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POLICY AND RESOURCES COMMITTEE

Monday, 25 October 2021

Present: Councillor J Williamson (Chair)

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|-------------|-------------|------------|
| Councillors | T Anderson | T Jones |
| | H Cameron | J McManus |
| | P Cleary | Y Nolan |
| | W Clements | L Rennie |
| | P Gilchrist | J Robinson |
| | JE Green | P Stuart |
| | S Hayes | |

Apologies: Councillor K Greaney (In place of EA Grey)

65 **WELCOME AND INTRODUCTION**

The Chair welcomed everyone to the meeting and those watching the webcast.

66 **APOLOGIES**

The Chair confirmed the apologies of Councillor Elizabeth Grey, with Councillor Karl Greaney deputising.

67 **MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST**

Members were asked to declare any disclosable pecuniary interests and any other relevant interest and to state the nature of the interest.

No such declarations were made.

68 **PUBLIC AND MEMBER QUESTIONS**

The Chair reported that no questions from either members of the public or Members had been submitted. Nor were there any statements or petitions to receive.

Councillor Julie McManus referred to an email she had received from a member of the public, but that it had been received out of time to be asked at the meeting (to comply with Standing Order 10) and that officers would therefore be responding in writing.

The Director of Resources introduced a report on pre-budget setting which provided the Committee with an update on recent budget setting activity and described the context in which the budget for 2022/23 was being set. The report highlighted the key issues faced by the Council and the intended approach to budget setting, including the roles and responsibilities of key stakeholders. The significant financial challenges facing the Council were set out against a range of potential scenarios, which clearly showed that the current provision of service by the Council was unaffordable from 2022/23.

Specific items addressed in the report included:

- Operational context of Council activity leading up to budget setting.
- A timetable for forthcoming budget setting activity and the approach to be adopted.
- Financial strategy and principles which underpinned the budget process and decision-making, with its links to the Wirral Plan.
- A review of the financial landscape the Council might be operating within, including budget gap analysis and the assumptions that had been incorporated in producing optimistic / mid-ground / pessimistic outlooks for consideration.
- The budget consultation approach.

The Director responded to a number of comments from Members, clarifying how the timetable for consultation and workshops would work. She agreed to bring information on the funds still available in the Covid budget, and that if these weren't required for Covid support would have to be used to reduce the exceptional financial support under the capitalisation agreement with the former MHCLG. She would also ensure that the public consultation did include the range of scenarios possible, not just the most pessimistic one.

The Sub-Committee would be able to meet in a working group capacity as well as in a formal arrangement, and the Director agreed to supply information to the Sub-Committee on the cost and use of consultants in the Council and on the issue of Government grants and which were one-offs and which would be renewed.

The Director agreed to add timelines to the budget proposal workstreams appendix and would also look at how the Treasury Management team had arrived at a figure of 3% in respect of possible inflation figures when the Bank of England was forecasting a rate of 4%. She did meet regularly with other Merseyside Council finance director colleagues including those of the Fire, Transport and Waste Authorities and did push for quicker notification of their respective levies. With regard to these levies she would find out more details as to how they were worked out in respect of populations, which on Wirral had been decreasing.

Both the Directors of Resources and of Law and Governance sought to assure the Committee of the consultation timetable with regard to both the public and Policy and Service Committees and their respective workshops' involvement and for this Committee's overall governance oversight of the process, with necessary adjustments to the timetable if required, prior to this Committee recommending a budget to Council at the end of February, 2022.

The Director of Resources agreed to provide Group Leaders with a lucid flowchart of the budget process.

With an addition to part 2(c) of the recommendation, as suggested by Councillor Phil Gilchrist of further opportunity for consultation and an opportunity for committees to consider before final recommendation, as required, it was moved by the Chair, seconded by Councillor Yvonne Nolan, and then -

Resolved –

- (1) That the current operational context and improvement plans being developed and delivered within service areas amidst budget setting activity, inclusive of policy and service committee budget workshops that have taken place recently, as set out in the report, be noted.**
- (2) It be agreed that:**
 - (a) the budget assumptions that have been made in developing a range of budget scenarios ahead of consultation;**
 - (b) the proposed budget timetable to reflect the timing of the Government's funding announcements and the statutory requirements for determining the Annual Budget and Council Tax level, inclusive of the provision for member amendments as set out at Appendix 2;**
 - (c) the approach to budget consultation outlined in section 3.10 of the report, with a further consultation and opportunity for committees to consider before final recommendation from this Committee, as required;**
 - (d) the guiding principles that will inform the budget setting process and underpin the revised Medium Term Financial Strategy (MTFS), which is currently being developed, be, (i) Organisational Leadership (ii) Accountability (iii) Financial management (iv) Professional standards (v) Assurance and (vi) Sustainability; and**

- (e) budget plans addressing the scenario shown in the papers as 'pessimistic' until such time as more accurate information is known and the Committee can be updated.
- (3) That the Committee establish a Finance Sub-Committee for the 2021-22 municipal year:
- (a) to operate, as a formal sub-committee or working group as the sub-committee desires, with terms of reference identified at paragraph 1.5 of Part 3(B) of the Council's Constitution and key considerations as identified at Appendix 6;
 - (b) consisting of seven members of the Policy and Resources Committee, subject to political balance; and
 - (c) be appointed by the proper officer upon receipt of the wishes of the Leaders of Political Groups in accordance with rules of the political balance.