

**CABINET****Monday, 17th February 2020****REVENUE BUDGET 2020/21 & MEDIUM TERM FINANCIAL PLAN 2021/22 TO 2024/25****Councillor Janette Williamson, Portfolio Holder for Finance and Resources said:**

“We have a responsibility to set a fair, sustainable and balanced budget each year.

During 2020/21, pressures on the Council’s funding are expected to continue to rise, particularly in the areas of Adults and Children’s social care, but the Council is confident of being able to achieve a balanced budget through a combination of savings initiatives, use of one-off receipts and a small increase in Central Government funding, as confirmed in the Local Government Finance Settlement in December 2019.

Beyond 2020/21, funding levels remain uncertain and the Council faces significant challenges in preparing for and responding to any unexpected changes“.

**REPORT SUMMARY**

The report provides an update on the Budget 2020/21 and the Medium Term Financial Plan (MTFP) previously reported to Cabinet on 23 December 2019. It sets out the background and the key elements contributing to the preparation of the Budget for 2020/21 and sets out recommendations on the budget and council tax for the Council.

The Council continues to face financial constraints and pressures. The medium term financial planning period to 2024/25 is expected to contain further grant funding reductions and increasing financial pressures. This report sets out how the Council will balance the budget for 2020/21 and updates the MTFP for the period to 2024/25.

The Cabinet has to recommend a 2020/21 Budget proposal to the Council on 4 March 2020. This includes a recommendation on the Wirral Council element of the Council Tax to be applicable from 1 April 2020. This is in order to formally set the Revenue Budget and Council Tax for the 2020/21 financial year.

The Council has to agree a Budget and set the levels of Council Tax for 2020/21 by 10 March 2020.

This is a key decision which affects all Wards within the Borough.

**RECOMMENDATIONS**

- 1) That the Cabinet recommends to the Budget Council a Budget proposal for 2020/21 and MTFP 2021/22-2024/25 based upon:
  - a. The updated Medium Term Financial Plan (MTFP) 2021/22 – 2024/25, as set out at Appendix 6;

- b. The fees and charges included in Appendix 3, with delegated authority being:
    - i) Given to the Section 151 Officer to update the Council's Fees and Charges Directory prior to publication before 1 April 2020;
    - ii) Given to the relevant Director in consultation with the relevant Portfolio Holder and Section 151 Officer to vary existing fees and charges; and
    - iii) Approval of the Pricing and Charging Policy.
  - c. Continued use of the existing Business Rates Discretionary Relief Policy (updated in line with annual legislation), approved by Cabinet on the 18th February 2019, along with existing reliefs, for 2020/21.
  - d. Maintenance of General Fund Balances at, or above, a level of £10m, based on a locally determined approach and assessment of the financial risks that the Council may face in the future.
  - e. The Chief Financial Officer Statement regarding the robustness of the estimates made for the purpose of the Budget and the adequacy of the General Fund balances and reserves at Appendix 5.
- 2) That the Cabinet recommends to the Council that a separate vote be taken in respect of Council Tax levels for 2020/21 and that:
- a. For Wirral Council Services, Council Tax is increased by 3.99% for 2020/21; and
  - b. The overall Wirral Council Tax will also continue to include additional precepts from the Police & Crime Commissioner for Merseyside, from the Merseyside Fire & Rescue Service and from the Liverpool City Region Combined Authority.

## **SUPPORTING INFORMATION**

### **1.0 REASON FOR RECOMMENDATIONS**

- 1.1 The Cabinet is required to recommend a Budget to the Council on 2 March 2020. The issues detailed in this report support the recommendations which all contribute to enabling the Cabinet to be in a position to recommend a Budget proposal.
- 1.2 Section 25 of the Local Government Act 2003 requires the Chief Financial Officer to report on the robustness of the estimates made for the purposes of the Council's Budget calculations and the adequacy of the General Fund Balances and Reserves.
- 1.3 The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 requires that a recorded vote, detailing the names of all Councillors voting and how they voted, be taken in respect of all votes involved in setting the Budget and Council Tax levels.
- 1.4 The Police & Crime Commissioner for Merseyside, the Merseyside Fire & Rescue Service and Liverpool City Region Combined Authority (LCRCA) also issue a precept on the Council to be paid through the Council Tax.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 The Council has a legal obligation to set a balanced Budget in March each year for the following financial year and this report sets out proposals and initiatives that increase income or reduce expenditure to assist in decisions regarding budget setting. The Budget position summarised in this report represents the result of consideration of a wide range of available options and assumptions to produce a robust Budget. The Cabinet could however choose alternative options to delivering a balanced budget. However, this could present a risk to the Council's ability to set a balanced budget for 2020/21 for the 10 March 2020 deadline and also increases the financial risks faced through potential delay to the implementation of savings proposals.

### **3.0 BACKGROUND INFORMATION**

#### **THE WIRRAL PLAN 2025**

- 3.1 This report lays out the Budget for 2020/21 and supports the delivery of the Wirral Plan 2025, as approved in October 2019. The plan provides a clear ambition for the Borough based on key priority areas:
  - A prosperous, inclusive economy where local people can get good jobs and achieve their aspirations;
  - A sustainable borough that's not only environmentally friendly but one which plays its part in urgently responding to the environment and climate crisis;
  - Brighter futures for our young people and families – regardless of their background or where they live;

- Safe, vibrant communities where people want to live and raise their families; and
- Services which help people live happy, healthy, independent and active lives, with public services there to support them when they need it.

3.2 The Plan also includes a commitment from the Council to:

- Ensure the Council is financially sustainable, performs well, is efficient and provides value for money;
- Deliver a stronger focus on the customer; providing Councillors, residents, businesses and other stakeholders with a better service; and
- Continue to radically improve Children's Services.

## **THE CURRENT FINANCIAL LANDSCAPE**

3.3 Since 2010, Wirral Council has seen £230m of cuts to the budget as a result of austerity. This has had a significant impact on the way we support our communities but by careful planning, a long-term strategy of income generation and taking opportunities from digitalisation and transforming services, the impact on our communities has been minimised.

3.4 In December 2019, the Government announced the Local Government Finance Settlement for 2020/21 budgets, in the form of a single year Spending Round. A multi-year Spending Review will now follow in 2020.

3.5 This single year Spending Round forms the basis for updating the MTFP and sets out a 4.3% real-term increase in overall Government funding for Local Authorities - against a backdrop of consistent cuts in the previous three Spending Reviews since 2010 and continuing pressures in social care.

