

**TOURISM, COMMUNITIES, CULTURE AND LEISURE COMMITTEE****Thursday, 16<sup>th</sup> June 2022**

<b>REPORT TITLE:</b>	<b>2022/23 BUDGET MONITORING AND 2023/24 BUDGET SETTING PROCESSES</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF RESOURCES</b>

**REPORT SUMMARY**

This report sets out how the 2022/23 budget will be monitored through the Committee system, which will facilitate the Policy and Services Committees (the Committees) to take ownership of their specific budgets and present appropriate challenge and scrutiny of Officers on the management and performance of those budgets.

The concurrent activity of budget setting for 2023/24, and how this will be approached, is also set out in this report; incorporated in which are:

- revisions to the approved Medium Term Financial Plan (MTFP) – the formulation of savings proposals and presentation of pressure/growth items
- the application of the Medium Term Financial Strategy (MTFS) principles that underpin the budget process and decision-making, with links to the Wirral Plan
- how savings plans are to be configured
- considerations of requisite consultation exercises
- the role of the Finance Sub-Committee

This matter relates to all Wards within the Borough and is not a key decision.

**RECOMMENDATIONS**

It is recommended that the Tourism, Community, Culture and Leisure Committee:

1. Note the process for in-year monitoring of the 2022/23 budget
2. Note the 2023/24 budget setting process
3. Agree to establish and appoint a Budget Monitoring Panel to comprise of the Committee Chair and Spokespersons in line with Section 3.12 of the report, with sessions to be led by the relevant Director/Assistant Director.
4. Agree to establish and hold budget workshops as detailed in Section 3.26 of the report, the outcome of which to be reported back to Committee in September 2022.

## **SUPPORTING INFORMATION**

### **1.0 REASONS FOR RECOMMENDATIONS**

- 1.1 The 2022/23 Council budget was agreed at Full Council on 28 February 2022. This budget was made up of savings proposals, pressures/growth items and funding that were based on actual known figures or best estimates available at the time. At any point during the year, these estimated figures could change and need to be monitored closely to ensure, if adverse, mitigating actions can be taken immediately to ensure a balanced budget can be reported to the end of the year.
- 1.2 The Council has a legal responsibility to set an annual balanced budget, which sets out how financial resources are to be allocated and utilised. In order to successfully do so, engagement with members, staff and residents is undertaken. The recommendations in this report inform that approach. In addition, the proposed budget setting process and timeline is detailed in this report, which will facilitate a robust approach in order to meet organisational requirements.
- 1.3 Failure to set a lawful budget in time may lead to a loss of revenue, significant additional administrative costs, as well as reputational damage. Failure to set a legal budget may lead to intervention from the Secretary of State under section 15 the Local Government Act 1999.
- 1.4 Managing and setting a budget will require difficult decisions to ensure that a balanced position can be presented. Regular Member engagement, which this report forms part of, is considered essential in delivering effective governance and financial oversight.

### **2.0 OTHER OPTIONS CONSIDERED**

- 4.1 The proposals set out in this report are presented to allow for efficient and effective budget monitoring activity that can be conducted in a timely manner. Similarly, the approach to budget setting is considered to allow the maximum time for presentation, scrutiny and consultation on budget proposals, within an agreed framework. As such, it is considered that to meet the business needs and address the challenges that the Council faces that no alternative options are viable or appropriate at this time.
- 4.2 Not engaging with the Committee at this time, on the matters set out, was an option that was available, however it is considered that involvement of Committees as soon as practical after the agreement of the 2022/23 budget will best assist in delivering the benefits detailed in paragraph 2.1, whilst minimising the risk of an unbalanced budget being presented.
- 4.3 In the event of the Section 151 Officer determining that a balanced financial position could not be presented, the Section 151 Officer would be required to issue a section 114 notice and report this to all Members of Full Council. The outcome of which could result in intervention by the Government.

## **3.0 BACKGROUND INFORMATION**

### **Budget Monitoring Process**

- 3.1 On 28 February 2022 Full Council approved the 2022/23 budget, which included significant budget savings/efficiencies (details provided at Appendix B) in order to present a balanced position for the year.
- 3.2 The calculation of the 2022/23 budget was prepared using known figures or best estimates available at the time. At any point during the year, internal or external factors may influence a change in these estimates which could either have a favourable or adverse impact on the ability to deliver a balanced position at financial year-end.
- 3.3 In order to ensure that a balanced position can be achieved, it is imperative that a robust process for monitoring and managing the budget is in place.
- 3.4 An internal officer governance process is in place, in line with past activity, to scrutinise and challenge budget performance in advance of financial forecasts being presented to the Committees. This process includes:
  - Budget holders routinely reviewing budget reports and transactions for accuracy and completeness
  - Regular meetings between budget holders and finance business partners (FBP) to review income and expenditure positions to date and to determine future commitments in order to present reliable forecasts
  - Directorate Management Team (DMT) review of the outcomes of the budget holder/FBP meetings
  - Scrutiny and challenge by DMTs as to the robustness of the figures and forecast presented in the context of Directorate-wide activity
  - DMT agreement on appropriate remedial action where necessary
  - Corporate Management Team review and challenge of the forecast position via the Operational Performance Group (OPG)
  - Referral and/or escalation to Investment and Change Board for organisational oversight in conjunction with other corporate initiatives (Strategic Leadership and Corporate Management Team members)
  - Progress on savings items monitored through ICB
  - Referral to quarterly Strategic Leadership Team performance meeting for Senior Officer scrutiny and agreement
  - Presentation to Committees
- 3.5 For the first meetings in the new municipal year, the Committees will receive confirmation of their budget position, detailed by function, to facilitate an understanding of income and expenditure monitoring against activity (see Appendix D).
- 3.6 The Committees will be responsible for ensuring that the budget is utilised effectively and responsibly and remains within the relevant budget envelope, identifying savings where appropriate to mitigate any adverse positions that may transpire in-year. Once the Annual Budget and related policy framework is approved it becomes the Council's decision and is effective immediately in respect of the relevant financial year in scope. The Council's Constitution provides that Policy and Service

Committees and Officers are required to implement the Council's budget and policy framework as set out at Budget Council. In normal operating conditions, Policy and Service Committee may only take decisions which are fully consistent with the Council approved budget and policy framework. It is expected that Committee budgets will be effectively managed in-year within the agreed cash limited budget and value for money will be secured. Chief Officers must ensure that no commitments are made that would result in an approved budget being exceeded.

