efficiently and effectively, whilst ensuring our residents are at the centre of all decisions.
 - **The Change Programme:** by implementing strategic change via a new way for how the Council operates which will ensure value for money and improved quality of services for residents.
 - **Boosting Economic Growth:** by regenerating the Borough through providing new investment and working with trusted partners to generate future income flows.
- 3.30 The Financial Resilience Plan sets out how the other strategies outlined are underpinned by strong financial policy, practice and management of financial instruments. The plan looks to build appropriate reserves and general funds, optimise the capital programme, and maximise treasury investment income. This plan includes the Capital Programme, Investment and Treasury Strategy, Reserves strategy, General Fund management and the budget process.

- 3.31 The Capital Programme continues to invest in both existing operational assets and as mentioned the development of large infrastructure projects in partnership with key partners.
- 3.32 Strategic recovery is vital in the aftermath of Covid-19 and the strategic plans will all be reviewed to ensure they are still valid, responding to the Wirral plan and Local Plan and are deliverable.
- 3.33 The delivery of the MTFS will be via the Medium-Term Financial Plan (MTFP) which is a key part of the Council's Budget and Policy Framework. The MTFP is the financial model that includes the assumptions of funding, pressures and savings over the 5 years. Updates on the MTFP are reported to the Policy and Resources (P&R) Committee on a quarterly basis. Proposals to be included in the MTFP for future years savings will be, where appropriate, passed through the relevant Policy and Services Committees for approval before being ratified by the P&R Committee to be included within the following years budget.
- 3.34 The MTFS and Financial Resilience Plan can be found at Appendix 11.

Future Years assumptions

- 3.35 The expected Government Fair Funding Review has been delayed to 2021 as a result of the Covid-19 crisis. The Business Rates Retention Scheme, for which Wirral is currently participating in a pilot scheme which allows 100% business rates retention, was due to change in 2021/22, however it has been confirmed that the current arrangement will remain in place for 2021/22; future years application remains uncertain. The publishing of the green paper on adult social care and the future of Public Health England may also have an impact on future years funding once known.
- 3.36 In 2022/23, the MTFP presents a small budget surplus of £0.8m. The Council is assumed to see a rise in costs (£8.5m) during that year, however, the outcomes of the Change Programme, once approved, should start to materialise and mitigate any in-year pressures. Any surplus arising at the end of each financial year will be recommended to be used to increase the Council's General Fund Balances.
- 3.37 For 2023/24, the MTFP presents a balanced budget however many things will change between now and year 3. The MTFP will, as described be regularly updated and reported to the Policy and Resources Committee who will take a view and any action as necessary to ensure a continuous balanced 5 year MTFS.
- 3.38 In 2024/25 and 2025/26, the MTFP currently presents budget surplus positions of £7.7m and £15.7m respectively. The estimates should be considered prudently, as the longer the period of time, the greater uncertainty there is in estimating demand, funding and budget requirements. Both years include flat rate demand for social care, inflationary funding increases and the continued implementation of savings activity.
- 3.39 The Council has worked in recent years to identify further opportunities to increase income and growth through capital investment. The Capital Programme can act as a

catalyst to accelerate the pace and scale of regeneration and growth in the borough. This encourages market confidence, demand and growth from developers, inward investors and local businesses that will boost the revenue potential through direct income and/or future increased business rate receipts. Recent spending review announcements have identified opportunities to either fund these programmes at a lower cost, or fund new programmes, which may not have been manageable within the current Capital Programme.

- 3.40 The Regeneration and Place Directorate has over £5bn of potential regeneration projects in the pipeline projected to deliver over 21,000 new homes and over 970,000sqm commercial floorspace, alongside significant public realm and environmental enhancements and the large-scale creation of new jobs. Working with Peel Land and Property, some 1,000 new homes are being developed at Wirral Waters on brownfield sites.
- 3.41 The regeneration pipeline reflects the Local Plan Development Strategy and supports the delivery of the 2025 Wirral Plan 2025 and Local Plan priorities through a focus on sustainable approaches to new development; enhancing green infrastructure and active travel routes; creating vibrant mixed-use town centres; delivering new homes; securing skills development and employment opportunities for residents; and creating the right environment for indigenous and new businesses to grow.
- 3.42 To support the regeneration of Birkenhead Town Centre, the Council has secured £24.6m through the Future High Streets Fund. The funding will complement the work being progressed through the Wirral Growth Company and will support the delivery of high quality homes, improved accessibility into the town centre and a new modern facility for Birkenhead Market. This will ensure future income flows into the Council from Council Tax and Business Rates.
- 3.43 The Council is developing a series of masterplans for key regeneration areas, to provide a framework for future investment and sustainable growth. A Liscard Masterplan is being developed to set out a new vision for the sustainable future of Liscard, providing a more diverse offer with the community at its core. A masterplan for New Brighton has been commissioned, to harness New Brighton's potential as a special place to live, visit and do business, and to identify potential opportunities for enhancement, and is intending to develop a masterplan for West Kirby to support its future sustainability.
- 3.44 Activities related to the Council's Regeneration Programme are estimated to generate around £50m gross income flow from Council Tax and Business Rates over the next 15 Years.
- 3.45 The delivery of these schemes is integral to our efforts to address existing social and health inequalities within the borough. This is particularly significant in the aftermath of COVID-19. Places such as Wirral, with existing economic and health inequalities, have been disproportionately affected by COVID-19. Additionally, the long-lasting effect of measures to tackle COVID-19 (e.g. business curfews and temporary closures) will impact on our community and economy increasing demand for local services and the financial resilience of the borough. This requires an enhanced focus

