



Policy and Resources Committee

Date:	Wednesday, 14 June 2023
Time:	6.00 p.m.
Venue:	Committee Room 1 – Birkenhead Town Hall

Please note that public seating is limited therefore members of the public are encouraged to arrive in good time.

Wirral Council is fully committed to equalities and our obligations under the Equality Act 2010 and Public Sector Equality Duty. If you have any adjustments that would help you attend or participate at this meeting, please let us know as soon as possible and we would be happy to facilitate where possible. Please contact committeeservices@wirral.gov.uk

This meeting will be webcast at
<https://wirral.public-i.tv/core/portal/home>

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AGENDA

- 1. WELCOME AND INTRODUCTION**
- 2. APOLOGIES**
- 3. MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST**

Members are asked to consider whether they have any disclosable pecuniary interests and/or any other relevant interest in connection with any item(s) on this agenda and, if so, to declare them and state the nature of the interest.

No declarations were made/The following declarations were made:

- 4. MINUTES (Pages 1 - 10)**

To approve the accuracy of the minutes of the meetings held on 22 March 2023 and 27 April 2023.

5. PUBLIC AND MEMBER QUESTIONS

5.1 Public Questions

Notice of question to be given by 12 noon on Friday, 9 June 2023 to the Council's Monitoring Officer (via the online form here: [Public Question Form](#)) and to be dealt with in accordance with Standing Order 10.

Please telephone the Committee Services Officer if you have not received an acknowledgement of your question by the deadline for submission.

For more information on how your personal information will be used, please see this link: [Document Data Protection Protocol](#)

5.2 Statements and Petitions

Notice of representations to be given in writing or by email by 12 noon on Friday, 9 June 2023 to the Council's Monitoring Officer (committeeservices@wirral.gov.uk) and to be dealt with in accordance with Standing Order 11.1.

Petitions may be presented to the Committee if provided to Democratic and Member Services no later than 10 working days before the meeting, at the discretion of the Chair. The person presenting the petition will be allowed to address the meeting briefly (not exceeding three minute) to outline the aims of the petition. The Chair will refer the matter to another appropriate body of the Council within whose terms of reference it falls without discussion, unless a relevant item appears elsewhere on the Agenda. If a petition contains more than 5,000 signatures, it will be debated at a subsequent meeting of Council for up to 15 minutes, at the discretion of the Mayor.

Please telephone the Committee Services Officer if you have not received an acknowledgement of your statement/petition by the deadline for submission.

5.3 Questions by Members

Questions by Members to dealt with in accordance with Standing Orders 12.3 to 12.8.

SECTION A - KEY AND OTHER DECISIONS

6. CAPITAL OUTTURN REPORT 2022-23 (Pages 11 - 42)

7. HOUSEHOLD SUPPORT FUND (Pages 43 - 54)

SECTION B - BUDGET AND PERFORMANCE MANAGEMENT

8. 2022-23 BUDGET MONITORING FOR QUARTER FOUR (THE PERIOD TO 31 MAR), 2022-23 OUTTURN (Pages 55 - 106)

9. 2023/24 BUDGET AND BUDGET MONITORING PROCESSES (Pages 107 - 120)

10. TREASURY MANAGEMENT ANNUAL REPORT 2022-23 (Pages 121 - 138)

SECTION C - WORK PROGRAMME / OVERVIEW AND SCRUTINY

11. APPOINTMENT OF SUB-COMMITTEES (Pages 139 - 146)

12. WORK PROGRAMME (Pages 147 - 154)

Policy & Resources Committee Terms of Reference

The terms of reference for this committee can be found at the end of this agenda.

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POLICY AND RESOURCES COMMITTEE

Wednesday, 22 March 2023

Present:

Councillor J Williamson (Chair)

Councillors	T Anderson	L Rennie
	P Cleary	B Kenny (In place of P Stuart)
	EA Grey	C Carubia (In place of P Gilchrist)
	T Jones	J Bird
	Y Nolan	M Booth
	J Robinson	K Hodson
	H Cameron	J Johnson

107 **WELCOME AND INTRODUCTION**

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

108 **APOLOGIES**

Apologies for absence were received by Councillor Paul Stuart and Councillor Phil Gilchrist.

109 **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 Jean Robinson declared a personal interest as a Director on Wirral Growth Company.

110 **MINUTES**

Resolved – That the minutes of the meeting held on 15 February 2023 be approved as a correct record.

111 **PUBLIC AND MEMBER QUESTIONS**

The Chair confirmed that no public questions, statements, petitions or questions by members had been received.

With the consent of the Committee, the Chair altered the order of business.

112 STRATEGIC PLANNING AND IMPROVEMENT UPDATE

The Head of Corporate Office introduced the report of the Chief Executive which provided an update on the Council's continuing improvement programme. It included the outcome of the Local Government Association's (LGA) Corporate Peer Challenge re-visit conducted in November 2022, as well as an in-year review of progress delivering against the Wirral Plan and the Council's Improvement Plan which were both agreed at Council on 11 July 2022.

The refreshed Wirral Plan also included a number of key priorities for 2022/23 in line with current and emerging issues and challenges. An interim progress report, highlighting the achievement against these priorities was included as Appendix 3. It was reported that a year-end report would be compiled and reported in Summer/Autumn as a new Wirral Plan was refreshed to align with the new Council administration following the local elections in May.

The Committee noted the planned withdrawal of the Independent Assurance Panel and welcomed the progress the Council had demonstrated via its Improvement Plan.

Resolved – That the Council's progress made to date be endorsed and further collaborative working in support of the Council's on-going improvement be supported.

113 WORK PROGRAMME

The Director of Law and Governance introduced the report which provided the Committee with an opportunity to plan and regularly review its work across the municipal year.

It was requested that a list of the Council's assets including their existing value following revaluation and a comparison to their previous value, be circulated to all members.

Resolved – That the work programme be noted.

114 COMMUNITY ASSET TRANSFER

The Chief Executive introduced the report of the Director of Law and Governance which set out a referral from Tourism, Communities, Culture and Leisure Committee relating to the Community Asset Transfer process.

The Tourism, Communities, Culture & Leisure Committee authorised the Director of Resources to enter into negotiations on the basis of the re-submitted business plans contained in the exempt Appendix 2 of this report to agree Heads of Terms for the transfer of the former library asset at Higher

Bebington Library to the Co-op Academy Bebington. It also authorised the Director of Resources to market the site of the former Hoylake Library for sale or commercial leasing on the basis that it is surplus to the requirements of the Committee and agreed to the removal of the former Woodchurch Library asset from the CAT process.

It therefore subsequently recommended that Policy & Resources Committee agree that Higher Bebington and Woodchurch Libraries be appropriated by the Council for educational purposes, and that the site of the former Hoylake Library be marketed for sale or commercial leasing.

Resolved – That

(1) Higher Bebington Library be appropriated by the Council for educational purposes.

(2) The former Woodchurch library asset be appropriated by the Council for educational purposes.

(3) The site of the former Hoylake Library be marketed for sale or commercial leasing.

115 DISPOSAL OF THE FORMER MINISTRY OF DEFENCE (MOD) LAND ON OLD HALL ROAD, BROMBOROUGH

The Regeneration and Place Portfolio Lead introduced the report of the Director of Law and Governance, which set out a referral from Economy, Regeneration and Housing Committee. The report detailed a proposed disposal of the former Ministry Of Defence (MOD) land on Old Hall Road Bromborough. The land previously formed part of a portfolio of sites that were bound by an option to purchase in favour of the Wirral Growth Company but under revised arrangements the Council had full unfettered control over the site. The matter had been referred to Policy and Resources Committee as the disposal of land was likely to be sold for more than £500,000.

Resolved – That the former Ministry of Defence, Old Hall Road Bromborough site be declared surplus to the Council’s requirements and that authority be given to the Director of Regeneration and Place to secure its disposal on the best terms achievable.

116 EXEMPT INFORMATION - EXCLUSION OF THE PRESS AND PUBLIC

The Chair outlined that the remaining three items included exempt information within their appendices. Committee indicated that the detail within those appendices was material to the debate.

Therefore, on a motion by the Chair, seconded by Councillor Jean Robinson, it was –

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.

117 EDSENTIAL

The Director of Finance introduced the report which provided an update on Edsential and the proposed Annual Business Plan for 2023-2024. The report detailed that Edsential was a jointly owned Community Interest Company with Cheshire West and Chester Council providing a range of services to the education sector. The Council, Cheshire West and Chester Council and the Company were parties to a Shareholders Agreement dated 1 December 2015 which provided that the Company shall provide each shareholder a Business Plan for each financial year for approval.

It was reported to the Committee that following the financial impact of the closure of schools during the Pandemic on Edsential, Policy and Resources on 10th November 2021 authorised a Covid related funding support grant of £643,000 and an interest bearing loan of £857,000, with the 2022/23 business plan devised to allow the company to reset its activities post Covid and make agreed repayments against the loan. The Committee was further advised that the autumn's inflationary spike in respect of food ingredient prices, energy and wage costs had impacted levels of return, and therefore the proposed 2023/24 Annual Business Plan set out a number of measures which the company believed would enable it to trade at a level to recover its position.

Officers and members had reviewed the business plan and felt that further analysis was required to gain a better understanding of the assumptions and therefore the outcome of the further work should be reported back to Policy and Resources or Shareholder Board before the agreement of the 2023/24 Annual Business Plan.

The Committee debated the contents of the report and the proposed Annual Business Plan in detail.

Councillor Pat Cleary suggested an addition to the officer recommendations, so that the second recommendation included an additional sentence: 'This report to include a list of and details around the options available to the council regarding the future provision of services provided by Edsential.'

Councillor Jenny Johnson suggested an alteration to the officer recommendation, to delete reference to Shareholder Board as she felt the matter warranted further consideration by Policy and Resources Committee.

The Chair confirmed that she had no objection to either suggestion. Therefore, on a motion by the Chair, seconded by Councillor Jean Robinson, it was –

Resolved – That

- (1) the draft annual business plan for 2023-2024 submitted by Edsential CIC in accordance with the requirements of the Shareholders Agreement be noted.**
- (2) the Director of Finance, in consultation with the Director of Law and Governance, be requested to engage with the company to establish a deeper understanding of the company's functioning with a view to suggesting revisions to the Annual Business Plan for 2023 – 2024 and to report back to a future meeting of this committee with recommendations relating to such a revised annual business plan. This report to include a list of and details around the options available to the council regarding the future provision of services provided by Edsential.**

118 FUTURE HIGH STREET FUND PROGRAMME - EUROPA RESIDENTIAL PHASE 1

The Regeneration and Place Portfolio Lead introduced the report of the Director of Law and Governance, which set out a referral from Economy, Regeneration and Housing Committee. The report of the Director of Regeneration and Place set out the activities undertaken to develop one element of the Birkenhead Future High Street programme, namely the Europa Residential scheme.

Committee was asked to delegate the decision to appoint a delivery partner to the Director of Regeneration and Place. The matter had been referred to Policy & Resources Committee as the value of the land was considered to be in excess of £500,000 and the appointment of a development partner would involve the development and onward transfer of the land in accordance with the objectives set out in paragraph 3.8 of the report.

Resolved – That

- (1) the Director of Regeneration and Place be authorised to progress the appointment of a delivery partner for the Europa Residential Phase 1 project further to the on-going mini-tendering process via the Homes England Housing Delivery Partner Dynamic**

Purchasing System in consultation with the Director of Law and Governance.

- (2) the Director of Regeneration and Place be authorised to pursue and accept other avenues of funding and proceed to award of contract in the event that a suitably appraised and acceptable bid exceeds the Future High Street Fund allocation for this project.**

119 FREEPORTS AND MARITIME INNOVATION AND GROWTH PROJECTS

The Regeneration and Place Portfolio Lead introduced the report of the Director of Law and Governance, which set out a referral from Economy, Regeneration and Housing Committee. The report of the Director of Regeneration and Place sought approval to establish a Wirral Freeport Investment Fund. Government arrangements for Freeports allowed for any growth in business rates above an agreed baseline within the designated Freeport Tax Site area to be retained by the Council as Billing Authority over a guaranteed 25-year period and re-invested to stimulate further development. The Council would be able to use this growth to fund borrowing to increase investment within the Tax Site and bring forward regeneration more quickly and promote further growth.

A Business Case had been endorsed by Economy Regeneration and Housing Committee which set out the strategic, economic, financial and commercial case for establishing the Fund, as well as the proposed governance and management arrangements required to enable operation and oversight of the Fund. Proposals for funding would be subject to a full and robust appraisal process and considered and decided on a case-by-case basis as they came forward.

The Committee debated the merits of the project in detail.

Resolved (13:2) – That

- (1) the Wirral Freeport Investment Fund be established from 1 April 2023 (or as soon as regulations designate the Wirral Waters Tax Site for business rates retention purposes) and be managed and operated according to the arrangements detailed within this report and accompanying Business Case and the principles set out in the draft Retained Business Rates Strategy which formed a component of the Memorandum of Understanding.**
- (2) agreement be given to the growth in business rates above the baseline within the Wirral Freeport Tax Site is held to a ring-fenced reserve which would fund:**
- Investment in approved projects and the future repayment of capital borrowing for investments made by the Wirral Freeport**

Investment Fund;

- **The annual costs required to resource the administration and management of the Wirral Freeport Investment Fund from financial year 2023/24; and**
- **Wirral Council's pro-rata annual contribution to the Liverpool City Region Freeport Management Team costs from financial year 2024/25.**

120 COMMUNITY ASSET TRANSFER - EXEMPT APPENDICES

Resolved – That the exempt appendices be noted.

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POLICY AND RESOURCES COMMITTEE

Thursday, 27 April 2023

Present:

Councillor

Councillors

T Anderson

P Gilchrist

P Cleary

EA Grey

T Jones

J Robinson

P Stuart

H Cameron

L Rennie

K Hodson

J Johnson

Apologies

Councillors

J Williamson and J

Bird

121 **WELCOME AND INTRODUCTION**

The Chair welcomed everyone to the meeting.

122 **APOLOGIES**

Apologies for absence were received by Councillor Jeanette Williamson and Councillor Jo Bird.

123 **MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST**

Members are asked to consider whether they have any disclosable pecuniary interests and/or any other relevant interest in connection with any item(s) on this agenda and, if so, to declare them and state the nature of the interest.

Councillor Jean Robinson declared a personal interest by virtue of her position as a board member of Wirral Growth Company LLP.

124 **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 item of business on the grounds it involves 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.

125 **PROPOSAL TO CONSIDER THE PURCHASE OF A STRATEGIC ACQUISITION**

The Director of Regeneration and Place presented the report which set out the case for the purchase of a strategic acquisition. Following a debate, two amendments to the recommendations set out within the report were suggested. It was moved by Councillor Jean Robinson and seconded by Councillor Tom Anderson, that the recommendations within the report be agreed, with the inclusion of the two amendments.

Following a discussion it was therefore –

Resolved (unanimously) – That the amended recommendations be agreed.



