



POLICY AND RESOURCES COMMITTEE

Wednesday, 6 November 2024

REPORT TITLE:	PRE-BUDGET REPORT
REPORT OF:	DIRECTOR OF FINANCE

REPORT SUMMARY

The purpose of this report is to provide an update on the current progress and developments in budget setting activity for 2025/26 and beyond.

The Council is required to set a balanced budget each year and set a Medium-Term Financial Plan (MTFP) which considers the future pressures and savings options that will be taken forward to result in a balanced budget position.

The Council faces a severe budget challenge to identify savings required to set a balanced budget for next financial year, largely due to increased demand and costs for social care services, compounded by the previous significant reductions in Government funding and uncertainty around the future financial settlements.

Unless significant deliverable cost reductions are identified and approved, the Council will not meet its statutory obligation to set a legal and balanced budget without a significant increase in funding.

This report provides an update for the Committee on those budget areas within its remit and across the Policy & Service Committees.

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

RECOMMENDATIONS

It is recommended that the Policy & Resources Committee:

1. Note the indicative resources, pressures and required savings detailed in the report.
2. That Policy & Service Committees undertake budget workshops (via the Budget Oversight Panels) during December to review savings proposals and mitigating actions, with a view to feeding back the outcomes of the workshops to this Committee.
3. The Director with portfolio, in consultation with the Finance Working Group, be authorised to undertake any required service consultations that are linked to budget policy options being brought forward, in line with the timetable to enable a budget recommendation in February 2025.

SUPPORTING INFORMATION

1.0 REASONS FOR RECOMMENDATIONS

- 1.1 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.
- 1.2 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

- 2.1 The proposals set out in this report are presented to allow for efficient and effective budget activity that can be conducted in a timely manner. 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.
- 2.2 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 2024/25 budget will best assist in delivering balanced budget.
- 2.3 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

- 3.1 At Quarter 1, a serious financial position for the Council was reported, the Quarter 2 position (reported elsewhere on the agenda) reports a further deterioration of this position. This position will require significant mitigation in-year through all available measures to reduce expenditure and generate cost savings.
- 3.2 The source of the overspend reflects a further deterioration of the outturn position from 2023/24 for which an action plan has been developed and implemented. This action plan is designed to address the main issues generating the adverse position and progress will be reported on this in all future monitoring reports and to the relevant committees. However, the majority of this overspend is a consequence of increased demand and costs for social care services and will not be easily resolved.
- 3.2 The current 2024/25 financial position is not a sustainable position going forward and will adversely impact budget planning for 2025/26.

- 3.3 Developing a budget that is balanced requires consideration of a number of different factors which are summarised here and set out in further detail through the remaining report:
- Impact of **macro-economic conditions** – inflation and interest rates;
 - Forecast increase in service **demand pressures**
 - **Funding**, through the Local Government Finance Settlement and other income sources, including, forecast Council Tax and business rates collection and fees and charges income
 - **Savings** proposals which will include reducing costs and increasing income

Macro-economic conditions

- 3.4 In March 24 the Office for Budget Responsibility (OBR), gave the following assessment of the ‘Economic and fiscal outlook’

“The UK economy has emerged from the twin global shocks of the pandemic and Russian invasion of Ukraine into a period of declining inflation but stagnating output. Inflation has receded more quickly than we expected in November and markets now expect a sharper decline in interest rates. This strengthens near-term growth prospects and should enable a faster recovery in living standards from last financial year’s record decline. But the medium-term economic outlook remains challenging.”

- 3.5 The OBR are due to update this assessment at the end of October but over the course of the year so far, annual CPI inflation has fallen to 1.7% in September 24 and in August, the Bank of England’s Monetary Policy Committee (MPC) voted by a majority of 5–4 to reduce Bank Rate by 0.25 percentage points, to 5%.
- 3.6 The MPC have adopted a more cautious stance than first anticipated as inflationary pressures lingered. However, monetary policy is expected to loosen in the second half of 2024. Forecasts will continue to be monitored and financial assumptions for the MTFP will be adjusted, as required.