3.6 The Spending Round settlement for 2020/21 represents an improvement in funding for Wirral in comparison to previous assumptions for 2020/21, based on the net impact of the following:

- No loss of the Council's equivalent of the Revenue Support Grant or Public Health Grant;
- A £6.4m increase in funding for Adult and Children's Social Care;
- A proposed £2.8m increase in Council Tax - resulting from permission to include a 2% Adult Social Care Precept in 20/21, over and above an inflationary increase of up to 2%; and
- A new round of the New Homes Bonus allocations for 2020/21 only.

3.7 As a result of the Spending Round 2020/21, Wirral's total funding is estimated to be c £1.7m higher than previous estimates for the 2020/21 budget. This results from a higher than anticipated social care grant of £1.8m, offset by a small reduction of £0.1m in the amount of New Homes Bonus. (An annual reduction of £0.8m in Council Tax had already been factored in to the 2020/21 budget and future years following the Council's own local review of the Local Council Tax Reduction Scheme. This

decision is based on a need to protect the most vulnerable members of the community).

- 3.8 Schools funding for 2020/21 has also been confirmed at a level which is £14.85m higher than 2019/20. This funding is however earmarked for specific use within Schools and is therefore not recorded as having a positive impact on Wirral's MTFP.
- 3.9 The Government has made no detailed announcements on the funding of local government beyond 2020/21 and the full outcome of review of the local government funding, via business rates, and the Fair Funding Review is not yet known. This position of uncertainty makes it very difficult to plan over the medium to long-term with no indication as to whether further reductions in specific grants are planned or any proposed changes to the current business rates pooling pilot.
- 3.10 The latest interpretation of information released on the Fair Funding Review for Adult Social Care, issued in January 2020, indicates that Wirral's share of available funding could fall by an estimated £11.4m. However, this is purely a proposal at this stage, with more work to be done on the overall Fair Funding Review across other aspects of Council funding. This estimate for Adult Social Care may not be representative of the final outcome and highlights the level of uncertainty faced by Council's in their medium term planning.
- 3.11 Wirral, along with other Councils in the Liverpool City Region, is currently participating in a pilot of the 100% retention of Business Rates. Wirral, and the other councils in the region, ceased to receive any Revenue Support Grant from central government in 2017/18 with the loss of the grant being compensated for by the retention of Business Rates raised, plus a Rates Top Up grant, to ensure no detriment to Wirral's funding resulting from the pilot scheme. Whether this arrangement will continue in future remains uncertain.
- 3.12 The future of the Public Health grant is also uncertain. There is speculation that following the Fair Funding Review the grant will be distributed as part of the business rates retention scheme with its ringfencing removed. This poses a potential threat to the value of the funding; especially as public health grant funding is supporting many long-term contracts that may have to be disbanded if the full funding is not available from 2021. The public health grant is also supporting several core non-statutory activities that may have to be ceased if the funding is withdrawn.
- 3.13 The MTFP for 2021/22 to 2024/25 currently assumes that both Business Rates and Public Health funding streams are cut, but currently makes no allowance for potential cuts in Adult Social Care funding, or other sources of funding, resulting from the Fair Funding Review. This position highlights the scale of financial risk facing the Council and the need to continue to focus on innovation in delivery of services and identification of opportunities to maximise efficiencies and grow revenue streams.

#### **THE 2020/21 BUDGET & MEDIUM TERM FINANCIAL PLAN**

- 3.14 The MTFP position for 2020/21 to 2024/25, as presented to the Cabinet on 23 December 2019, is set out in the table below, alongside the latest MTFP position

which has been updated to reflect the impact of the Local Government Finance Settlement for 2020/21 and changes in assumptions since December:

	2020/21	2021/22	2022/23	2023/24	2024/25
	£m	£m	£m	£m	£m
<b>MTFP gap</b> (December 2019)	-	28	30	29	28
<b>Net Movement</b>	-	(1)	(1)	(1)	(1)
<b>MTFP gap</b> (Latest position)	-	<b>27</b>	<b>29</b>	<b>28</b>	<b>27</b>

- 3.15 Overall the net changes to the previous MTFP are minimal, with the position for 2020/21 remaining balanced and subsequent year deficits reducing by c £1m in each year.
- 3.16 However, this net movement is made up of a number of key changes, some with a positive impact, offset in part by increases in costs or reductions in expected savings.
- 3.17 For 2020/21, key funding streams have increased by almost £5m from previous estimates made for submission to the Cabinet meeting on 23 December 2019. This £5m improvement results from the combination of the following increases: £1.5m in Council Tax and £2m in Business Rates (following completion of the National Non Domestic Rates return in January), together with a £1.8m increase in social care grant funding, as confirmed by the Local Government Finance Settlement, issued at the end of December 2019.
- 3.18 However, this increase in 2020/21 funding has not been treated as a surplus for use on new initiatives in 2020/21, particularly as the draft budget proposal in December 2019 included a number of initiatives that were not without risk. The opportunity has, therefore, been taken to re-examine pressure and savings estimates, based on latest assumptions and taking into account the latest view of the associated risks surrounding each activity, to help to mitigate Wirral's overall risk exposure. As a result of this exercise, the budget for 2020/21 remains balanced.
- 3.19 Since the budget report issued in December, net pressures have been increased by around £3m in 2020/21, comprising increased pressures of £4m, offset by reductions in pressures of £1m. The key components of the £4m increase in pressures are: a £2m reduction in Wirral Growth Company revenues as a result of a planned delay in the completion of the Partnership Business Plan, £1.2m of Business Improvement spend deferred from 2019/20 to reduce pressures on 2019/20 budgets and additional net pressures in Children's of £1.3m (largely driven by known 2019/20 pressures from the original 2020/21 baseline). The £1m reduction in pressures is predominantly within Delivery, with the largest component being a reduction in energy cost pressures of c £0.4m, from £0.5m to £0.1m. This net change results from an increase in baseline energy cost pressures from £0.5m to £0.6m, offset by anticipated savings of £0.5m. Also contributing to this is a saving, in comparison to previous estimates, of £0.2m in respect of the Transport and Waste Levies.

- 3.20 Reductions in savings of £3m predominantly relate to: £1.2m for removal of pension strain savings already accounted for, £1m for a reduced assessment of the likely level of savings on LOBO loan renegotiations, a £0.5m reduction in contract review savings, a £0.2m reduction in provider efficiency savings in Adults, a £0.5m reduction in investment returns from cash flow investments and a further £0.5m reduction in savings from zero-based budgeting, offset by the addition of a new carbon reduction saving of (£0.4m) and an increase of (£0.5m) in anticipated salary capitalisation.
- 3.21 Beyond 2020/21, the net impact of the above changes in terms of their impact on future years generates an improvement of c £1m each year over the period 2021/22 to 2024/25 from estimates presented in December 2019.
- 3.22 Given the uncertainty around funding, the Council has assessed the MTFP gap for each year of the plan to increase to around £27m to £29m each year as a result of concerns around potential future funding reductions. As and when more information becomes available on future funding, the MTFP will be updated to reflect this and the Council will continue to contribute to consultations on any proposed funding changes.