POLICY AND RESOURCES COMMITTEE

Wednesday, 14 June 2023

REPORT TITLE:	CAPITAL OUTTURN REPORT 2022-23
REPORT OF:	DIRECTOR OF FINANCE

REPORT SUMMARY

This report details the Capital Outturn for 2022/23 and the resources used to fund the Programme. It recommends that this Committee agree the revised 2023/24 Capital Programme which takes account of re-profiling, virements, additional funding requirements and grant variations identified since the Capital Programme was formally agreed on 28th February 2022.

The report supports the delivery of the Wirral Plan 2021 - 26 as the Capital Programme contributes towards projects that support all five Wirral Plan priorities.

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

RECOMMENDATIONS

The Policy and Resources Committee is requested to recommend to Council that:

- 1 the revised Capital Programme of £178.1 million for 2023/24, including the virements of budget referred to in Appendix D of this report be approved,
- 2 note the financing of the Programme for 2022/23 and
- 3 note the additional year-end re-profiling of £38.2m from 2022/23 to 2023/24.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 Regular monitoring and reporting of the Capital Programme enables decisions to be taken faster, which may produce revenue benefits and will improve financial control in Wirral Council.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Other reporting frequencies could be considered, but quarterly reporting is a standard practice.

3.0 BACKGROUND INFORMATION

Monitoring 2022/23

- 3.1 The Capital Programme 2022/23 was considered by Policy and Resources Committee on 15 February 2022 and approved by Council on 28 February 2022. The Programme contributes towards projects that support all five Wirral Plan 2021-26 priorities. Government grant announcements and scheme affordability. It was highlighted that the Council's revenue budget position limited the scope for unsupported capital expenditure.
- 3.2 Policy and Resources Committee received regular updates in respect of capital monitoring throughout the year. The last monitoring report, for Quarter 3, was considered by Policy and Resources Committee on 27 February 2023. Since then, work has been on-going in order to conclude the accounts for the financial year.
- 3.3 During the year the Programme was regularly reviewed which resulted in schemes being deferred to 2023/24 along with the supporting funding. This resulted in reduced Treasury Management costs through a reduced need to borrow in 2022/23.

Capital Outturn

- 3.4 The capital expenditure for the year was £60.9m compared to the Revised Programme of £86.3m which was reported in February 2023 (Quarter 3). This is summarised in Table 1.
- 3.5 The outturn also includes the Formula Capital schemes delegated to schools.
- 3.6 As a result of the £17.437m borrowed to finance the capital programme in 2022/23, the General Fund will be charged with its first repayment via the Minimum Revenue Provision (MRP) in 2023/24 of £0.609m. This will bring the total MRP charge for 2023/24 to £6.423m for borrowing associated with delivering the Capital Programme.
- 3.7 **Capital Programme 2022/23 Position by Directorate**

Table 1: Capital Outturn 2022/23 – Position by Directorate

Programme	Q3			
	Forecast	Actual	Variance	Variance
	£m	£m	£m	%
Adult Care & Health	1.248	0.649	-0.599	-48%
Children, Families & Education	7.402	7.021	-0.381	-5%
Corporate Schemes	3.780	2.930	-0.850	-22%
Neighbourhoods	27.685	23.842	-3.843	-14%
Regeneration & Place	40.643	22.762	-17.881	-44%
Resources	5.544	3.733	-1.811	-33%
Total	86.302	60.937	-25.365	-29%

Capital Programme 2022/23 Position by Committee

Table 2: Capital Outturn 2022/23 – Position by Committee

Programme	Forecast			
	Q3	Actual	Variance	Variance
	£m	£m	£m	%
Adult Social Care & Health	1.248	0.649	-0.599	-48%
Children, Young People & Education	7.402	7.021	-0.381	-5%
Economy, Regeneration & Housing	30.390	17.473	-12.917	-43%
Environment, Climate				
Emergency & Transport	31.810	26.518	-5.292	-17%
Policy & Resources	11.356	7.241	-4.115	-36%
Tourism, Communities, Culture & Leisure	4.096	2.035	-2.061	-50%
Total	86.302	60.937	-25.365	-29%

- 3.8 Tables 1 and 2 show the 2022/23 outturn position on the Capital Programme analysed on a Directorate and then Committee basis. A number of variations have arisen since the original programme was agreed at the end of February 2022 and subsequently revised in quarterly reporting. These include the re-profiling of expenditure into and out of the 2022/23 financial year, inclusion of additional grant funded schemes and variations to spend forecasts. Appendix A of this report categorises the movement in the programme through to 2022/23 outturn.
- 3.9 As noted above, the main movements in this year's programme are with regard to the deferral of funding into future years (£123.6 million). Such deferrals reduced the borrowing costs incurred during 2022/23 and also delayed the resultant Minimum Revenue Provision (MRP) charges into future years. Schemes that have seen significant budget deferral activity specifically within Quarter 4 are detailed within Appendix B of this report.

Scheme Updates

- 3.10 Schemes are subject to an ongoing review to ensure that a deliverable programme is in place, that they are compatible with the Wirral Plan 2021/2026 priorities and to try and identify any savings. Current progress on the more significant schemes is provided in Appendix C of this report.
- 3.11 Scheme costs are constantly monitored by project officers. Due to record high inflationary pressures within the economy, financial monitoring of schemes is of upmost importance to identify any potential budgetary issues that may arise such as an increase in the cost of building materials. Any such pressures that are identified will be reported that may jeopardise the delivery of a scheme. It will then be determined as to whether the scheme must apply for additional funding to complete the project, or whether the scheme becomes no longer viable from a financial perspective. Similarly, should a contractor become insolvent in the current financial climate, a decision will need to be taken regarding the future of the scheme.

Grant Funded Schemes

- 3.12 Since the Capital Programme was last reported, the following grants have been awarded to either enable the following schemes to take place, or to further the funding available for existing schemes within the programme. There is no request for new Council funding to be considered as part of these schemes. In the event of any notable grant awards being achieved in the future, the relevant schemes will be introduced into the Capital Programme via the regular monitoring reports.

- **Future High Streets Fund (FHSF) - Birkenhead– £2.225m**

A further award to the Conway Street Project, to expand the scope of the project from that currently supported via the FHSF monies.

- **Birkenhead Regeneration Delivery Fund– £1.517m**

Liverpool City Region Combined Authority grant for the purchase of land from Network Rail. The objective of the project is to reduce the severance between the town centre and a major housing site at Hind Street through the removal of two flyovers, with related works including preferred highway alignment and a green travel corridor linking Hind Street to Wirral Waters.

- **Air Quality Control – £0.120m**

Funding from The Department for Environment, Food and Rural Affairs to develop and/or implement measures that deliver air quality benefits in the near future (one to two years).

- **Arts Council Capital Libraries Investment Fund - £0.125m**

Funds to enable libraries to develop more flexible library spaces and which aim to:

- Increase and improve digital access within communities
- Connect libraries to their communities
- Increase potential for transformation

- Increase library use
 - Increase sustainability of libraries.
- **Sustainable Urban Development Leasowe to Seacombe Corridor – £1.447m and £1.452m**
European Regional Development Fund award to create cycle links between the planned investment in Wirral Waters and Seacombe Ferry Terminal to the north and Woodside Ferry Terminal to the south.
 - **West Kirby Flood Alleviation - £4.440m**
Additional Environment Agency Grant. Due to a range of factors, construction progress and the cost has been affected and as a result of the necessary contract variations to accommodate this, the target cost of the contract has increased.

3.13 Virements

Appendix D of this report lists the budget virements that have been identified where schemes have been identified as not requiring the full budget allocation as originally expected. This resource is to be reallocated to schemes that require additional resource to fully complete the works.

3.14 Capital Financing

Table 3 Financing the Capital Programme 2022/23

Source of Financing	Programme 31 Dec 2022 £m	Actual 31 Mar 2023 £m	Variance £m
Borrowing	32.149	17.437	-14.712
Grants/Contributions	50.028	39.978	-10.050
Capital Receipts	3.580	2.930	-0.650
Revenue/Reserves	0.545	0.592	0.047
Total	86.302	60.937	-25.365

- 3.15 The re-profiling referred to earlier has seen the schemes and associated funding deferred until 2023/24. A permanent saving only occurs if schemes cease, otherwise the full budget will be required in 2023/24 when the re-profiled expenditure is incurred.

Capital Receipts

- 3.16 The Capital Receipts Reserve contains the proceeds of fixed assets sales that are available to meet the future capital investment. Table 4 shows the movements in the Capital Receipts Reserve during 2022/23. Receipts for the year totalled £6.951m (including receipts relating to debt repayments and earmarked receipts) with a balance of £2.979m available at 31 March 2023.

- 3.17 In accordance with the Capital Receipts flexibilities introduced by the Government capital receipts generated between 1 April 2016 and 31 March 2025 can be used to support transformation of services that results in efficiencies. This flexibility was utilised within 2022/23 as shown below.

Table 4: Capital Receipts Reserve

	£'000
Balance as at 1 April 2022	6,182
Total Receipts Received	6,951
Receipts Applied to Debt Repayment	-4,469
Receipts Used for Capital Financing	-2,930
Other Movements	-2,755
Balance as at 31 March 2023	2,979

- 3.18 The Capital Receipts Reserve contains the proceeds of fixed asset sales that are available to meet future capital investment. Not all receipts can be applied to fund any Transformational activity however, as some may be ringfenced to apply for example to educational schemes.

Compliance with Prudential Indicators

- 3.19 The Authority confirms that it has complied with its Prudential Indicators for 2022/23, which were originally approved on 28 February 2022 as part of the Capital Strategy 2022/23 and revised on 27 February 2023 as part of the Capital Strategy 2023/24. Details can be found in Appendix F.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The capital expenditure for the year 2022/23 amounted to £60.937m. This was funded from borrowing of £17.437m, Capital Grants of £39.978m, Capital Receipts of £2.930m and other revenue/reserve contributions of £0.592m.
- 4.2 As a result of the £17.427m borrowed to finance the Capital Programme in 2022/23, the General Fund will be charged with its first repayment via the Minimum Revenue Provision (MRP) in 2023/24 of £0.609m. This will bring the total MRP charge for 2023/24 to £6.423m for borrowing associated with delivering the Capital Programme.
- 4.3 The re-profiling of schemes from 2022/23 to 2023/23 has seen the funding similarly re-profiled. This includes the planned borrowing which has been deferred and has contributed towards the cost reductions in Treasury Management activities within the revenue budget. A permanent saving only occurs if schemes cease, otherwise the full budget will be required in 2023/24 when the re-profiled expenditure is incurred.
- 4.4 Chief Officers involved in procurement activity must comply with the Council's Contract Procedure Rules, Financial Regulations, and the Council's Employees Code of Conduct. They must also have due regard to any guidance provided by Corporate Procurement.

- 4.5 The full revised Capital Programme can be found in Appendix E to this report.

5.0 LEGAL IMPLICATIONS

- 5.1 The Council must set the budget (of which the Capital Programme is part of) in accordance with the provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a statutory responsibility of the Council. Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget. These provisions require the Council to make prudent allowance for the risk and uncertainties in its budget and regularly monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.
- 5.2 Members must bear in mind their fiduciary duty to the Council Taxpayers of Wirral. Members must have adequate evidence on which to base their decisions on the level of quality at which services should be provided.
- 5.3 Where a service is provided pursuant to a statutory duty, it would not be lawful to fail to discharge it properly or abandon it, and where there is discretion as to how it is to be discharged, that discretion should be exercised reasonably.
- 5.4 The report sets out the relevant considerations for Members to consider during their deliberations and Members are reminded of the need to ignore irrelevant considerations. Members have a duty to seek to ensure that the Council acts lawfully. Members must not come to a decision which no reasonable authority could come to; balancing the nature, quality, and level of services which they consider should be provided, against the costs of providing such services.
- 5.5 Once a budget is in place, Council has delegated responsibility to the Policy and Services Committees to implement it. The Committees may not act contrary to the Budget without consent of Council other than in accordance with the Procedure Rules set out at Part 4(3) of the Constitution.
- 5.6 It is essential, as a matter of prudence that the financial position continues to be closely monitored. In particular, Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered, and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 There are no staffing, IT or asset implications arising directly from this report.

7.0 RELEVANT RISKS

- 7.1 The possibility of failure to deliver the Capital Programme will be mitigated by regular programme review by a senior group of officers, charged with improving performance. The Investment and Change Board (ICB) has established the Capital

Programme Board (CPB), which will provide enhanced Capital Programme review. The most recent CPB meeting took place in March.

- 7.2 The possible failure to deliver the Capital Budget is being mitigated by:
- (1) Senior Leadership / Directorate Teams regularly reviewing the financial position.
 - (2) Availability of General Fund Balances.
 - (3) Where possible, reprofiling of projected Capital expenditure

7.3 In terms of individual scheme specific risks, these are identified as part of the original business case application and any potential risks to deliverability should be flagged as part of the ongoing scheme review process.

7.4 Within the reviews undertaken by the CPB, schemes which encounter difficulties or additional delivery risk will be subject to additional scrutiny and where necessary escalation to ICB.

8.0 ENGAGEMENT/CONSULTATION

8.1 This is an in-year report. Consultation takes place as part of considering the Capital Programme and over the planning and implementation of the specific schemes within the Programme.

9.0 EQUALITY IMPLICATIONS

9.1 There are no direct equality implications from this report.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 Capital bids are welcomed that support the Council's Climate Emergency Plan that was compiled following the declaration of a Climate Emergency by the Council in May 2019. Within the existing Capital Programme there are projects that positively contribute to environmental issues. The environmental and climate implications, both positive and negative, are reported for each scheme separately to the relevant policy and service committee.

10.2 The programme also includes projects that focus on environmental initiatives such as energy efficient buildings, sustainable and green travel infrastructure, energy efficient street lighting, urban tree planting and flood alleviation works.

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 The Community Wealth Building Strategy is a key part of how the Authority will tackle economic, social and health inequalities across the borough and make a major contribution to improving the economic, social and health outcomes on the Wirral. Schemes contained within the Capital Programme include several regeneration projects that look to improve the economic outlook for the borough, including job creation, training facilities and enhanced transport links. The Community Wealth Building implications are reported for each scheme separately to the relevant policy and service committee.

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APPENDICES

Appendix A Movement Between Q3 Forecast and Outturn Position
Appendix B Significant Variations – Additional Reprofitting at March 2023
Appendix C Scheme Updates
Appendix D Virements Within Quarter 4
Appendix E Revised Capital Programme 2023/24
Appendix F Prudential Indicators 2022/23

BACKGROUND PAPERS

Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the UK 2021/22.
Local Government Act 2003 and subsequent amendments.
Local Government (Capital Finance and Accounting) Regulations 2008.
Accounts and Audit (England) Regulations 2015.