Pressures

- 3.7 In July, budget challenge sessions with Directors took place, which included a review of the 2023/24 outturn position and the Q1 budget monitoring information. From these sessions and Directorate’s submission of growth pressure forms, a position around the current and future pressures has been ascertained. This represents the best available information at this point in time and forms the baseline for the pressures within the MTFP for current and future years.
- 3.8 This information will be updated periodically as a significant element of the pressures is linked to the ongoing demand pressures faced in the current year and how the current situation is addressed.
- 3.9 Although inflation has declined from the peaks observed last year, inflationary pressures remain a significant challenge for the Council due to the sizeable nature of some of the Council contracts.
- 3.10 Demographic changes have been incorporated within the pressure figures based on the current trend data and the available datasets for Adults and Children’s services. It is anticipated given the national pressures within these areas that ongoing work

will be required to find efficiencies within service delivery and continue the focus on enablement and early intervention to minimise the impact of these demands.

- 3.11 An assessment of the in-year budget variances has necessitated the inclusion of pressures to negate existing income targets and some additional funding for service pressures. These amounts have been minimised in recognition of previously agreed savings which are still to be delivered.
- 3.12 A contribution towards the replenishment of the general reserves has also been targeted in line with previous audit recommendations and in expectation. This may need to be increased if general reserves have to be utilised to balance the 2024/25 position.

TABLE 1: REVISED PRESSURES FORECAST:

Pressures	25-26 £m	26-27 £m	27-28 £m	28-29 £m	29-30 £m
Inflation	26.746	16.897	17.408	18.199	15.537
Demographics	19.869	4.640	4.790	4.950	0.000
Service Pressures	14.846	0.635	0.437	0.140	0.444
Policy Changes	0.300	1.700	0.000	0.000	0.000
Corporate Items	5.124	13.054	1.755	-0.244	0.639
Total	66.884	36.926	24.390	23.045	16.620

*Dedicated School Grant (DSG) deficit due to the High Needs Block demand is not included in the table above at this point in time. There is currently a statutory override in place that separates DSG deficits from the authority's wider finances which is due to expire at the end of 2025/26. The DSG deficit at this point is estimated to be around £41m.

- 3.13 The key assumptions used in formulating the pressure estimates include:
- A 3% increase in pay costs
 - Non-pay budgets will remain cash limited over the period of the MTFP with the exception of contracts with an inflationary increase built into the contract.
 - Contracts with inflationary clauses will be dealt with on a case-by-case basis.
 - A minimum 3% inflation increase within social care services (largely linked to RLW).
 - A £2m contribution to the general reserves

Funding

- 3.14 The resources available to fund these pressures have also been reviewed, this constitutes the assumptions around Business Rates, Council tax and Government Grants.
- 3.15 The assumptions around business rates have been reviewed. Given that there has been no announcement, to date, around the ending of the current business rates retention scheme it has been assumed that this will continue in 2025/26. This provides a benefit of c.£7m in comparison to the potential impact if the scheme ceased. Inflation of 1.7% (September's CPI rate) has been applied to Business Rate funding, as per standard practise.
- 3.16 The assumed Council Tax increase for 2025/26 has been estimated at 4.99%. This is constituted of 2.99% for discretionary services and 2.00% specific to adult social care. For MTFP, it is assumed that a 3% increase will continue for future years.
- 3.17 The position around grants will not be known until the autumn when the settlement from government is announced. However, for prudence, the MTFP assumes a 25% increase in social care grants for next year, just below last year's increase.
- 3.18 It is also yet unknown, whether the capital receipts flexibility programme will be extended. If this programme is extended, as in previous years, the Council will be aiming to maximise the freedom to use capital receipts from the sale of their own assets (excluding Right to Buy receipts) to help fund the revenue costs of transformation projects and release savings.