- 3.7 Policy and Resources Committee will be responsible for ensuring that the entire budget will be in balance, including providing mitigating actions to bring the budget back in line from any adverse variance position that may be forecast, which may take the form of providing direction to other Service Committees. Policy and Resources Committee will be responsible for advising Full Council on organisation-wide financial activity.
- 3.8 To enable the Committees to manage and monitor budgets effectively in-year, a suite of detailed information will be provided on a quarterly basis, comprising:
- A revenue budget monitoring report for the preceding quarter that will include a full-year forecast
  - Full list of budget savings proposals and the progress for their achievement
  - Full list of reserves allocated to the Committee for future one-off commitments
  - A capital budget monitoring report for the preceding quarter that will include a full-year forecast
  - Other specific financial information relevant to the individual Committee's decision-making process
- 3.9 This information will be made available at the earliest committee meeting, following the quarter end and completion of the internal governance process, detailed in paragraph 3.4. The anticipated timetable for reporting quarterly financial information to committee is:
- Quarter 1 (1 Apr – 30 Jun): September 22
  - Quarter 2 (1 Jul – 30 Sep): November 22
  - Quarter 3 (1 Oct – 31 Dec): February 23
  - Quarter 4 (1 Jan – 31 Mar): June 23
- (see Appendix A for a flow chart of the process for monitoring the 2022/23 budget),
- 3.10 Each Committee is requested to establish a Budget monitoring panel to facilitate regular space to review the budget position in between scheduled Committee meetings during stages of the financial year.
- 3.11 The Budget Monitoring Panel will comprise of the Committee Chair and Spokespersons, the relevant Director and Assistant Directors (as required), a Finance and Democratic Service representative.
- 3.12 The purpose of this group is to:-
- Ensure that Members are receiving the most current financial data and are monitoring the budget throughout the year.
  - Question the Director on the financial data before they are available to the wider committee membership and ahead of the scheduled Committee meeting.

- Seek further explanatory information from the Director/Assistant Director where necessary.
  - Request that certain additional information is provided to the group.
  - Make suggestions as to how the information is presented.
  - Make links between financial performance and activity, to inform decision making of the Committee.
  - Inform the process of efficiency target setting and monitor performance against delivery of efficiency targets agreed.
- 3.13 The Committees have the autonomy (subject to delegation levels) to enact budget virements (transfers) from one function to another within their overall committee budget envelope. Virements will also need to be agreed by the Section 151 Officer as there are certain conditions where budgets are not allowed to be transferred for the purposes of gaining a specific benefit e.g. where budgets from supplies budget headings are transferred to employee budget headings to take advantage of an uplift for pay inflation.
- 3.14 The Committees will be responsible for containing net expenditure within their overall budget envelope and not overspending. Where an adverse variance is forecast, each committee will be required to take remedial action, with detailed plans and timeframes, to bring the budget back in line and ensure that overspends are mitigated.
- 3.15 Where a Committee has taken all possible steps for remedial action and is unable to fully mitigate an overspend, this must be reported to the Policy and Resources Committee who will then take an organisational-wide view of how this adverse variance will be managed. There must be immediate action agreed to ensure a deliverable, balanced forecast position can be reported, and this will be monitored on a monthly basis by the Policy and Resources Committee.
- 3.16 Whilst each Committee is required to remain within its annual budget envelope, situations may transpire that demonstrate an in-year favourable forecast variance being reported to a Committee. Committees wishing to use any forecast underspend, must have approval from the P&R Committee.
- 3.17 The Council must not be in a situation where one Committee is forecasting an overspend, unable to mitigate it, and another Committee is forecasting an underspend and takes a decision to utilise this for unplanned growth purposes. The Policy and Resources Committee will be responsible for ensuring that operating in silos does not occur and that resources are aligned to Council objectives at all times.
- 3.18 The Policy and Resources Committee has ultimate responsibility for taking any necessary steps required to ensure a whole Council budget can report a balanced position throughout the year. The Section 151 Officer will be responsible for ensuring that any budget actions, proposals and mitigations are achievable and legal.
- 3.19 In addition to the standard budget monitoring process, as outlined above (see Appendix A for a flow chart of the process for monitoring the 2022/23 budget), which will include reviews of savings related activity, in 2022/23 additional scrutiny will be provided to ensure that agreed savings are delivered in a timely manner, in line with

the original proposal. Three specific review routes will exist to support financial oversight and the delivery of savings:

- Finance Sub-Committee,
- Chief Executive led savings delivery board (Star Chamber) and
- the Independent Panel.

- 3.20 The Finance Sub-Committee will meet to support the Policy and Resources Committee in its aims of providing strategic direction to the operation of the Council, to maintain a strategic overview of budgets and to provide a coordinating role across all other service Committees through a 'whole Council view' of budget monitoring.
- 3.21 A savings delivery board (Star Chamber) will be convened with the aim of facilitating regular, in-depth senior officer and member engagement on savings progress in order to review and challenge activity to date, as well as plans to be subsequently actioned, in order to deliver on the savings proposals agreed by full Council.
- 3.22 The Independent Panel, established in response to the external assurance review conducted by the Department for Levelling Up, Housing and Communities (DLUHC) in 2021, meets monthly and has an independent scrutiny and advisory role to support the Council's improvement journey and the stabilisation of its financial position. Panel Members have considerable experience and expertise and will have a key role in providing assurance to the Council and DLUHC that improvements are being made in line with the recommendations that were set out in the external assurance review reports.

