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POLICY AND RESOURCES COMMITTEE

Wednesday, 18 January 2023

Present: Councillor J Williamson (Chair)

Councillors T Anderson H Cameron
P Gilchrist L Rennie
P Cleary B Kenny (In place
T Jones of EA Grey)
Y Nolan J Bird
J Robinson M Booth
P Stuart K Hodson
J Johnson

In attendance: Councillors C Davies

78 **WELCOME AND INTRODUCTION**

The Chair welcomed everyone to the meeting as well as those watching the webcast.

79 **APOLOGIES**

Apologies for absence were received by Councillor Liz Grey.

80 **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 declarations were made.

81 **MINUTES**

Resolved – That the minutes of the meeting held on 9 November 2022 be approved as a correct record.

82 **PUBLIC AND MEMBER QUESTIONS**

The Chair reported that there were no public questions, statements, petitions or questions by members.

83 **REPORT OF THE INDEPENDENT ASSURANCE PANEL**

The Chief Executive introduced the item which presented the second update report of Wirral's Independent Assurance Panel. The Chair invited Carolyn Downs, the Chair of the Independent Assurance Panel to introduce her report. Carolyn Downs outlined that the Panel was reassured by the Council's governance and Member Learning and Development programme, as well as the recent recruitment of the Director of Finance, Director of Law and Governance and Director of Regeneration and Place which the Panel had supported.

It was reported that the key area of concern for the Panel was the delivery of the 2023/24 budget. Carolyn acknowledged the difficulty in agreeing such large scale savings in a Council operating in a committee system of governance with no overall political control, in a year of whole Council elections, and noted that Councils nationally were having to make considerable savings. However, the risks associated with the Council's budget position were outlined to the Committee, these included:

- The significant use of reserves leaving a level of reserves below the Council's target, and the need to start work on increasing reserves immediately in the next municipal year.
- The removal of vacancy factors as part of the budget setting process which gave less flexibility to support in-year delivery of savings, which would require close monitoring and discipline.
- £4.4m of the proposed savings relating to the entire closure of non-statutory Leisure Services, which would be a difficult political decision and therefore likely reduced the level of flexibility in the overall savings options members could consider.

The Committee was advised that the Panel were assured to see work ongoing cross-party to deliver a balanced budget and that once a budget had been agreed, the Panel did not plan to meet formally again until following the May 2023 elections.

In response to queries from members on the use of reserves and how to manage the delivery of savings in 2023/24, Carolyn outlined that she expected monthly monitoring of the revenue position by the Council's Senior Leadership Team in consultation with the Relevant Chair and Spokes, with formal reports to Committees on a quarterly basis, and that work should start on addressing the level of reserves as early as possible following the May 2023 elections.

The Chair expressed her thanks to Carolyn Downs and the rest of the Panel for their support and guidance and acknowledged the concerns raised.

Resolved – That the report be noted.

COUNCIL TAX 2023/24 (TAX BASE, DISCOUNTS AND EXEMPTIONS AND LOCAL COUNCIL TAX REDUCTION SCHEME)

The Head of Revenues & Benefits introduced the report of the Director of Finance, which brought together related issues regarding the proposed Council Tax Base for 2023/24 upon which the annual Council Tax levels would be set. The proposed Council Tax Discounts included Local Discounts, Exemptions, and the Local Council Tax Reduction Scheme which would be used during 2023/24.

It was reported that the recommended figure for 2023/24 was 95,585.07. Compared to the 2022/23 figure of 95,172.39, this was an increase of 412.67. The Council Tax Base had increased due to an increase in the number of properties, projected number of new builds and a reduction in the number of residents claiming a Council Tax Reduction. The numbers claiming support had continued to reduce over the past year.

Members discussed the merits of increased levels of Council Tax on empty properties and welcomed the continuation of local discounts for Women & Children's Aid and Care Leavers.

Resolved – That

(1) the figure of 95,585.07 as the Council Tax Base for 2023/24 be approved at an increase of 412.67 (0.43%) on last year's Council Tax Base.

(2) Council be recommended to approve:

(1) The level and award of each local discount for 2023/24 be as follows:

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Wirral Women's & Children's Aid

To continue to award Wirral Women & Children's Aid 100% discount. This remains unchanged from 2022/23.

Care Leaver's Discount

To award Care Leavers the requisite discount to reduce their Council Tax liability to zero until they are 25. This to remain unchanged from 2022/23.

Empty Property Discounts 2023/24

Discount category D = 0% Full charge on properties undergoing renovations.

Discount category C = 0% Full charge on empty properties from date they become unoccupied.

Both to remain unchanged from 2022/23, and to include an exception for properties requiring adaptations to meet the need of a disabled person who will be occupying the property as soon as the adaptations are complete and in addition awaiting renovations prior to being occupied by someone under Ukraine resettlement scheme.

Empty Property Premium =

100% (200% Council Tax) for unfurnished properties empty for more than two years.

200% (300% Council Tax) for unfurnished properties empty more than five years.

300% (400% Council Tax) for unfurnished properties empty more than ten years.

All remain unchanged from 2022/23, save for an exception from 1 April 2023 for properties that have restrictions placed upon them restricting the sale to a particular group (usually leasehold properties for the elderly which attract high service charges). An exception to be introduced to the Premium from 1 April 2023.