### **BUDGET SAVINGS & PRESSURES**

- 3.23 The budget position for 2020/21 remains balanced and includes revised pressures of £37.5m, offset by savings of £29.9m. Further details of the individual components of these pressures and savings, changes in funding and the breakdown of the gap are shown in Appendix 1, along with a breakdown of budgets by Directorate
- 3.24 Achieving this balanced position for 2020/21 remains heavily dependent on demand for services remaining in line with the Council's latest assumptions – in key areas such as Adult and Children's social care - along with an ability to achieve planned asset disposals at their forecast values. This means that the financial position for 2020/21 is not without risk. Pressures and savings will need to be closely monitored through monthly budget monitoring activity to ensure that appropriate action is taken at the earliest opportunity to mitigate any risks which may materialise.
- 3.25 Adult Social Care is experiencing significant demographic growth. From 2017 to 2018, there has been a 3.2% increase in adults with Learning Disabilities and Mental Health issues and a 1.3% increase in older people requiring support. This trend is expected to continue from 2019 to 2020. The key activities being undertaken to mitigate this growth revolve around developing solutions which support individuals to remain independent for longer, and therefore, require less intensive, less expensive support. This has positive outcomes for the individuals and the services that support them. The Council is currently investing in and developing alternative care models, such as Extra Care housing, smart homes and investment in assistive technology but these activities require capital investment and will take a number of years to be fully implemented. As such, demand-related expenditure will remain an issue for the foreseeable future.
- 3.26 Children and Families is experiencing significant expenditure pressure due to growth in the number of children requiring care and the costs associated with the complexity

of their needs when they need residential care. Early intervention activity is designed to prevent children entering the care system, which has positive outcomes for children and families and is less costly to the Council. However, there is always likely to be a need for residential care and the existing environment is one of private care homes, which are costly. Proposals are in development with Liverpool City Region to provide a child-focussed, long term sustainable residential portfolio, where outcomes and resourcing can be managed. However, the positive impact of these proposals would only begin to materialise from 2021/22 onwards.

- 3.27 The proposed Directorate level budget for 2020/21 is for a total of £304.7m in comparison to a current budget of £288.5m for 2019/20, with the movements as summarised in Appendix 1.

### **SUSTAINABILITY OF USE OF ONE-OFF FUNDING**

- 3.28 In 2019/20, the expectation is that £26m of Earmarked Reserve funding for one-off initiatives and £12.4m of capital receipts funding from the sale of surplus assets for core expenditure will be used to support the budget.
- 3.29 This method of balancing a budget from one-off capital receipts is not sustainable in the long term and while short term funding can be generally used on a temporary basis to bridge gaps in the budget, permanent solutions continue to need to be found.
- 3.30 In 2020/21 the value of one-off funding being used to bridge the budget gap is around £6.4m (excluding school balances) of which £2.4m is expected to come from Earmarked Reserves and £4m is anticipated from capital receipts to offset transformational spend included in revenue budgets.
- 3.31 The key components of the £2.4m from Earmarked Reserves are £0.8m from the ring-fenced Public Health Outcome reserve and £1m from the Development Fund to support the revenue budget in Delivery. £5.6m of Schools' ringfenced reserves, used to support School budgets, is also being utilised.

### **INVESTMENTS**

- 3.32 Like other local authorities, the Council has worked in recent years to identify further opportunities to increase income and growth through capital investment. The Capital Programme can act as a catalyst to accelerate the pace and scale of regeneration and growth in the borough, encouraging market confidence, demand and growth from developers, inward investors and indigenous businesses, boosting the revenue potential of the Council through direct income and/or future increased business rate receipts.
- 3.33 Via a robust governance and assessment process, the Council will continue to provide a proportion of Capital Programme resources in support of the acquisition of properties (Strategic Acquisition Programme), viability gap funding for development costs (Wirral Waters Investment Fund) and business growth grants and loans (Business Investment Fund) to meet this aim. Key examples of this approach include capital grants to leverage external funding for Eureka! Mersey, strategic acquisitions within Birkenhead and New Ferry to support town centre regeneration plans and use



of the Wirral Waters Investment Fund to support public realm and green infrastructure at Tower Road South to unlock the potential of future housing, education and commercial developments within the Enterprise Zone.

- 3.34 The Council has also introduced a Community Wealth Building Strategy to co-ordinate and consolidate activities designed to make local economies fairer and retain wealth within Wirral. This strategy is designed to empower local communities to address the specific issues they face and take ownership of non-statutory Council services.
- 3.35 The Council has also historically secured significant resources through external funding routes in support of our original Wirral Plan pledges. Key examples include successful bids for European Structural Investment Funds to support employment support and investment activity, Mayoral Town Centre Fund and Future High Street Fund for town centre regeneration, and Housing Infrastructure Fund to drive housing growth. We will continue to prioritise submissions for external funding, City Region Devolved Investment Funds and Government initiatives where this maximises the resources of the Council and supports Corporate Plan priorities.
- 3.36 A commitment has also been given by the Council to continuing the legacy of The Borough of Culture activity which took place in 2019/20, funded in part by Liverpool City Region and grant funding.
- 3.37 Energy efficient buildings: The council currently spends £4.25 million p.a. on gas and electricity across its property portfolio and considers that there is scope to reduce this over time through training and investment in energy efficiency measures. This would also help meet the climate emergency goals. As a result, the Council:
- Aims to secure a non-domestic Energy Performance Certificate for all Council buildings by the end of 2020;
  - Will ensure that all staff have the opportunity to receive training on energy efficiency similar to the Affordable Warmth Briefing Sessions; and
  - Will invest £1m from the capital programme for physical changes that improve the energy efficiency of Council building stock, which will be funded from already negotiated lower energy tariffs.
- 3.38 Green construction: The Council has committed that construction for Birkenhead Commercial District will be to the 'Excellent' standard of the Building Research Establishment Environmental Assessment Method (BREEAM). However additional investment could provide elements of BREEAM's 'Outstanding' standard as part of the construction and/or ensure that renewable energy can be incorporated into the build. The Council is considering whether an additional 5% uplift of £1.7m on the total build costs of £33.65m could be provided to fund this. The impact of the increased investment for green construction would result in additional head lease payments for the Council for which savings would need to be found, potentially from reduced energy costs or income from renewable energy, and this will be recommended to the Wirral Growth Company Shareholder Board for consideration.