on regeneration to mitigate these as well as identifying opportunities to respond to a new way of working and living as a result of the pandemic.

Performance of the MTFs during Covid-19 Pandemic

3.46 Both the financial and non-financial difficulties of managing a response to a pandemic situation are well reported, and assessing the performance of the MTFs within the past year has been challenging. In the development of the MTFs the Council has updated the financial position, based on the latest information available. An exercise as part of the budget setting process and quarterly revenue reports is undertaken to review all the assumptions. Particular consideration has been given to future year pressures emerging from Covid-19.

3.47 However, all of the strategic plans outlined above have considered the opportunities thrown up by such a world-changing event, including:

- **Boosting Economic Growth:** Distributing the Small business grants has expanded contact with a larger range of businesses. New funding has been identified to support the long-term regeneration programme.
- **Empowering our Communities:** the humanitarian effort in supporting Covid-19, has created stronger links and networks with community partners. Their ability to deliver this service in a difficult environment has accelerated some community wealth building activity.
- **Driving Income Generation:** the increased demand for UK holidays has led to a new income stream identified to be brought forward for camper vans.
- **Identifying Efficiencies:** our workforce has embraced agile working, and this has led to permanent savings in office-based expense.

Recovery Programme

3.48 The nature of the pandemic means that we will require an ongoing containment approach to Covid-19 for at least the next 18 months and we will need to organise operationally to live with Covid in the longer term. We therefore need to ensure a resilient, continuing approach to Covid as well as the wider efforts to recover from the broader impact of the pandemic and its subsequent negative impacts such as increased demand for services and inequalities. Plans are in place to respond to the outbreak on an ongoing basis (e.g. outbreak hub, testing and vaccination) as well as to reorganise our services following the emergency response which includes organisational preparedness and safety as well as our longer term use of assets and our staffing resources.

3.49 A programme to lead this work brings together operational leads from across the business to:

- Ensure the safe remobilisation of services, assets and operations following lockdown and the effective delivery of services through relevant tiers.
- Guide operational plans for working safely in a Covid secure environment.
- Work with partners to develop system wide recovery and place-based initiatives to recover our economy and communities.

- Ongoing resources will also be required to continue to address the pandemic locally as well as supporting residents and businesses to recover from the indirect health and economic consequences of Covid.

Council Tax

3.50 Policy and Resources Committee agreed the Council Tax Base for use in 2021/22 on 11 November 2020. The number of properties is adjusted for the Local Council Tax Support Scheme (LCTRS) and other Council Tax Discounts, Exemptions and Disabled Relief and then converted to a Band D figure which is multiplied by the Collection Rate to give the Council Tax Base.

Table 2: Wirral Council Tax Band D calculation 2021/22

Band	Properties 2021	Changes due to LCTRS discounts, exemptions	Revised property equivalent	Ratio to Band D	Net Band D equivalent
A	60,563	(24,896.3)	35,666.7	6/9	23,778
B	32,626	(7,413.6)	25,212.4	7/9	19,610
C	27,506	(4,057.2)	23,448.8	8/9	20,843
D	13,437	(1,542.0)	11,895.0	9/9	11,895
E	8,378	(757.3)	7,620.7	11/9	9,314
F	4,326	(324.4)	4001.6	13/9	5,780
G	3,156	(225.8)	2,930.2	15/9	4,884
H	274	(37.5)	236.5	18/9	474
Band A Disabled		(4.3)	64.7	5/9	36
Total	150,266	-39,258.4	111,076.6		96,614
Collection Rate					x 97.50%
Adjusted Council Tax Base					94,198.6

