

**2018/2019**

**Alternative Budget Proposals**

**From**

**The Opposition Labour Group**

**Of**

**Wrexham County Borough Council**

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## **Introduction**

This is the first Alternative Budget to be presented to the new council following the local government elections in May 2017. We believe it is prudent to briefly explain its purpose for the benefit of our newly elected councillors.

The Alternative Budget is an amendment, in part, to the original budget being presented by this council's administration of Independent and Conservative members. Our budget highlights areas where the Labour Group believe alternative spending and income generation can achieve better outcomes for the people of Wrexham county borough.

We are seeking council's agreement in support of this Alternative Budget.

**WCBC Labour Group**

## **Our proposals**

### **Minimum Revenue Provision Saving**

Members were informed at council in December 2017 of an unavoidable commitment within the 2018/19 budget due to an unforeseeable overspend in the children's social care department, pertaining to looked-after children. The current budget proposal offsets the £820,000 budget pressure against the part-saving realised as a result of council approval to revise its Minimum Revenue Provision (MRP) policy, which has produced an overall saving of £1.72m. The remaining balance is to be used to address the overspend within the PFI Waste Contract.

The Alternative Budget proposes to match the £820,000 overspend from the council's reserves. The purpose of the Unallocated General Reserve Fund is to provide for any unexpected expenditure that cannot be managed within existing budgets. Such expenditure would be one-off and resulting from an extraordinary event. Given the overspend in children's social care (of £820,000) was reported at council on December 13, 2017, as an event that meets this criteria, the Alternative Budget proposal supports the children's social care pressure for 2017/18 being met by a contribution of £820,000 from the general reserves.

### **Reduction to Executive Board Membership/Saving**

It is proposed to reduce the Executive Board membership from ten members to eight and redistribute the lead member roles and responsibilities accordingly. The current Executive Board members have been in place for nine months with some lead members yet to present a single report to the board.

The Labour Group believes an Executive Board of eight members will be more effective – and at a smaller cost to the taxpayer.

## **Music Service Uplift**

Prior to this year's budget process, the original music service budget stood at £345,000, with a proposal from this administration to cut £300,000 (87%) from that effective from September 2018. At last month's Executive Board, the lead member for education confirmed the actual cut now being proposed is £250,000, leaving music services with a total budget of £95,000 whilst a new delivery model is being sought.

Currently, there are 165 free school meal pupils affected by this service cut. It is very likely that these pupils will not be able to participate in this weekly programme of tuition if costs are passed from the local authority to parents. The Labour Group has identified a shortfall in the £95,000 budget of £65,875 to meet the current demand. We are proposing a further budget uplift of £70,447 to meet current and future demand.

## **Secondary School Budgets Increase**

Wrexham has nine secondary schools and one special school. Of these ten schools, six have approved licensed deficits averaging -6.87% of their 2017/18 budgets. Two schools have a surplus of well below 1%. Over the past two years we have seen more and more central cost moving to individual school budgets. Schools are currently responsible for a number of on-costs including teacher redundancies and the administration now propose that all schools become responsible for their own salary inflation costs.

Following the scrutiny committee's December 2017 budget recommendation and a 0.38% increase to last year's funding from Welsh Government, this administration proposes a net increase of £1.178m to schools. Whilst this is welcomed, the share of the pot between our 68 schools within the borough is minimal and does not address the need to stabilise school budgets within our secondary sector. The Labour Group proposes to provide our secondary and special schools with an additional £0.5m to support their improvement.

## **Supported Public Transport Fund**

Wrexham is facing a bus service crisis. We have recently seen the collapse of another local bus company, with a second withdrawing from public routes. This has resulted in a reduced public service, with some areas losing their bus route altogether. The Labour Group proposal is to employ a Sustainable Transport and Development Officer (L10 pay grade) on a fixed two-year term to develop a sustainable plan of action for Wrexham. With on-costs included, this post will total a maximum of £44,353 and a further £50,000 budget is being made available to support applications to Welsh Government to access their £25m Bus Services Support Grant. It is hoped this additional funding will also be utilised to work with neighbouring local authorities, the bus industry and passenger groups to grow our bus network. There is scope within the additional budget to investigate the viability of a municipal bus company, owned by WCBC or in collaboration with other local authorities. The Labour Group recognises the important contribution our local bus services make in maintaining independent living, social cohesion and general wellbeing.