TERMS OF REFERENCE

This report is being considered by the Policy and Resources Committee in accordance with 1.2(a)(i) of the Policy and Resources Committee Terms of Reference:

Formulate, co-ordinate and implement corporate policies and strategies and the medium-term financial plan (budget), which includes responsibility for any decision:

(i) that relates to such matters to the extent that they are not reserved to full Council.

Policy and Resources Committee is recommended to refer the decision to Council in accordance with 2(a)(i)(1) of the Functions Reserved to Council:

The Council reserves to itself the following functions (in accordance with the rules and procedures contained in this Constitution):

(i) The Budget – The approval or adoption of a plan or strategy for the control of the local authority's borrowing, investments, or capital expenditure or for determining the authority's minimum revenue provision, which includes the overarching annual: -

- (1) Capital Programme
- (2) Capital Financing Strategy

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet – 2019/20 Capital Outturn Report	27 July 2020
Council – 2020/21 Capital Monitoring Q1	19 October 2020

Council – 2020/21 Capital Monitoring Q2	7 December 2020
Budget Council – 2020/21 Capital Monitoring Q3	1 March 2021
Council - 2020/21 Capital Outturn Report	6 September 2021
Budget Council – 2021/26 Capital Programme	1 March 2021
Budget Council - 2021/22 Capital Financing Strategy	1 March 2021
Council – 2021/22 Capital Monitoring Q1	18 October 2021
Council – 2021/22 Capital Monitoring Q2	6 December 2021
Council – 2021/22 Capital Monitoring Q3	28 February 2022
Council – 2021/22 Capital Outturn Report	11 July 2022
Council – 2022/27 Capital Programme	28 February 2022
Council – 2022/27 Capital Financing Strategy	28 February 2022
Council – 2022/23 Capital Monitoring Q1	10 October 2022
Council – 2022/23 Capital Monitoring Q2	5 December 2022
Council – 2022/23 Capital Monitoring Q3	27 February 2023

Appendix A

Movement Between Q3 Forecast and Outturn Position

Programme	Forecast Q3 £m	Additional Grant £m	Funding Adjustments (inc Virements) £m	New Bids £m	Scheme Reduction £m	Reprofiling to Future Yrs £m	Actual Spend 31 Mar 23 £m
Adult Care & Health	1.248	-	0.111	-	-	-0.710	0.649
Children, Families & Education	7.402	-	0.991	-	-	-1.372	7.021
Corporate Schemes	3.780	-	-0.200	-	-0.650	-	2.930
Neighbourhoods	27.685	4.661	0.325	-	-	-8.829	23.842
Regeneration & Place	40.643	5.189	2.420	-	-	-25.490	22.762
Resources	5.544	-	-0.052	-	-	-1.759	3.733
Total	86.302	9.850	3.595	0.000	-0.650	-38.160	60.937

Appendix B

Significant Variations in Quarter 4

Table B1 - Schemes with Significant Budget Deferral Adjustments in Quarter 4

Directorate	Scheme	Q4 Budget Deferral £'000
Adult Care and Health	Better Care Fund (Disabled Facilities Grant)	433
Children, Families & Education	High Needs Provision Capital	382
	Transforming Care - Therapeutic Short Breaks	863
Neighbourhoods	Highway Maintenance	2,350
	Traffic Signal LED Upgrade	511
	West Kirby Flood alleviation	2,505
Regeneration & Place	Active Travel Tranche 2	1,517
	Birkenhead Regeneration Delivery Fund	9,010
	Community Asset Transfer	500
	Emslie Morgan (Solar Campus)	447
	Future High Streets Fund - New Ferry	427
	Future High Streets - Birkenhead	2,824
	Moreton Youth Club & Library	493
	New Ferry Regeneration Strategic Acquisitions	1,224
	Office Quarter Building Fit-Out	635
	Soft Play Areas Leisure Centres	410
	Sustainable Urban Development - Leasowe to	
	Seacombe Corridor	3,016
	Town Deal Fund - Birkenhead	2,698
	Wirral Tennis Centre - Facility Upgrade	515
Resources	Digital Foundations Programme	402
	Enterprise Resource Planning	630
Various	Total of Other Deferrals Across Programme	6,368
	Total Budget Deferral in Q4	38,160

Table B2 - Summary of Significant Programme Variations in Quarter 4

Directorate	Scheme	Q4	Department Comments
		Budget Deferral £'000	
Adult Care and Health	Better Care Fund (Disabled Facilities Grant)	433	The Better Care Fund (DFG) element is underspent as result of a proposed project not starting. As the project lead has left Wirral Council it is suggested that this DFG funding is rolled into a wider Technology Enabled Care (TEC) project that is planned from Q2 2023. This TEC is focussed on driving efficiencies within Supported Living. It meets the DFG criteria as it enables people to stay in their own homes for longer, with greater levels of choice and independence. Additional grant monies of c.£74k are also due to be paid to Wirral from the Department of Health & Social Care, again focussing solely on technology to support independent living.
Children, Families & Education	High Needs Provision Capital	382	Good progress is anticipated in the next 12-18 months with regards to these works. The mobile classroom at Ganney Meadow and work on Foxfield are two particular schemes that have required their budget allocations to be reprofiled into 2023/24.
	Transforming Care - Therapeutic Short Breaks	863	Agreed a purchase on a property in Wallasey, which is delayed due to probate issues.

Directorate Neighbourhoods	Scheme	Q4 Budget Deferral	Department Comments
		£'000	
	Highway Maintenance	2,350	End of year budget carry over was mainly due to the fact a good portion of the funding was not available until very late in the year, so the works programmed had been based on a assumption, which was under the actual amount received. Planning for major schemes starts in January of each year, with works orders issued by June any money received after that date is difficult to fit in, given contractor resource and permit notice lead in and the weather (time of year) is a major factor.
	Traffic Signal LED Upgrade	511	Consultation has delayed delivery of schemes due to objections received and modifications required to designs. There has been a need to report unresolved objections through committee and officer decision reports.
	West Kirby Flood alleviation	2,505	The anticipated completion date is July 2023 due to a number of unforeseen factors, including global increases in the cost of construction materials, significant variations in ground conditions along the promenade, design changes and the temporary relocation of the RNLI lifeboat station.
Regeneration & Place	Active Travel Tranche 2	1,517	Programme slipped due to delay in feedback from Active Travel England/Department for Transport with regard to programme reprofile required due to cost increases and following feedback from public consultation and committee resolution.
	Birkenhead Regeneration Delivery Fund	9,010	This wide ranging funding incorporates a variety of projects all of which are at different stages of completion and/or awaiting commencement of works.

Directorate Regeneration & Place	Scheme	Q4 Budget Deferral	Department Comments
		£'000	
	Community Asset Transfer	500	Due to the extended consultation that is required as part of the Community Asset Transfer process. Once achieved, the transfer can progress.
	Emslie Morgan (Solar Campus)	447	Challenges with resources to get this project to tender stage. Now about to go to tender so progress can now be made on scheme within 23/24.
	Future High Streets Fund - New Ferry	427	The programme has been reprofiled to allow for the redesign and changes to the original scheme. Highway improvement works were also paused to coordinate this with housing development works that will be starting in 23/24. Designs for two further sites are being finalised ready for submission to the planning authority in the summer. Work on the scheme will progress across 23/24 and 24/25
	Future High Streets - Birkenhead	2,824	Wirral Growth Company are working through RIBA 3 design stage for Birkenhead Market and this should conclude in May 23. Slippage aspect is owing to costs for the demolition of House of Fraser which was rescheduled for 23/24. The tender for the demolition contractor closes in May 23 and it is anticipated this work will commence in summer 23.
	Moreton Youth Club & Library	493	Slippage linked to progress of the wider development. The scheme is a small part of a wider regeneration scheme which is still going through planning process.

Directorate	Scheme	Q4	Department Comments
		Budget Deferral £'000	
Regeneration & Place	Town Deal Fund - Birkenhead	2,698	Grant funding agreements on some schemes have not been entered in to as quickly as anticipated (12 months ago) as projects required further development. This has meant an adjustment to the forecast. However, the projects are still all on track to deliver within the government timeframe (deadline March 26).
	Wirral Tennis Centre - Facility Upgrade	515	This is a very sizeable scheme and works now on site and due to complete in 2023/24 - delays are due to resources and construction supply chain issues.
	Wirral Tennis Centre - Facility Upgrade	515	This is a very sizeable scheme and works now on site and due to complete in 2023/24 - delays are due to resources and construction supply chain issues.
Resources	Digital Foundations Programme	402	Resource commitments to other projects resulted in the timescales needing to be extended and subsequent milestone payments slipping into 23/24
	Enterprise Resource Planning	630	Slippage is due to the fact that the business case included Oracle HCM which the Council decided not to adopt. We are looking to see if we are able to use the budget to fund a Zellis upgrade.

Appendix C

Capital Programme – Directorate Schemes with Highest Spend in 2022/23

C1 Adult Social Care & Health

- **Telecare & Telehealth Ecosystem (£0.631m)** –The Telecare and Telehealth Ecosystem element of the funding has been spent on equipment designed to enable people to remain safely in their own homes. The equipment “packages” typically consist of a series of sensors that work together to establish the routines and habits of the resident and report changes that provide an early indication of illness or deterioration of a long-term condition. Alarm buttons are also supplied in the event of an emergency. The equipment links to a base unit that collects the information and relays it to an alarm receiving centre. Currently over 2200 homes are equipped with this new digital equipment, with another 2300 homes to be converted to digital systems by Q1 2025. The slight variance is a result of judicious use of funding and negotiating with suppliers to obtain the best prices.

C2 Children, Families & Education

- **School Condition Allocation (SCA) (£4.860m)** – £2.4m of spend on Kingsway Academy adaptations/ Claremount move phase 1 and Castleway & Leasowe Early Years schemes. £0.83m of spend on roof replacements for various schools. Still experiencing effects of the historic backlog in jobs and increased financial costs due to inflation rises and construction supply chain issues.
- **High Needs Provision Capital (£1.117m)**– To deliver additional classroom provision for Special Educational Needs (SEN) pupils across several Special schools. Current programme includes number of high cost construction projects including 0.712m spend on Hayfield mobile classroom for SEN provision.

C3 Neighbourhoods

- **Combined Authority Transport Plan (CATP) (£0.904m)**- The spend in year relates to delivery of schemes which meet the priorities of the Road Safety Working Group including implementation of the borough wide 20mph speed limit project and other key projects relating to local safety, traffic signal, pedestrian access and public rights of way improvements.
- **Highway Maintenance (£4.588m)** – Funding was only fully disbursed in late November, resulting in not all of the allocation being spent within 2022/23. Works within year included Hot Rolled Asphalt, Surface dressing, Micro-asphalt Footway schemes and Drainage works.

- **Key Route Network City Region Sustainable Transport Settlement (£1.144m)** – Works funded via Liverpool City Region Combined Authority include resurfacing, plane and inlay surfacing works at various locations across Wirral. Within the scheme is an allocation for 'Low Carbon Birkenhead,' surface treatment works at various locations across Wirral delivering a safer transport network with less accidents and fatalities. Funding was not confirmed until mid-way through 2022/23 therefore an underspend was expected and accepted by the funding body.
- **Wallasey Embankment Toe Reinforcement (£0.740m)** - This scheme comprised the importation and placing of approximately 9,000 tonnes of light rock armour along approximately 1.1km of the toe of the Wallasey Embankment, to prevent undermining of the existing coastal defence structure. The scheme was carried out between the months of July and August 2022 and was completed on time and within budget.
- **West Kirby Flood Alleviation (£13.010m)** – Piling work, construction of the flood wall and promenade construction were the main costs in the 22-23 financial year, with adverse ground conditions causing the need for more steel reinforcement to concrete slabs. All of the precast concrete units are now in place with the majority of the promenade resurfaced. Foundation work is currently underway for the floodgates with installation to follow.

C4 **Regeneration & Place**

- **Aids, Adaptations and Disabled Facility Grant (£5.863m)** – This is a ring fenced grant received for the provision of aids and adaptations which is operated on a rolling basis where works can be committed in one year and expenditure incurred the next or across financial years.
- **Birkenhead Regeneration Delivery Fund (£3.697m)** – the scheme incorporates a variety of projects all of which are at different stages of completion and or awaiting commencement of works. Funding allocated to enable the delivery of the 'Brownfield First' development strategy in support of The Local Plan. Spend has commenced against individual programmes which are as follows:
 - Hamilton Park Enabling Works
 - Town Centre – Wirral Growth Company
 - Dock Branch Park
 - Waterfront
 - Hind Street
- **Strategic Acquisition Fund (£2.043m)** - Spend includes the purchase of Hind Street and associated works. This scheme is closely linked to the progressing of regeneration initiatives with use intended to fund potential acquisitions.

- **Sustainable Urban Development - Leasowe to Seacombe Corridor (£1.700m)** - The spend is for the delivery of Work Package 6 active travel schemes and included a land purchase from network rail to facilitate the delivery of Phase 4.
- **Town Deal Fund Birkenhead (£1.720m)** – This £25m fund is to enable access to capital grants to support the regeneration of Birkenhead. It encompasses a number of projects to be delivered both internally and by external organisations. A Treasury compliant ‘Green Book’ business case has been prepared and approved for each of the projects. Grants will be paid out to the organisations delivering the external projects via Grant Funding Agreements. All projects funded by this Grant are on track be delivered by March 2026. Robust monitoring and evaluation arrangements are in place.

C5 Resources

- **Customer Experience Improvements Project (£0.566m)** – The project remains on track to deliver corporate CRM solution. The expenditure to date related to salary recharges for the project team and is as forecasted.
- **Digital Foundations Programme (0.608m)** - 2022-23 spend is for the milestones that have been delivered as part of the Microsoft engagement which is modernising our IT Service and improving our Cyber Security
- **Enterprise Resource Planning (ERP) (£2.034m)** – The in year spend is milestone payments to Insight Direct UK Ltd and NAMOS Solutions Ltd for the ERP implementation. It also contains capitalised salary costs and Oracle Licenses.

Appendix D

Virements within Quarter 4

Directorate	Scheme	Proposed Virement £'m	Proposed Reallocation	Reason
Regeneration and Place	Bebington Oval Facility Upgrade	0.155	Wirral Tennis Centre 3G Pitch	In the period since the 3G Pitch was approved inflationary price increases, within the construction sector, have resulted in a significant increase to the overall project cost.
Neighbourhoods	Highway Maintenance	0.190	Bridges excluding Dock Bridge	Adjustment to the recording of a grant. The original allocated by the Liverpool City Region was to 'Bridges excluding Dock Bridge'.
Neighbourhoods	Combined Authority Transport Plan	0.016	STEP	Required to cover final year end spend.
Neighbourhoods	Wirral Way Widening	0.014	Essential H&S works at Wirral Country Park	Additional spend incurred due to an increase in material costs between receipt of quotes and completion of work.
Neighbourhoods	Highway Maintenance	0.025	Highways Asset Management System	The project has expanded, due the increase in work and performance reporting required to meet the requirements of the grant funding agreement, city region sustainable transport settlement which if not met, could mean withdrawn of current funding or reduced funding in subsequent years. It was therefore necessary to accelerate and expand the asset management system roll out, so that the necessary IT infrastructure is in place to meet this essential performance reporting.
Regeneration and Place	Health & Safety Condition Surveys	0.002	Beechwood Recreation Centre (809.50) Girtrell Court Demolition (25.00) Leasowe 3G Pitches (1.000)	Required to cover final legacy spend. All schemes are now completed.
Regeneration and Place	Strategic Acquisition Fund	1.421	New Ferry Regeneration Acquisition Fund	This virement is needed to support the acquisition and demolition of properties to complete the site assembly work to provide a residential redevelopment opportunity.