- 3.51 The increase in the Council Tax-Base from 2020/21 to 2021/22, coupled with general inflationary increases and allowances for the Adult Social Care precept, is expected to result in increased Council Tax income of approximately £6.1m million in 2021/22. Wirral's share of Council Tax after the non-collection allowance is applied is expected to be £156.6m. This amount has been reflected in the 2021/22 Budget.
- 3.52 In terms of inflationary increases, the Government announced in the provisional Local Government Finance Settlement that General Council Tax can increase by 1.99%. The Referendum threshold for general Council Tax increases is set at 2% (the same as 2020/21) for 2021/22. The calculation of the Referendum 'trigger' amount is a comparison between overall Band D levels for 2020/21 and 2021/22 and includes levies.
- 3.53 The recent provisional Local Government Finance Settlement included permission to include a 3% Adult Social Care Precept in 2021/22, over and above the inflationary

increase of up to 1.99%. If agreed, this generates an additional £4.4m funding for the Council in 2021/22.

- 3.54 The decision on the level of Council Tax is made by Council in March. The current proposal for 2021/22 assumes that general Council Tax will increase by 4.99%, representing the inflationary increase of 1.99% plus the Adult Social Care Precept of 3%.

Setting the council tax levels

- 3.55 In setting the Council Tax the Council is required to have regard to the various determinations set out in the Local Government Finance Act 1992 as amended by the Localism Act 2011. The Council must calculate a Council Tax requirement, set out the total amount of Council Tax for the different categories of dwellings and determine that the Council Tax for 2021/22 is not excessive and that a Referendum is not necessary.
- 3.56 The Statutory Calculations form part of the Policy & Resource Committee recommendation to Council in respect of the Council element of the Council Tax bill. Any agreed increase will be considered against the principles determined by the Secretary of State under the Act (as amended) in determining whether a Referendum is required. This compares the Band D Council Tax for 2021/22 with that for 2020/21 for the Council's basic amount of Council Tax. The statutory calculations are contained in Appendix 9.
- 3.57 The precepts to the Council, issued by the Police & Crime Commissioner for Merseyside and by the Merseyside Fire & Rescue Service, in accordance with Section 40 of the Local Government Finance Act 1992 will be added to the Council element to set the Council Tax for Wirral for 2021/22 once known. If this information is available before the publishing date for Budget Council, this will be included as a separate report within the Council papers agenda. In 2021/22 the Liverpool City Region Combined Authority (LCR CA) will continue to levy a precept for the LCR CA Mayoral precept.

Business rates

- 3.58 Business Rates are payable by businesses based on the rateable value of the premises they occupy, which is calculated according to how much rent the premises would achieve if rented out. Valuations are carried out by the Valuation Office Agency on a five-year cycle and the latest valuation list applies from 2017. The Council is responsible for calculating actual rates bills and for collecting rates and use the rateable value in working out how much a business will have to pay. The actual rates bill is calculated by applying the rate multiplier (a rate in the pound) to the rateable value and then deducting any reliefs that are applicable.

- 3.59 Whilst presenting opportunities, the localisation of Business Rates brings additional risks to the Council's financial position because of its complexity and volatility. The forecast income to the Council has to be reflected in the Council Budget. The amount received may fluctuate due to a number of reasons including:
- Appeals against rating decisions. Dealt with by the Valuation Office Agency and can be large and backdated a number of years;
 - Changes in liability relating to changes in occupancy;
 - Changes in building use;
 - Alterations to buildings size and layout;
 - Demolitions and new builds;
 - Actions to avoid full liability including empty property / charitable reliefs;
 - Assessment of bad and doubtful debts.
- 3.60 Policy and Resources Committee are asked to approve the Discretionary Rate Relief Policy for Business Rates for 2021/22 which remains unchanged from 2020/21. A copy of the updated Discretionary Rate Relief Policy is included at Appendix 8.
- 3.61 The surplus/deficit in 2020/21 being allocated to Wirral Council is 99% and to Merseyside Fire and Rescue Service is 1%. This reflects the operation of the LCR Business Rate Pilot Scheme. A declaration of an estimated surplus or deficit for the 2020/21 financial year together with a forecast for 2021/22 had to be submitted to the Government by 31 January 2021. The forecast Business Rates income for 2021/22 shows that the receipts to the Council will increase by £0.569 million from the 2020/21 levels.
- 3.62 Since April 2013 the Government has implemented changes to reliefs and also capped the Rates increase at below the inflation rate. To compensate local authorities for these decisions the Government has allocated Councils a series of Section 31 Grants. These are calculated as part of the National Non Domestic Rates 1 return which is submitted to MHCLG by 31st January each year plus any supplementary grants awarded in year should government introduce new rating policy changes.
- 3.63 The amounts collected for business rates and council tax during 2021/22 are expected to reduce by £10.5m as a result of the impact of Covid-19 on residents and businesses. To mitigate the full impact of this, the Government have allowed Council's to spread the deficit over 3 years. This is currently presenting as a pressure on the 21/22 – 23/24 budgets however the Government have also announced that 75% of these losses will be funded which releases a significant proportion of that pressure.
- 3.64 As part of the spending review, an extension to the Council Tax Support Grant was agreed. The grant is un-ringfenced but is expected to be used to 'to enable Councils to continue reducing council tax bills for those least able to pay, including households financially hard hit by the pandemic' The grant can also be used to offset

