

POLICY AND RESOURCES COMMITTEE

Tuesday, 13 February 2024

Present:

Councillor P Stuart (Chair)

Councillors	J Robinson	JE Green
	J Williamson	H Cameron
	P Gilchrist	S Mountney
	EA Grey	L Rennie
	A Davies	P Cleary
	S Powell-Wilde	H Gorman
	T Jones	J Bird

106 WELCOME AND INTRODUCTION

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

107 APOLOGIES

There were no apologies for absence.

108 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 interests were declared.

109 MINUTES

The Chair advised Members that a minor correction was required in respect to minute 103 "Capital Monitoring Quarter 3" The resolution did not state that a referral to Council was requested. The minutes should be amended to read,

Recommend to Council – that,

1. the additional funding for the schemes referred to in section 3.7 in this report be approved.
2. the changes to the programme detailed in section 3.8 be approved.
3. the revised Capital Programme of £97 million for 2023/24, including the virements of budget referred to in Appendix C of this report be approved.

It was then,

Resolved – That the minutes of the meeting held on 17 January 2024 be approved as a correct record subject to the inclusion of the correction outlined by the Chair.

110 PUBLIC AND MEMBER QUESTIONS

The Chair advised that no Public Questions, Statements or Petitions had been received.

111 2024/25 BUDGET AND MEDIUM-TERM FINANCIAL STRATEGY

The Director of Finance submitted the report setting out the draft budget for the 2024/25 financial year. The draft budget was based on the extensive work and analysis undertaken by officers and the finance working group and was presented for consideration by the Policy and Resources Committee. Members were informed that if approved, the budget and medium term financial strategy would be presented to Council on 26 February 2024.

The report contained several appendices, some of which were required to be published as part of the statutory annual budget process and others that provided the Committee with relevant information relating to short and medium-term budget planning, inclusive of consultation aspects and financial assumptions. It was reported that those assumptions would potentially change and that they would be reported through the Council's governance processes for budget monitoring to the Policy and Service Committees.

The 2024/25 draft budget had been compiled using the figures in the Provisional Local Government Finance Settlement for 2024/25 as the final settlement was expected to be published after the publication date of the report, in early February 2024. Any material changes to the final settlement that impact on the assumptions included within this report were reported verbally to the Committee at the meeting. The budget proposals had been produced following extensive engagement of the Policy & Resources Committee, Finance sub-working group and other Policy and Service Committees during the last year. This process had identified the need to reflect the Council Plan priorities, particularly the delivery of high quality, efficient, universal services to all residents.

The Chair thanked all Members and officers for their full participation in the budget setting process, which had enabled the Director of Finance to submit the report and recommendations for Members consideration this evening. The Chair explained that he had contacted Group Leaders with a proposed additional recommendation to those published as follows.

“6. Authorise the reinstalment of the one-off Saving of £400k from the temporary closure of Wallasey Town Hall, in full, until April 2025 and add the additional £246k saving this produces to the £1m investment fund for activities linked to visible improvement in services across the borough.”

It was then moved by the Chair, seconded by Councillor Tony Jones, that the officer recommendations as detailed in the report be approved, subject to the inclusion of the above additional recommendation.

The Political Group Leaders and a number of Members echoed the views expressed by the Leader in respect to the collaborative work undertaken by representatives of all political groups in the budget setting process both via policy and service committee and the finance sub working group.

Councillor Pat Cleary then proposed an amendment, seconded by Councillor Jo Bird, in respect to recommendation 4 (d) which was to delete the words “finance sub-committee” and replace them with “the relevant Policy and Service Committee”.

The amendment was then put to the vote and lost (3:12).

The original motion was then put, and it was:

Resolved - That,

1. Authority be delegated to the Section 151 Officer, following consultation with the Chair and Group Spokespersons of the Policy & Resources Committee, to do anything necessary – including minor financial adjustments – to give effect to the proposals contained in this report and address any funding changes, if any.