TABLE 2: FUNDING CHANGES 25/26 to 29/30

Summarised Funding	24-25 £m	25-26 £m	26-27 £m	27-28 £m	28-29 £m	29-30 £m
Business Rates	-143.464	-145.903	-149.301	-152.334	-155.428	-158.584
Council Tax Base	-172.643	-182.049	-192.247	-199.173	-206.305	-213.651
Better Care Fund	-19.239	-19.238	-19.238	-19.238	-19.238	-19.238
Social Care Grant	-41.899	-52.374	-53.945	-55.564	-57.231	-58.948
Additional Social Care Grants	-12.372	-12.372	-12.372	-12.372	-12.372	-12.372
Services Grant	-0.569	0.000	0.000	0.000	0.000	0.000
Other	-0.853	0.000	0.000	0.000	0.000	0.000
Total	-391.040	-411.936	-427.104	-438.681	-450.574	-462.793
<i>(Increase) / decrease</i>		-12.282	-6.083	-5.829	-5.938	-6.050
Council Tax	-5.162	-5.443	-3.826	-3.964	-4.105	-4.252
Adult Social Care Precept	-3.453	-3.641	-1.922	-1.992	-2.063	-2.137
Council Tax increase	-8.615	-9.084	-5.748	-5.955	-6.169	-6.388
Total Funding	-399.655	-421.021	-432.852	-444.636	-456.743	-469.181
<u>Total (Increase) / decrease</u>	<u>0.000</u>	<u>-21.366</u>	<u>-11.832</u>	<u>-11.784</u>	<u>-12.107</u>	<u>-12.438</u>

- 3.19 The uncertainty around the level of funding that local authorities will receive makes medium and long-term financial planning almost impossible.

- 3.20 There is a growing disparity between the resources available to local government and the demand pressures that the sector faces. The growing demand for social care for both Adults and Children’s services cannot be sustained over the MTFP period without either additional funding or the long-awaited review of local authority funding.
- 3.21 The difference between the pressures facing the Council in 2025/26 and the available resources will require difficult decisions to be made around the level of support that can be provided and a continued focus on increasing efficiency and reducing costs. It will require the organisation to shrink overall in terms of the number of people employed and a reorganisation of how some services are provided.
- 3.22 The overall budget gap is summarised in Table 3.

TABLE 3: BUDGET GAP 2025/26 to 2029/30

	25-26 £m	26-27 £m	27-28 £m	28-29 £m	29-30 £m
Pressures	66.884	36.926	24.390	23.045	16.620
Funding (increase) / decrease	-12.282	-6.083	-5.829	-5.938	-6.050
Gap	54.603	30.843	18.561	17.107	10.570
Previously Identified Savings	-9.374	-2.995	-0.450	-0.450	0.000
Revised Gap	45.229	27.848	18.111	16.657	10.570
Cumulative Position	45.229	73.076	91.187	107.844	118.414
Potential Council Tax increase	-9.084	-5.748	-5.955	-6.169	-6.388
Final Gap	36.144	22.099	12.156	10.488	4.182
Cumulative Position	36.144	58.244	70.400	80.888	85.070

- 3.23 There are significant risks, particularly from 2026/27 when the current three-year pension surplus provision is reversed and the DSG statutory override will have ended. This is compounded by assumptions around the potential for business rates retention to end. As it currently stands, these assumptions would likely make it impossible to balance the budget at this point given the low level of reserves that are currently held.

Savings

- 3.24 The Council faces an extraordinary financial challenge. The current budget deficit coupled with the increasing pressures on services, particularly the demand led services of Adults and Children’s social care, is creating an intense strain on Council’s finances. This financial landscape is, unfortunately, common to many local authorities across the country and in order to balance the Council’s budget (to avoid issuing a Section 114 notice), very difficult decisions will need to be taken.
- 3.25 These difficult decisions, aimed at reducing the Council’s overall spend, are urgently required to ensure the Council can continue to deliver on its key priorities over the term of the MTFP.