the cost of the Local Council Tax Support Scheme. Wirral's allocation for 2021/22 is £3.9m and will be fully allocated to the areas described above

Schools Budgets

- 3.65 The Schools Funding Allocations were issued by the Department for Education on 17th December 2020. The format of the Dedicated Schools Grant (DSG) is unchanged with Local Authority allocations determined by the National Funding Formula (NFF) for Schools, High Needs and Early Years.
- 3.66 The proposed allocation of the DSG was presented to and considered by School's Forum on 19th January. The detailed budget proposal is in Appendix 12.

Table 3 Budget Allocation for Schools DSG

	2021-22 Budget £
Schools Block	230,289,800
Central School Services Block	3,613,100
High Needs Block	43,940,000
Early Years Block	21,644,200
TOTAL BEFORE CONTRIBUTION TO RESERVE	299,487,100
Contribution to Reserves (High Needs)	2,683,100
TOTAL AFTER CONTRIBUTION TO RESERVE	302,170,200
Funded by:	
DSG	300,710,700
Council (PFI Affordability Gap)	1,459,500
NET TOTAL FOR HIGH NEEDS BLOCK	302,170,200

- 3.67 School's Forum resolved to:
- Agree the net increase in the current cost element of the Central School Services block to be used to off-set the reduction in historic cost element.
 - Agree the transfer of the surplus High Needs funding for 2021-22 to the DSG reserve to offset the deficit position.

Levies and Liverpool City Region Combined Authority

- 3.68 There is a statutory requirement to agree the levies for 2021/22 before 12 February 2021 in respect of transport and waste. The allocation mechanism for both bodies means that there will be variations for individual authorities as the Waste Levy reflects relative tonnages and the Transport Levy reflects relative populations.
- 3.69 The Liverpool City Region Combined Authority considered the recommendations from the Merseytravel Committee on 22 January 2021. In overall terms the Transport Levy has remained the same as 2020/21. Wirral's share of the costs

decreased by c £0.05m to £22.1m. This is due to changes in distribution between 2020/21 and 2021/22 as a result of population changes.

- 3.70 The Merseyside Recycling & Waste Authority met on 5 February 2021 to agree the final Levy for 2021/22. The Levy agreed for the Council is £17.6m, representing an increase of £0.2m (1.4%) on the 2020/21 charge of £17.4m. In addition to the 2021/22 levy increase, an additional temporary cost will be incurred as a result of traffic management at Household Waste Recycling Sites of £1m. This is not predicted to continue past 2021/22 and will be funded from the Lower Tier Services Grant and Covid-19 Emergency Grant.

Level of General Fund Balances

- 3.71 The level of General Fund Balances and reserves are key components of the Council's financial management and sustainability. Both need to be maintained at sufficient levels to ensure that unforeseen financial pressures can be met without jeopardising the viability of the Council.
- 3.72 The Covid-19 pandemic has highlighted the importance of General Fund balances, Local Authorities with strong General Reserves have seen greater financial sustainability.
- 3.73 Grant Thornton, the external auditors, have recommended that Wirral Council look to build on General Fund balances to improve the Council's financial resilience.
- 3.74 The Council has a statutory duty to determine the level of General Fund Balances and Reserves it maintains before it decides on the level of Council Tax. The level of balances should be based on the Council's own specific circumstances. The financial future for the Council continues to be challenging and a number of major uncertainties remain. In determining the appropriate level of reserves, the Section 151 Officer has assessed a number of factors. This takes account of the strategic, operational and financial risk factors facing the Council. This approach is supported by Grant Thornton (the Council's external Auditors) and by Chartered Institute of Public Finance and Accountancy (CIPFA), the professional body which issues the guidance in this area.