Directorate	Scheme	Proposed Virement £'m	Proposed Reallocation	Reason
Regeneration and Place	Legal Case Management System	0.052	Capitalisation of Legal Salaries	The Legal Case Management system is near completion with approx. £5k spend left for 23/24. The 'Capitalisation of Salaries' exceeded the approved budget of £200k at year-end. The virement is to cover the overspend.
Regeneration and Place	Health & Safety Condition Surveys	0.004	65 The Village	65 The Village has been subject to long discussions with a group who manage an adjacent building, the Capital Allocation was made in order to enable an Asset Transfer. The works revealed that significantly more Capital would be required prior to occupation and a successful transfer circa: £170k. The overspend was due to additional structural, damp issues within the first phase of work, the virement will not cause any financial issues going forward. Whilst working with the Community Group on developing their Business Plan this has not been forthcoming, in the next couple of months we would look at potential disposal.

Appendix E

Revised Capital Programme 2023/24

	Revised 23/24 Programme £'000	Borrowing £'000	Capital Receipts £'000	Grants £'000	Other £'000	Total Funding £'000
2023-24 PROGRAMME						
Adult Care and Health						
Better Care Fund (Disabled Facilities Grant)	433			433		433
Citizen and Provider Portal/Integrated I.T.	63	52		11		63
Extra Care Housing	1,645			1,645		1,645
Liquidlogic - Early Intervention & Prevention	214	214				214
Telecare & Telehealth Ecosystem	1,529			1,529		1,529
Total Adult Care and Health	3,884	266	-	3,618	-	3,884
Children, Families & Education						
Basic Needs	1,028			1,028		1,028
Children's System Development	760	760				760
Family support	157	157				157
High Needs Provision Capital	4,392			4,392		4,392
PFI	52	52				52
School Condition/Modernisation	9,198			9,198		9,198
School Place Planning	1			1		1
Special Educational Needs and Disabilities	478			478		478
Transforming Care - Therapeutic Short Breaks	863			863		863
Total Children, Families & Education	16,929	969	-	15,960	-	16,929

	Revised 23/24 Programme £'000	Borrowing £'000	Capital Receipts £'000	Grants £'000	Other £'000	Total Funding £'000
2023-24 PROGRAMME						
Neighbourhoods						
Air Quality Control DEFRA	120			120		120
Allotment Sites Expansion	72	72				72
Arts Council Capital LIF	21			21		21
Ashton Park Lake	144	144				144
Birkenhead Park World Heritage Project Team	85	85				85
Bridges excluding Dock Bridge	894	328		566		894
Catering Units	160	160				160
Cemetery Extension & Improvements (Frankby)	142	142				142
Churchyard Boundary & Landican Cemetery Structural	56	56				56
Climate Emergency Budget	52	52				52
Coastal Defence - Meols Feasibility Study	100			100		100
Combined Authority Transport Plan	3,712	198		3,514		3,712
Coronation Park Sustainable Drainage	222	40		182		222
Defibrillators	13	13				13
Dock Bridges replacement	210	210				210
Essential H&S Access Improvements - Wirral Country Park	1	1				1
Fitness Equipment	4	4				4
Flaybrick Cemetery Pathway	200	200				200
Future Golf - Project 1.1	188	-				-
Grange Cemetery	45	188				188
Highway Maintenance	7,213	45				45
Key Route Network (LGF3) - Operate Key Roads/Routes Efficiently	166	344		6,869		7,213
Key Route Network CRSTS	1,757	36		130		166
Levelling Up Parks Fund-Woodchurch	38			1,757		1,757
Library Radio Frequency Identification Kiosks	80			38		38

	Revised 23/24 Programme £'000	Borrowing £'000	Capital Receipts £'000	Grants £'000	Other £'000	Total Funding £'000
2023-24 PROGRAMME						
Neighbourhoods (Continued)						
Lyndale Ave Parking & Safety Measures	124	124				124
Moreton Sandbrook Drainage	203	203				203
New Brighton Gym Equipment	3	3				3
New Ferry Rangers Community Clubhouse	843	792		51		843
Parks Machinery	2136	2136				2,136
Parks Vehicles	580	580				580
Parks Workshop & various machinery	135	135				135
Play Area Improvements	177	177				177
Plymyard Cemetery Roadways	75	75				75
Plymyard Playing Field	134				134	134
Quick Win Levy	15			15		15
Removal of remaining analogue CCTV circuits-21-22	4	4				4
Solar Campus 3G	30	30				30
Street Lighting Column - Replacement or Upgrade	483	483				483
Street Lighting -Illuminated Lighting and Signage	27	27				27
Studio refurbishment Les Mills classes	15	15				15
Surface Water Management Scheme	57			57		57
Tower Road National Productivity Investment Fund (NPIF)	157	157				157
Traffic Signal LED Upgrade	1166			1166		1,166
Tree Strategy	64	64				64
Urban Tree Challenge Fund	147	147				147

	Revised 23/24 Programme £'000	Borrowing £'000	Capital Receipts £'000	Grants £'000	Other £'000	Total Funding £'000
2023-24 PROGRAMME						
Neighbourhoods (Continued)						
Wallasey Embankment Toe Reinforcement	618			618		618
West Kirby Flood alleviation	2,505	2,505				2,505
Williamson Art Gallery Catalogue	56	56				56
Williamson Art Gallery Ventilation 21-22	288	288				288
Wirral Tennis Centre - 3G Pitch	1,065	305		760		1,065
Wirral Way Widening	70	70				70
Woodchurch Sports Pavillion	1,756	756		1,000		1,756
Total Neighbourhoods	28,628	11,537	-	16,964	127	28,628
Regeneration & Place						
Active Travel Tranche 2	1,517			1,517		1,517
Aids, Adaptations and Disabled Facility Grants	2,521			2,521		2,521
Arrowe Country Park - New Machine Shed & Wash Bay	109	109				109
Arrowe Country Park Depot: Re-Surfacing, Material Bays & Barrier	27	27				27
Bebington Oval Facility Upgrade	527	527				527
Birkenhead Market Construction	13,300			13,300		13,300
Birkenhead Regeneration Delivery Fund	24,034	3,071		20,963		24,034
Birkenhead Regeneration Framework	315	315				315
Birkenhead Town Centre Masterplanning & Housing Delivery	290	290				290
Business Investment Fund	585	585				585

	Revised 23/24 Programme	Borrowing £'000	Capital Receipts £'000	Grants £'000	Other £'000	Total Funding £'000
2023-24 PROGRAMME						
Regeneration (Continued)						
Capitalisation of Regen Salaries	971	971				971
Changing Places Toilets	137	30		107		137
Clearance	191			191		191
Community Asset Transfer	500	500				500
Concerto Asset Management System	25	25				25
Connecting Wirral Waters: Detailed Design	42	42				42
Consolidated Library Works Fund	279	279				279
Demolitions	1,346	1,346				1,346
Depot Welfare Improvements	45	45				45
Empty Property Grant Scheme	315	315				315
Emslie Morgan (Solar Campus)	447	447				447
Energy efficient buildings	370	370				370
FHSF New Ferry 21-22	3,112			3,112		3,112
Floral Pavilion	100	100				100
Future High Streets - Birkenhead	12,403			12,403		12,403
Health & Safety - Condition Surveys	1,715	1,715				1,715
Heswall Day Centre (part only)	50	50				50
Housing Infrastructure Fund (Enabling Infrastructure)	1	1				1
Hoylake Golf works depot demolish and replace	1	1				1
Landican Chapels	40	40				40
Leisure Capital Improvement Programme	470	470				470
Lever Sports Pavilion	-	-				-
Liscard Town Centre Delivery	10	10				10
Major Infrastructure Development & Strategic Transport	210	210				210

	Revised 23/24 Programme £'000	Borrowing £'000	Capital Receipts £'000	Grants £'000	Other £'000	Total Funding £'000
2023-24 PROGRAMME						
Regeneration (Continued)						
Maritime Knowledge hub	12,351	7,926		4,425		12,351
Moreton Youth Club & Library	993	993				993
New Brighton Masterplan for Marine Promenade	45	45				45
New Ferry Regeneration Strategic Acquisitions	1,342	1,342				1,342
Office Quarter Building Fit-Out	5,248	5,178			70	5,248
Parks and Countryside DDA	421	421				421
Pool Covers	252	252				252
Property Pooled Plus I.T System	20	20				20
Soft Play Areas Leisure Centres	410	410				410
Strategic Acquisition Fund	2,992	1,192		1,800		2,992
SUD - Leasowe to Seacombe Corridor	3,016	225		2,791		3,016
TAG Bus Case-A41 Corridor North	192			192		192
TAG Bus Case-Wirral Waters outline	39			39		39
Town Centre scheme - New Ferry	5			5		5
Town Deal Fund - Birkenhead	15,189	124		15,065		15,189
Town Fund B'head	53			53		53
UK Shared Prosperity Fund (UKSPF)	176			176		176
Vale Park Toilets	100	100				100
West Kirby Concourse/Guinea Gap Reception upgrade	351	351				351
West Kirby Marine Lake/Sailing Centre – accommodation	93	93				93
West Kirby Masterplan	58	58				58

	Revised 23/24 Programme £'000	Borrowing £'000	Capital Receipts £'000	Grants £'000	Other £'000	Total Funding £'000
2023-24 PROGRAMME						
Regeneration (Continued)						
Wirral Tennis Centre - Facility Upgrade	515	515				515
Wirral Waters Investment Fund	7,000	7,000				7,000
Woodchurch Capital Asset Transfer	330	330				330
Total Regeneration & Place	117,196	38,466	-	78,660	70	117,196
Resources						
Creative & Digital Team - specialist software and hardware	9	9				9
Customer Experience Improvements Project	738	738				738
Digital Foundations Programme	1,302	1,302				1,302
ERP	6,130	6,130				6,130
Legal Case Management System	8	8				8
Local Digital Cyber Fund	163			163		163
Replacement of ITSM	173	173				173
Upgrade of WIFI Network	97	97				97
Worksmart I.T.	116	116				116
IT Client Refreshment, Laptops, Desktops & Tablets	2,685		2,685			2,685
Total Resources	11,421	8,573	2,685	163		11,421
Total Programme	178,058	59,811	2,685	115,365	197	178,058

Appendix F

Prudential Indicators 2022/23

(a) Adoption of the CIPFA Treasury Management Code

This indicator demonstrates that the Authority adopted the principles of best practice.

The Council has previously approved the adoption of the CIPFA Treasury Management Code 2021 Edition.

(b) Capital Expenditure

This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and in particular, to consider the impact on Council Tax.

	31/03/2023 Actual £'000	31/03/2024 Estimate £'000	31/03/2025 Estimate £'000
Expenditure	60,937	178,058	45,512

Capital expenditure has or will be funded as follows:

Capital Financing	31/03/2023 Actual £'000	31/03/2024 Estimate £'000	31/03/2025 Estimate £'000
Capital receipts	2,930	2,685	7,795
Grants and Contributions	39,978	115,365	15,166
Revenue and Reserves	592	204	7,050
Borrowing	17,437	59,804	15,501
Total Funding	60,937	178,058	45,512

(c) Capital Financing Requirement (CFR)

Estimates of the Authority's cumulative maximum external borrowing requirement for 2022/23 to 2024/25 are shown in the table below:

Capital Financing Requirement	31/03/2023 Actual £m	31/03/2024 Estimate £m	31/03/2025 Estimate £m
General Fund	375.3	420.5	419.0

(d) Gross Debt and the Capital Financing Requirement:

In order to ensure that over the medium-term debt will only be for a capital purpose, the Authority should ensure that debt does not, except in the short term, exceed the total of Capital Financing Requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

Debt	31/03/2023	31/03/2024	31/03/2025
	Actual	Estimate	Estimate
	£m	£m	£m
Borrowing	284.7	312.4	321.6
PFI liabilities	31.2	28.0	24.8
Total Debt	315.9	340.4	346.4
Borrowing in excess of CFR?	No	No	No

Total debt is expected to remain below the CFR during this period.

(e) Authorised Limit and Operational Boundary for External Debt

The Operational Boundary for External Debt is based on the Authority's estimate of most likely, i.e., prudent, but not worst case scenario for external debt. It links directly to the Authority's estimates of capital expenditure, the capital financing requirement and cash flow requirements and is a key management tool for in-year monitoring. Other long-term liabilities relate to the Private Finance Initiative that are not borrowing but form part of the Authority's debt.

The Authorised Limit for External Debt is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Authority can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

There were no breaches to the Authorised Limit and the Operational Boundary, as set in the Capital Financing Strategy report (Council meeting 28 February 2022) during 2022/23.

	Operational Boundary (Approved) 31/03/2023 £m	Authorised Limit (Approved) 31/03/2023 £m	Actual External Debt 31/03/2023 £m
Borrowing	469.0	479.0	284.7
Other Long-term Liabilities	52.0	57.0	31.2
Total	521.0	536.0	315.9

(f) Ratio of financing costs to net revenue stream

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget

required to meet financing costs. The ratio is based on costs net of investment income.

Ratio of Finance Costs to Net Revenue Stream	2022/23	2023/24	2024/25
	Actual	Estimate	Estimate
	%	%	%
Ratio	5.590	6.98	7.16

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POLICY AND RESOURCES COMMITTEE

Wednesday, 14 June 2023

REPORT TITLE:	HOUSEHOLD SUPPORT FUND
REPORT OF:	DIRECTOR OF FINANCE

REPORT SUMMARY

This report provides a summary of the proposed spend of government's Household Support Fund (£6,098,690) for the period 1 April 2023 to 31 March 2024, which is available to support those most in need with the cost of food, energy (heating, cooking, lighting), water bills (including sewerage) and other essentials.

The report also provides a summary of the spend of the Household Support Fund (£3,049,356.09) for the period 1 April 2022 to 30 September 2022 and seeks endorsement of the final allocation.

The matter affects all wards within the borough. It is a key decision.

