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POLICY AND RESOURCES COMMITTEE

Wednesday, 15 February 2023

Present: Councillor J Williamson (Chair)

Councillors	T Anderson	P Stuart
	P Gilchrist	H Cameron
	P Cleary	L Rennie
	EA Grey	J Bird
	T Jones	M Booth
	Y Nolan	K Hodson
	J Robinson	J Johnson

87 WELCOME AND INTRODUCTION

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

88 APOLOGIES

No apologies for absence were received.

89 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

Members were asked to declare any disclosable pecuniary interests and any other relevant interest and to state the nature of the interest.

Councillor Phil Gilchrist declared a personal interest as a governor of a school with a PFI contract.

90 MINUTES

Resolved – That the minutes of the meeting held on 18 January 2023 be approved as a correct record.

91 PUBLIC QUESTIONS

The Chair reported that five questions had been received under Standing Order 10.

Jenny Carter asked the Chair whether the future budget process could be coproduced with Together All Are Able. In response, the Chair acknowledged the importance of ensuring all resident can take part in the budget consultation, and outlined that the exceptional scale of the challenge and timetable for the setting of the 2023/24 budget restricted some of what was able to be achieved. It was intended to better build accessibility into the

timetable for future years and Together All Are Able were thanked for their offer of support, and the work they did in the community.

Brenda Ashton asked the Chair how residents could be assured that street cleansing and issues relating to fly-tipping could be addressed given press coverage around the prospect of a reduction in services. In response, the Chair outlined that the previously proposed reduction in street cleansing had not been included in the budget proposals presented to Policy & Resources Committee and expressed concern at any reduction in such a vital service.

Councillor Angie Davies outlined the community value of the Leasowe Adventure Playground to the local community and asked the Chair whether the Policy & Resources Committee would support the campaign to 'Save the Addy' and support the play scheme remaining open. In response, the Chair outlined her support for the 'Addy' and pledged that her group would support keeping it open, as proposed in the budget for consideration by Policy and Resources Committee.

Councillor Helen Collinson asked the Chair whether the services and facilities in Birkenhead Town Centre such as the Central Library, the Hive and the therapeutic services delivered in the Pilgrim Street Centre would be protected given their positive impact on communities and role in supporting the regeneration of the Town Centre. In response, the Chair welcomed the regeneration programme in Birkenhead and expressed her will to keep the services mentioned open.

Councillor Paul Martin asked the Chair for reassurance to local residents that Wallasey Central Library was being protected now and in the future. In response, the Chair outlined how Wallasey was well served by the Central Library and that her group would be voting to preserve vital services including the Library.

92 **STATEMENTS AND PETITIONS**

The Chair reported that two petitions had been received in respect to Wallasey Central Library.

Barbara Hardcastle spoke to her petition of 3,100 signatures which had been collected in a matter of weeks signifying the passionate support to retain a library service within Wallasey Central Library. Barbara outlined all of the services that were delivered to the community within the library above and beyond access to books and computers including clubs and volunteer events, and detailed how accessible the library was as well as its links with local primary schools. A query was raised in relation to Co2 levels and capacity which the Chair indicated a written response would be provided to.

Councillor Sue Powell-Wilde spoke to her petition which she reported had over 2900 signatures across a virtual and paper petition which represented the strong feeling of residents against any potential closure of Wallasey Central Library. Councillor Powell-Wilde outlined the fundamental role libraries played in society and questioned why libraries were originally identified as a potential saving. The Chair thanked Councillor Powell-Wilde for representing the Wallasey community and putting forward a case for why the library should not relocate.

93 **QUESTIONS BY MEMBERS**

The Chair reported that no questions by members had been submitted.

94 **The order of business was altered to consider Agenda Item 6c next BUDGET AND MEDIUM TERM FINANCIAL STRATEGY 2023/24**

The Director of Finance introduced the report which set out the draft budget for 2023/24 as proposed by the Leader of the Council for approval by Policy and Resources Committee and onward recommendation to Council on 27 February 2023 to fulfil the legal obligation on Members of the Council to set a balanced and sustainable budget for 2023/24.

The Director of Finance outlined that the proposal left the Council with £13m of unearmarked reserves and that it was essential to rebuild those reserves as part of the Medium Term Financial Strategy in future years alongside close monitoring of the budget in-year to avoid overspends, particularly given the limited scope there was within the proposed budget to manage in-year pressures. It was further outlined that the final Local Government Settlement figure had now been arrived at with £135,000 additional funding which was proposed to be added to the reserves.