Table 4 Summary of the Assessed Level of General Fund Balances

	2020/21	2021/22
	£m	£m
Assessed at February 2020	10.7	10.7

£10.7m of general fund balances represents around 3% of the Council's new revenue budget. A level which supports medium term financial resilience would be

at 5% or £15m and it is advised that action is taken to increase general fund balances to this level as soon as practically possible.

Review of Earmarked Reserves

- 3.75 Resources set aside for specific purposes as Earmarked Reserves should be established and used in accordance with the purposes intended. The levels of Earmarked Reserves have been reviewed and the anticipated level of Earmarked reserves at the end of 2021/22 is expected to be around £57m. The main reserves that make up this amount are:

Table 5 Earmarked Reserves

Insurance Fund (for self-insurance)	£10.8m
Schools Balances (only allowed to be used by schools)	£6.9m
Business Rates Equalisation	£4.7m
Housing Benefit	£1.9m
Public Health & Better Care Fund	£1.3m

One Off Funding

- 3.76 In recent years, Wirral Council has used the temporary government initiative, called Flexible Use of Capital Receipts to fund transformational revenue change in Wirral Council. This is coming to an end in 2022
- 3.77 Reducing reliance on one-off funding for revenue expenditure is a key principle of Financial Resilience. Using one-off funds only presents a pressure in the following year as one-off funds are temporary and permanent alternatives will be required to ensure the Council can remain financially sustainable.
- 3.78 One-off funds should only be used to support one-off temporary expenditure or where there is a robust plan for their replacement to a permanent solution in the following year.

Robustness of the Estimates

- 3.79 Under Section 25 of the Local Government Act 2003, the Authority's Chief Financial Officer (the Section 151 Officer) is required to report on the robustness of the estimates made for the purposes of the Council's Budget calculations and the adequacy of the General Fund Balances and Reserves.
- 3.80 Appendix 10 sets out the requirements and the actions taken by the Council in relation to the Robustness of both the Revenue Estimates and the Capital Programme. It contains an assessment of the key issues in relation to demonstrating how the legal requirements have been met.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The financial implications of the 2021/22 budget are included fully within the main body of the report and associated recommendations.

5.0 LEGAL IMPLICATIONS

- 5.1 The role of the Policy and Resources Committee, in consultation with the respective Policy and Service Committees, has been charged by Council to formulate a draft Medium Term Financial Plan (MTFP) and budget to recommend to the Council.
- 5.2 The Council must set the budget in accordance with the provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a statutory responsibility of the Council. Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget. These provisions require the Council to make prudent allowance for the risk and uncertainties in its budget and regularly monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.
- 5.3 Section 30(6) of the Local Government Finance Act 1992 provides that the Council has to set its budget before 11th March in the financial year preceding the one in respect of which the budget is set.
- 5.4 The provisions of section 25, Local Government Act 2003 require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the chief finance (s.151) officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves.
- 5.5 A duty is placed on a precepting authority to issue a precept for any financial year before March 1st in the preceding financial year. This duty is directory only, however, and a precept issued later than that will not be invalid solely for that reason.
- 5.6 Consultation must take place in accordance with the Council's duties under section 65 of the Local Government Finance Act 1992. The detailed summary of responses provided are attached in the appendix to this report. It must be borne in mind that this is consultation on the budget proposals, not on the decision to take whatever decision is implied by the adoption of that budget. The consultation process, including the Council's consideration of the responses, is required to comply with the following overarching obligations (unless detailed statutory rules supplant these):
- Consultation must be at a time when proposals are at a formative stage.
 - The proposer must give sufficient reasons for its proposals to allow consultees to understand them and respond to them properly.
 - Consulters must give sufficient time for responses to be made and considered.
 - Responses must be conscientiously taken into account in finalising the decision.

- 5.7 This is the same whether or not a public body was required to consult or chooses to do so. This is because all of those rules are aspects of an overriding requirement for 'fairness'. The process must be substantively fair and have the appearance of fairness. The setting of the budget and council tax by Members involves their consideration of choices.
- 5.8 When considering options, Members must bear in mind their fiduciary duty to the council taxpayers of Wirral. Members must have adequate evidence on which to base their decisions on the level of quality at which services should be provided.
- 5.9 Where a service is provided pursuant to a statutory duty, it would not be lawful to fail to discharge it properly or abandon it, and where there is discretion as to how it is to be discharged, that discretion should be exercised reasonably.
- 5.10 The report sets out the relevant considerations for Members to consider during their deliberations and Members are reminded of the need to ignore irrelevant considerations. Members have a duty to seek to ensure that the Council acts lawfully. Members must not come to a decision which no reasonable authority could come to; balancing the nature, quality and level of services which they consider should be provided, against the costs of providing such services.
- 5.11 There is a particular requirement to take into consideration the Council's fiduciary duty and the public sector equality duty in coming to its decision.
- 5.12 The public sector equality duty is that a public authority must, in the exercise of its functions, have due regard to the need to: (1) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; (2) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and (3) foster good relations between persons who share a relevant protected characteristic and persons who do not share it
- 5.13 Any decision made in the exercise of any function is potentially open to challenge if the duty has been disregarded. The duty applies both to Full Council when setting the budget and to Policy and Resources Committee when considering particular decisions.
- 5.14 Once a budget is in place, Council has delegated responsibility to the Policy and Services Committees to implement it. The Committees may not act contrary to the Budget without consent of Council other than in accordance with the Procedure Rules set out at Part 4(3) of the Constitution.
- 5.15 It is essential, as a matter of prudence that the financial position continues to be closely monitored. In particular, Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings.
- 5.16 Members are also individually reminded that Section 106 of the Local Government Finance Act 1992 applies to this meeting. Members who are two months or more in