2. Note and consider the response to the financial proposals forming a draft budget for the purposes of consultation under section 65 of the Local Government Finance Act, set out as below be noted:

Appendix 1 Budget Proposals

Appendix 2 Budget consultation

Appendix 3 Policy & Service Committee budget proposals feedback

Appendix 4 The Dedicated Schools Grant Schools Budget

Appendix 5 Provisional Council Tax Statutory Calculations

Appendix 6 Discretionary Rate Relief Policy

Appendix 7 Medium-Term Financial Strategy

Appendix 8 Budget proposal changes since November 2023

Appendix 9 Council Tax Base Calculation Process and Associated Background Information.

3. Recommend to Council a Revenue Budget of £399.603m, noting that the Section 151 Officer in liaison with the Monitoring Officer and Head of Paid Service may need to make adjustments to the Budget estimates before the preparation of final reports for Full Council on 26 February 2024.

4. Accordingly recommend that Council:

a) Approve the Medium-Term Financial Strategy (MTFS) set out as Appendix 7

b) Approve increases to the Council's fees and charges equal to or above the annual Consumer Price Index reported by the Office for National Statistics in September 2023, unless either of the following conditions apply:

- i. There is a statutory constraint that prevents such an increase,**
- ii. The Council is operating in a market whereby such an increase would result in the Council being uncompetitive.**

c) Approve the Discretionary Rate Relief Policy for Business Rates for 2024/25 set out as Appendix 6.

d) Approve the creation of a £1m project fund within the budget for 2024-25 as set out in section 3 and that oversight of the project fund be retained by the Finance Sub-Committee.

e) Approve that Unearmarked Reserves (General Fund Balances) is maintained at a figure not lower than £13.18m for the course of the 2024/25 financial year.

f) Agree the Budget Proposals as set out in Appendix 1 and authorise, in respect of the Budget Proposals, that the Director with portfolio undertake such actions as they consider necessary to implement the agreed Budget and deliver the savings, income and efficiency proposals developed as part of the formulation process and update Committees accordingly.

g) Approve the 2024/25 Schools Budget of £378.552m

5. Recommend (subject to a separate vote at Council) that Council:

a. Sets the Band D Council Tax at £1,888.22 for the Wirral Borough Council element of the Council Tax, representing a general increase of 2.99% and 2.00% ringfenced increase to Adult Social Care, and the Council Tax requirement for the Council's own purposes for 2024/25 of £181.3m as detailed in Appendix 5.

- b. Notes that the additional precepts from the Police & Crime Commissioner for Merseyside and the Merseyside Fire & Rescue 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.**

- 6. Authorise the reinstalment of the one-off Saving of £400k from the temporary closure of Wallasey Town Hall, in full, until April 2025 and add the additional £246k saving this produces to the £1m investment fund for activities linked to visible improvement in services across the borough.**

112 CAPITAL PROGRAMME 2024-29

The Director of Finance submitted the report requesting Members to consider the proposed Capital Programme 2024-29 and to recommend it to Council for approval. The report included information regarding the revenue implications of the Programme and an update on the latest forecast for capital receipts. The 2024-29 Capital Programme represented a combination of schemes originally approved as part of the 2023-28 Programme, updated through the Capital Monitoring reports in 2023-24 and new bids for inclusion as detailed in the report.

Resolved – that Council be recommended to approve,

- 1. the new bids as detailed in Appendix B to this report, requiring £3.3 million of funding for inclusion in the Capital Programme.**

- 2. the Capital Programme 2024-29 as detailed in Appendix C to this report.**

113 CAPITAL FINANCING STRATEGY 2024/25

The Director of Finance submitted a report which outlines the Council's treasury management activity which was underpinned by the Chartered Institute of Public Finance and Accountancy (CIPFA) 2021 Code of Practice on Treasury Management ("the Code"). It was explained that the code required to approve the annual Capital Financing Strategy. The report further explained how the Council met it's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

Resolved – that Council be recommended to approve,

- 1.the Capital Strategy for 2024/25;**

2. that the associated Prudential Indicators to be adopted, as detailed within this report and

3. the Council's Minimum Revenue Provision policy as set out in Appendix A of this report.