It was then moved by Councillor Jannette Williamson, seconded by Councillor Jean Robinson, that the officer recommendations as detailed in the report be approved, subject to the following addition to be referred to the Council meeting –

“That the additional funds of £135,000 arising from the final settlement are allocated as follows:

£41k be invested in specialist, complex investigation work to support Children’s social care cases where there are multiple victims or perpetrators.
£94k be invested by not taking the following four budget options that fall within the Environment, Climate Emergency and Transport Committee in respect of:

- The review of bulky waste (ERIC) collection service £10k
- The Environmental Health Service Review £40k
- The reduction in the recycling promotional budget £20k
- The reduction in Waste & Environmental Services budget £24k”

The Committee debated the motion at length with particular discussion taking place regarding the proposed 4.99% Council Tax increase and the number of other Local Authorities proposing a similar increase. Following questions by members, the Section 151 Officer confirmed that he was satisfied that sufficient allowances had been made for inflationary costs and that the proposals would enable a balanced and sustainable budget for 2023/24.

At 19:38pm, the Chair adjourned the meeting to enable discussion within Political Groups to take place on the proposal.

The Committee resumed at 19:47pm.

The motion was then put to the vote. It was –

Resolved (9:6) That –

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

- (2) the response to the financial proposals forming a draft budget for the purposes of consultation under section 65 of the Local Government Finance Act, set out as below be noted:**
 - Appendix 1 Budget Proposals**
 - Appendix 2 Budget consultation**
 - Appendix 3 Policy & Service Committee budget proposals feedback**
 - Appendix 4 The Dedicated Schools Grant Schools Budget**
 - Appendix 5 Provisional Council Tax Statutory Calculations**
 - Appendix 6 Discretionary Rate Relief Policy**
 - Appendix 7 Medium-Term Financial Strategy**
 - Appendix 8 Budget proposal changes since January 2023**
 - Appendix 9 Council Tax Base Calculation Process and Associated Background Information**
 - Appendix 10 Budget Workshop Outcomes**

- (3) the measures being developed to moderate the impact of the present economic conditions on the Borough and the people who live and work in Wirral be noted, including the intention to carry forward a sum of £113,000 as part of financial year-end processes to assist the residents of the Borough in dealing with cost-of-living pressures.**

(4) a Revenue Budget of £366.47m be recommended to Council, noting that the Section 151 Officer in liaison with the Monitoring Officer and Head of Paid Service may need to make adjustments to the Budget estimates before the preparation of final reports for Full Council on 27 February 2023.

(5) Accordingly it be recommended that Council:

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

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

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

c) Approve the Discretionary Rate Relief Policy for Business Rates for 2023/24 set out as Appendix 6.

d) Approve that Unearmarked Reserves (General Fund Balances) is maintained at a figure not lower than £13.18m for the course of the 2023/24 financial year.

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

f) Approve the 2023/24 Schools Budget of £337.017m

(6) (subject to a separate vote at Council) that Council:

a. Sets the Band D Council Tax at £1,798.48 for the Wirral Borough Council element of the Council Tax, representing a general increase of 2.99% and 2.00% ringfenced increase to Adult Social Care, and the Council Tax requirement for the Council's own purposes for 2023/24 of £171.9m as detailed in Appendix 5.

b. Note that the additional precepts from the Police & Crime Commissioner for Merseyside and the Merseyside Fire & Rescue Authority remain in estimated form and delegates authority to the Section 151 Officer to implement any variation to the overall council tax arising from the final notification of the precepts.

(7) That the additional funds of £135,000 arising from the final settlement are allocated as follows:

£41k be invested in specialist, complex investigation work to support Children's social care cases where there are multiple victims or perpetrators.

£94k be invested by not taking the following four budget options that fall within the Environment, Climate Emergency and Transport Committee in respect of:

- **The review of bulky waste (ERIC)collection service £10k**
- **The Environmental Health Service Review £40k**
- **The reduction in the recycling promotional budget £20k**
- **The reduction in Waste & Environmental Services budget £24k**

95 **REVENUE BUDGET MONITORING Q3**

The Director of Finance introduced the report which set out the financial monitoring information for the Council as at Quarter 3 (31 December) of 2022/23 and provided an overview of budget performance, including progress on the delivery of the 2022/23 saving programme and a summary of reserves and balances, to enable the Committee to take ownership of the budgets and provide robust challenge and scrutiny to Officers on the performance of those budgets.

It was reported that at the end of Quarter 3, there was a forecast adverse position of £12.36m on the Council's net revenue budget, of £330.58m. The position had deteriorated by £1.36m since Quarter 2 due to the continued trend of increasing numbers of children in care, particularly young people placed in high-cost residential settings and the loss of Housing Benefit Subsidy.

