

MINUTE EXTRACT

POLICY AND RESOURCES COMMITTEE

17 FEBRUARY, 2021

68 BUDGET 2020/21 AND MEDIUM TERM FINANCIAL PLAN 2022/23 – 2025/26

Shaer Halewood, Director of Resources, introduced a report which was 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. The report presented details of the annual budget for 2021/22 and the key elements contributing towards the preparation of the budget and set out recommendations on the budget and council tax for 2021/22. The report provided 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 contained several appendices, some of which were required to be published as part of the statutory annual budget process and others which provided the Committee with relevant financial information relating to next year's budget and future years' financial assumptions. These assumptions would change, and any changes would be reported through the usual governance process for budget monitoring within the Committee system.

Included with the appendices was also the detailed Schools Budget for 2021/22.

The 2021/22 budget had been compiled using the figures in the provisional Local Government Finance Settlement for 2021/22 as the final figures had not, at the time of the agenda publication, been received. Shaer Halewood confirmed that there had been no changes to the final settlement figures.

Shaer Halewood drew the Committee's attention to two errors within the report, the first being in appendix 1, 'Pressures', in that under the 'Neighbourhoods' heading, the 'Waste Development Fund' should refer to pressures on the waste service. The second was at paragraph 3.75 in the report, in that the level of Earmarked reserves were expected to be £29m and not £57m.

With regard to the precepts from other precepting bodies, referred to in appendix 9, Shaer Halewood confirmed that the vote to be taken at Council would be on the Wirral Council Tax element only.

Shaer Halewood then responded to a number of comments from Members and clarified that there was now a forecast surplus of £1m for the 2021/22 budget, which was included within the body of the report and gave a breakdown of this amount. The £4m for potential EVR's was included within the £29m earmarked reserves figure. Fees and charges had a total increase of £230,000, for cemeteries and crematorium charges to offset some of the cost of the introduction of webcasting at the crematoria and music licences. She had taken a prudent approach with the budget formulation as there were no guarantees that the government compensation scheme would be extended beyond June, even though social distancing measure could be in place for

some time affecting the Council's income, including from leisure related activities, gyms etc.

The Chair then invited Councillor Wendy Clements to comment on the Schools Budget. Councillor Clements welcomed the proposed budget of £299.487m Dedicated Schools Grant, an increase of some £24.5m over the previous year's, and which the Schools Forum had agreed to. Councillor Clements responded to a number of comments from Members and welcomed the work that schools had achieved during this difficult year, remaining open to vulnerable children to the children of key workers.

The Chair then moved, seconded by Councillor Anita Leech, the recommendations as set out within the report, but with important changes to be inserted at recommendation 2, as follows:

'Recommend to Council a Revenue Budget of £329.4m but which differs from the proposals included within the public budget consultation as shown at Appendix 4 in that:

(a) The following proposals are removed from the list

- | | |
|---|----------|
| 1. Reduce the subsidy to the Hive Youth Centre from £400k to £300k, instead of £200k, in 2021/22 only - | £100,000 |
| 2. Stopping School Crossing Patrols - | £276,300 |
| 3. Closure of Public Conveniences - | £142,000 |
| 4. 3 weekly collection of general rubbish - | £180,000 |
| 5. Close Europa Pools - | £640,000 |
| 6. Review of 4 Golf Courses - | £273,000 |
| 7. Review of Museums Service - | £327,500 |
| 8. Delay the ceasing of support for Community Alarms - | £200,000 |

Total changes to the 2021/22 draft budget - £2,138,000

(b) The budget gap that this would create is then met by the inclusion of the following proposals:

- | | |
|---|----------|
| 1. Savings from efficiencies at the Williamson Art Gallery - | £90,000 |
| 2. Savings from closing the Fun Pool only at Europa - | £250,000 |
| 3. Provision of additional catering across multi-site and new in-house catering offer at West Kirby - | £35,000 |
| 4. Charging for a range of new and existing Environmental Services - | |

	£144,000
5. Additional savings from workforce efficiencies -	£150,000
6. Reduction in pressure for pay increases for low paid workers -	£236,000
7. Freezing of the Merseytravel Levy for 2021/22 -	£439,000
8. Funding for the Hive from local businesses -	£100,000
9. Fund the Local Welfare Assistance Scheme from Covid-19 funding –	£200,000
10. Climate Emergency Budget Balance -	£100,000
11. Request to bring forward various asset sales -	£394,000

Total alternative budget options found - £2,138,000

The Chair and Labour Members then responded to a number of comments from other Members on the proposed budget options.

Shaer Halewood clarified that there were a range of assets on the Council's surplus asset list, all within the Borough, which could be brought forward to be sold and that they would come before the relevant Policy and Service Committee and then to this Committee if they were of a value over £100,000.

At 8pm the Chair adjourned the meeting to enable discussions within Groups to take place on the proposals.

The Committee resumed at 8.35pm.

The Chair invited Shaer Halewood to give her opinion, as Section 151 Officer, to the validity of the proposed budget. Shaer Halewood confirmed that all the proposals were all legal and achievable for a balanced budget to be set for 1 April, 2021.

Some Members expressed full support for the proposals and others commented that they could agree with many of the proposals but that there were elements which they believed could be improved upon.