Council Tax Discretionary Hardship Relief Scheme

The Council Tax Discretionary Hardship Relief Scheme, approved by Cabinet in October 2013, to continue in its current format for 2023/24. The Scheme offers help and assistance in exceptional cases of hardship.

(2) Local Council Tax Reduction Scheme (LCTRS)

The current Local Council Tax Reduction Scheme to remain unchanged from 2022/23 apart from the following :

- a. The scheme to be aligned to all the Department of Work and Pensions uprating's and changes for Housing Benefit and Universal Credit**
- b. There to be no loss of entitlement due to payments made under Homes for Ukraine Scheme (£350)**
- c. In response to the government announcement (Council Tax Support Fund) of the 23 December, an additional reduction of at least £25 where a liability in excess of this exists, for all recipients of Council Tax Support for 2023/24 at the time of annual billing.**
- d. Delegated authority be given to the Head of Revenues & Benefits in consultation with the Director of Finance and Leader of the Council to**

create a discretionary scheme based upon government guidance to utilise any remaining funding provided under the Council Tax Support Fund for 2023/24

(3) Changes to Empty Property Discounts 2024/25

To reduce the Empty Property Premium from 2024/25 to properties that have been empty for more than one year (Currently Two). So that the following apply:-

100% (200% Council Tax) for unfurnished properties empty for more than one year.

200% (300% Council Tax) for unfurnished properties empty more than five years.

300% (400% Council Tax) for unfurnished properties empty more than ten years.

(4) Changes to the treatment of second homes (dwellings that are furnished but are not someone's sole or main residence)

From April 2024 the council to charge 100% (200% Council Tax) for any person with a second home within Wirral. Double the amount of council tax of a property occupied as someone's sole or main residence.

85 2023/24 BUDGET UPDATE

The Director of Finance introduced the report, which provided an update on the 2023/24 budget position following the forecast position presented at the Policy and Resources Committee meeting on 5 October 2022 and at the subsequent Policy & Resources Committee budget workshop on 24 November 2022. Budget options were set out in this report, which had been developed in response to the previously outlined budget gap.

The Provisional Local Government Finance Settlement was published on 19 December 2022 and the information provided in the report outlined the government's announcements on that day and afterwards. The Provisional Finance Settlement would become final at a date set by Government in late January or early February 2023.

The Settlement provided a level of additional resources to the Council and in addition the prospect of increasing Council Tax and the Adult Social care Precept by 4.99% for 2023/24; this was significantly below the headline rate of inflation in the UK economy at the present time. However, the additional resources which amounted to £6.3m were insufficient to bridge the Council's budget shortfall which had been confirmed in the sum of £49m (gross) and £32.3m (net) following the completion of internal review and the impact of the

Provisional Settlement but excluding the higher level of Council Tax increase that was now possible.

Further information was sought on the overall budget pressures the Council faced including the reported additional £7m of pressures. Additional comments were made in relation to the Business Rates 100% Retention Pilot and the level of funding spent on Corporate Services. Members noted that the overall budget was due to increase by 10% to £363m and it was queried whether further options would be presented to members. In response, the Chief Executive outlined that officers had worked to satisfy the Independent Assurance Panel by producing a balanced budget for members to consider, and that whilst members were free to propose alternative saving options, the statutory budget consultation would be undertaken based on the options currently presented.

It was moved by Councillor Pat Cleary, seconded by Councillor Jo Bird, that the officer recommendations be agreed, with the inclusion of an additional resolution –

‘The composition of the Policy & Resources budget working group should be Leaders and Deputy Leaders of each of the Political Groups represented on the Policy & Resources Committee, or in their absence their deputies, as appointed by their Group Leader.’

Following a discussion in which Councillor Cleary spoke to the additional resolution, the motion was put and agreed (unanimously). It was therefore –

Resolved (unanimously) – That

- 1. the outcome of the Provisional Local Government Financial Settlement for 2023/24 be noted, in advance of the Final Settlement which is expected in late January/early February 2023.**
- 2. the extent of the Council’s financial challenge and the need to make significant financial savings in order to maintain the Council as an ongoing concern be recognised, to avoid the issuance of a Section 114 notice and the potential ministerial intervention under Section 15 of the Local Government Act 1999 which would be likely to ensue.**
- 3. the savings, efficiencies and income proposals that are available to address the 2023/24 budget gap be noted.**
- 4. the latest position on consultation be noted and agreement be given to consult on the budget proposals for 2023/24, under section 65 of the Local Government Finance Act 1992.**

5. **it be noted that the Section 151 Officer may need to make further adjustments to the forecast budget shortfall pending final decisions by Members in the period ahead.**
6. **The composition of the Policy & Resources budget working group should be Leaders and Deputy Leaders of each of the Political Groups represented on the Policy & Resources Committee, or in their absence their deputies, as appointed by their Group Leader.**

86 **WORK PROGRAMME**

The Director of Law and Governance introduced the report which provided the Committee with an opportunity to plan and regularly review its work across the municipal year.

It was noted that following its consideration earlier in the meeting, the Discretionary Rate Relief Policy would need to be removed from the work programme.

On a motion by the Chair, seconded by Councillor Jean Robinson, it was –

Resolved – That the work programme, with the removal of the Discretionary Rate Relief Policy item, be noted.

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