- 3.39 Investment in active travel: The budget, in tandem with the Climate Emergency declaration, is an opportunity to be far more assertive in achieving a decisive shift away from car travel towards greener alternatives. As part of the ambitious housing targets facing the Borough, the Council recognises that it needs to do much more in terms of building active travel networks that will make our existing and new communities more healthy, vibrant and more sustainable. The Council will commit that all of the monies received under the Liverpool City Region's Transport Plan for Growth will be exclusively reserved for spending on measures that support active travel in line with the Combined Authority's Transport Plan. Additionally, £1m of further capital investment over the next two years will be made for the implementation of a comprehensive, area-based, active neighbourhoods. This would link in with the New Brighton to Birkenhead Cycle Corridor which is due to be funded under the City Region Cycling and Walking Plan.
- 3.40 Forest Schools: Forest Schools is an initiative to help children from disadvantaged backgrounds to develop skills and confidence to help them achieve in a school environment. The courses, which last for ten weeks, have also been used to help parents gain confidence and build friendships and encourage families to take part in outdoor activities together. In 2019/20 Forest Schools funding ended, however the Council is investing £10k into Forest Schools for 2020/21 to enable the service to continue.
- 3.41 Biodiversity/Wildlife Corridors: The Council are leaving many verges un-mowed for much of the year and in other areas are sowing Royal Horticultural Society (RHS) approved wildflowers to encourage and nourish endangered pollinating insects such as hoverflies, moths, butterflies and bees. This has popular appeal among those with concerns over the biodiversity crisis. A formal programme is planned for 2020/21 although trials have already been undertaken at various sites including a number of roundabouts.

## **CONSULTATION OUTCOME**

- 3.42 In November 2019, Cabinet approved the financial proposals for consultation for the 2020/21 budget. The consultation took various forms and included:
- Budget survey questionnaire
  - 4 public events
  - 2 staff events
  - 4 Overview and Scrutiny workshops
- 3.43 As a result of the consultation responses, no changes were made to the draft proposals to bridge the budget gap for 2020/21. Details of the consultation feedback can be found at Appendix 2 and the full responses from the Overview and Scrutiny Committees appears in a separate paper elsewhere on the Cabinet agenda.

## **Commercial Strategy – Fees & Charges**

- 3.44 All fees and charges, including concessions, are reviewed as part of the Annual Budget setting process and a Directory of Council Fees and Charges is maintained on the Council website.
- 3.45 Directorates have examined their fees and charges and set them according to the circumstance of their services. No general inflationary increase has been applied as this is not conducive to market conditions in some areas. Any changes, including new charges and those linked to an agreed saving, have been incorporated into the Directory with changes in income targets reflected in the 2019/20 Budget. Appendix 2 provides detail.
- 3.46 Cabinet is asked to note the directory and give Delegated Authority to the Section 151 Officer to update the Directory as charges are finalised prior to publication before 1 April 2020.
- 3.47 Cabinet is also asked to agree to give delegated authority to the Portfolio Holder in consultation with the relevant Director and Section 151 Officer to vary existing fees and charges.

## **Treasury Management Activities**

- 3.48 Treasury Management activities relate to the management of the Council's cash flow, including the investment of sums held to generate income from interest e.g. through loans to other organisations to take advantage of cash flow timing opportunities.
- 3.49 Over recent years changes have been made to the amounts set aside to repay our future debt, called Minimum Revenue Provision. In making these changes we have saved millions of pounds to enable services to continue to be delivered. Further savings of £2.6m are included in the 2020/21 budget in relation to the Minimum Revenue Provision and savings of c £1m are estimated from activities such as re-negotiation of loans.

## **Council Tax**

- 3.50 The Cabinet approved agreed the Council Tax Base for use in 2020/21 on 19 November 2019. The number of properties is adjusted for the Local Council Tax Support Scheme (LCTRS) and other Council Tax Discounts, Exemptions and Disabled Relief and then converted to a Band D figure which is multiplied by the Collection Rate to give the Council Tax Base.

## Wirral Council Tax Band D calculation 2020/21

Band	Properties 2020	Changes due to LCTRS discounts, exemptions & disabled relief	Revised property equivalent	Ratio to Band D	Net Band D equivalent
A	60,270	(24,545)	35,725	6/9	23,817
B	32,505	(7,245)	25,260	7/9	19,647
C	27,484	(4,057)	23,427	8/9	20,824
D	13,402	(1,500)	11,902	9/9	11,902
E	8,266	(738)	7,528	11/9	9,201
F	4,325	(303)	4,022	13/9	5,810
G	3,155	(209)	2,946	15/9	4,910
H	273	(36)	237	18/9	474
Band A Disabled		69	69	5/9	38
Total	149,680	(37,951)	111,116		96,623
Collection Rate					x 97.25%
Adjusted Council Tax Base					93,965.9

- 3.51 The increase in the Council Tax-Base from 2019/20 to 2020/21, coupled with general inflationary increases and allowances for the Adult Social Care precept, is expected to result in increased Council Tax income of approximately £7.8 million in 2020/21. Wirral's share of Council Tax after the non-collection allowance is applied is expected to be £150.2m. This amount has been reflected in the 2020/21 Budget.
- 3.52 In terms of inflationary increases, the Government announced in the Local Government Finance Settlement that General Council Tax can increase by 1.99%. The Referendum threshold for general Council Tax increases is set therefore at 2% (the same as 2019/20) for 2020/21. The calculation of the Referendum 'trigger' amount is a comparison between overall Band D levels for 2019/20 and 2020/21 and includes levies.
- 3.53 The recent Local Government Finance Settlement also resulted in permission to include a 2% Adult Social Care Precept in 2020/21, over and above the inflationary increase of up to 2% and which is in line with 2019/20.
- 3.54 The decision on the level of Council Tax is made by Council in March. The current proposal for 2020/21 assumes that general Council Tax will increase by 3.99%, representing the inflationary increase of 1.99% plus the Adult Social Care Precept of 2%.