arrears with their Council Tax must declare this to the meeting and must not vote on budget recommendations, as to do otherwise can be a criminal offence.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 There are no additional resource requirements directly from this report, however the implications for the proposals included within the 2021/22 budget and MTFP will be assessed at the time of implementation.

7.0 RELEVANT RISKS

7.1 The Council's ability to close the funding gap is highly dependent on the accuracy of assumptions used for Government funding and levies from other bodies, as well as demand estimates for Council services. As the Local Government Finance Settlement only covers one year, the uncertainty around future funding over the MTFP period remains high.

7.2 A key risk to the Council's financial plans is that funding and demand assumptions in particular can change as more information becomes available. As such, the MTFP is regularly reviewed and updated as part of routine financial management.

7.3 Under the system of retained Business Rates, Authorities benefit from a share of any increased revenues but are liable for at least a share of any falls in income (subject to safety net triggers) and any non-collection. This includes reductions arising from appeals relating to past years which partially fall on the Authority. These risks are mitigated through a combination of the operation of the Collection Fund, General Fund Balances and a Business Rates Equalisation Reserve.

7.4 The budget for 2021/22 is reliant on the generation of future capital receipts, which is sensitive to the fluctuations in the property market and changes in land values. If planned disposals do not take place or can only be achieved at reduced prices, this will create a funding pressure for which further mitigation would need to be sought.

7.5 There is also a risk that agreed savings will not be delivered or will be delayed. Progress on delivery of agreed savings will be monitored using Budget Monitoring reports presented to Policy and Service Committees.

7.6 The consultation process itself may identify risks that savings will not be delivered. The Service Committees and Officers will work closely together to mitigate these items through the Budget Process.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 Views were sought on the Council's future budget and spending priorities, through an extensive programme of community and stakeholder consultation, from 17 December 2020 to 27 January 2021.
- 8.2 Service Committees have discussed and provided feedback to Policy & Resources Committee on the Budget proposals and are detailed in Appendix 5.
- 8.3 The Council has also worked with staff and Trade Unions where required to ensure obligations in relation to statutory staff consultation is delivered appropriately and within agreed guidelines.
- 8.4 The Director of Resources has regularly briefed Trade Unions on the budget position and the potential impact and implications. Service leads supported by HR and Finance, have met with Trade Unions regularly over recent weeks to consult them about the budget proposals and to share relevant information. The Trade Unions have confirmed their opposition to the proposed service closures and impact on staff and have reiterated their position of no compulsory redundancies. Consultation will continue in relation to implementation and impact of decisions taken as appropriate.
- 8.5 Any financial proposals agreed by Policy and Resources Committee that require specific consultation, the Council will commence appropriate consultation directly with any service users and stakeholders who are affected and will feedback their views before final decisions are taken.

9.0 EQUALITY IMPLICATIONS

- 9.1 It is recognised that some of the developing proposals could have equality implications. Any implications will be considered and any negative impacts will be mitigated where possible.
- 9.2 Equality implications will be assessed during planning, decision and implementation stages and will be recognised as an ongoing responsibility. Equality issues will be a conscious consideration and an integral part of the process.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 No direct implications. The content and/or recommendations contained within this report are expected to have no impact on emissions of Greenhouse Gases.

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APPENDICES

Appendix 1 - Pressures

Appendix 2 - Savings

Appendix 3 – Five Year Medium Term Financial Plan

Appendix 4 – Proposals included within public budget consultation

Appendix 5 - Service Committee Savings Proposals Feedback

Appendix 6 – Feedback from Public Consultation

Appendix 7 - Sales Fees and Charges

Appendix 8 – Discretionary Rate Relief Policy

Appendix 9 – Council Tax Statutory Calculations

Appendix 10 – Chief Officer Statement on Robustness of both the Revenue Estimates and the Capital Programme.