## **Children's Social Care Funding Model**

Many local authorities buy in residential care placements within children's social care and are very much apprehensive about providing this service in-house as a consequence of cases such as Bryn Estyn. At council in December, a significant overspend in the looked-after children's budget was highlighted. It was explained that Wrexham is experiencing an unprecedented increase in placements for our looked-after children, however the overspend was as a result of a handful of expensive placements causing a spike in projected costs.

The Labour Group believes there is an opportunity to better predict future demand and contain costs and prices. A large majority of our placement activity currently takes the form of spot placements at time of need. These are costly, resource intensive and an inefficient approach within an unstable market place with insufficient places. A move to a block model would ensure the council gets more stable placements at a lower price. Children are placed

into a more sustainable and stable environment where the corporate parents, the local authority and provider work within a procurement and parenting model to deliver the right care at the right time at the right price. A February 2018 *Municipal Journal* article quoted the alternative block guarantee model as a saving of 7% against our current spot price, with more positive outcomes for our looked-after children. Good data and trend information is pivotal to the success of this model and the proposed budget of £65,000 allows for the buying-in of key data and resource.

### **Reduction in cut to Country Park Rangers**

The council is proposing a cut of £100,000. The *Difficult Decisions* consultation programme saw strong opposition which the ruling administration has chosen to ignore. The Labour Group hoped to scrap this proposed cut completely by proposing a salary reduction for senior councillors (from deputy mayor through to council leader). However, due to the changes coming from the Independent Remuneration Panel for Wales, we are not yet in a position to bring this forward. Leaving this item in our Alternative Budget proposal would have meant our proposals would not have met the requirements of setting a legal and balanced budget. The Labour Group's proposal is to fund £50,000.

### **Withdraw Charging for Disabled Parking and Country Parks**

The Labour Group disagrees with the administration's proposal to charge for disabled parking and the Alternative Budget withdraws this charge in its entirety. We are disappointed that no consultation has been undertaken directly with those who will be affected. There is a general belief that this income will not be realised as there are free alternatives to parking for our disabled citizens. The current proposal by the administration will place additional pressures on an environment budget that continually overspends. Additionally, the Labour Group opposes the current administration's proposal to charge for parking at our country parks and our Alternative Budget would again withdraw this charge in its entirety.

## **Risks**

As with any budget, there are financial risks to consider and there is a need to measure these risks within the proposed Alternative Budget.

The spending proposals outlined within the summary are of low risk. The outcomes can be easily realised with political will and the commitment of lead members and officers. There are also opportunities to work collaboratively with other local authorities and partners, which will further reduce risk.

The medium risk within this proposed Alternative Budget is the removal of £820,000 from our General Reserve Fund. Reserves can only be used once. However, the Labour Group believes that the risk to our reserves is considerably reduced as we are addressing the current and escalating pressures facing the council within our Alternative Budget proposal.

The greater risk is by not addressing those pressures, which could lead to the council writing a blank cheque as costs increase within outsourced services or cutting more services to meet demand pressures elsewhere.

## **Summary**

<b>Funding Available:</b>	<b>£</b>	<b>£</b>
Minimum Revenue Provision Saving	(820,000)	
Reduction of Executive Board Membership	<u>(31,800)</u>	
		(851,800)
<b>Proposed Uses:</b>		
Music Service Uplift	70,447	
Secondary School Budgets Increase	500,000	
Supported Public Transport Resource/Fund	94,353	
Children's Social Care Funding Model	65,000	
Reduction in cut to Country Park Rangers	50,000	
Withdraw Charging for Disabled Parking	<u>25,000</u>	
Withdraw Country Park Parking Charges	47,000	
		<u>851,800</u>
<b>Budget Gap:</b>		<u>0</u>

## **Conclusion**

The Labour Group's Alternative Budget provides the council with opportunities to develop a public transport system that works and meets the needs of our citizens, addresses the rising costs of child placements and goes some distance to stabilising current pressures experienced by our secondary schools.

The Alternative Budget allows our most vulnerable pupils the right to participate in music tuition. We have also removed proposed charges for disabled parking and parking in our country parks and support only a 50% reduction to the administration's planned cut our Country Park Rangers.