RECOMMENDATIONS

Policy and Resources is recommended to:

1. approve the indicative local allocation of the Household Support Fund (April 2023 to March 2024) as outlined below:

Name	Organisation	HSF 4 Proposals
Wirral Household Support Fund - small grants programme	Various organisations	£ 1,300,000.00
Early Years food, bulk school pantries & essentials hampers (school holidays)	Neo Community	£ 1,300,000.00
School Emergency Food Pantries - fresh deliveries	Neo Community	£ 186,000.00
Additional Emergency Financial Support spend	Wirral Council	£ 200,000.00
Financial support with fuel (pre-paid meters)	Wirral Council via Fuel Bank	£ 700,000.00
Financial support with fuel (Energy and water debt) - direct debit customers	Wirral Council referrals from CAB & Energy Project Plus	£ 1,100,000.00
Crisis support with emergency heating	Energy Project Plus	£ 46,000.00
Crisis support with white goods	North Birkenhead Development Trust & St Vincent de Paul Society	£ 160,000.00
Housing Support Costs (Rent)	Wirral Council	£ 100,000.00

Food support for out of school activities	Holiday Activities and Food Support – Edsential CIC	£ 150,000.00
Housing Benefit Only Cohort	Wirral Council	£ 30,000.00
Care Leavers support - pantries and energy	Wirral Council / Neo Community	£ 67,600.00
Older person support / freeing up NHS beds	Age UK	£ 100,000.00
Childrens services support for vulnerable families	Wirral Council	£ 500,000.00
Administration costs	Wirral Council and Partners	£ 150,000.00
Total Award		£ 6,093,600.00
Balance		£ 6,090.00

2. authorise the Director of Finance to distribute the local allocation of Household Support Fund having regard to indicative local allocation and taking into account the guidance provided by the Department of Work & Pensions (DWP) and the outline plan referred to at paragraphs 3.10 and 3.26 of this report.
3. note the final local allocation of the Household Support Fund (April 2022 to September 2022) as detailed below:

	Initial suggested allocations	Actual spend (incl admin)
Wirral Household Support Fund - small grants programme	£550,000.00	£556,050.89
Wirral Family Cook Off project	£200,000.00	£815,736.35
Early Years food & essentials hampers (school holidays)	£130,000.00	
School Emergency Food Pantries	£520,000.00	
Wirral Emergency Financial Support with Welfare Needs	£250,600.00	£209,217.13
Financial support with fuel (pre-paid meters)	£150,000.00	£47,212.50
Financial support with fuel (direct debit customers)	£200,000.00	£201,232.68
Financial support with energy (fuel) and water bills debt	£300,000.00	£29,676.14
Crisis support with emergency heating	£23,000.00	£23,000.00
Crisis support with white goods	£51,000.00	£51,000.00
Emergency temporary heating and winter warm packs	£20,000.00	£20,000.00
Housing Support Costs	£100,000.00	£17,953.60
Food support for out of school activities	£200,000.00	£200,000.00
65 and over support through various projects	£200,000.00	£901,253.00
Communications	n/a	£4,566.00
Administration costs other	£152,468.00	£2,122.94
Total minus admin	£2,894,600.00	£2,925,222.70
Total cost	£3,047,068.00	£3,049,345.09

SUPPORTING INFORMATION

1.0 REASON FOR RECOMMENDATION

- 1.1 The Grants will help the Council continue its intensive work, in partnership with local agencies, groups and organisations, to support those most vulnerable throughout the current economic situation.
- 1.2 Policy & Resources Committee at its meeting on 9 November 2022 agreed that future updates on later allocations of Household Support Fund be provided to the Health and Wellbeing Board to enable oversight of delivery from partners.
- 1.3 Allocation of the Summer 2022 scheme was undertaken by way of an Officer Decision Note due to the short lead in time and duration of the scheme.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Revising the delivery method for Household Support Fund is not considered an appropriate course of action given the time constraints and success of previous schemes.
- 2.2 Different financial allocations to the various projects would not have reflected actual capacity to deliver.

3.0 BACKGROUND INFORMATION

- 3.1 The Council has been allocated £ 6,098,690 for the latest iteration of the Household Support Fund. The scheme and funding are due to last 12 months. This is a change from the previous 3 schemes which ran for 6 months during either the winter or summer. There are no changes to the requirement that funding must be spent by the end of the period and monies are repaid based on actual expenditure after the event. The Council is required to submit regular Management Information to the Department of Work and Pensions (DWP).
- 3.2 The Council's approach has been held up as an example of how the fund should work, as highlighted in a meeting with the Minister Responsible for the Household Support Fund (HSF), Mims Davies and a small number of councils including Wirral.
- 3.3 Given the previous success of the Council's scheme, there are limited proposals to change the Council's existing approach, beyond recognising that the new scheme will run for a period of 12 months rather than 6 months and adapting the release and use of funds to ensure funding remains available throughout the year.
- 3.4 Any awards made to third parties are done so on the basis that sufficient management information will be provided in a timely manner. This will be ensured by requiring business cases to support any funding Bid to demonstrate how the funding will be utilised. Progress against these business cases is monitored throughout the duration of the scheme by council officers.

- 3.5 The three schemes previously run by the Council have seen funding utilised across a wide section of the community with funds being administered by both the Council and in the main the charitable organisations. These organisations are best placed to reach out to their local communities to offer support.
- 3.6 The Council is also required to have an open channel by which any member of the community can access funds in the event of a crisis. This element supplements the Council's Emergency Support Fund.
- 3.7 Wirral's HSF fund is operated within the Revenues & Benefit Service Emergency Support Fund team, with oversight being provided the Council's Cost of Living Officer Group and the Health and Wellbeing Board.
- 3.8 Each HSF scheme come with a set of guidance issued by the DWP ([Household Support Fund v4](#)), this provides an outline to Councils how the funding can be spent and places limitations on the Council's ability to exclude certain types of spend. This is specifically around not replacing existing Council spend with HSF funding for example replacing Discretionary Housing payments. This guidance also outlines the obligations placed on Councils who accept this funding.
- 3.9 The Council was required to submit its business case to the DWP to secure funding by the 17 May 2023, the bid had to be signed off by the councils Section 151 officer in consultation with the Leader of the Council.
- 3.10 The council is required to collect and report management information monthly to the DWP, this means that any award made to a body or organisation is subject to the requirement to supply of monthly monitoring information.

3.11 Proposed Indicative Spend

- 3.11.1 The following items of spend are proposed. These figures are indicative and may vary as the various elements are progressed and demand for each established.

3.12 Wirral Household Support Fund – small grants programme (£1,300,000)

- 3.12.1 This in the past has included community-based food and welfare support groups, including many that played a key role supporting residents through the pandemic, Applications were accepted for up to £20,000 (plus up to £2,000 administration costs) to help ensure that food and essential items are available to those most in need in their local communities.
- 3.12.2 It is proposed to hold two rounds of bidding covering the summer and winter periods.
- 3.12.3 Groups engaged with the previous schemes will be given advance notice of the Fund in order that they can be prepared to bid. It will be administered by the Local Emergency Support Team in the Revenues & Benefits Service. Groups / organisations will have until 31 March 2024 to spend the funding and will be subject to the established audit requirements (submission of receipts, etc.), which is consistent with the monitoring of previous small grants programmes.

3.12.4 A framework document for evaluating BIDs in accordance with the guidelines provided by the DWP will be available.

3.13 Early Years food, essential hampers during school holidays & Emergency School Food Pantries (£1,300,000)

3.13.1 Targeted support through the provision of food & essentials hampers will be provided to families eligible for 2 Year Funding/Early Years Pupil Premium (precursors to eligibility for Free School Meals when a child starts primary school).

3.13.2 Other local families with children under 5 who may need the same support will be signposted to their nearest Children's Centre to discuss applying.

3.13.3 Primary, secondary, special schools, leaving care provision and Sixth Form Colleges will be given a store of ambient items (Items stored at room temperature) for the children to take home and use over the winter period. The project builds on the success of a similar scheme delivered in partnership with local charity Neo Community.

3.14 School Emergency Food Pantries Fresh Food Provision (£186,000)

3.14.1 Working with the Schools Pantries to provide 93 schools with £500 vouchers to allow them to purchase and provide additional items of fresh food to complement the existing offer of dry and long-life goods. These vouchers will be provided in instalments at a cost of £ 46,500 per quarter.

3.15 Emergency Support Fund (£200,000)

3.15.1 Transfer of monies to the council's Emergency Support Fund to allow additional grants to be made. This existing fund administered by the council is accessible to all residents across the borough and provides a wide range of emergency support. Residents are signposted for support in addition to information provide within council publicity relating to cost-of-living support and on the council's website. This a fundamental ask of the government guidance as this scheme available and open to all.

3.16 Financial Support with Fuel and with Fuel & Water Debt (£1,800,000)

3.16.1 Vulnerable residents who are unable to pay for the fuel they need to heat and power their homes or are struggling to deal with fuel and water debt can apply for help in several ways:

3.16.2 Those with pre-payment meters can request a fuel voucher (gas and electric) from national charity, Fuel bank Foundation, via their local delivery partners Citizens Advice Wirral, Involve Northwest and Energy Projects Plus, as well as via the Emergency Financial Support Scheme (see below).

3.16.3 People who pay by direct debit can apply for help towards their fuel and water costs, which will be paid directly to their utility provider following an assessment and referral by Citizens Advice Wirral.

3.16.4 People struggling with fuel and water debt can request help to clear or reduce their debt from Citizens Advice Wirral and Energy Projects Plus.

3.16.5 People in crisis situations who are unable to repair or replace broken or obsolete heating and do not qualify for help under other programmes can apply to local charity Energy Projects Plus for help under the Crisis Support with heating scheme.

3.17 Energy Projects Plus (£46,000)

3.17.1 Energy projects plus is a capital funding allocation for heating & plumbing appliance repair/replacement for vulnerable. Low-income Wirral residents without recourse to such funding elsewhere, or who would be at a disadvantage if they were required to wait for other schemes to process their application.

3.18 Crisis support with white goods (North Birkenhead Development Trust & St Vincent de Paul Society) (£160,000)

3.18.1 Throughout the various iterations of the Grant, community-based partners, North Birkenhead Development Trust and St Vincent de Paul Society (Wirral), have provided white goods and other essential items to vulnerable households who do not meet the threshold for Council support through its Financial Support with Welfare Needs Scheme. A further allocation of funding will see this support continue over the coming months. This support is available and distributed across the whole of the borough.

3.19 Housing Support Costs (£100,000)

3.19.1 The Fund allows for support with housing costs, in exceptional cases of genuine emergency where existing housing support schemes do not meet this exceptional need. Where eligible, ongoing housing support for rent must be provided through the housing cost element of Universal Credit and Housing Benefit rather than the Household Support Fund. In addition, eligibility for Discretionary Housing Payments must first be considered before emergency housing support is offered through the Household Support Fund. The Council must also first consider whether the claimant is at statutory risk of homelessness and therefore owed a duty of support through the Homelessness Prevention Grant. This funding cannot be used to provide housing support on an ongoing basis or to support unsustainable tenancies, or to provide mortgage support. The use of the Fund for this purpose will be administered through the Council's Revenues and Benefits service. Eligibility is expected to be limited based on the criteria stipulated.

3.20 Out of School activities - Holiday Activities and Food Support (£150,000)

3.20.1 The holiday activity and food programme (HAF) is a national programme that supports benefits related free school meal eligible children during the spring, summer and winter holiday periods. Over the previous summer/winter we had over 43 clubs and activity venues running over the holidays and the household support fund is funding the food element of the project. Each child attending will receive a nutritious meal each day, they attend the programme. This is a great opportunity to reach thousands of Households during the school holidays, and with the pressures on everyone's budget, this will give children a warm, exciting and magical time. The

holiday activity and food programme is funded by the Department for Education, managed by the Council, and coordinated by Edsential CIC.

3.21 Support for recipients of Housing Benefit (£30,000)

3.21.1 There is a very small cohort on households who receive Housing Benefit and no other benefits provided by the Department for Work and Pensions. The Household Support Fund guidance explicitly mentions support for this group as they had missed out on the £900 Cost of Living Payments made by central government. Payment of £900 is to be paid via a Post Office Voucher scheme in two instalments June & November to ensure support is provided to those who need it most.

3.22 Care Leavers Food Pantry (£67,600)

3.22.1 Care Leavers Food Pantry is an allocation to the Council's Children's Services to provide funding to enable the food pantry to purchase additional items of fresh food to complement the existing offer of dry and long-life goods.

3.23 Quality of Life Support for Over 65s (£100,000)

3.23.1 Working with Age UK this grant will allow Over 65s to support several projects across Wirral.

3.23.2 Supporting people to enhance their quality of life with specific focus on Nutrition, Maintaining/increasing independence at home, Avoidance of hospital admissions, Prevention of carer breakdown and financial support to carers/vulnerable older people for essential items/bills. This funding aims to support around 800 unique individuals, with those in most need receiving more than one area of support. Individuals will be those already registered with Age UK services, and new people that they encounter at Arrowe Park Hospital, in charity shops and through referrals into services.

3.23.3 Age UK envisage 60% of recipients to be over 65 and that 70% of those supported will have a long-term health condition. Clients from all parts of the Wirral will be supported, but there will be targeted support in Wallasey and Birkenhead.

3.24 Support for Vulnerable Families (£500,000)

3.24.1 Children's services provide significant support that children and families both from our statutory services and from the councils' extensive early help offer. Our early help offer is non-statutory and is delivered in partnership with community voluntary and faith organisations across the Wirral.

3.24.2 Children's services receive around 12,000 plus contacts per year from professionals and families with concerns about the welfare of the children in the household. Due to the increased challenges regarding fuel poverty and the cost-of-living and are identifying more of these families in dire financial straits. They are no longer able to afford the basics (food, clothing, gas and electricity). For some they are meeting these costs but then cannot afford another basic need (for example bus fare to school etc). For these families they always look for a long-term solution.

3.24.3 Childrens Services will attempt to help them resolve their financial crisis. However, short term bridging finance is often required, as many of these families have already exhausted funding from other sources. These are cases where there is no other source of funding or help is available. The additional money will be spent in small individual family grants and offered along with the support and advice needed.

3.25 Administration (£150,000)

3.25.1 HSF Scheme guidance allows for a reasonable level of administration costs to be allocated from the funding. The arrangements will be for funding to support the administration of the whole programme including but not wholly dealing with the increased administration costs of operating an increased application-based assistance schemes under the auspices of the Emergency Support Fund and small grants programs.

3.26 HSF Summer 2022 Allocation

3.26.1 Further to the Officer Decision Notice dated 28 June 2022 for the allocation of the £3,049,345.09. Household Support Fund Scheme to the Council, by the Department for Work & Pensions (DWP). This Grant covered the period 1 April 2022 – 30 September 2022.

3.26.2 On 23 March 2022 the Chancellor of the Exchequer provided details of a further extension to the Household Support Fund grant funding, with a further £500m of support to the Council for the period 1 April 2022 to 30 September 2022. Up to a maximum amount of £3.049m (£3,049,345.09) was made available to the Council. Similar terms and conditions applied as with the previous iterations of the Grant; however, the ratio of spend between families with children, and families without children/individuals, had also changed, reducing from at least 50% to at least 33% of the spend (excluding administration costs) requiring to be spent on families with children. This meant that more vulnerable individuals could be supported than with previous versions of the grant.