Philip McCourt, Director of Law and Governance, then explained how the voting would proceed and that a separate vote would be taken on part 2 of the recommendation, the Labour proposal, and then a vote on parts 3 to 5 of the recommendation.

Part 1 of the recommendation was agreed by assent.

A vote was conducted on part 2 of the recommendation, and it was carried (8:8) (One abstention) on the Chair's casting vote.

A vote was then conducted on parts 3 to 5 of the recommendation, with the removal of 3 (g) (i) part 2 'Golf provision', as this was now no longer a budget saving (see part (a) 6 of the proposals). The vote was carried (17:0) and it was therefore -

A. Resolved – That the Committee:

- (1) Notes and considers the response to the financial proposals forming a draft budget for the purposes of public consultation (minute 32 – 18 December, 2020 refers), available between 21 December 2020 and 29 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

B. RECOMMENDED –

- (2) ((8:8) (One abstention) carried on the Chair's casting vote)

That Council adopt a Revenue Budget of £329.4m but which differs from the proposals included within the public budget consultation as shown at Appendix 4 in that:

(a) The following proposals are removed from the list

1. Reduce the subsidy to the Hive Youth Centre from £400k to £300k, instead of £200k, in 2021/22 only -	£100,000
2. Stopping School Crossing Patrols -	£276,300
3. Closure of Public Conveniences -	£142,000
4. Three weekly collection of general rubbish -	£180,000
5. Close Europa Pools -	£640,000
6. Review of 4 Golf Courses -	£273,000
7. Review of Museums Service -	£327,500
8. Delay the ceasing of support for Community Alarms -	£200,000

Total changes to the 2021/22 draft budget -
£2,138,000

(b) The budget gap that this would create is then met by the inclusion of the following proposals:

1. Savings from efficiencies at the Williamson Art Gallery - £90,000
2. Savings from closing the Fun Pool only at Europa - £250,000

3. Provision of additional catering across multi-site and new in-house catering offer at West Kirby -	£ 35,000
4. Charging for a range of new and existing Environmental Services -	£144,000
5. Additional savings from workforce efficiencies -	£150,000
6. Reduction in pressure for pay increases for low paid workers -	£236,000
7. Freezing of the Merseytravel Levy for 2021/22 -	£439,000
8. Funding for the Hive from local businesses -	£100,000
9. Fund the Local Welfare Assistance Scheme from Covid-19 funding -	£200,000
10. Climate Emergency Budget Balance -	£100,000
11. Request to bring forward various asset sales -	£394,000
Total alternative budget options found -	£2,138,000

Producing a revised set of Budget Proposals, consisting of:

<u>Proposal</u>	<u>Value</u>
1. Reduce the subsidy to the Hive Youth Centre from £400k to £300k, (instead of £200k in 2021/22 only)	£100,000
2. Modernisation & Social Care combined: Staff Efficiency Savings	£102,000
3. Review of the Neighbourhood Services Directorate	£350,000
4. Additional and increased parking charges: Whole scale car parking review	£1,000,000
5. Reduction in grass cutting and maintenance of roadside verges and all Parks and Open Spaces	£250,000
6. Amenity space and grass verge maintenance cessation	£100,000
7. Contract Efficiency Savings with BIFFA	£ 75,000
8. Income generated from establishing targeted and discretionary environmental enforcement	£150,000
9. Culture and Visitor Economy savings	£620,000
10. Pause re-opening of Woodchurch Leisure Centre	£322,000
11. Royden Park Commercial Development - Phase 1	£80,000
12. Birkenhead Market Restructure	£240,000
13. Budget Allocation for DDA	£200,000
14. Delay the ceasing of support for Community Alarms	£200,000
15. Wirral Evolutions review of day services for people with Learning Disabilities	£500,000
16. Suspension of individual Member Ward Budgets	£250,000
17. One Stop Shop Service Reduction	£98,000

18. Restructure of Revenues & Benefits	£150,000
19. Business Change Service Reduction	£670,000
20. New Staffing Structure in IT Services	£618,000
21. Centralised Print Process	£157,000
22. Business Support Unit - Staffing Reduction	£237,000
23. Hardship fund and reduction in bad debt provision	£1,000,000
24. Contract Management & Commissioning	£350,000
25. Apprenticeships	£148,000
26. Traded Services Review	£270,000
27. Savings from efficiencies at the Williamson Art Gallery	£90,000
28. Savings from closing the Fun Pool only at Europa	£250,000
29. Provision of additional catering across multi-site and new in-house catering offer at West Kirby	£ 35,000
30. Charging for a range of new and existing Environmental Services	£144,000
31. Additional savings from workforce efficiencies	£150,000
32. Reduction in pressure for pay increases for low paid workers	£236,000
33. Freezing of the Merseytravel Levy for 2021/22 -	£439,000
34. Funding for the Hive from local businesses -	£100,000
35. Fund the Local Welfare Assistance Scheme from Covid-19 funding	£200,000
36. Climate Emergency Budget Balance	£100,000
37. Request to bring forward various asset sales -	£394,000

(3) (17:0)

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; or**
 - (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) **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) **enforcement costs recovery; and**
 - (3) **grass cutting and re-wilding****to develop and implement proposals in line with the agreed Budget; and**
 - (ii) **the Director with portfolio to 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) That Council (subject to a separate vote at 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.**

C. Resolved – That the Committee -

- (5) Delegates 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.