114 **TREASURY MANAGEMENT STRATEGY 2024/25**

The Director of Finance presented the Treasury Management report. The report outlined the process for the management of the Council's cash flows, borrowing and investments, and risks associated with those activities. The Council had substantial sums of money both borrowed and invested and was therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. It was explained that the successful identification, monitoring and control of financial risk was therefore central to the Council's prudent financial management.

Resolved – that Council be recommended to approve,

(1) the Treasury Management Strategy for 2024/2025.

(2) the Treasury Management Prudential Indicators for 2024/2025.

(3) the Treasury Management Policy Statement

115 **INVESTMENT STRATEGY 2024/25**

The Director of Finance presented the report and advised Members that In February 2018, the former Ministry for Housing, Communities and Local Government (MHCLG), (now Department for Levelling Up, Housing and Communities (DLUHC)) published updated 'Guidance on Local Government Investments'.

The previous edition covered only Treasury Management investments. In recent years local authorities have had an increasing focus on commercial activities including but not exclusive to property. Such activity has the potential to bring both increased returns and increased positive and negative risk. The revised Guidance on Local Authority Investments required that a separate Investment Strategy focusing on non-treasury investments is produced and approved annually by Council. This report fulfilled the requirement of the DLUHC to produce an investment strategy that covers non-treasury activities.

Resolved – that Council be recommended to approve the Investment Strategy for 2024/2025 which includes potential investment in the following activity areas:

1. Commercial Property
2. Service Investments: Loans;
3. Service Investment: Shares (non-currently held); and
4. Loan Commitments and Financial Guarantees

116 **2023/24 BUDGET MONITORING FOR QUARTER THREE (THE PERIOD TO 31 DEC 2023)**

The Director of Finance presented the report, which set out the financial monitoring information for the Council as at Quarter 3 (31 December) of 2023/24. The report provided Members with an overview of budget performance, including progress on the delivery of the 2023/24 saving programme and a summary of reserves and balances, to enable the Committee to take ownership of the budgets and provide robust challenge and scrutiny to Officers on the performance of those budgets.

At the end of Quarter 3, there was a forecast adverse position of £7.97m on Directorate spend which can be largely offset by utilising the contingency budget and expected savings from reduced energy costs. This position is based on activity to date, projected trends in income and expenditure and changes to Council funding.

Resolved – that,

1. the Directorate forecast adverse position of £7.97m presented at Quarter 3, largely offset by utilising £5.0m of contingency budgets and £2.2m of expected savings from reduced energy costs be noted.
2. the progress on delivery of the 2023/24 savings programme at Quarter 3 be noted.
3. the forecast level of reserves and balances at Quarter 3.
4. Note budget virements detailed within paragraph 3.33 relating to distribution of centrally held pay and business rate budgets be noted.

117 **PROCEDURE FOR BUDGET DECISION MEETING OF COUNCIL**

The Director of Law and Corporate Services presented the report on the assurance process in formulating the draft Council Budget and to recommend to Council a process for adoption at the Budget decision making meeting.

Resolved – that it be recommended to Council be recommended that, or the duration of the extraordinary meeting of 26th February 2024 (Budget Council):

- (a) the procedure attached as Appendix A be followed in respect of the meeting; and

(b) Council Standing Order 15.4 (timing of speeches) be suspended together with such other standing orders as may conflict with the Budget Council procedure or the Mayor's administration of the meeting, in such a manner as the Mayor in his or her absolute discretion dictates, to ensure the objective of Council setting a lawful budget and council tax requirement prevails.

118 **COMMITTEE WORK PROGRAMME**

The Leader of the Council reported that whilst there was no specific report in respect to the Work Programme this evening, there were a number of items which the Committee discussed during the course of the meeting which he felt warranted further discussion by Members either via a future Committee report or a workshop. He suggested that the following being included in the Work Programme:

- The Freeport and Wirral Waters Investment Fund
- The Criteria and process for making additions to the Capital Programme

Resolved – that the following be included in the Committee Work Programme:

- **The Freeport and Wirral Waters Investment Fund**
- **The Criteria and process for making additions to the Capital Programme**