### **Budget Setting Process**

- 3.23 The process for setting the budget for 2023/24 will commence immediately, building on the MTFP that was approved by Full Council on 28 February, as recommended by Policy and Resources Committee.
- 3.24 The most recent version of the MTFP contains a number of financial pressures and savings for 2023/24 (and beyond) that illustrate a budget gap of £8.2m. The budget setting process will need to close the budget gap, which will fluctuate during 2022/23 subject to further information and analysis of potential financial pressures as well as obtaining clarity on government and other funding available to the Council.
- 3.25 Included within the MTFP for 2023/24 is a suite of proposals for consideration in the proposed budget setting process. Officers will develop business cases for these proposals which will be shared with the Committees at budget workshops.
- 3.26 The budget workshops, a number of which will be convened between now and August in line with individual committee requirements, will allow current budget intelligence to be reviewed, challenged and modified. In order to close the budget gap, it will be necessary to consider a number of approaches, which will include:
- reviewing budget pressures with the aim of reducing them
  - reviewing income streams to ensure that maximum benefits are being obtained
  - reviewing opportunities for budget efficiencies and savings

- 3.27 It is considered vital that clear direction is given by Policy & Resources Committee to each Committee in respect of their budget setting objectives. To facilitate this, it is recommended that budget envelopes are constructed for each Committee to work to in order to provide a framework and clear goals to the approaches noted in paragraph 3.30. The Finance Sub-Committee will play a key role in this process.
- 3.28 The methodology for constructing budget envelopes will follow the convention adopted for 2022/23, whereby MTFS principles were aligned to Directorate activity through targets that:
- Produce a balanced budget and MTFP
  - Prioritise statutory services and objectives in line with the Wirral Plan
  - Ensure that non-statutory services that are not supporting statutory services will be delivered only where there is no net cost to the Council
  - Facilitate a strengthening of our reserves to ensure we have funds for the future to support the Wirral Plan
  - Demonstrate an appropriate approach to corporate risk.
- 3.29 Each Committee, via the budget workshops, will be accountable for identifying, developing and agreeing reductions in pressures and deliverable savings proposals to close the 2023/24 budget gap and ensure a draft balanced budget can be considered by the Policy & Resources Committee in September 2022, to enable budget consultation to start in a timely manner in October 2022. See Appendix C for a flow chart of the process for the 2023/24 budget and timeline.
- 3.30 In developing budget proposals, and reviewing budget activity, each Committee must adhere to the MTFS guiding principles, in order to ensure that the Council will:
- a. Set fees and charges commensurate with a going market rate for the services we provide and make concessions available for vulnerable groups.
  - b. Set spending levels for services not higher than the Metropolitan average to ensure we can demonstrate value for money for resident funding, unless there are exceptional circumstances.
  - c. Ensure a digital first approach and review all services to ensure we are making full and immediate use of digital capacity and automation.
  - d. Ensure that our non-statutory services are not subsidised at the detriment of statutory services, unless an evidenced return on investment is demonstrated.
  - e. Ensure our establishment is at the required level for the services we need to provide and where it needs to be reduced, we will attempt to redeploy staff or provide opportunities for staff to exit the organisation voluntarily before making any compulsory redundancies.
  - f. Only allocate resources to the themes in the Wirral Plan and where beneficial outcomes can be evidenced.
  - g. Provide opportunities for communities to engage in where we allocate our resources whilst being clear and realistic about affordability.
  - h. Consider a range of delivery mechanisms for providing services appropriate to the most beneficial outcomes for communities.
  - i. Aim to promote and stimulate strong and sustainable growth to generate future income flows.

- j. Support trusted partners by leveraging external funding and, within risk-based controls, use the Council's covenant strength to enable regeneration.
- k. Within 2 years build up and maintain its general fund balances at 5% of its net revenue budget and will maintain a suite of earmarked reserves that will be used for specific projects to support the key priorities and safeguard against financial risk.
- l. Not use any one-off Council funding to underpin the revenue budget.
- m. Recognise the impact of council tax increases on the public and consider this alongside the annual budget setting process.
- n. Ensure that expenditure is contained within the budget envelope and where unforeseen circumstances result in a risk that expenditure will exceed the budget envelope, produce immediate plans to bring it back in line.

3.31 At Policy & Resources Committee 1 December 2021, it was approved that the Chief Executive progress and implement the Change Programme and required service reviews to deliver a new Council operating model. The programme of activity takes account of the DLUHC external assurance review recommendations and has been positioned as part of the Council's evidence that it has the capability to implement a programme of change to deliver the required savings to achieve financial sustainability – the related undertakings will lend support to the Committees' aims of closing the budget gap for 2023/24.

3.32 The service review framework provides a consistent tool for the application of operating model principles enabling services to re-imagine how best to configure their service offer, in order to maximise desired outcomes. The framework will also apply zero based budgeting principles to ensure resources are aligned to required activity. Financial goals for service reviews will be formed during an assessment stage using benchmarking and other relevant information. Local context and previous decisions will also be considered. All service reviews will present opportunities and recommendations through costed business cases and will embed operating model design principles.

3.33 Service reviews will be business-led and carried out in line with the MTFs, DLUHC recommendations, operating model design principles and key strategies. Service reviews are currently mobilised to support previously agreed high value budget saving proposals in Revenues and Benefits, Leisure Services and Library Services. Further information will be provided to the Finance sub-Committee in respect of further prioritisation and service recommendations to support budget setting activity. The outcome of the service reviews will be reported to and approved by, where relevant, the Policy and Services Committees in forming the financial recovery plan and 2023/24 budget and may be implemented in advance of the 2023/24 budget being set.

## **4.0 FINANCIAL IMPLICATIONS**

4.1 This report sets out the 2022/23 budget monitoring process and the 2023/24 budget setting process and has no direct financial implications. The outcome of each process will, if not adhered to or a suitable alternative process agreed, have significant financial implications however as the proposals set out control

environments and a timeline of activity deemed necessary as part of sound financial management regime.