Appendix 11 - Medium Term Financial Strategy and Financial Resilience Plan

Appendix 12 – DSG Schools Budgets

BACKGROUND PAPERS

2021/22 Budget Transition Process (Policy and Resources Committee 7 October 2020)

Government Spending Review - Impact of Wirral Budget 2021/22 (Policy and Resources Committee 20 January 2021)

Letter from MHCLG on exceptional financial support 2 February 2021

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Policy & Resources Committee	7 October 2020
Council	19 October 2020
Policy & Resources Committee	18 December 2020
Policy & Resources Committee	20 January 2021

Appendix 1 – Pressures

Wirral Council MTFP	
	21-22
PRESSURES	£m
Regeneration & Place	1.4
Birkenhead Market Income	0.1
Regeneration Restructure	0.2
Homelessness	1.0
Planning Fees & Charges Shortfall	0.1
Destination Marketing Match funding	0.1
Resources	1.6
Fees and Charges Shortfall	1.6
Legal & Governance	0.3
Fees and Charges Shortfall	0.1
Regeneration legal fees	0.2
Chief Executive's Office	-
Neighbourhoods	9.8
Highways and Transport Fees & Charges	1.1
Culture and Leisure Fees & Charges	6.0
Waste Development Fund	1.0
Waste contract inflation	0.3
Waste Levy	1.4
Childrens	3.5
Modernisation Team Salary	0.1
Sen Transport	1.0
Residential placements price inflation	0.5
Independent Foster Care price inflation	0.1
Allowances inflation	0.3
PFI inflation	0.1
2020/21 Unachieved saving - Children Looked After	1.3
EYEs system	0.0
Youth remand cost	0.1
Adult Care & Health	14.9
2020/21 Unachieved saving - Housing ECH (£0.5m)	0.2
2020/21 Unachieved saving - Care Package Review	2.3
2020/21 Unachieved saving - Wirral Evolutions	0.3
Demographic Growth (OP & LD)	2.4
Care Cost demand pressures	3.0

Specialist Fee rate increases	0.3
Contract Increases (WCFT & CWP)	0.5
Real Living wage	5.9
Corporate	17.7
2020/21 Unachieved savings - Lobo Financing	1.0
2020/21 Unachieved savings - Cash Flow Investments	0.7
2020/21 Unachieved savings - New Council Model	5.0
2020/21 Unachieved savings - Zero Based Budget	0.6
2020/21 Unachieved savings - Contract Target Savings	4.6
Pay & Pensions	0.4
End of 4 Year Pay Deal	0.7
Ask us Wirral	0.1
ERP revenue costs	0.1
Capital Financing	1.3
Social Care Grant reserve for 2021/22 pressures	3.3
Total Pressures/Investments	49.4

Appendix 2 – Savings

	21-22
SAVINGS	£m
Regeneration & Place	(3.2)
Culture and Visitor Economy savings	(0.6)
Cease support for Community Alarms	(0.5)
Birkenhead Market Restructure	(0.2)
Budget Allocation for DDA	(0.2)
New income from Regeneration Projects	(0.2)
Sales, Fees and Charges Compensation - Planning	(0.0)
Wirral Growth Company Joint Venture income	(1.4)
Resources	(4.4)
Business Change Service Reduction	(0.7)
Review of Traded Services	(0.3)
Alternative funding for PFI	(0.3)
Bad debt write-off reduction	(1.0)
New staffing structure in IT Services	(0.6)
Business Support Unit Staffing Reduction	(0.2)
Wide Area Network savings	(0.2)
Restructure of Revenues & Benefits	(0.2)
Centralised Print Process	(0.2)
Sales, Fees and Charges Compensation	(0.8)
Legal & Governance	(0.3)
Suspension of Individual Member Ward budgets	(0.3)
Chief Executive's Office	-
Neighbourhoods	(7.9)
LED savings	(1.3)
Sales, Fees and Charges Compensation - Highways	(0.4)
Sales, Fees and Charges Compensation - Leisure	(2.0)
Additional and Increased car parking charges	(1.0)
Targeted & discretionary Environmental enforcement	(0.2)
Royden Park Commercial Development	(0.1)
Reduction in grass cutting and maintenance of verges	(0.3)
Amenity Space maintenance cessation	(0.1)
Stopping School Crossing Patrols	(0.3)
Review of the Neighbourhood Services Directorate	(0.4)
Closure of Public Conveniences	(0.1)
3 Weekly collection of general rubbish	(0.2)
Contract efficiency savings with BIFFA	(0.1)
Ongoing temporary Library Covid-19 efficiencies	(0.1)