A discussion ensued on the number of invoices paid without a purchase order having been raised and the Monitoring Officer's view was sought on the legality of a motion for no payments to be made without a purchase order. Advice was given that the impact could not be substantiated and that statutory services often required invoices to be paid without a purchase order.

It was moved by Councillor Tom Anderson, seconded by Councillor Lesley Rennie, that 'From 1 June 2023, the Council does not pay any invoices without a Purchase Order, with a 6 month exemption for statutory services.'

Further to the motion, the Section 151 Officer explained that the proposed June 2023 deadline would be difficult to achieve without presenting a risk to the operation of the Council and sought the mover of the motion's view on delaying the deadline for a further six month period, to enable the submission of a report back to Committee on this matter. The mover of the motion indicated that he did not wish to amend the original motion.

Councillor Phil Gilchrist indicated that he wished to move an amendment so that officers report back to the Committee on the delivery of the new ERP system before a decision was taken. The Monitoring Officer advised that this risked negating the motion moved by Councillor Anderson.

The motion as originally moved was then put the vote and the motion was lost (6:9).

It was then moved by Councillor Phil Gilchrist, seconded by Councillor Paul Stuart, that further to the recommendations detailed in the report, the following addition be considered, that 'in light of the responses from officers, officers report as early as possible to committee on the way that the new ERP system will correct deficiencies and provide further security to reduce the risk to the Council.'

Councillor Tom Anderson indicated that he was supportive of the motion and proposed a friendly amendment to the motion, so that it included an additional sentence to read "and report to Policy and Resources Committee on a regular basis the amount of invoices paid without a purchase order, with a plan of action to come in no later than September 2023."

Councillor Phil Gilchrist indicated he did not wish to accept the amendment as friendly and that the amendment should be voted on instead.

Councillor Lesley Rennie seconded the amendment. The amendment was then put to the vote and was carried (unanimously).

The substantive motion was then voted on and carried (unanimously). It was therefore –

Resolved – That

- (1) the forecast adverse position of £12.362m presented at Quarter 3, alongside the proposed mitigation at year end to eliminate the shortfall be noted.**
- (2) the progress on delivery of the 2022/23 savings programme at Quarter 3 be noted.**
- (3) the forecast level of reserves and balances at Quarter 3 be noted.**
- (4) in light of the responses from officers, officers report as early as possible to committee on the way that the new ERP system will correct deficiencies and provide further security to reduce the risk to the Council, and report to Policy and Resources Committee on a regular basis the amount of invoices paid without a purchase order, with a plan of action to come in no later than September 2023.**

The Director of Finance introduced the report which provided an update on the progress of the Capital Programme 2022/23 at the end of December 2022. It recommended that Committee agreed the revised 2022/23 Capital Programme of £86.3m which took account of re-profiling, virements, additional funding requirements and grant variations identified since the Capital Programme was formally agreed on 28th February 2022 and later revised in the Quarter 1 and Quarter 2 monitoring reports.

Resolved – That

- (1) Council be recommended to approve the revised Capital Programme of £86.3 million for 2022/23, including the virements of budget referred to in Appendix D of the report.**
- (2) Council be recommended to approve the additional funding for the schemes referred to in section 3.7 of the report from a variety of sources, new borrowing required from the Council, capital receipts, external contributions and the repurposing of previously agreed Council borrowing.**

97 **CAPITAL PROGRAMME 2023-28**

The Director of Finance introduced the report which provided the draft Capital Programme 2023-28 for consideration and referral to Council for approval. It also included information regarding the revenue implications of the Programme and an update on the latest forecast for capital receipts. The 2023-28 Capital Programme represented a combination of schemes originally approved as part of the 2022-27 Programme, updated through the Capital Monitoring reports in 2022-23 and new bids for inclusion as detailed in the report.

It was moved by Councillor Phil Gilchrist, seconded by Councillor Paul Stuart, that the officer recommendations detailed in the report be agreed, subject to the inclusion of:

“Committee also recognises that the capital programme has been put together in the light of the best available information on asset disposals, an estimate of likely capital receipts, the best use of funding allocated by the Government through the Liverpool City Region and the objective of repaying the exceptional financial support received by the agreed date.

A continuing area of concern for our communities is the state of our road and footway network.

The Director of Neighbourhoods, in consultation with the Director of Finance are therefore requested to:

- put together bids for a programme, after annual repayment of the capitalisation directive, to allocate a maximum of 5% of capital receipts and for such receipts to be earmarked for additional investment into our roads/footways, to address the deterioration of the network.
- progress to both frame the future programme and updates on the roll out of the programme, should be reported back to the parent committee.”