## **Setting the Council Tax Levels**

- 3.55 In setting the Council Tax the Council is required to have regard to the various determinations set out in the Local Government Finance Act 1992 as amended by the Localism Act 2011. The Council has to calculate a Council Tax requirement, set out the total amount of Council Tax for the different categories of dwellings and determine that the Council Tax for 2020/21 is not excessive and that a Referendum is not necessary.
- 3.56 The Statutory Calculations are to form part of the Cabinet recommendation to Council in respect of the Council element of the Council Tax bill. Any agreed increase will be considered against the principles determined by the Secretary of State under the Act (as amended) in determining whether a Referendum is required. This compares the Band D Council Tax for 2020/21 with that for 2019/20 for the Council's basic amount of Council Tax.
- 3.57 The precepts to the Council, issued by the Police & Crime Commissioner for Merseyside and by the Merseyside Fire & Rescue Service, in accordance with Section 40 of the Local Government Finance Act 1992 will be added to the Council element to set the Council Tax for Wirral for 2020/21. In 2020/21 the Liverpool City Region Combined Authority (LCR CA) will also continue to levy a precept for the LCR CA Mayoral precept.

## **Business rates**

- 3.58 Business Rates are payable by businesses based on the rateable value of the premises they occupy, which is calculated according to how much rent the premises would achieve if rented out. Valuations are carried out by the Valuation Office Agency on a five-year cycle and the latest valuation list applies from 2017. The Council is responsible for calculating actual rates bills and for collecting rates and use the rateable value in working out how much a business will have to pay. The actual rates bill is calculated by applying the rate multiplier (a rate in the pound) to the rateable value and then deducting any reliefs that are applicable.
- 3.59 Whilst presenting opportunities, the localisation of Business Rates brings additional risks to the Council's financial position because of its complexity and volatility. The forecast income to the Council has to be reflected in the Council Budget. The amount received may fluctuate due to a number of reasons including:
- Appeals against rating decisions. Dealt with by the Valuation Office Agency and can be large and backdated a number of years;
  - Changes in liability relating to changes in occupancy;
  - Changes in building use;
  - Alterations to buildings size and layout;
  - Demolitions and new builds;
  - Actions to avoid full liability including empty property / charitable reliefs; and
  - Assessment of bad and doubtful debts.

- 3.60 The Cabinet are asked to approve the Discretionary Rate Relief Policy for Business Rates for 2020/21. The policy has been updated to include the following:
- The existing discount of £1,500 for office space occupied by local newspapers ceases at the 31st March 2020. The government may extend this for a further twelve months. The policy is worded so that this relief will continue if extended and funded fully by the government before the 1st April. The relief has been fully funded via Section 31 Grant for the past 3 years;
  - The removal of reference to the relief for standalone Public Toilets as this legislation was not introduced;
  - The continuation of the existing Discretionary Rate Relief Scheme for business that faced significant increases in their Business Rates as a consequence of the 2017 revaluation. For 2020/21 a £1,000 relief will be applied to the bill for the 15 locally based businesses which have experienced the highest increase in rates payable between 2019/20 and 2020/21. This is the final year of the relief and is fully funded via Section 31 Grant; and
  - Subject to legislation, there will be a new relief for public houses from April 2020. Where there are occupied public houses with a rateable value of £100,000 or less the total amount of relief up to £1,000 will be awarded for 2020/21. European State Aid de minimis rules apply to pub chains and they will be asked if they want to claim the relief, whereas individual pubs will be granted the relief automatically. This relief is fully funded by Section 31 Grant.
- 3.61 A copy of the updated Discretionary Rate Relief Policy is included at Appendix 4.
- 3.62 The surplus/deficit in 2020/21 being allocated to Wirral Council 99% and to Merseyside Fire and Rescue Service 1%. This reflects the operation of the LCR Business Rate Pilot Scheme. A declaration of an estimated surplus or deficit for the 2019/20 financial year together with a forecast for 2019/20 had to be submitted to the Government by 31 January 2020. The forecast Business Rates income for 2020/21 shows that the receipts to the Council will increase by £1.5 million from the 2019/20 levels.
- 3.63 Since April 2013 the Government has implemented changes to reliefs and also capped the Rates increase at below the inflation rate. To compensate local authorities for these decisions the Government has allocated Councils a Section 31 Grant. An announcement regarding the grant for 2020/21 is awaited from Government.
- 3.64 The uncertainties that surrounded the operation of and funding of the Business Rates Pilot across the Liverpool City Region plus the Revaluation in 2017 have reduced through 2019/20 as it has become established. Whilst this does remain a complex and volatile area of income it is felt that this has reduced since last year and the earmarked reserve to mitigate against the financial implications in yields from

Business Rates may be reduced. Details of this are contained detailed later in the report.

## **LEVIES AND LIVERPOOL CITY REGION COMBINED AUTHORITY**

- 3.65 There is a statutory requirement to agree the levies for 2020/21 before 14 February 2020 in respect of transport and waste. The allocation mechanism for both bodies means that there will be variations for individual authorities as the Waste Levy reflects relative tonnages and the Transport Levy reflects relative populations.
- 3.66 The Liverpool City Region Combined Authority considered the recommendations from the Merseytravel Committee on 16 January 2020. In overall terms the Transport Levy has increased from £95.4m to £97.4m, representing an increase of 2.1%, with Wirral's share of the costs increasing by c £0.4m to £22.1m. This increase reflects some of the financial challenges faced by Merseytravel, primarily arising from pay and contract inflation and reductions in Special Rail Grant.
- 3.67 The Merseyside Recycling & Waste Authority will meet on 7 February 2020 to agree the final Levy for 2020/21. However, the proposed Levy for Wirral is £17.4m, representing an increase of £0.2m (1.2%) on the 2019/20 charge of £17.2m and this value has been included in the latest budget proposal for 2020/21.
- 3.68 The Waste Authority released the Waste Development Fund to constituent authorities during 2014/15. The use of this 'one-off' resource is subject to compliance with conditions set out in a Memorandum of Understanding. The Council Budget includes the release of £1 million to support waste service provision in 2020/21.

## **LEVEL OF GENERAL FUND BALANCES**

- 3.69 The level of General Fund Balances and reserves are key components of the Council's financial management and sustainability. Both need to be maintained at sufficient levels to ensure that unforeseen financial pressures can be met without jeopardising the viability of the Council.
- 3.70 The Council has a statutory duty to determine the level of General Fund Balances and reserves it maintains before it decides on the level of Council Tax. The level of balances should be based on the Council's own specific circumstances. The financial future for the Council continues to be challenging and a number of major uncertainties remain. In determining the appropriate level of reserves, the Section 151 Officer has assessed a number of factors. This takes account of the strategic, operational and financial risk factors facing the Council. This approach is supported by Grant Thornton (the Council's external Auditors) and by CIPFA (the professional body which issues the guidance in this area).