- 4.2 If either the 2022/23 budget or 2023/24 budget cannot be balanced, this may result in a Section 114 report being issued by the Section 151 Officer - once issued there are immediate constraints on spending whereby no new expenditure is permitted, with the exception of that funding statutory services, including safeguarding vulnerable people, however existing commitments and contracts can continue to be honoured.
- 4.3 The Council delivers both statutory and non-statutory services at present – the requirement to eliminate subsidies provided to non-statutory services is considered to be a key requirement in delivering value for money and ensuring that finite resources are targeted on beneficial outcomes.
- 4.4 The FM Code requires the Council to demonstrate that the processes they have in place satisfy the principles of good financial management, based on the following six principles:
- Organisational Leadership – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisation culture.
  - Accountability – based on Medium-Term Financial Planning, that derives the annual budget process supported by effective risk management, quality supporting data and whole life costs.
  - Financial management - undertaken with transparency at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer actions and elected member decision making.
  - Professional standards - Adherence to professional standards is promoted by the leadership team and is evidenced.
  - Assurance - sources of assurance are recognised as an effective tool mainstreamed into financial management, including political scrutiny and the results of external audit, internal audit and inspection.
  - Sustainability - The long-term sustainability of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.

## **5.0 LEGAL IMPLICATIONS**

- 5.1 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 11<sup>th</sup> 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 Consultation must take place in accordance with the Council's duties under section 65 of the Local Government Finance Act 1992. 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):
- (a) Consultation must be at a time when proposals are at a formative stage.
  - (b) The proposer must give sufficient reasons for its proposals to allow consultees to understand them and respond to them properly.
  - (c) Consulters must give sufficient time for responses to be made and considered.
  - (d) Responses must be conscientiously taken into account in finalising the decision. 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.
- 5.6 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.
- 5.7 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.
- 5.8 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.
- 5.9 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.
- 5.10 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.

- 5.11 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 the Policy and Services Committees when considering decisions.
- 5.12 Once a budget is in place, Council has delegated responsibility to the Policy and Services Committees to implement it. The Committees **may not within, normal business operating conditions**, 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.
- 5.13 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 agreed 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.

## **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

- 6.1 At this time, there are no additional resource implications. There may be resource requirements of any action resulting in remedial or mitigating tasks if an adverse forecast is reported with regards the 2022/23 budget in year, however these will be reported at the appropriate time.

## **7.0 RELEVANT RISKS**

- 7.1 The Council's ability to maintain a balanced budget is dependent on a proactive approach due to estimated figures being provided in the calculation for the budget, albeit the best estimates available at the time, plus any amount of internal and external factors that could impact on the budget position in year. Examples of which are new legislation, increased demand, loss of income, increased funding, decreased funding, inability to recruit to posts, ongoing impact of the pandemic, etc.
- 7.2 A robust monitoring and management process for the budget is in place. If at any time during the year an adverse position is forecast, remedial action must be agreed and implemented immediately to ensure the budget can be brought back to balanced position.
- 7.3 The risk of this not being able to be achieved could mean that the Council does not have enough funding to offset its expenditure commitments for the year and therefore not be able report a balanced budget at the end of the year. This could result in the Section 151 Officer issuing a Section 114 notice.
- 7.4 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.

- 7.5 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.
- 7.6 A balanced MTFP is fundamental in demonstrating robust and secure financial management. Delivering a balanced position requires continual review and revision of plans to allow alternative financial proposals to be developed and embedded in plans as situations change. A delay in agreeing these may put the timetable for setting the 2023/24 budget at risk and may result in a balanced budget not being identified in time for the deadline of 11 March 2023.
- 7.7 Assumptions have been made in the current budget outlook for income and funding from business rates and council tax and social care grants as the main sources of funding. If there is an adverse change to these assumptions as a result of government announcements, additional savings proposals or reduced expenditure would need to be identified as soon as possible to ensure a balanced five-year MTFP can be achieved. Committees will be kept updated with any announcements regarding the local government finance settlement through the year.
- 7.8 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.

## **8.0 ENGAGEMENT/CONSULTATION**

- 8.1 Consultation has been carried out with the Senior Leadership Team in arriving at the governance process for the 2022/23 budget monitoring process and the 2023/24 budget setting process.
- 8.2 The report makes note of consultation that will follow the formulation of budget proposals which will take the form of engagement with local residents and businesses in respect of the budget setting process.

## **9.0 EQUALITY IMPLICATIONS**

- 9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.
- 9.2 There are no specific equality implications of this report regarding processes, however, it is recognised that some of the developing proposals for 2023/24 budget and beyond could have equality implications. Any implications will be considered and any negative impacts will be mitigated where possible.
- 9.3 Equality implications will be assessed during planning, decision and implementation stages and will be recognised as an ongoing responsibility. Any equality implications

will be reported to the Committees. Equality issues will be a conscious consideration and an integral part of the process.

## **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

10.1 At this time, there are no additional environmental and climate implications as these have already been identified for the proposals agreed and submitted. However, where the budget is unbalanced and further proposals are required, then there may be environment and climate implications associated with these that will be addressed within the relevant business cases presented to the Committee. There are no direct environmental and climate implications of this report on process. However, where the budget is unbalanced and further proposals are required, then there may be environment and climate implications associated with these that will be addressed within the relevant Committee. In addition, it is recognised that some of the developing proposals for 2023/24 budget and beyond could have environmental and climate implications. Any implications will be considered, and any negative impacts will be mitigated where possible.

## **11.0 COMMUNITY WEALTH IMPLICATIONS**

11.1 This report has no direct community wealth implications however the budget proposals to be developed should take account of related matters across headings such as the following:

- **Progressive Procurement and Social Value**  
How we commission and procure goods and services. Encouraging contractors to deliver more benefits for the local area, such as good jobs, apprenticeship, training & skills opportunities, real living wage, minimising their environmental impact, and greater wellbeing.
- **More local & community ownership of the economy**  
Supporting more cooperatives and community businesses.  
Enabling greater opportunities for local businesses.  
Building on the experience of partnership working with voluntary, community and faith groups during the pandemic to further develop this sector.
- **Decent and Fair Employment**  
Paying all employees a fair and reasonable wage.
- **Making wealth work for local places**

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## **APPENDICES**

Appendix A Flow chart of the process for monitoring the 2022/23 budget  
Appendix B Savings proposals agreed at full Council for 2022/23  
Appendix C Flow chart of the process for the 2023/24 budget and timeline  
Appendix D Committee Budget Book details