- 3.26 Against this backdrop, Directorates have been asked to prepare a set of cost cutting proposals. These measures should focus on preserving only those services that are statutorily required while identifying all possible areas for budget reduction.
- 3.27 It should be noted that included within the MTFP approved by Council in February 24 was a suite of savings proposals previously identified for consideration in this year's budget setting process. Officers will develop business cases for these proposals which will be shared, along with new savings proposals, with the regular committee Budget Oversight Panel meetings, concurrently serving as budget workshops for the Committees.
- 3.28 There are a number of transformation themes that are designed to deliver savings over the MTFP period.
- 3.29 Social care accounts for a growing proportion of the overall budget and therefore strategies and practices aimed at understanding, predicting and managing social care services to meet the needs of the population in a sustainable manner in partnership is part of the overall strategic demand management in the medium term.
- 3.30 In the coming six months, the Council will be implementing a new front door service to Adult social care that will further aim to give our residents early help, advice, information and guidance to support more people to stay independent.
- 3.31 The Council has also made bold decisions and taken leadership by investing in more extra care housing, more supported housing, transfer of Care Hub and more recently the Able Me service, focused on prevention. All with the aim of managing demand and thereby reducing costs.
- 3.32 Similarly, within the Children's, Families & Education Directorate, the pathfinder programme is transforming systems around social care to provide earlier and more integrated support aimed at reducing demand for higher cost statutory services.
- 3.33 The recently endorsed Care Programme is also changing the approach to care on the Wirral. It provides a system wide focus on practice and priority for edge of care activity (Child Protection, Family Matters, Commissioning, Youth Work and aspects of Family Help), targeting a reduction in levels of children looked after and re-balancing the local profile to ensure fewer children and young people require high-cost residential care; and to reduce reliance on this high-cost option due to a lack of capacity elsewhere.
- 3.34 Social care along with all other assumptions will remain under regular review. Any increase in assumptions will require savings elsewhere to enable a balanced budget to be set in February 2025.
- 3.35 The Corporate savings will continue to focus on cross cutting initiatives, particularly the continuation of the enabling services review and the integration of the digital transformation opportunities into this workstream. Reviews are also underway to identify further opportunities to modernise and improve services through increased efficiency, greater use of automation and maximising income generation. This includes improving procurement and commissioning, workforce planning and the

estate transformation programme to support service modernisation and the delivery of savings.

- 3.36 It is proposed that Policy & Service Committees undertake budget workshops in November to review these proposals and actions and feedback the outcomes of the workshops to this committee.

Next Steps

- 3.37 Assumptions for 2025/26 onwards are based on best estimates of Government funding, demographic growth and other pressures and the latest economic forecasts. They exclude the impact from any changes to Local Government funding, any funding of the DSG deficit and SEND pressures after March 2026 when the statutory override ends and any of the other policy changes the new Government may introduce. All may mean significantly increasing the budget gap and the need for further budget reductions.
- 3.38 Taking in all the factors above, the Council has a budget gap over the five years of £85m, of which £36m will fall in 2025/26.
- 3.39 Budget workshops will be convened between now and December in line with individual committee requirements, to 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 and that achievable targets are set.
 - reviewing opportunities for budget efficiencies and savings
- 3.40 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 3.39. These envelopes will take account of the work of the change programme and any justifiable budgetary pressures or additional factors that necessitate strategic management and mitigation. The Finance Working Group will play a key role in this process.
- 3.41 The methodology for constructing budget envelopes will follow the convention adopted for 2024/25, whereby MTFS principles were aligned to Directorate activity through targets that:
- Will produce a balanced budget and MTFP.
 - Prioritise statutory services and objectives in line with the Council 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 Council Plan
 - Demonstrate an appropriate approach to corporate risk.
- 3.42 Each Committee, via the budget workshops, will be accountable for identifying, developing and agreeing reductions in pressures and deliverable savings proposals to close the 2025/26 budget gap and ensure a draft balanced budget can be

considered by the Policy & Resources Committee in January 2025, to enable budget consultation to start in a timely manner. See Appendix 1 for a flow chart of the process for the 2025/26 budget and timeline.

3.43 In developing budget proposals, and reviewing budget activity, each Committee must adhere to the MTFS guiding principles, including the overarching principle that all investment and savings decisions will be aligned to the priorities within the Council Plan:

1. Fees & Charges will be reviewed annually and adjusted for inflation, regulatory guidance, and competitiveness. When setting charges, the impact on vulnerable groups will be considered.
2. Capital decisions will be based upon strong business cases, taking account of invest to save principles where appropriate. Whole life capital financing costs impacting the net revenue position of the Council will be fully considered and reflected in the MTFP.
3. Service level spend will be benchmarked with suitable peer groups and regularly reviewed to ensure the principle of an efficient Council is being achieved.
4. The Council will maximise the opportunities from automation and a policy of 'Digital First' in service delivery.
5. Service reviews will be undertaken Council wide within the timeframe of the MTFS. This will ensure that operating models, organisational design and costs are subject to regular reviews and adjustment.
6. Service development, savings, and investment will be brought forward based on business cases that must demonstrate alignment to the Corporate Plan, feasibility, deliverability and value for money.
7. The Council will consult with stakeholders across the borough in forming budget proposals.
8. The Council will review alternate delivery models and seek joint working and management initiatives with regional and other partners to align to the Wirral Plan.
9. The Council will continually review its Earmarked Reserves for appropriateness and purpose. Unearmarked reserves will be brought to a level of 5% of net expenditure by 2026/27.
10. Given the challenging financial position of the Council and the need to maintain key statutory services. The Council will seek to maximise receipts from all funding streams, including Council Tax over the period of the MTFS.