### **Summary of the Assessed Level of General Fund Balances**

	<b>2019/20</b>	<b>2020/21</b>
	<b>£m</b>	<b>£m</b>
Assessed at February 2018	10	10

£10m of general fund balances represents c 3% of the Council's new revenue budget.

## **REVIEW OF EARMARKED RESERVES**

- 3.71 Resources set aside for specific purposes as Earmarked Reserves should be established and used in accordance with the purposes intended. The levels of Earmarked Reserves have been reviewed and, where there are no robust plans in place for the use of the reserve, these balances have been drawn down to support the 2020/21 budget.
- 3.72 The anticipated level of Earmarked reserves at the end of 2019/20 is expected to be around £32m. The main reserves that make up this amount are:

Insurance Fund (for self-insurance)	£7.6m
Business Rates Equalisation	£6.2m
Schools Balances (only allowed to be used by schools)	£5.6m
Housing Benefit	£2.2m
Waste Development Revenue Fund	£1.1m
Public Health & Better Care Fund	£0.8m

## **ROBUSTNESS OF THE ESTIMATES**

- 3.73 Under Section 25 of the Local Government Act 2003, the Authority's Chief Financial Officer (the Section 151 Officer) is required to report on the robustness of the estimates made for the purposes of the Council's Budget calculations and the adequacy of the General Fund Balances and Reserves.
- 3.74 Appendix 5 sets out the requirements and the actions taken by the Council in relation to the Robustness of both the Revenue Estimates and the Capital Programme. It contains an assessment of the key issues in relation to demonstrating how the legal requirements have been met.

## **4.0 FINANCIAL IMPLICATIONS**

- 4.1 The financial implications of the 2020/21 budget and updates to the MTFP are as detailed in the above sections of this report.

## **5.0 LEGAL IMPLICATIONS**

- 5.1 The Council is required to agree a budget for 2020/21 by 10 March 2020. As part of agreeing the budget, the Chief Financial Officer is required under Section 25 of the Local Government Act 2003 to produce a report on the robustness of the estimates made for the Council budget.



5.2 The duty of the Council is to avoid a budget shortfall and to ensure that this is not just an academic exercise in balancing the books. The Chief Financial Officer of a Local Authority has a personal duty, under the Local Government Finance Act 1988 Section 114A, to make a report to the Executive if it appears that the expenditure of the authority incurred (including expenditure it is proposed to incur) in a financial year is likely to exceed the resources (including sums borrowed) which are available to meet that expenditure.

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

6.1 Investment in ICT continues in accordance with the development and implementation of Digital requirements. In respect of assets, the Council continues to review its estate, working with partners in order to maximise both investment and rental income and the generation of capital receipts from the release of surplus assets.

## **7.0 RELEVANT RISKS**

7.1 The Council's ability to close the funding gap is highly dependent on the accuracy of assumptions used for Government funding and levies from other bodies, as well as demand estimates for Council services. As the Local Government Finance Settlement only covers one year, the uncertainty around future funding over the MTFP period remains high.

7.2 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.

7.3 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.

7.4 The budget for 2020/21 is reliant on the generation of future capital receipts, which is sensitive to the fluctuations in the property market and changes in land values. If planned disposals do not take place or can only be achieved at reduced prices, this will create a funding pressure for which further mitigation would need to be sought.

7.5 There is also a risk that agreed savings will not be delivered or will be delayed. Progress on delivery of agreed savings will be monitored using Budget Monitoring reports presented to Cabinet. As such the Council continues to hold a General Fund reserve of £10m. This represents a minimum level of contingency to support the organisation if savings cannot be delivered and no other options for mitigation can be identified.

7.6 The Council's ability to use one-off funding to bridge funding gaps has reduced significantly over recent years and is only a temporary solution. Longer term, the Council continues to work towards permanent solutions to replace the need for one-off funding.

7.7 The Robustness Statement required under Section 25 of the Local Government Act provides assurance from the Section 151 Officer of the deliverability and sustainability of the Estimates as well as the adequacy of the level of reserves and balances. This is documented in Appendix 5.

## **8.0 ENGAGEMENT/CONSULTATION**

8.1 Following Cabinet on 23 December 2019, the required consultation and engagement with residents, partners and stakeholders has been undertaken. A summary of responses can be found at Appendix 2.

8.2 The outcome of scheduled meetings with Overview and Scrutiny Committees to discuss budget proposals are also included in a separate report to Cabinet, to be presented alongside this report.

8.3 The Council has also worked with staff and Trade Unions where required to ensure obligations in relation to statutory staff consultation is delivered appropriately and within agreed guidelines.

8.4 The majority of this year's financial proposals can be implemented without changing existing Council policies and procedures, as they do not impact on public facing services and do not require wider public consultation.

8.5 Should any financial proposals agreed by Cabinet require specific consultation, the Council will commence appropriate consultation directly with any service users and stakeholders who are affected and will feedback their views before final decisions are taken.

## **9.0 EQUALITY IMPLICATIONS**

9.1 It is recognised that some of the developing proposals could have equality implications. Any implications will be considered and any negative impacts will be mitigated where possible.

9.2 Equality implications will be assessed during planning, decision and implementation stages and will be recognised as an ongoing responsibility. Equality issues will be a conscious consideration and an integral part of the process.

## **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

10.1 The content and/or recommendations contained within this report are expected to have no impact on emissions of CO<sub>2</sub>.

**REPORT AUTHOR:** Shaer Halewood  
Director of Finance & Investment  
telephone: 0151 691 8688  
email: [shaerhalewood@wirral.gov.uk](mailto:shaerhalewood@wirral.gov.uk)

## BACKGROUND PAPERS

Appendix 1 – 2020/21 Budget Overview

Appendix 2 – Budget 2020/21: Consultation findings

Appendix 3 – Fees and Charges 2020/21

Appendix 4 – Discretionary Rate Relief Policy for Business Rates for 2020/21

Appendix 5 – Chief Financial Officer Statement (Robustness of Estimates)

Appendix 6 – Medium Term Financial Strategy & Financial Resilience Plan

Appendix 7 – Corporate Risk Register

## SUBJECT HISTORY (last 3 years)

Council Meeting	Date
<b>Council:</b> <ul style="list-style-type: none"><li>- Wirral Plan 2025</li></ul>	14 October 2019
<b>Cabinet:</b> <ul style="list-style-type: none"><li>- Revenue Budget 2020/21 &amp; Medium Term Financial Strategy 2021/22 to 2024/25</li></ul>	23 December 2019
<ul style="list-style-type: none"><li>- Medium Term Financial Strategy 2019-20 – 2022/23</li></ul>	16 July 2018
<ul style="list-style-type: none"><li>- Revenue Budget 2019/20 &amp; Medium Term Financial Strategy 2019/20 to 2022/23</li></ul>	19 February 2018
<b>Council:</b> <ul style="list-style-type: none"><li>- Revenue Budget 2019/20 &amp; Medium Term Financial Strategy 2019/20 to 2022/23</li></ul>	4 March 2019