The Committee debated the motion within which clarification was sought from the Section 151 Officer on the repayment of the capitalisation directive. It was clarified that any capital receipts generated up to a value of £2.5m would be used to repay the capitalisation directive, and that any value exceeding £2.5m would be within the Committee’s gift to deal with. The preference of the Section 151 Officer would be to repay the capitalisation directive sooner given that it was accruing interest, but the motion on the table if agreed would direct that a maximum of 5% of that value above £2.5m be earmarked roads and footways.

Following the questioning of the Section 151 Officer, the Chair moved to the vote on the motion. The motion was put and carried (13:2). It was therefore –

Resolved (13:2) – That

- (1) Council be recommended to approve the new bids as detailed in Appendix B to this report requiring £17.69 million of funding for inclusion in the Capital Programme.**
- (2) Council be recommended to approve of any new bids supported by grant funding do not commence until written confirmation has been received from the granting authority.**
- (3) Council be recommended to approve of the Capital Programme 2023-28 as detailed in Appendix C to this report.**
- (4) Committee also recognises that the capital programme has been put together in the light of the best available information on asset disposals, an estimate of likely capital receipts, the best use of funding allocated by the Government through the Liverpool City Region and the objective of repaying the exceptional financial support received by the agreed date.**

A continuing area of concern for our communities is the state of our road and footway network.

The Director of Neighbourhoods, in consultation with the Director of Finance are therefore requested to:

- **put together bids for a programme, after annual repayment of the capitalisation directive, to allocate a maximum of 5% of capital receipts and for such receipts to be earmarked for additional investment into our roads/footways, to address the deterioration of the network.**
- **progress to both frame the future programme and updates on the roll out of the programme, should be reported back to the parent committee.**

98 CAPITAL FINANCING STRATEGY 2023/24

The Director of Finance introduced the report which set out the Capital Financing Strategy, which was an annual requirement of the Chartered Institute of Public Finance and Accountancy (CIPFA) 2021 Code of Practice on Treasury Management and the report therefore fulfilled the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

Resolved – That

- (1) Council be recommended to approve the Capital Financing Strategy 2023/24.**
- (2) Council be recommended to approve the associated Prudential Indicators to be adopted.**
- (3) Council be recommended to approve the Council's Minimum Revenue Provision policy.**

99 TREASURY MANAGEMENT STRATEGY 2023/24

The Director of Finance introduced the report which provided the Treasury Management Strategy for 2023/24. Treasury management was the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council had substantial sums of money both borrowed and invested and was therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk were therefore central to the Council's prudent financial management.

In response to a query, the Director of Finance undertook to provide a report to a future meeting on benchmarking the Council's risk appetite against other Local Authorities.

Resolved – That

(1) Council be recommended to approve the Treasury Management and Investment Strategy for 2023/2024.

(2) Council be recommended to approve the Treasury Management Prudential Indicators.

100 **INVESTMENT STRATEGY 2023/24**

The Director of Finance introduced the report which set out the Investment Strategy 2023/24 which fulfilled the requirement of the Department for Levelling Up, Housing and Communities to produce an investment strategy that covers non-treasury activities. The Strategy was produced following updated 'Guidance on Local Government Investments' in February 2018 following an increasing focus on commercial activities for local authorities including but not exclusive to property.

Resolved – That Council be recommended to approve the Investment Strategy for 2023/2024 which includes potential investment in Service Investments: Loans (including the Approval Limit detailed in Table 1), Service Investment: Shares (non-currently held), Commercial Property and Loan Commitments and Financial Guarantees.

101 **PAY POLICY 2023-2024**

The Assistant Director for Human Resources/Organisation Development introduced the report of the Director of Resources which outlined the Pay Policy Statement 2023/24, which intended to provide transparency with regard to the Council's approach to setting pay by identifying the methods by which salaries of all employees were determined, the detail and level of the salary package of its most senior staff and the Head of Paid Services' responsibility for ensuring the provisions set out in the statement were applied consistently throughout the Council and recommending any amendments to Full Council.

It was clarified that the Council was a Real Living Wage payer but that some of its suppliers were in a different position, however the aspiration was for all contractors to pay the Real Living Wage with plans in place to achieve that. Following a query in relation to the performance management policy, an update on the policy was added to the Committee's work programme.