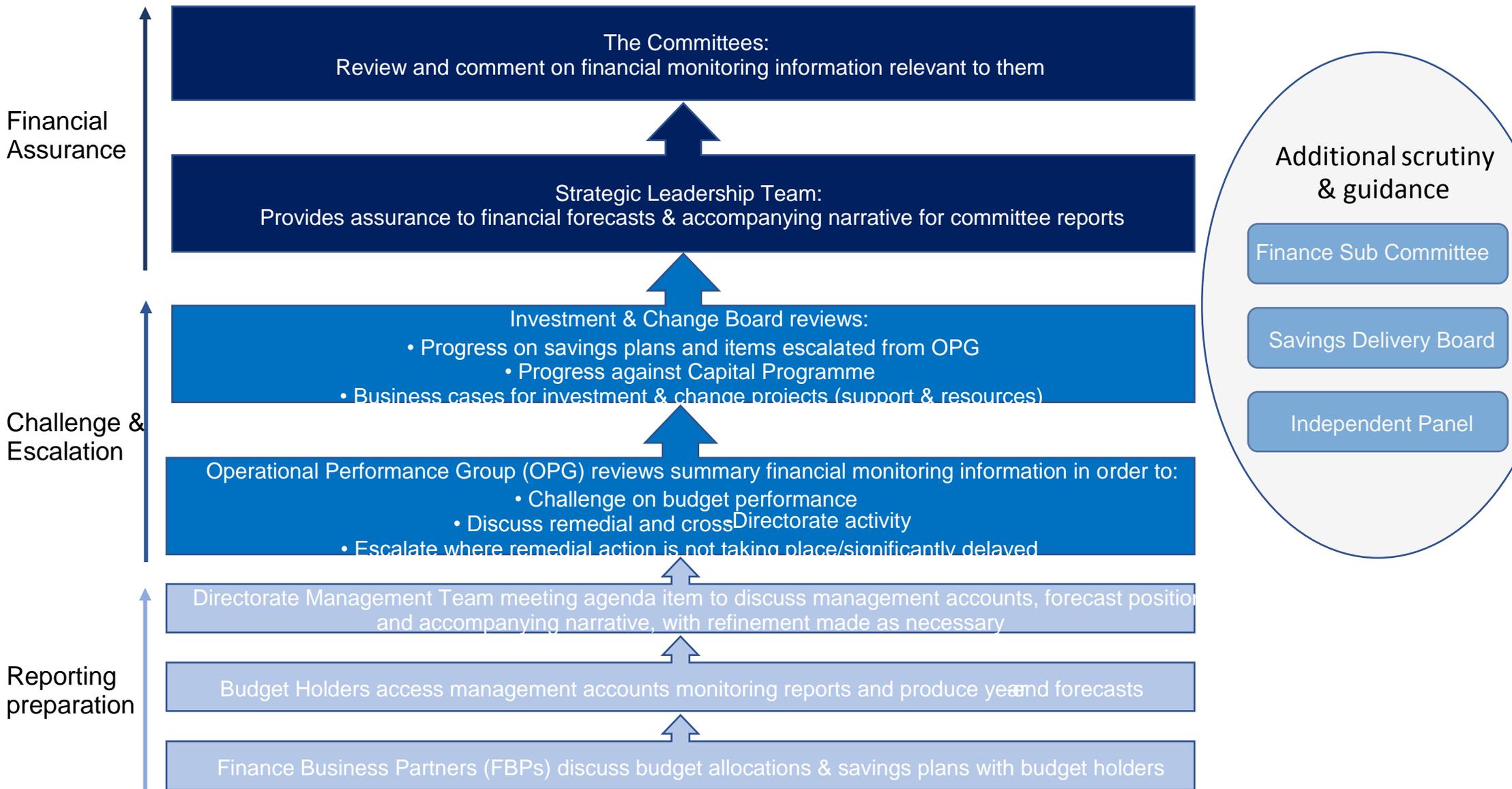
## **BACKGROUND PAPERS**

Pressure and Growth Proposals  
Savings and Income Proposals  
DLUHC External Assurance Reports  
CIPFA's Financial Management Code

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Full Council</b>	<b>28 February 2022</b>
<b>Policy and Resources Committee</b>	<b>15 February 2022</b>
<b>Children, Young People &amp; Education Committee</b>	<b>31 January 2022</b>
<b>Housing Committee</b>	<b>27 January 2022</b>
<b>Economy Regeneration &amp; Development Committee</b>	<b>26 January 2022</b>
<b>Adult Social Care and Public Health Committee</b>	<b>25 January 2022</b>
<b>Environment, Climate Emergency and Transport Committee</b>	<b>20 January 2022</b>
<b>Tourism, Communities, Culture &amp; Leisure Committee</b>	<b>18 January 2022</b>
<b>Policy and Resources Committee</b>	<b>17 January 2022</b>
<b>Policy and Resources Committee</b>	<b>1 December 2021</b>
<b>Policy and Resources Committee</b>	<b>30 November 2021</b>
<b>Policy and Resources Committee</b>	<b>25 October 2021</b>
<b>Policy and Resources Committee</b>	<b>09 June 2021</b>
<b>Policy and Resources Committee</b>	<b>17 March 2021</b>