4.0 FINANCIAL IMPLICATIONS

4.1 This report provides an update on the 2025/26 budget setting activity and has no direct financial implications. The outcome of the activity will, if not adhered to or a suitable alternative process agreed, will have significant financial implications. However, the proposals set out control environments and a timeline of activity deemed necessary as part of sound financial management regime.

4.2 If the annual 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 other 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 Financial Management 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 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.

5.4 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 2024/25 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, 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 to 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 and General Fund Balances.
- 7.6 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.

7.7 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 budget monitoring and setting processes.

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 budgets 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.

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 This report has no direct community wealth implications however any 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**

REPORT AUTHOR: Mark Goulding
 (Senior Finance Manager)
 email: markgoulding@wirral.gov.uk

APPENDICES

Appendix A – Updated 2025/26 Budget Setting Timetable.

BACKGROUND PAPERS

2024/25 BUDGET MONITORING FOR QUARTER TWO (THE PERIOD TO 30 SEP 2024)
 2024/25 BUDGET MONITORING FOR QUARTER ONE (THE PERIOD TO 30 JUN 2024)
 BUDGET MONITORING AND BUDGET SETTING PROCESSES
 Office for Budget Responsibility (OBR), ‘Economic and fiscal outlook’ March 24.
 Pressure and Growth Proposals
 Savings and Income Proposals
 CIPFA’s Financial Management Code

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Policy and Resources Committee	17 July 2024
Full Council	26 February 2024
Policy and Resources Committee	13 February 2024
Environment, Climate Emergency and Transport Committee	29 January 2024
Tourism, Communities, Culture & Leisure Committee	2 February 2024
Children, Young People & Education Committee	1 February 2024
Economy Regeneration & Development Committee	22 January 2024
Adult Social Care and Public Health Committee	23 January 2024
Policy and Resources Committee	8 November 2023
Policy and Resources Committee	4 October 2023

Appendix A: Updated 2025/26 Budget Setting Timetable

What	When	Why
Policy & Resources Committee report	06 November 2024	Present report to provide an update on the current progress and developments in budget setting activity for 2025/26 and beyond. latest budget. Draft MTFP. This meeting will also receive the 2024/25 Q2 financial position.
Finance Working Group	21 November 2024	Discussion of officer savings options and feedback from Policy Committee briefings.
Group briefings on the budget	November 2024	Assumptions around the pressures, resources, overall budget gap and options for savings proposals (following Finance Working Group).
Policy Committee Budget Oversight Panel (BOP) meetings	December 2024	Budget presentation from Finance around overall position. Discussion of pressures and savings options relevant to the committee - Director led
Policy & Service Committees	November/ December 2024	Director of Finance to attend each Policy & Service Committee to provide a update on the latest budget position.
Finance settlement received	19 December 2024	Government announcement expected (exact date still to be confirmed).
Finance Working Group	December 2024	To provide the latest update on the budget.
Recalculation of pressures, funding and proposed savings.	December 2024	Take stock of latest information and identify any further action required to balance the budget.
Finance Working Group	January 2025	To update on settlement outcome and implications.
Policy Committee Budget Oversight Panels (BOPs)	January 2025	To provide the latest budget update
Policy & Service Committees	January 2025	Director of Finance to attend each Policy & Service Committee to provide a update on the latest budget position.
Group briefings on the budget	Week commencing 3 February 2025	Final proposals following announcement of settlement position
Policy & Resources Committee Budget Report:	12 February 2025	To present final budget proposals
Council Budget Report:	26 February 2025	To present budget for approval