Ongoing temporary Leisure Covid-19 efficiencies	(0.1)
Closure of Europa Pools	(0.6)
Review of Museums Service	(0.3)
Review of 4 Golf Courses	(0.2)
Pause re-opening of Woodchurch Leisure Centre	(0.3)
Children, Families and Education	(2.4)
Semi-independent living	(0.5)
Pause Programme	(0.6)
Modernisation & Social Care staff efficiencies	(0.1)
Childrens containing demand pressure mitigation	(1.0)
Explore reduction in Youth Provision	(0.2)
YOS	(0.0)
Adult Care & Health	(4.5)
Adult Care & Health demand mitigations	(3.8)
Change initiatives	(0.2)
Wirral Evolutions review day services for people with LD	(0.5)
Corporate	(2.0)
Workforce remodelling	(0.2)
Continuation of agile working	(0.5)
Apprenticeships First strategy	(0.1)
One Stop Shop Service Reduction	(0.1)
Continue temporary building closure due to Covid-19	(0.8)
Contract Management & commissioning	(0.4)
Total Savings	(24.6)

Appendix 3 – Five Year MTFP

MEDIUM TERM FINANCIAL PLAN					
	21-22	22-23	23-24	24-25	25-26
BUDGET GAP OVERVIEW	£m	£m	£m	£m	£m
20-21 Budget Requirement / Baseline	304.7	329.4	316.6	316.9	319.3
Pressures:					
Regeneration & Place	1.4	1.8	0.4	0.4	0.4
Resources	1.6	-	-	-	-
Legal & Governance	0.3	-	-	-	-
Neighbourhoods	9.8	(6.6)	2.3	0.5	0.5
Children's	3.5	2.7	2.2	2.2	1.8
Adult Care & Health	14.9	6.2	6.2	6.2	6.2
Corporate	17.7	3.1	4.2	3.8	3.2
Total Pressures/Investments	49.4	7.2	15.3	13.1	12.1
Savings:					
Regeneration & Place	(3.2)	(2.7)	(1.9)	(0.6)	(3.4)
Resources	(4.4)	(1.9)	0.5	(0.4)	(1.1)
Legal & Governance	(0.3)	0.1	-	-	-
Neighbourhoods	(7.9)	(2.1)	(0.9)	(0.4)	(0.3)
Children's	(2.4)	(4.4)	(1.6)	(1.5)	-
Adult Care & Health	(4.5)	(4.0)	(5.0)	(4.0)	(4.0)
Corporate	(2.0)	(4.9)	(6.3)	(3.8)	(4.1)
Total Savings	(24.6)	(20.0)	(15.1)	(10.7)	(12.8)
Total Budget Requirement	329.4	316.6	316.9	319.3	318.6
Funded By :					
<u>National Non Domestic Rates:</u>					
Business Rates Income	(72.3)	(73.4)	(74.6)	(75.9)	(77.1)
Business Rates Section 31 Grant	(12.8)	(13.0)	(13.2)	(13.4)	(13.7)
Top-Up Grant	(34.5)	(35.1)	(35.7)	(36.2)	(36.8)
Better Care Fund (BCF)	(18.8)	(19.1)	(19.4)	(19.7)	(20.0)
Business Rates	(138.3)	(140.6)	(142.9)	(145.2)	(147.6)
<u>Council Tax:</u>					
Council Tax base position	(153.3)	(156.6)	(161.1)	(165.7)	(170.5)
Annual increase in number of properties	(0.4)	(1.5)	(1.5)	(1.5)	(1.6)
Inflation	(3.0)	(3.1)	(3.2)	(3.2)	(3.4)

Council Tax	(156.6)	(161.2)	(165.8)	(170.5)	(175.4)
Collection Fund shortfall	1.0	1.9	3.0	-	-
New Homes Bonus	(0.2)	(0.1)	-	-	-
Social Care Support Grant	(14.6)	(11.3)	(11.3)	(11.3)	(11.3)
Capital Receipts	(0.6)	(6.2)		-	-
Lower Tier Services Funding	(0.5)				
Tranche 5 Covid-19 Funding	(10.0)				
Exceptional Financial Support	(10.6)				
Total other funding	(35.5)	(15.6)	(8.2)	(11.3)	(11.3)
Total Funding	(330.4)	(317.4)	(316.9)	(327.0)	(334.3)
Total Budget (Surplus)/Gap	(1.0)	(0.8)	(0.0)	(7.7)	(15.7)