# Appendix A Flow chart of the process for monitoring the 2022-23 budget



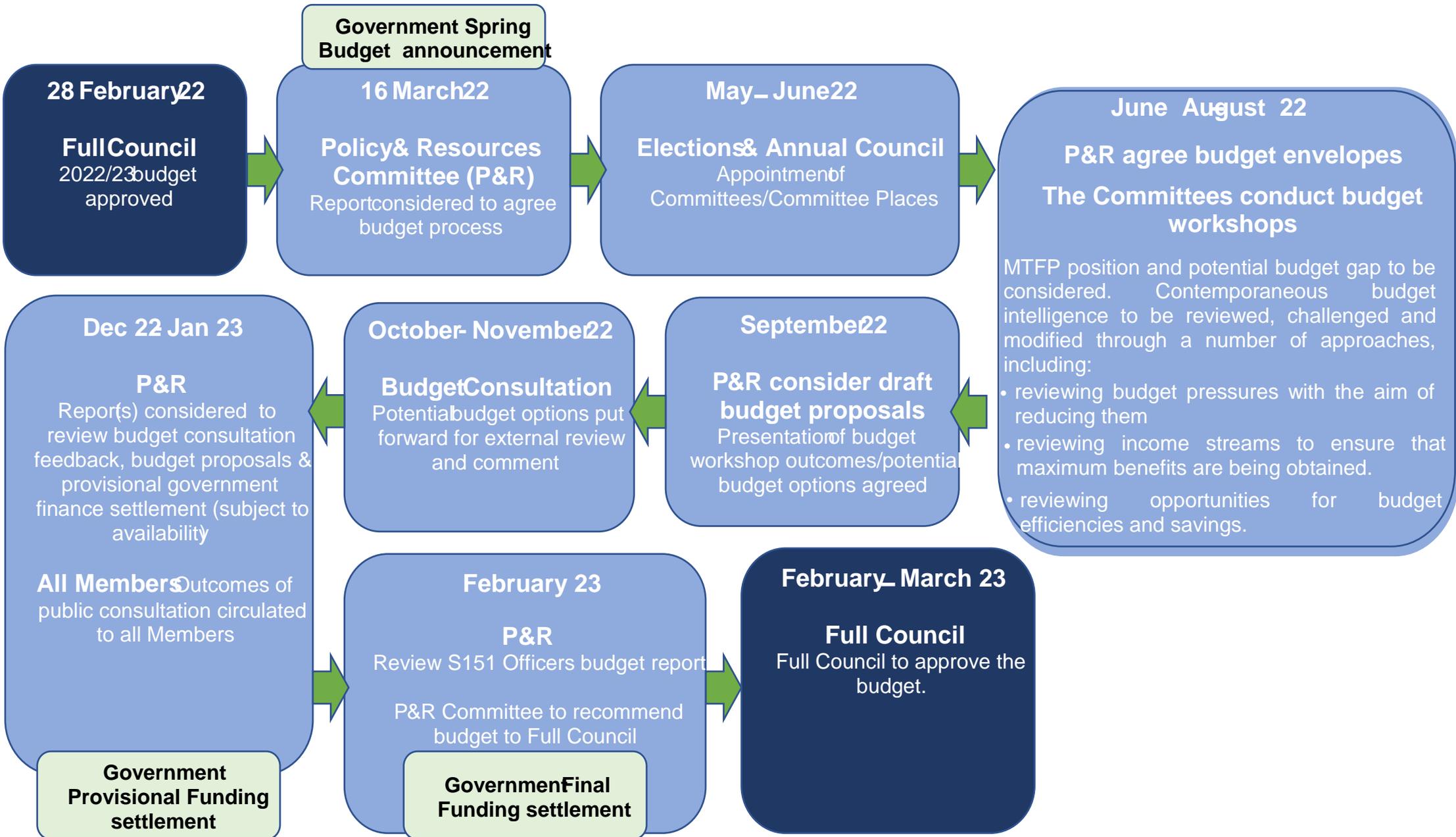
## Appendix B – Savings proposals agreed at full Council for 2022-23

<b>Savings Proposals:</b>	<b>2022-23 (£m)</b>
<b>Adult Care &amp; Health</b>	
Adult Care & Health demand mitigations	-3.89
<b>Children, Families &amp; Education</b>	
Reduction of Historic Teacher's Pensions Costs	-0.20
Alternative Accommodation Provision for Children Looked After	-1.00
Utilisation of demand reserve for COVID pressures	-0.47
Children's Services Redesign and posts deletion/closure	-0.29
Reduction in adoption orders	-0.05
Reduction in Looked After Children (LAC) numbers	-0.56
Review of Youth Offending Service (YOS)	-0.03
Special Educational Needs (SEND) Transport Review	-0.15
Increase funding for placements from CCG and SEND	-0.20
Redesign of Youth Offer	-0.20
<b>Law &amp; Governance</b>	
Capitalisation of salaries	-0.20
Removal of individual ward member budgets	-0.18
Reduction in the Number of Committees	-0.15
Whole Council Elections	-0.13
<b>Neighbourhood Services</b>	
Review of Leisure service	-0.18
Highways Operational Services - Income Exploration	-0.03
Closure of Europa Fun/Leisure Pool & Enhanced Gym Offer	-0.27
Increase catering across all Leisure Sites	-0.06
Outdoor Water Sports Offer at West Kirby Marine Lake	-0.02
Catering Pod at Leasowe Leisure Centre for Football Traffic	-0.02
Permanent Closure and Demolition of Woodchurch Leisure Centre	-0.40
Temporary Closure and Remodelling of Bidston Tennis Centre	-0.11
Review of Golf Offer	-0.33
Exercise referral programme	-0.10
Reprovision of the Library Service	-0.65
Floral pavilion - plans to reduce subsidy	-0.35
Fleet efficiencies in Transport - going green	-0.02
Capitalisation of Highways salaries	-0.02
Highways maintenance Contracts	-0.03
Street Lighting Service Savings	-0.05
Car park maintenance 1 year budget reduction	-0.05
Transport efficiencies	-0.07
Eco and Forest School Income	-0.02
Tree management Team Commercial Offer	-0.03
Rent of Café - Royden	-0.01
Income increase on allotments	-0.05
Increase in charges for Waste and Environmental services.	-0.46
Removal of Vacancies in Environmental and Waste team	-0.10