3.26.3 There were a number of changes in benefits, National Insurance amounts and an increase in living costs that impacted on Wirral residents, affecting their ability to pay for fuel, food and basic necessities and increasing demand for partners' services.

3.26.4 The items of spend shown in the table at Recommendation 3 were proposed. These figures were indicative and varied as the various elements progressed and demand for each established.

4.0 FINANCIAL IMPLICATIONS

4.1 The Household Support Fund has a maximum allocation of £ 6,098,690, spend incurred against this amount will be reimburse in full by the DWP providing conditions with regard the purpose and timeliness of the spend and provision of requisite Management Information are met.

4.2 There is limited financial risk to the Council as we work with partners to ensure funding is spent in accordance with the agreed delivery plans. Plans are monitored and reported on monthly to the DWP.

5.0 LEGAL IMPLICATIONS

- 5.1 The proposed grant distribution profile proposed is consistent with the terms of the Grant funding.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 Oversight of the project will be undertaken by the Revenues & Benefits Manager (Operational), within the structure of the Revenues & Benefits Service.

7.0 RELEVANT RISKS

- 7.1 The proposals have been considered with partners, taking into account factors such as risks, gaps in service, priorities, lead-in times and capacity.
- 7.2 Financial risks have been considered and measures put in place to mitigate against misuse and/or use that is inconsistent with the grant conditions.
- 7.3 There will be frequent dialogue with project leads to limit the likelihood of any underspend (or overspend) at conclusion of the grant period.
- 7.4 These risks are similar to previous grant allocations under the Household Support Fund and have been managed and monitored throughout these previous iterations.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 Through the Local Welfare Assistance Team in conjunction with the previous lead from the Council's Humanitarian Cell, Cost of Living Officer Group. Agencies and third sector partners have been engaged in determining both emergency and sustainable approaches to food and other poverty, the impacts of which on households have been compounded by the current economic situation.

9.0 EQUALITY IMPLICATIONS

- 9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.
- 9.2 This report has no direct impact for equalities; however, any associated actions may need an equality impact assessment.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 The production of carbon emissions has been limited wherever possible.
- 10.2 Smaller scale projects involving the supply of food will seek to source that locally where practical and cost-effective to do so.

- 10.3 The work of Energy Projects Plus in alignment with the Fund will continue to assist with greater energy efficiency and/or the reduction of carbon emissions for individual households.

11.0 COMMUNITY WEALTH IMPLICATIONS

- 11.1 Distribution of the Emergency Support Fund in conjunction with partners and stakeholders enables the council to support some of the most vulnerable residents across the Wirral.
- 11.2 Grants have been distributed to organisations based and working across the Liverpool City Region, with payments supporting and contributing to the sustainability of these organisations.

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APPENDICES

None.

BACKGROUND PAPERS

Household Support Fund; guidance for local councils: 29 April 2022

Officer Decision Notice - Household Support Fund 26 October 2022

Household Support Fund: – Guidance for County Councils and Unitary Authorities in England (2023/24)

Officer Decision Report – COVID Local Support Grant - extension No.2 (21 June 2021 – 30 September 2021), 8 July 2021.

COVID Local Support Grant extension: – Guidance for County Councils and Unitary Authorities in England.

Officer Decision Report – COVID Local Support Grant (COVID Winter Grant Scheme – extension), 20 April 2021.

COVID Local Support Grant: – Guidance for County Councils and Unitary Authorities in England, Department for Work & Pensions.

Officer Decision Report – COVID Winter Grant Scheme, 16 March 2021.

Working Group Update: The Provision of Food & Activities for Children in School Holidays During the COVID 19 Pandemic, Children, Young People & Education Committee, 28 January 2021.

Holiday Food and Activities for School and Nursery Age Children During Holidays, Children, Young People & Education Committee, 1 December 2020.

Officer Decision Report – COVID Winter Grant Scheme, 24 November 2020.

The Provision of Food & Activities for Children in School Holidays During the Covid-19 Pandemic, Policy & Resources Committee, 11 November 2020.

COVID Winter Grant Scheme – Guidance for County Councils and Unitary Authorities, Department for Work & Pensions.

TERMS OF REFERENCE

The report is being considered by the Policy & Resources Committee in accordance with section 1.2(b)(i) of its Terms of Reference, to 'provide a co-ordinating role across all other service committees and retain a 'whole-council' view of performance, budget monitoring and risk management, which includes responsibility for a decision: (i) that has a major impact on a number of Council services or on the Council as a whole;

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Officer Decision Notice – Household Support Fund (Oct 22 – March 23)	8 December 2022
Policy & Resources Committee	9 November 2022
Officer Decision Notice – Household Support Fund	28 June 2022
Officer Decision Notice – Household Support Fund	26 October 2021
Officer Decision Report – COVID Local Support Grant – extension No.2 (21 June 2021 – 30 September 2021)	8 July 2021
Officer Decision Report – COVID Local Support Grant (COVID Winter Grant Scheme – extension)	20 April 2021
Officer Decision Report – COVID Winter Grant Scheme	16 March 2021
Children, Young People & Education Committee	28 January 2021
Children, Young People & Education Committee	1 December 2020
Officer Decision Report – COVID Winter Grant Scheme	24 November 2020
Policy & Resources Committee	11 November 2020

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POLICY AND RESOURCES COMMITTEE

Wednesday, 14 June 2023

REPORT TITLE:	2022/23 BUDGET MONITORING FOR QUARTER FOUR (THE PERIOD TO 31 MARCH), 2022/23 OUTTURN
REPORT OF:	DIRECTOR OF FINANCE

REPORT SUMMARY

This report provides a summary of the year-end revenue position for the 2022/23 financial year as at the end of March 2023. The report provides Members with an overview of budget performance to enable the Committee to take ownership of the budgets and provide robust challenge and scrutiny to Officers on the performance of those budgets.

The year-end revenue outturn for 2022/23, represents an adverse variance against directorate revenue budgets of £11.970m, which is a small £0.392m improvement on the quarter 3 forecast.

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

RECOMMENDATION/S

The Policy and Resources committee is recommended to:

1. Note the draft, unaudited 2022/23 outturn adverse variance of £11.970m;
2. Note the draft unaudited 2022/23 funding adverse variance of £1.078m;
3. Recommend to Council to agree the transfer to and use of earmarked reserves, as detailed in Appendix 3; and
4. Note the progress on delivery of the 2022/23 savings programme.

SUPPORTING INFORMATION

1.0 REASONS FOR RECOMMENDATIONS

- 1.1 Regular monitoring and reporting of the revenue budgets and savings achievements enables decisions to be taken in a timely manner, which may produce revenue benefits and will improve financial control of the Council.
- 1.2 This report presents timely information on the full year financial position for 2022/23, prior to final audit engagement.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The Policy & Resources Committee has previously determined the budget monitoring process and this report details the agreed course of action.
- 2.2 In striving to manage budgets, available options have been evaluated to maintain a balance between service delivery and a balanced budget.

3.0 BACKGROUND INFORMATION

- 3.1 At the meeting on 28 February 2022, the Council agreed a net revenue budget for 2022/2023 of £330.6m to be met by government grants, council tax, business rates and flexible use of capital receipts. The Quarter 1 monitoring report, presented on 7 September 2022 to Policy & Resources Committee, highlighted growing in-year pressures of £5.3m, which had risen to £11m by Quarter 2 and £12.4m by Quarter 3. Several potential mitigations were identified that could be used to present a balanced budget at the end of the year. This report sets out the updated revenue financial position at the end of the year.

Economic Context

- 3.2 The economic backdrop has changed considerably since the Council set its 2022/23 budget back on 28 February 22, with significant emerging pressures, beyond Council control, placing large, unforeseen strains on budgets.
- 3.3 Quarter 4 continued to be characterised by high energy and commodity prices, high inflation and the associated impact on consumers' cost of living. Annual headline CPI registered 10.1% in March with RPI at 13.5%. Both rates exceeded expectations of a decline in inflation rates.
- 3.4 During the quarter, the Bank of England increased the official Bank Rate to 4.25%; an uplift of 0.5% in February and then another 0.25% in March. The Bank's Committee noted that continued evidence of more persistent pressures will require further tightening in monetary policy.

Quarter 4 Revenue Outturn Position

- 3.5 At the end of 2022/23, there is an adverse position of £11.970m on the Council's directorate net revenue budget, of £330.58m. Table 1 provides a summary of the outturn revenue position, with mitigations (detailed in Table 3) to achieve a balanced budget position at the end of the year.

TABLE 1 2022/23 REVENUE BUDGET & OUTTURN

	Budget £000	Outturn £000	Variance (+ Fav / - Adv) £000 %		Adverse/ Favourable
Adult Care & Health	114,962	114,617	345	0%	Favourable
Chief Executive Office	1,786	1,859	-73	-4%	Adverse
Children, Families & Education	79,234	82,705	-3,471	-4%	Adverse
Law & Governance	5,821	6,009	-188	-3%	Adverse
Neighbourhoods Services	46,189	55,656	-9,467	-20%	Adverse
Regeneration and Place	37,775	37,681	94	0%	Favourable
Resources	44,813	44,023	790	2%	Favourable
Total Directorate Surplus / (Deficit)	330,580	342,550	-11,970	-4%	Adverse
Budget Funding	-330,580	-329,502	-1,078	0%	Adverse
Total Council Surplus / (Deficit)	0	13,048	-13,048		Adverse
Total Mitigation	0	-13,048	13,048		Favourable
Approved contribution from earmarked reserves to General Fund Balances		-2,500	2,500		Favourable
Total Surplus (Transfer to General Fund)	0	-2,500	2,500		Favourable

- 3.6 Table 2 highlights key reasons for the directorate variances.

TABLE 2: Summary of Directorate Variances

	£000
Inflationary Impact	-7.30
Children's social care	-3.40
COVID 19 recovery	-1.80
Delayed implementation of agreed savings	-1.50
Other mitigating variances	2.03
TOTAL	-11.97

- 3.7 There was an unexpected adverse £1.078m variation against the funding that supports the revenue budget, which relates to an adjustment of Business Rates Section 31 grants. This was caused by the Valuation Office Agency reducing the Rateable Value of a number of large retail businesses during the year, which affected the relief they were eligible for and in turn the compensatory S31 grants due to the Council. This was an unusual variance, but this will be monitored closely during the course of 2023/24.
- 3.8 It was imperative that the Council reported a supported balanced position at the end of the year. At the end of the financial year, several mitigations have been identified and are set out to demonstrate that a balanced budget can be presented. The table below identifies where these mitigations have been found. Noting that where there is an ongoing deficit into future years, the medium-term financial plan (MTFP) has been updated to reflect the recurrent pressure.

TABLE 3: 2022/23 MITIGATION

Mitigation	£000
Use of Earmarked Reserves	10,048
Use of Contingency Fund	3,000
TOTAL	13,048

- 3.9 For further details on individual directorate positions please see Appendix 1.

Progress on delivery of the 2022/23 savings programme.

- 3.10 In terms of savings, £15.9m of the £18.2m savings targets were delivered in year, representing 87% of the total savings target. A further 4% of savings were delivered through alternative means (mitigation) with 9% of savings delayed and unachieved within the year. The table below summarises the progress by Directorate:

TABLE 4: SUMMARY OF DELIVERY OF 2022/23 SAVINGS

Directorate	Approved Saving	Delivered	Delivered through mitigation	Delayed/ unachieved in year
Adult Care & Health	3.890	3.890	0.000	0.000
Chief Executive Office	0.110	0.060	0.050	0.000
Children, Families & Education	3.150	2.800	0.050	0.300
Law & Governance	0.659	0.659	0.000	0.000
Neighbourhoods Services	5.251	3.484	0.519	1.248
Regeneration and Place	1.838	1.715	0.123	0.000
Resources	3.338	3.338	0.000	0.000
TOTAL	18.236	15.946	0.742	1.548

- 3.11 Full details on the progress on specific savings can be found in Appendix 2.

Reserves and Balances

Earmarked Reserves

- 3.12 On 1 April 2022, earmarked reserves totalled £104.9m. Following the year-end audit this figure was revised down to £97.2m, with some reserves reclassified as creditors (further details can be found in Appendix 3). Of the total earmarked reserves, nearly half were spent in 2022/23, on the activities for which they were established. Some of the reserves are committed over a longer period and have been set aside now to support the Council's financial sustainability and have little or limited impact on future years budgets.

TABLE 5: SUMMARY OF EARMARKED RESERVES

Directorate	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Adult Care & Health	7,721	-846	454	7,329
Children, Families & Education	5,150	-1,489	0	3,661
Law & Governance	355	-85	0	270
Neighbourhoods Services	1,652	-1,351	0	301
Regeneration and Place	7,580	-911	9,504	16,173
Resources	17,712	-5,078	818	13,452
Other Corporate	57,016	-34,041	7,670	30,645
Total	97,186	-43,801	18,446	71,831

General Fund Balances	10,680	0	2,500	13,180
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- 3.13 The £18.4m contributions to reserves in 2022/23 includes the establishment of the following new reserves:
- **Wirral Growth Company Profit:** This new reserve holds £8.5m of accrued profits from Wirral Growth Company LLP for the period to 31 March 2023.
 - **Covid Additional Relief Fund:** The £4.3m Covid Additional Relief Fund was provided by the Department for Levelling Up, Housing and Communities to enable Local Authorities to apply relief to Business Rates bills of those businesses who met locally defined criteria but had not benefitted from any of the previous Covid support funding for businesses. The relief was applied to business rates bills during 2022/23 but this money is held in reserve to offset the timing difference of impact of the resulting Collection Fund deficit on the General Fund impact in 2023/24.
 - **Treasury Management Equalisation:** This £0.4m reserves has been created to offset potentially higher interest costs in the future, and to mitigate fluctuations in investment values in some of the Treasury investment portfolio.

- 3.14 Appendix 3 provides a full list of all earmarked reserves.

4.0 FINANCIAL IMPLICATIONS

- 4.1 This is the Quarter 4 budget monitoring report that provides information on the revenue outturn for the Council for 2022/23. The Council has robust methods for reporting and forecasting budgets in place and alongside formal Quarterly reporting to Policy & Resources Committee, the financial position is routinely reported at Directorate Management Team meetings and corporately at the Strategic Leadership Team (SLT). In the event of any early warning highlighting pressures and potential overspends, the SLT take collective responsibility to identify solutions to resolve these to ensure a balanced budget is reported at the end of the year.

5.0 LEGAL IMPLICATIONS

- 5.1 The Council must set the budget in accordance with the provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a statutory responsibility of the Council. Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget. These provisions require the Council to make prudent allowance for the risk and uncertainties in its budget and regularly monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.
- 5.2 The provisions of section 25, Local Government Act 2003 require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the chief finance (s.151) officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves.
- 5.3 It is essential, as a matter of prudence that the financial position continues to be closely monitored. In particular, Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 At this time, there are no additional resource implications as these have already been identified for the proposals agreed and submitted. However, where the budget is unbalanced and further proposals are required, then there will be resource implications, and these will be addressed within the relevant business cases presented to the Committee.