It was moved by Councillor Tom Anderson, seconded by Councillor Lesley Rennie, that Council be recommended to approve the Pay Policy Statement for the financial year 2023/2024, subject to an amendment to section 10.3 of the Pay Policy Statement to delete 'Chief Officer' and replace with 'Head of Service or above', and delete '£100,000' and replace with 'is statutory', so that it read 'Any payments upon termination in respect of a Head of Service or above is statutory, (apart from contractual payments, where the Council has no discretion) shall be subject to a vote at Council or relevant Committee or

Panel of Members with delegated authority to approve such payments. Payments upon termination are subject to any legislative requirements or caps.’

The Committee discussed the implications of the motion and sought a way forward to enable further information to be provided. The Monitoring Officer advised that it was a statutory requirement to publish the Pay Policy Statement by 1 April 2023 and that there were no further scheduled meetings of Policy and Resources Committee prior to the final meeting of Council on 20 March 2023 in the current Municipal Year.

The Monitoring Officer suggested to the mover of the motion that the Pay Policy Statement be referred to Council for consideration as presented, and that the Director of Resources be requested to submit a further report to Policy and Resources Committee early in the new municipal year. The mover of the motion indicated the motion should remain as originally proposed.

The motion was therefore put to the vote and was lost (6:9).

Councillor Phil Gilchrist then moved that ‘Council be recommended to approve the Pay Policy Statement for the financial year 2023/24, with the statement to remain under review and dealt with at the earliest possible meeting in light of the facts presented.’ This was seconded by Councillor Jo Bird.

The motion was put and agreed (unanimously). It was therefore –

Resolved (unanimously) – That Council be recommended to approve the Pay Policy Statement for the financial year 2023/24, with the Statement to remain under review and dealt with at the earliest possible meeting in light of the facts presented.

102 WATER, WASTEWATER & ANCILLARY SERVICES

The Director of Regeneration and Place introduced the report which sought approval for the appointment of a provider of water, wastewater and ancillary services. The report set out how non-domestic customers could enter a contract with a retailer to achieve savings over the default non-contract position which would incur “deemed rates” relating to these services which included the management of bills, leak detection and disconnecting supplies.

A framework managed through direct award by North East Purchasing Organisation provided a compliant route to market for the procurement of water, wastewater, and ancillary services for all public sector bodies. Through the framework agreement after applying the favourable tariff offered by the retailer, it was expected that this would save approximately £80,000 over a 12-month period across corporate and school premises.

Concerns were raised over the discharge of wastewater and officers were urged to undertake close scrutiny of the services.

Resolved – That

(1) Anglian Water Business (National) Ltd (Company Registration Number 03017251) be appointed under a 4-year contract via the North East Purchasing Organisation (Public Buying Organisation) direct award Framework – NEPO311 Framework Agreement for the provision of Water Retail Services.

(2) the Director of Law and Governance be authorised to finalise the legal documentation associated with the appointment of Anglian Water Business (National) Ltd.

Having reached three hours since the commencement of the meeting, it was moved by Councillor Janette Williamson, seconded by Councillor Jean Robinson, that the meeting be extended by a further 15 minutes.

The motion was put and agreed (9:6). It was therefore –

Resolved – That the meeting be extended to 21:25pm.

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

The Director of Law and Governance introduced a report on the assurance process in formulating the draft Council Budget with a recommendation to Council on a process for adoption at the Budget decision making meeting.

Resolved – That it be recommended to Council, that for the duration of the extraordinary meeting of 27th February 2023 (Budget Council):

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

104 **EXEMPT INFORMATION - EXCLUSION OF THE PRESS AND PUBLIC**

Resolved - That, under section 100 (A) (4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business on the grounds that they involve the

likely disclosure of exempt information as defined by paragraph 3 of Part I of Schedule 12A (as amended) to that Act. The Public Interest test has been applied and favours exclusion.

105 **ACQUISITION OF NATIONAL GRID LAND, NORTHSIDE**

The Head of Regeneration Delivery introduced the report.

Resolved – That the recommendations as detailed in the report be approved.

106 **EXEMPT APPENDIX - BUDGET AND MEDIUM TERM FINANCIAL STRATEGY 2023/24**

Members discussed the detail provided in the exempted appendices and gave consideration to the possibility that information relating to Libraries and Leisure Services had been discussed earlier in the meeting during debates on previous items. It was suggested that the exempt information, as it related to Libraries and Leisure Services no longer needed to be exempt and as such, could be released for public consumption.

On a motion by Councillor Tom Anderson, seconded by Councillor Lesley Rennie, it was –

Resolved (9:6) That – the appendices remain exempt, with the exception of information relating to Libraries and Leisure Services which should be made available for public consumption.