## Appendix B – Savings proposals agreed at full Council for 2022-23

<b>Savings Proposals (continued):</b>	<b>2022-23 (£m)</b>
<b>Neighbourhood Services (continued)</b>	
Suspension of Climate Emergency Initiatives	-0.13
Remodelling of Street Cleansing: Plus special events	-0.21
Review of overtime budget in Parks	-0.02
Reduce grass cutting from 10 to 8 cuts	-0.10
Cease community firework displays	-0.03
Income Strategy - Cemeteries and crematorium service	-0.05
Fund ASB Post from PCC grant	-0.05
Review Engagement Officer secondment	-0.04
Reduction in Community Patrol Service	-0.15
Introduce Overnight Camper Van Parking Charge in New Brighton	-0.04
Cessation of Constituency Team and Remodelling of Section	-0.35
Deletion of Vacant Posts	-0.30
Review of Neighbourhoods Service Directorate	-0.36
Reduction in budget for office related expenditure	-0.02
<b>Regeneration &amp; Place</b>	
Cease support for Community Alarms	-0.20
Reconfiguration of Commissioned Homelessness accommodation	-0.12
Capitalisation of Regeneration Staff Salaries	-1.42
The Closure Public Conveniences	-0.05
Corporate buildings - holding costs	-0.05
To reduce heating in occupied council buildings by 2 degrees	-0.11
<b>Resources</b>	
One Stop Shop establishment review	-0.10
Review of Treasury activity	-0.50
Revenues & Benefits Review and Restructure	-0.75
Strategic Change revenue budget reduction	-0.65
Restructure of Commercial Income Team	-0.23
Review of Finance Team Structure	-0.05
Cease Business Rates Contribution	-0.70
Modernisation of Information & Communications Technology Service	-0.05
Review of Business Support Unit	-0.02
Review of Internal Audit - Efficiencies and Income	-0.08
Reduction in Learning & Development Budget	-0.10
<b>Chief Executive Office</b>	
Service Redesign	-0.11
<b>TOTAL SAVINGS PROPOSALS:</b>	<b>-18.24</b>

# Appendix C Flow chart of the process for the 2023/24 budget and timeline



# Appendix D Committee Budget Details



## **Tourism, Communities, Culture and Leisure Committee, 16th June 2022**

Contents:

A. Introduction and 2022-23 Budget summary	Pg. 1
B. Service area summary narratives	Pg. 3
C. 2022-23 Subjective and Objective Budgets	Pg. 5
D. Capital Budgets	Pg. 8
E. Reserves	Pg. 9
F. Agreed Savings 2022/23	Pg. 10

### **A. Introduction and 2022-23 Budget summary**

#### **Tourism, Communities, Culture and Leisure Committee 2022-23 Budgets**

The Tourism, Communities, Culture and Leisure Committee is responsible for the following areas:

- The provision of Leisure centres including indoor and outdoor activities at Council facilities across the borough.
- Libraries, Museums and Theatres
- The provision of Community Patrol and Antisocial behaviour service
- Council emergency planning
- Running the Transport Depot and providing transport for vulnerable children and adults

The Tourism, Communities, Culture and Leisure Committee provides a wide range of frontline services for local residents. This includes Library services and the broad leisure and cultural offer which comprises a range of leisure facilities for indoor and outdoor activity, including swimming and municipal golf, the Floral Pavilion theatre, Williamson Art Gallery, The Priory, and the Heritage Tramway.

The tables below breakdown and explain the financial resources available to the Committee in 2022-23.

## Appendix D Committee Budget Details

### Revenue Budgets

Revenue Budgets are the monies the Council allocates for its day-to-day expenditure. It is the amount of money the Council requires to provide its services during the year.

Table 1 below, highlights how the revenue budgets are allocated across the various Service Areas relevant to the Tourism, Communities, Culture and Leisure Committee.

**TABLE 1 2022/23 Tourism, Communities, Culture and Leisure Committee Budget**

<b>Service Area</b>	<b>Budget £000</b>
Neighbourhood Safety	3,327
Leisure, Libraries and Theatre	8,337
Culture and Visitor Economy	265
Public Health Outcomes	-6,873
<b>Total Committee Budget</b>	<b>5,056</b>

# Appendix D Committee Budget Details

## **B. Service area summary narratives**

### **Neighbourhood Safety**

Neighbourhood Safety is responsible for the following areas:

- 24/7 CCTV Control Room
- Emergency Planning
- Community Patrol Service
- Prevention of Anti-Social Behaviour
- Neighbourhood Engagement Service
- Coastal and Inland Water Safety
- Collaboration with partnership agencies to work on joint funded projects.
- Transport Depot, which maintains and provides vehicles for other areas of the Local Authority.
- Provision of Assisted travel for vulnerable Children and Adults

### **Leisure, Libraries and Theatre**

The Leisure, Libraries and Theatre service carries out many types of functions as set out below:

- Provision of 24 Libraries providing support for community groups and facilities such as ICT. There is a 2022/23 budget savings option associated with this area of £0.652m. This area is currently being reviewed and some sites are linked to Community Asset Transfer Proposals. This will result in a new library model which could involve the re-provision of some services.
- Provision of 2 Golf sites. There is a 2022/23 budget savings associated with this area of £0.328m. This included the closure of 4 sites and a revised pricing model. Some of the closed sites are linked to ongoing Community Asset Transfer proposals.
- Provision of 7 Leisure Centres plus West Kirby Marine Lake along with various grant funded projects which benefit vulnerable groups. There are several 2022/23 budget savings options linked to some of these sites. This includes the proposed closure of Woodchurch Leisure Centre which equates to £0.402m, which is linked to ongoing Community Asset Transfer proposals.
- Floral Pavilion Theatre which also provides support for community groups and a catering facility which is being developed to maximise income generation.
- Museums Service which includes Williamson Art Gallery, Birkenhead Priory and Wirral Tramway
- One Stop Shops and Customer Contact Centre
- There is a risk that income targets in 2022/23 will underachieve as it will take time for income generation to recover to pre pandemic levels.

# Appendix D Committee Budget Details

## **Culture and Visitor Economy**

This area reports to the Regeneration and Place Directorate and is responsible for the following:

- Marketing and promotion of the borough to attract visitors.
- Promotion of cultural events which will contribute to the regeneration of the borough and will assist in boosting the economy and encourage inward investment.

## **Public Health Outcomes**

- This area reports to the Neighbourhoods Directorate and holds Public Health Grant Income which is utilised to deliver public health outcomes associated with the Directorate.
- The outcomes are mainly focused within the area of Sports and Recreation and involve encouraging people to be healthy and active through using the centres for activities such as swimming, football, gym sessions and classes
- The aim is to reduce obesity related illnesses and narrow the life expectancy gap between the west of the borough and the more deprived areas. This is particularly important as obesity has been linked to serious illnesses and complications from contracting COVID-19.