7.0 RELEVANT RISKS

- 7.1 The Council's ability to maintain a balanced budget for 2022/23 was dependent on a stable financial position. The delivery of the budget was subject to ongoing variables both positive and adverse which gave a level of challenge in achieving this outcome.
- 7.2 In any budget year, there is a risk that operation will not be constrained within relevant budget limits. Under specific circumstances the Section 151 Officer may issue a Section 114 notice but that position has not been reached at the present time. The issuing of a Section 114 notice bans all new spending with the exception of protecting vulnerable people and statutory services and pre-existing commitments.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 Consultation has been carried out with the Senior Leadership Team (SLT) in arriving at the governance process for the 2022/23 budget monitoring process and the 2022/23 budget setting process. This report will also be shared and reviewed by the Independent Panel.

9.0 EQUALITY IMPLICATIONS

- 9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.
- 9.2 At this time, there are no further equality implications as these have already been identified for the proposals agreed and submitted. However, where the budget is unbalanced and further proposals are required, then there may be equality implications associated with these, and these will be addressed within the relevant business cases presented to the Committee.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 This report has no direct environmental implications; however due regard is given as appropriate in respect of procurement and expenditure decision-making processes that contribute to the outturn position.

11.0 COMMUNITY WEALTH IMPLICATIONS

- 11.1 In year activity will have incorporated community wealth implications. Consideration would have taken account of related matters across headings such as the following:

- **Progressive Procurement and Social Value**
How we commission and procure goods and services. Encouraging contractors to deliver more benefits for the local area, such as good jobs, apprenticeship, training & skills opportunities, real living wage, minimising their environmental impact, and greater wellbeing.
- **More local & community ownership of the economy**
Supporting more cooperatives and community businesses.

Enabling greater opportunities for local businesses.
Building on the experience of partnership working with voluntary, community and faith groups during the pandemic to further develop this sector.

- **Decent and Fair Employment**
Paying all employees a fair and reasonable wage.
- **Making wealth work for local places**

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APPENDICES

APPENDIX 1 – Directorate Summary Financial Positions
APPENDIX 2 – Delivery of the 2022/23 Saving Programme
APPENDIX 3 – Earmarked Reserves

BACKGROUND PAPERS

Policy & Resources Committee Report 5 Oct 22: 2023-24 Budget Update
Bank of England – Monetary Policy Report
CIPFA's Financial Management Code
Guidance on flexible use of capital receipts

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Policy and Resources Committee	15 February 2023
Policy and Resources Committee	9 November 2022
Policy and Resources Committee	7 September 2022
Policy and Resources Committee	13 July 2022
Council	28 February 2022
Policy and Resources Committee	15 February 2022
Policy and Resources Committee	17 January 2022
Policy and Resources Committee	1 December 2021
Policy and Resources Committee	30 November 2021

APPENDIX 1 - Directorate Summaries

1 Adult Care and Health

- 1.1 As at the end of March 2023 (Quarter 4), the outturn position for Adult Care and Public Health is a favourable variance of £0.345m against a budget of £114.962m. This position includes the full achievement of the £3.89m savings target.

TABLE 1 2022/23 Adult Care and Public Health – Service Budget & Outturn

	Budget £000	Outturn £000	Variance (+ Fav / - Adv) £000 %		Adverse/ Favourable
Adult Social Care Central Functions	8,211	6,982	1,229	15%	Favourable
Older People Services - WCFT	52,444	55,053	-2,609	-5%	Adverse
Mental Health & Disability Services - CWP	52,010	50,313	1,697	3%	Favourable
Other Care Commissions	93	-563	656	705%	Favourable
Delivery Services	1,947	2,662	-715	-37%	Adverse
Public Health	-262	-262	0	0%	Favourable
Wirral Intelligence Service	519	432	87	17%	Favourable
Directorate Surplus / (Deficit)	114,962	114,617	345	0%	Favourable

- 1.2 **Central Functions:** A favourable variance of £1.229m is reported for 2022/23. The staffing budgets are reported here with slippage against a small number of vacancies and delays in recruitment. This is an improved position from quarter 3 following the recruitment freeze. Movement from the Better Care Fund reserve and the underspend against the 2022/23 BCF schemes is also reflected here.
- 1.3 **Older People Services:** An adverse variance of £2.609m is reported for 2022/23. The variance reflects the pressure within community care of discharging clients from hospital into short term residential settings.
- 1.4 At the start of the financial year activity data shows Older People client numbers of 5,566 receiving some form of support. This figure has grown throughout the financial year to the current level of 6,211 – this is an increase of 11.6% over the last 12 months. While some of this increase is within lower cost care packages, for example Assistive Technology, the figure includes an increase of 5% against residential and nursing placements. Demographic growth of 2% was built into the budget at the start of the financial year.
- 1.5 The cost of these placements has also increased with providers requiring additional top up payments to support inflationary pressures and commissioning of additional hours to support high need from clients discharged from hospital. Top ups funded by DASS have increased by 10% since the start of the financial year and the cost of

additional hours supporting residential and nursing placements has increased by 55% during the financial year. This has added a pressure of £1.2m to the outturn.

- 1.6 Funding for winter discharge has supported some of these costs alongside funding new schemes to support growth in the domiciliary care market. The longer term impact of these projects is not yet known, but shortage of capacity within the domiciliary care market continues to create a budgetary pressure within the service.
- 1.7 Overall the costs against residential and nursing care has increased by 13% from the forecast at the start of the financial year. This has been partly offset by a favourable movement in the expected cost of domiciliary care.
- 1.8 Total savings of £1.981m have been validated against the target of £1.945m which is £0.036m over target.
- 1.9 **Mental Health & Disability Services:** A favourable variance of £1.697m is reported for 2022/23. Savings made in 2021/22 have had a cumulative impact on 2022/23 and the outturn has benefited from a review of the recording of joint funding arrangements within the system. The outturn for joint funding contributions against complex care cases has improved by 22% from the forecast at the start of the financial year. While there has been a negative impact within Older People services there is still an overall improvement of 8%. The budget will be realigned accordingly for the new financial year.
- 1.10 The outturn reflects full achievement of the £1.945m savings target attributed to complex care services for the current financial year.
- 1.11 **Other Care Commissions:** A favourable variance of £0.656m is reported for 2022/23. This area contains services accessed across all client groups, for example the Early Intervention and Prevention services.
- 1.12 **Delivery Services:** An adverse variance of £0.715m is reported for 2022/23. This is a new service area set up since quarter 2 to report the delivery of in-house provisions, currently the recently transferred day services from Wirral Evolutions. The adverse position reflects the full year impact of the revised pay award, the cost of which would be incurred irrespective of the transfer back in-house.
- 1.13 **Public Health:** A balanced position (following contribution to reserves) is reported for 2022/23. The Public Health Grant for 2022-2023 is £30.99m an increase of £0.857m from the 2021/22 allocation of £30.142m.
- 1.14 **Wirral Intelligence Team:** A favourable variance of £0.087m is reported for 2022/23 against part year vacancy within the team.

Budget Virements

- 1.15 There have been no budget virements requiring committee approval in quarter 4.

2. Chief Executive Office

- 2.1 As at the end of March 2023 (Quarter 4), the outturn position for Chief Executive Office is an adverse variance of £0.073m against a budget of £1.786m. This is due to increased costs from the pay award, over and above the original 3% built into the 2022/23 budget and which will be mitigated corporately.

TABLE 2: 2022/23 Chief Executive Office – Service Budget & Outturn

	Budget £000	Outturn £000	Variance (+ Fav / - Adv) £000 %		Adverse/ Favourable
Chief Executive Office	160	118	42	26%	Favourable
Comms & Marketing	963	1,076	-113	-12%	Adverse
PAs/Exec. Support	663	665	-2	0%	Adverse
Directorate Surplus / (Deficit)	1,786	1,859	-73	-4%	Adverse

- 2.2 **Chief Executive Office:** A favourable variance of £0.042m is reported for 2022/23. This relates to employees costs due to realignment of the savings associated with this Directorate in the final quarter.
- 2.3 **Comms & Marketing:** An adverse variance of £0.113m is reported for 2022/23. The advertising and publicity budget has been reduced to contribute towards the overall savings for this Directorate. Advertising income was impacted by COVID-19 last financial year, and inflationary pressures have impacted income generation in this area during the year as local businesses who typically used this service limited expenditure to essential items as costs rose. £0.050m of the £0.110m was unachievable in 2022/23. This was mitigated corporately through utilising the remaining COVID-19 funding for employees within Comms and Marketing as they were seconded to fixed term posts relating to the COVID-19 response.

Budget Virements

- 2.4 There have been no budget virement in quarter 4.

3. Children, Families and Education

- 3.1 As at the end of March 2023 (Quarter 4), the outturn position Children, Families and Education is an adverse variance of £3.471m against a budget of £79.234m.
- 3.2 Over the year, there was a trend of increasing numbers of children in care, after a period of reducing numbers, particularly in young people placed in high-cost residential settings and more recently into independent fostering. This has now stabilised and number are being to reduce again.
- 3.3 Previously reported costs of £1.1m from the pay award, over and above the original 3% built into the 2022/23 budget and SEND Assisted Travel contract, demand and inflation pressures have also affected led to significant adverse variances. Some mitigations have been taken to reduce the full impact of these adverse variances. The reduction in national insurance contributions from November 2022 , along with additional grant and income for the Early Help Service and use of specific reserves. The outturn position reflects delivery of most of the 2022/23 saving proposals.

TABLE 3: 2022/23 Children, Families & Education-Service Budget & Outturn

	Budget £000	Outturn £000	Variance (+ Fav / - Adv) £000 %		Adverse/ Favourable
Children and Families	50,141	54,178	-4,037	-8%	Adverse
Early Help and Prevention	11,196	10,065	1,131	10%	Favourable
Modernisation and Support	4,675	4,129	546	12%	Favourable
Schools - Core	13,222	14,333	-1,111	-8%	Adverse
Directorate Surplus / (Deficit)	79,234	82,705	-3,471	-4%	Adverse

- 3.4 **Children and Families:** The Service Area outturn is an adverse variance of £4.037m. Since the budgets were agreed at the start of the year, an increase in children in care rate with a post-covid impact on demand and inflationary price uplifts have placed significant pressures on the service. Increases in Residential Care and more recently independent fostering combined with the impact of the higher pay award adding further costs to the adverse position. The underlying pressures of the service that relate to cost of living /inflation, have been included in the Medium Term Financial Plan (MTFP and the 2023/24 budget.

The expenditure for this service includes £27.952m on care costs. Overall, performance data indicates that the Children Looked After (CLA) rate having been stable in previous years and declined over the last year increased during the year. This has now reduced in the last few months. An increase in care numbers was anticipated to occur in 2023/24 due to post covid impact, it now appears that this along with cost of living is impacting the service earlier resulting in the increase in CLA rate and pressures in costs.

TABLE 4: Number of Children in Care

Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
821	819	814	795	786	770	789	804	766

- 3.5 **Early Help & Prevention:** A favourable variance of £1.131m is reported for 2022/23. The favourable variance is mainly due to staff vacancies and appointments at the lower range of the salary scale. In addition, the Family Matters service achieved the budgeted grant income and claimed the extra from the full activity grant. This was being invested and contributed to social care activities during the course of the year leading to an underspend in Early Help to mitigate the overspend in Childrens and Families. Further grant income in Contextual Safeguarding and Youth Offending Service has also contributed to the overall service.
- 3.6 **Modernisation and Support:** A favourable variance of £0.546m is reported for 2022/23. The favourable variance is mainly due to staff vacancies and appointments at the lower range of the salary scale. Commissioned services were reviewed during the year to release further efficiencies.
- 3.7 **Schools – core:** An adverse variance of £1.111m against a budget of £13.222m is reported for 2022/23. There is an adverse variance mainly in relation to the Children’s Assisted Travel (£1.429m), which is due to the pressure from the contract renewal effective from September 2022 and the pressure from the demand increase. The contracts have not been uplifted for the past 4 years, and together with the current inflation rate and the fuel price increase, the new contracts are significantly higher than anticipated. This adverse variance is partly offset by the favourable variances of Teacher Retirement Costs (£0.185m) and European Funded SEND Inclusion Programme (£0.185m).

Budget Virements

- 3.8 There have been no budget virements requiring committee approval in quarter 4.

TABLE 5: 2022/23 Children, Families and Education–Dedicated Schools Grant (DSG)

	Budget	Outturn	Variance		Adverse/ Favourable
	£000	£000	(+ Fav / - Adv) £000	%	
DSG Expenditure:					
Schools Block	119,142	118,519	623	1%	Favourable
Schools Block De-delegated	1,820	1,745	75	4%	Favourable
Central School Services Block	2,120	2,124	-4	0%	Adverse
High Needs	52,379	55,520	-3,141	-6%	Adverse
Early Years	20,184	20,983	-799	-4%	Adverse
Total Gross Surplus / (Deficit)	195,645	198,891	-3,246	-2%	Adverse
DSG Income:	-	-			
	195,355	195,818	463	0%	Adverse
Movement in DSG Reserve	-290	-3,073	2,783	-960%	
Total Net Surplus / (Deficit)	0	0	0	0%	

- 3.9 An adverse variance position for 2022/23 is resulting from the High Needs block with an adverse position of £3.141m. The adverse variance is mainly due to an increase in demand and complexity. Demand on this budget is expected to grow in line with the requests for Education.
- 3.10 **Schools Block:** A favourable variance of £0.623m is due to the academy conversion of three primary schools in the last quarter in 2022/23. The DSG grant income is reduced to balance off this variance.
- 3.11 **Early Years:** An adverse variance of £0.799m is reported for 2022/23 due to the actual activity hours being higher than budget expectation. The DSG Grant income budget for the Early Years is increased as the funding will be adjusted to match the actual activities.
- 3.12 **DSG income:** A favourable variance of £0.463m is reported for 2022/23 due to the grant adjustments in the Schools and Early Years blocks as above.
- 3.13 The 2021/22 financial year closed with a DSG reserve cumulative deficit position of £1.690m. The 22/23 budget include an anticipated in-year deficit balance of £0.290m to be added to the reserve balance, however, the outturn position is overspend of £3.073m thus delivering a cumulative £4.763m deficit position at the end of 2022/23. This is mainly due to the pressure from High Needs block. It was announced in December 2022 that the statutory override that separated DSG deficits from the authority's wider finances was extended further 3 years and due to expire at the end of 2025/26.

- 3.14 In 2023-24, the Council is participating in the Delivering Better Value (DBV) in SEND (Special Educational Need and Disabilities) programme which is the DfE's support package to help local authorities maintain effective SEND services while functioning sustainably. The aim of the DBV programme is to improve delivery of SEND services for children and young people and to ensure that this is done so within budget.