# APPENDIX 1 – BUDGET OVERVIEW

## 2020/21 BUDGET PRESSURES

Directorate	Description	Value £m	Perm/ Temp
<b>Adult Care &amp; Health</b>			
Demand Factors	Increasing demand and acuity in care packages in Adult Social Care	3.80	P
Contract Increases	Agreed increase for contracts with Cheshire & Wirral Partnership	0.17	P
Contract Increases	Agreed increase for contracts with Wirral Community Foundation Trust	0.27	P
Demographic Growth	Additional demand associated with increasing population	1.91	P
Fee Rate Increase	Increased provider free rate associated with the actual cost of care	3.00	P
Specialist Fee Rate Increase	Increased provider free rate associated with the actual cost of care	0.65	P
ACH reserve	Replacing adult care & health one off reserves	3.60	P
<b>Total Adult Care &amp; Health</b>		<b>13.40</b>	
<b>Children &amp; Families</b>			
EDT	Increased costs relating to the resourcing of the Emergency Duty Team (out of hours service)	0.14	P
EHPHA	Contractual increased for Environmental Port Health Authority	0.09	P
Residential Placements	Increased costs of additional forecast looked after children and fee increases	2.80	P
Demand Factors	Increasing demand and acuity in care packages in Adult Social Care	1.33	P
SEN support	Matched European Social Funding	0.22	P
SEN assessments	Additional posts estimate	0.12	P
PFI	Estimated PFI affordability gap inflation	0.18	P
Schools contribution	Reduced Schools contribution to combined budgets	0.18	P
Wirral Attendance Service	Costs of Wirral Attendance Service	0.17	P
Troubled Families	Grant reduction to support Troubled Families programme	0.89	P
<b>Total Children &amp; Families</b>		<b>6.10</b>	
<b>Delivery Services</b>			
Assisted Travel	Costs associated with growth in demand for assisted travel	0.29	P
Market Income	Reduction in income from Birkenhead Market	0.17	P
Barrowman	Street cleansing barrowman	0.20	P
Car Parking	Reduction in income from supermarket car parking	0.30	P
Energy	Net increase in energy costs of Council owned buildings	0.14	P
Garden Waste Recycling	Decreased income from household for garden waste recycling take-up	0.12	P
Golf Courses	Reversal of the transfer of two golf courses to expert provider	0.11	P
Enforcement	Loss of income from termination of enforcement contract	0.50	P
Leisure Income	Reduction of income from take up of leisure centre facilities	0.43	P
Waste Contract Inflation	Contractual inflation on waste management contract	0.11	P
Winter Maintenance	Additional costs of winter gritting	0.08	P
Waste Levy	Contractual increases on the Merseyside Waste Development Levy	0.20	P
Health and Safety	Additional works required to ensure Health & Safety standards are met	0.10	P
PFI Support	Additional resources to support PFI contract	0.05	P
<b>Total Delivery Services</b>		<b>2.80</b>	
<b>Business Management</b>			
Coroners Service	Additional demand and legacy cost increases	0.27	P
New Committee System	Additional cost associated with moving to a Committee System	0.10	P
Housing Benefit Grant	Reduction in Government Housing Benefit Administration Grant	0.60	P
Grads & Apprentices	Funding for graduates and apprenticeship scheme for cohort II	0.39	P
Traded Services Income	Legacy of unachievable income from traded services	0.39	P
Communications	Unachievable income from advertising	0.05	P
Business Improvement	Carry forward of expected 19/20 underspend to 20/21	1.19	T
<b>Total Business Management</b>		<b>2.98</b>	
<b>Economic and Housing Growth</b>			
Wirral Growth Company	Re-phased income from regeneration developments	5.45	P
Transport Levy	Increase in Merseytravel Transport Levy costs	0.46	P
Planning Posts	Additional posts in Planning Department	0.30	P
Regeneration Growth	Investment for regeneration to generate future income	0.50	P
Regen Posts	Funding for new posts	0.30	P
Local Plan	Posts associated with local plan	0.40	P
<b>Total Economic &amp; Housing Growth</b>		<b>7.41</b>	
<b>Cross Cutting &amp; Corporate</b>			
Welfare Assistance	Additional resource for the Local Welfare Assistance Scheme	0.20	P
Climate Emergency	Investment to support Climate Emergency Declaration	0.25	P
Staff Pay Award	Increased resources to meet the notional staff pay rise	2.88	P
Capital Financing	Cost of financing the Capital Programme	1.00	P
Culture Events	Underpinning of cultural events programme following Borough of Culture Year	0.50	P
<b>Total Cross Cutting &amp; Corporate</b>		<b>4.83</b>	
<b>Total Pressures</b>		<b>37.52</b>	

## APPENDIX 1 – BUDGET OVERVIEW (continued)

### 2020/21 BUDGET SAVINGS

Directorate	Description	Value £m	Perm/ Temp
<b>Adult Care &amp; Health</b>			
New Housing	Housing for Independence including Extra Care Housing	0.50	P
Better use of technology	Use of Technology to increase Independence and reduce falls	0.50	P
Review of Care	Care Package Review for Independence	2.30	P
Provider efficiencies	Wirral Evolutions increasing employment and reducing cost	0.25	P
Financial Assessment	Use of Electronic Financial Assessments to ensure accelerated income collection times	0.20	P
<b>Total Adult Care &amp; Health</b>		<b>3.75</b>	
<b>Children &amp; Families</b>			
Looked After Children	Managed movement of looked after children from high cost services to lower cost/better outcomes	1.27	P
<b>Total Children &amp; Families</b>		<b>1.27</b>	
<b>Delivery Services</b>			
3G Pitches	Additional income from use of new 3G pitches	0.10	P
Marine Lake	Lease of Marine Lake food and drink offer	0.10	P
LED Lighting	Reduction in energy costs from low energy LED Street Lighting	0.13	P
Release of Leases	Cost reduction as a result of exiting leased office accommodation	0.03	
<b>Total Delivery Services</b>		<b>0.36</b>	
<b>Cross Cutting &amp; Corporate</b>			
Minimum Revenue Provision	Reduction in the amount set aside for the future repayment of debt	2.59	P
Pensions Valuation	Reduction in employers pension contributions following the triennial valuation	7.29	P
Cash Flow Investments	Investing in ethical and commercial opportunities	1.50	P
Lobo refinancing	Interest rate savings from refinancing of high interest legacy loans	1.00	P
New Council Model	Council wide structural modernisation model	5.00	P
Contracts review	Reduction in cost from renegotiating/ceasing council wide contracted supply	4.55	P
Carbon reduction	Expected savings from carbon reduction schemes	0.35	P
Zero based budgeting	Expected cost reductions from the introduction of zero based budgeting	0.64	P
Capitalisation of salaries	Capitalisation of staff costs associated with project activity	1.55	P
<b>Total Cross Cutting &amp; Corporate</b>		<b>24.48</b>	
<b>Total Savings</b>		<b>29.85</b>	