## Appendix D Committee Budget Details

### C. 2022-23 Subjective and Objective Budgets

#### TABLE 2 2022/23 Tourism, Communities, Culture and Leisure Subjective Budget

Table 2, below, highlights how the revenue budget is allocated across the various subjective, or types, of expenditure.

<b>Subjective</b>	<b>Budget</b> £000
Income	<b>-21,626</b>
<b>Expenditure:</b>	
Employee	15,923
Non Pay	10,760
<b>Total Expenditure</b>	<b>26,683</b>
<b>Total Committee Budget</b>	<b>5,056</b>

## Appendix D Committee Budget Details

Table 3 below, provides a further detailed breakdown of the service budgets.

**TABLE 3: 2022/23 Tourism, Communities, Culture and Leisure Committee – Service budgets (Objective and Subjective combined)**

Service Areas	Income (£000)	Employee (£000)	Non-Pay (£000)	Cost of Care (£000)	Net Total Budget (£000)
<b>Neighbourhood Safety</b>					
Assisted Travel and Transport	-2,623	2,901	1,875	0	2,153
Neighbourhood Safety – Operations	-598	1,205	567	0	1,174
<b>Leisure, Libraries and Theatre</b>					
Customer Contact Centre	0	723	4	0	726
Estate and Facilities Management – Neighbourhoods	0	0	0	0	0
Libraries	-427	2,290	1,340	0	3,203
Museums	-26	306	250	0	530
One Stop Shops	-58	910	57	0	909
Theatre	-2,637	950	1,160	0	-527
Golf	-790	331	791	0	332
Europa Pools	-1,291	848	928	0	485
Guinea Gap	-904	727	292	0	115
Leasowe Recreation Centre	-1,046	739	471	0	164

## Appendix D Committee Budget Details

<b>Service Areas</b>	<b>Income (£000)</b>	<b>Employee (£000)</b>	<b>Non-Pay (£000)</b>	<b>Cost of Care (£000)</b>	<b>Net Total Budget (£000)</b>
Oval Sports Centre	-1,590	1,085	874	0	369
West Kirby Concourse	-1,480	1,012	671	0	203
Tennis Centre	-615	501	272	0	159
Woodchurch Leisure Centre	-525	230	300	0	5
West Kirby Marine Lake	-266	155	81	0	-31
Aquatics Management	0	398	1	0	398
Community Centres	-5	0	90	0	86
Leisure Call Centre	0	94	0	0	94
Leisure Management	-170	361	596	0	787
Sales and Retention	0	100	0	0	100
Sports Development	0	197	34	0	231
<b>Public Health Outcomes</b>					
Public Health Outcomes	-6,476	-398	1	0	-6,873
<b>Culture and Visitor Economy</b>					
Culture and Visitor Economy	-100	259	106	0	265
<b>Committee Total</b>	<b>-21,626</b>	<b>15,923</b>	<b>10,760</b>	<b>0</b>	<b>5,056</b>

## **D. CAPITAL BUDGETS**

Capital budgets are the monies allocated for spend on providing or improving non-current assets, which include land, buildings and equipment, which will be of use or benefit in providing services for more than one financial year.

**TABLE 4 2022/23 Tourism, Communities, Culture and Leisure Committee – Capital Budgets**

<b>Capital Scheme</b>	<b>22/23 Budget £000</b>	<b>23/24 Budget £000</b>	<b>24/25 Budget £000</b>	<b>25/26 Budget £000</b>
Leisure	7,488	0	0	0
Library	1,279	0	0	0
Museum	361	0	0	0
Parks	1,302	0	0	0
<b>Total</b>	<b>10,430</b>	<b>0</b>	<b>0</b>	<b>0</b>

## **E. Reserves**

Earmarked reserves are amounts set aside for specific purposes or projects. Please note that approval from the Policy and Resources Committee is required to contribute to or drawdown from these reserves.

**TABLE 5 2022/23 Tourism, Communities, Culture and Leisure – Reserve position**

<b>Reserves Relating to the Tourism, Communities, Culture and Leisure Committee</b>	<b>£000</b>
Community Safety Initiatives	801
Les Mills Classes	89
Birkenhead Park World Heritage Site Lottery Bid	40
Sports Development Reserve	22
Hilbre Island – Legacy	21
Library Donations	1
<b>Total</b>	<b>974</b>

**F. Agreed Savings for 2022/23 for Tourism, Communities, Culture and Leisure Committee**

**TABLE 6 – Agreed savings for 2022/23**

Savings relating to Deletion of Vacant Posts, Review of Neighbourhoods Service Directorate and Reduction in Budget for Office Related Expenditure relate to the Neighbourhoods Directorate overall.

<b>Savings title</b>	<b>Categorisation</b>	<b>22-23 Agreed Saving (£m)</b>
Review of Leisure service	Departmental staff remodelling	(0.18)
Closure of Europa Fun/Leisure Pool & Enhanced Gym Offer	Reduction in service provision	(0.27)
Increase catering across all Leisure Sites	Developing new income channels	(0.06)
Outdoor Water Sports Offer at West Kirby Marine Lake	Developing new income channels	(0.02)
Catering Pod at Leasowe Leisure Centre for Football Traffic	Developing new income channels	(0.02)
Permanent Closure and Demolition of Woodchurch Leisure Centre	Reduction in service provision	(0.40)
Temporary Closure and Remodelling of Bidston Tennis Centre	Demand change/management	(0.11)
Review of Golf Offer	Developing new income channels	(0.33)
Exercise referral programme	Income from growth	(0.10)
Reprovision of the Library Service	Service redesign	(0.65)
Floral pavilion - plans to reduce subsidy	Income from growth	(0.35)
Cessation of Constituency Team and Remodelling of Section	Departmental staff remodelling	(0.35)
Deletion of Vacant Posts	Departmental staff remodelling	(0.30)
Review of Neighbourhoods Service Directorate	Departmental staff remodelling	(0.36)
Reduction in budget for office related expenditure	Service redesign	(0.02)
<b>Savings Total</b>		<b>(3.52)</b>