## APPENDIX 1 – BUDGET OVERVIEW (Continued)

### 2020/21 BUDGET GAP

<b>2020/21 Funding:</b>		<b>£m</b>
	2020/21 Council Tax	146.66
	Adult Social Care Precept	2.85
	Additional Council Tax from 19/20	1.50
	Change in CTRS	(0.80)
	Business Rates	70.68
	Section 31 Grants	12.46
	Top up Grant	34.38
	Better Care Fund	18.67
	Additional business rates from 19/20	2.00
	New Homes Bonus	0.54
	Social Care Support Grant	11.26
	Capital receipts	4.50
<b>Total 2020/21 Funding</b>		<b>304.70</b>

<b>2020/21 Budget:</b>	Budget 19/20	285.21
	Add: 20/21 Pressures	37.52
	Less: 20/21 Savings	(29.85)
	Plus:	
	2019/20 unachieved savings	6.03
	Transfer of Adults grant income to Funding	2.30
	Budget increase from funding transfer	3.50
<b>Total budget 20/21</b>		<b>304.70</b>

<b>Budget Gap/(Surplus)</b>		<b>0.00</b>
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## APPENDIX 1 – BUDGET OVERVIEW (Continued)

### 2020/21 BUDGET BY DIRECTORATE

2020/21 Budget by Directorate	Economic & Housing Growth	Business Management	Delivery Services	Children & Families	Adult Care & Health	Cross Cutting & Corporate	Total
	£m	£m	£m	£m	£m	£m	£m
<b>Budget 2019/20</b>	<b>31.06</b>	<b>19.95</b>	<b>53.59</b>	<b>94.59</b>	<b>95.49</b>	<b>(5.97)</b>	<b>288.71</b>
Pressures	7.41	2.98	2.80	6.10	13.40	4.83	37.52
Savings	-	-	(0.36)	(1.27)	(3.75)	(24.48)	(29.85)
Transfer of Adult Social Care Grant Income to Funding					2.30		2.30
19/20 savings not realised						6.03	6.03
<b>Budget 2020/21</b>	<b>38.27</b>	<b>21.11</b>	<b>55.69</b>	<b>98.82</b>	<b>106.15</b>	<b>(15.34)</b>	<b>304.70</b>
<b>Pressures:</b>							
Transport Levy	0.46						0.46
Wirral Growth company	5.45						5.45
Local Plan	0.40						0.40
Planning Posts	0.30						0.30
Regeneration Posts	0.30						0.30
Regeneration Growth	0.50						0.50
Traded Services Income		0.39					0.39
Coroners Service		0.27					0.27
Business Improvement		1.19					1.19
Graduates & Apprentices		0.39					0.39
Communications		0.05					0.05
New Committee System		0.10					0.10
Housing Benefit Grant		0.60					0.60
Waste Contract Inflation			0.11				0.11
Car Parking			0.30				0.30
Leisure Income			0.43				0.43
Energy			0.14				0.14
Enforcement			0.50				0.50
Market Income			0.17				0.17
Assisted Travel			0.29				0.29
Winter Maintenance			0.08				0.08
Barrowman			0.20				0.20
Garden Waste Recycling			0.12				0.12
Golf courses			0.11				0.11
Health and Safety			0.10				0.10
Waste Levy			0.20				0.20
PFI Support			0.05				0.05
Residential Placements - Rate Increases				2.80			2.80
Troubled Families				0.89			0.89
EDT - Emergency Duty Team				0.14			0.14
Demand Factors				1.33			1.33
SEN Assessments				0.12			0.12
PFI				0.18			0.18
EHPHA - Environmental Health Port Health Authority				0.09			0.09
Schools Contribution				0.18			0.18
SEN support				0.22			0.22
Wirral Attendance Service				0.17			0.17
Fee Rate Increase					3.00		3.00
Specialist Fee Rate Increase					0.65		0.65
Contract Increases - Wirral Community Foundation Trust					0.27		0.27
Contract Increases - Cheshire & Wirral Partnership					0.17		0.17
Demographic Growth					1.91		1.91
Demand Factors					3.80		3.80
ACH Reserve					3.60		3.60
Staff Pay Award						2.88	2.88
Welfare Assistance						0.20	0.20
Climate Emergency						0.25	0.25
Capital Financing						1.00	1.00
Culture Events						0.50	0.50
<b>Pressures total</b>	<b>7.41</b>	<b>2.98</b>	<b>2.80</b>	<b>6.10</b>	<b>13.40</b>	<b>4.83</b>	<b>37.52</b>
<b>Savings:</b>							
3G Pitches			(0.10)				(0.10)
Marine Lake			(0.10)				(0.10)
Release of Leases			(0.03)				(0.03)
LED Lighting			(0.13)				(0.13)
Looked After Children				(1.27)			(1.27)
New Housing					(0.50)		(0.50)
Better Use of Technology					(0.50)		(0.50)
Review of Care					(2.30)		(2.30)
Financial Assessment					(0.20)		(0.20)
Provider Efficiencies					(0.25)		(0.25)
New Council Model						(5.00)	(5.00)
Contracts Review						(4.55)	(4.55)
Zero Based Budgeting						(0.64)	(0.64)
Capitalisation of Salaries						(1.55)	(1.55)
Carbon Reduction						(0.35)	(0.35)
Minimum Revenue Provison						(2.59)	(2.59)
Cash Flow Investments						(1.50)	(1.50)
Lobo Refinancing						(1.00)	(1.00)
Pensions Valuation						(7.29)	(7.29)
<b>Savings total</b>	<b>-</b>	<b>(0.00)</b>	<b>(0.36)</b>	<b>(1.27)</b>	<b>(3.75)</b>	<b>(24.48)</b>	<b>(29.85)</b>