4 Law & Governance

- 4.1 As at the end of March 2023 (Quarter 4), the outturn position for Law and Governance is a small adverse variance of £0.188m against a budget of £5.821m

TABLE 6: 2022/23 Law & Governance – Service Budget & Outturn

	Budget £000	Outturn £000	Variance (+ Fav / - Adv) £000 %		Adverse/ Favourable
Law & Governance (Corporate)	320	294	26	8%	Favourable
Legal Services	3,214	3,295	-81	-3%	Adverse
Democratic & Member Services	1,435	1,399	36	3%	Favourable
Coroner Services	730	802	-72	-10%	Adverse
Electoral Services	440	539	-99	-23%	Adverse
Registrar Services	-186	-188	2	-1%	Favourable
Licensing	-132	-132	0	0%	Favourable
Directorate Surplus / (Deficit)	5,821	6,009	-188	-3%	Adverse

- 4.2 **Electoral Services:** An adverse variance of £0.099m is reported for 2022/23. There is a shortfall of £0.030m from a grant that is no longer received. Two By-Elections have occurred this year which have cost £0.032m and a small budget shortfall due to the pay increase. The balance is made up of multiple variances across the service caused by the pressure of increased costs.

Budget Virements

- 4.3 There have been no budget virements requiring committee approval in quarter 4.

5 Neighbourhood Services

- 5.1 As at the end of March 2023 (Quarter 4), the outturn position for the Neighbourhoods Directorate is £9.467m adverse against a budget of £46.189m. The reasons for this are detailed in the table below.

TABLE 7: Summary of Neighbourhood Services variances

	£000
Customer Behaviour Changes	
Parking income shortfall due to hybrid working	590
Mitigated through COVID-19 Reserves	-572
Leisure income shortfall due to reduction in numbers	1,293
Sub-Total	1,311
Macro-Economic Conditions	
Nationally agreed Pay Award	1,055
Additional unforeseen energy costs due to inflation - £657K relates to Street Lighting	1,249
Waste Contract Inflation increases	1,013
Mitigation due to a reduction in contribution to reserves relating to the Waste Levy	-600
Highways Maintenance Increases (Cost of materials and supply chain costs)	900
Repairs and Maintenance - Leisure	265
Tennis Centre Costs not covered by income	178
Additional employee costs - Leisure	384
Sub-Total	4,444
Delays in implementation	
Parking relating to new sites delayed subject to agreement of parking strategy	500
Holding costs relating to C A T of Woodchurch	202
Holding costs relating to C A T of Libraries	372
Sub-Total	1,074
Other	
Floral Pavilion income shortfall due to coastal works and increased cost pressures	2,054
Mitigated in part through one-off Leisure budget to aid recovery	-500
Highways Winter Gritting pressures	380
Highways Developer Income Shortfalls	448
Other smaller adverse variances	256
Sub-Total	2,638
TOTAL	9,467

- 5.2. Income remains less than it was in 2019/20 due a reduction in footfall and direct debit numbers. There was some improvement from Quarter 2 onwards due to new pricing structures, and slight increases in footfall now that areas are fully operational. However, income for the year was around 75% of 2019/20 levels.
- 5.3 The 2022/23 budget incorporates £5.26m of savings. Work commenced to achieve these savings following agreement at Budget Council in February. As at Quarter 4, the Directorate has achieved £4.00m of these savings. Savings relating to Community Asset Transfer (CAT) of Woodchurch (£0.202m) and Community Asset Transfer of Libraries (£0.380m) were not achieved this year due to holding costs

whilst the process took place. In addition to this savings relating to Floral Pavilion (£0.350m) were not achieved due to shortfalls in income generation.

- 5.4 As part of the 2022/23 budget savings, some library assets, two golf courses and Woodchurch Leisure Centre were recommended by Members to be available for CAT as an amendment to the budget. Members agreed that some libraries would remain open until 1 November 2022 to enable a potential CAT. On 25 October 2022, Tourism, Communities, Culture and Leisure Committee agreed to commence negotiations to transfer the assets of Pensby Library to Pioneer People and Prenton Library to St Stephen's Church. It was also agreed that further negotiations would commence with the other groups until 9 December 2022, with recommendations relating to these being reported at a future Committee. On 9 March 2023 it was agreed to commence negotiations to transfer the assets of Wallasey Village Library and Irby Library. Negotiations relating to the other sites will be reported at a future Committee in 2023/24.
- 5.5 There were some holding costs and decommissioning costs following closure of the libraries on 1 November 22 that have also not been budgeted. These were to be £0.093m are reflected within Regeneration Directorate as they have responsibility for running the assets from November 2022. The total additional costs relating to CAT have been covered from the £3m contingency for non-achieved savings.

TABLE 8: 2022/23 Neighbourhoods – Service Budget & Outturn

	Budget	Outturn	Variance		Adverse/ Favourable
	£000	£000	(+ Fav / - Adv) £000	%	
Cross Cutting funding & Neighbourhoods Management Team	-5,959	-5,950	-9	0%	Adverse
Community Safety and Transport	3,363	4,028	-665	-20%	Adverse
Highways and Infrastructure	5,269	7,863	-2,594	-49%	Adverse
Leisure, Libraries and Customer Engagement	7,611	12,844	-5,233	-69%	Adverse
Parks and Environment	35,905	36,871	-966	-3%	Adverse
Directorate Surplus / (Deficit)	46,189	55,656	-9,467	-20%	Adverse

- 5.6 **Community Safety and Transport:** An adverse variance of £0.665m is reported for 2022/23. £0.223m relates to the adjustment for the national public sector pay award. £0.360m mainly relates to adverse variances within Transport due to increased demand and tender price increases. The remaining adverse variance relates to income shortfalls. During the first part of the year, some team members were engaged in activities associated with the longer-term response to the pandemic in addition to their usual monitoring and response team duties. This resulted in additional pressures within the Community Patrol team which were funded from

carried forward planned COVID-19 tranche funding. In addition, some of the teams were engaged in functions associated with the Community Safety Partnership and were being funded from the reserve for these activities. This is temporary funding utilised in 2022/23 only, which will mitigated lead in pressures associated with the savings.

5.7 Highways and Infrastructure: An adverse variance of £2.594m is reported for 2022/23. This is made up of the following variances:

- £0.179m adverse variance relates to the adjustment for the pay award.
- £0.590m adverse variance relates to a shortfall in car parking income as ticket sales remain low due to an increase in hybrid working and changes in customer behaviour.
- £0.5m adverse variance relates to Car Parking charges at the proposed new sites which has not yet been implemented. This is pending a further report being brought to Members for proposed charges in new locations which will be informed by the strategic parking strategy but based upon the need to efficiently manage parking and traffic within the borough and recover the costs of the service.
- £0.380m adverse variance relates to winter gritting due to increases in cost of service provision. A pressure statement has already been submitted to address this.
- £0.448m adverse variance relates to a shortfall in income from developers. There has been a reduction in developers commencing new sites in 2022/23 due to the global economic situation.
- £0.657m adverse variance relates to an increase in street lighting energy costs due to a rise in prices nationally.
- £0.900m relates to Highways Maintenance cost increases. This is partially mitigated through capitalising up to £0.354m of costs.

5.8 Several remedial actions have temporarily mitigated the position this year:

- £0.160m due to additional income in relation to fees from utility companies for temporary traffic order road closures and capitalisation of costs relating to schemes.
- £-0.328m due to opportunities for capitalisation of salaries within the Design Team and Highways & Infrastructure.
- £0.572m of the carried forward Covid tranche funding has been utilised to mitigate the car parking shortfall this year. As this is one-off funding, plans are in development to fully mitigate any recurrent shortfall in 23/24 and will be brought forward in that year.

5.9 Leisure, Libraries and Customer Engagement: An adverse variance of £5.233m is reported for 2022/23. This is made up of the following adverse variances.

- £0.267m relates to the adjustment for the proposed pay award. This has resulted in a Council wide financial impact, and as Leisure, Libraries and Customer Engagement has the largest workforce, this area has been impacted the most.
- £1.293m within Sports and Recreation relating to income pressures as it has still to see full recovery of membership and casual user numbers, which reduced as a consequence of the pandemic.

- £1.554m within Theatre, Hospitality and Catering services, this mainly relates to income pressures due to recovery from the pandemic and cost of living pressures. However £0.150m is due to income pressures at the Sail Loft which relate to coastal works. The actual adverse variance within this area is £2.054m, however £0.5m of additional pressure was allocated to Neighbourhoods as a one off budget adjustment in 2022/23. This has been used to mitigate the position in part this year.
- £0.635m relates to energy pressures due to inflationary increases.
- £0.202m of this relates to ongoing holding costs for Woodchurch Leisure Centre
- £0.380m relates to ongoing holding costs for Libraries whilst the Community Asset Transfer process is finalised.
- £0.178m relates to costs for the Tennis Centre whilst the site was refurbished
- £0.256m relates to additional maintenance costs
- £0.386m relates to additional employee costs
- £0.082m relates to other smaller adverse variances within the remaining areas,

5.10 Overall footfall is approximately 75% of 2019/20 levels which has adversely impacted income generation. This level of reduced recovery rate is consistent with national averages. At the start of the year, it was expected that income would not fully recover to pre pandemic levels and as such a £0.5m income contingency budget was set aside. This has been used to mitigate the overall position within Floral Pavilion.

5.11 The service has faced pressures associated with energy price increases and a rise in general costs due to increasing inflation. In a response to mitigate and improve footfall, the following initiatives were implemented in 2022/23:

- The reviewed all expenditure with a view to reducing or stopping non-urgent expenditure to mitigate the risk of further lost income. Costs relating to supplies and premises have been reviewed and areas where efficiencies can be achieved have been identified. To seek to compensate for these challenges, the service is looking to further maximise income generation and the identification of new opportunities as follows:
- Memberships & Income – A drive on usage and memberships including bespoke offers at appropriate sites such as the new Europa Gym, and the introduction of offers for targeted groups.
- Golf – Two council eighteen-hole golf courses are currently not in use (Hoylake and Brackenwood) and two leisure courses are also not in use at Kings Parade (Foot golf and Chip and Put). Together with price and membership remodelling, this has seen the anticipated transition of players to our two remaining sites at Arrowe Park (predominantly) and the Warrens – successfully reducing costs while increasing income.
- Introduction of activities aimed at children and young people such as holiday camps and pool-based inflatables at selected sites to improve income generation. This increased income generation at Guinea Gap during Quarter 2 and 3, which has significantly contributed to the improved position.
- A new marketing campaign was launched in the final month of Quarter 2 to promote the service and the new “Active Wirral” brand, which demonstrates attractive rates and benefits compared to competitor offers.

- Additional income has been generated which is aligned to corporate outcomes to improve health and wellbeing, this includes funding from NHS / Social Care / third sector partner organisations.
- Work is still underway to introduce pool covers at pool sites to improve energy conservation.
- Working with national sporting governing bodies such as the Football Association and Lawn Tennis Association to identify and introduce delivery models that generate income and reduce cost for example the new 3G pitch builds / new operating model for tennis at Wirral Tennis & Sports Centre, and the introduction of wider offers for children and young people through soft play and interactive activity. Capital work is currently underway at Wirral Tennis & Sports Centre. However, the impact of this on income generation will not be reflected until next financial year when the work is finalised.

- 5.12 Floral Pavilion is reporting an adverse position of £1.551m after the mitigation of £0.5m. £0.149m relates to the Sail Loft, as income has been impacted by coastal works and cost of living pressures and the remainder relates to projected income shortfalls within the Theatre. This is due non achievement of some savings and income targets within this area. There were no further issues with the other catering sites in 2022/23. The Directorate has taken action to mitigate the costs through reducing staffing expenditure and reviewing expenditure against non-essential items to ensure the budget can still be balanced.
- 5.13 **Parks & Environment:** An adverse variance of £0.966m is reported for 2022/23. £0.381m relates to the nationally agreed pay award.
- 5.14 Waste and Environment is reporting an adverse variance of £0.409m. £0.965m is due to overall increases in the borough wide waste collection and disposal costs, which is linked to rises in inflation and the Consumer Price Index (CPI) rate and £0.048m is due to the cost of leaf fall. The adverse variances are mitigated in part through other favourable variances within Waste and Environment and a reduction in contribution to reserves relating to the Waste Levy of £0.600m.
- 5.15 Parks and Tree Management is reporting an adverse variance of £0.479m. £0.356m of this relates to Tree Management due to increased demand and clean-up operations following Storm Arwen which has cost the Council an additional £0.250m. The remaining adverse variance relates to Parks. This is due to inflationary increases and changes to specifications following a review of the contract. This is mitigated in part through utilising the remaining reserve relating to this area. The adverse variance has reduced from Quarter 2 due to a review of planned preventative maintenance and non-essential expenditure. The service will aim to mitigate the remaining adverse variance within Parks through maximising income generating opportunities within Cemeteries within the final Quarter and through favourable variances relating to Regulatory Services.
- 5.16 Regulatory Services is reporting a favourable variance of £0.317m. This is due to employees, as the service has faced challenges in recruiting and retaining staff due to current market demand. To address this the service has appointed apprentices in Quarter 2 who will be trained in these roles and fill the skills gaps. Some employee costs are funded through COVID-19 grants as they completed work on the outgoing COVID-19 response which has resulted in a favourable variance in 2022/23.

Budget Virements

- 5.17 There have been no budget virements requiring committee approval in quarter 4.

6. Regeneration & Place

- 6.1 As at the end of March 2023 (Quarter 4), the year-end position for Regeneration & Place is a favourable position of £0.094m on a budget of £37.775m. This compares to a £0.013m favourable position as at Quarter 3.

TABLE 9: 2022/23 Regeneration and Place – Service Budget & Outturn

	Budget £000	Outturn £000	Variance (+ Fav / - Adv) £000 %		Adverse/ Favourable
			£000	%	
Regeneration	24,614	25,371	-757	-3%	Adverse
Housing	6,540	5,757	783	12%	Favourable
Asset Management & Investment	5,033	5,031	2	0%	Favourable
Planning	1,074	1,008	66	6%	Favourable
Special Projects	114	114	0	0%	
Local Plan	400	400	0	0%	
Directorate Surplus / (Deficit)	37,775	37,681	94	0%	Favourable

- 6.2 **Regeneration:** An adverse variance of £0.757m is reported for 2022/23. This includes capitalisation of staff who are supporting the delivery of assets of £1.0m, with £0.3m delivered within Housing capitalisation (for a total £1.3m delivered against a savings target of 1.4m). Use of agency in delivering the regeneration programme has increased costs by £0.6m (which has been significantly reduced for 23-24). This is partially offset by £0.1m favourable position on the Levy budget (which has formed a part of the 23-24 savings).
- 6.3 **Housing:** A favourable variance of £0.783m is reported for 2022/23. This includes grant awards being allocated which have been able to offset pressures and temporarily fund some council services. As per 6.2, capitalisation of housing staff also delivered £0.3m.
- 6.4 **Asset Management & Investment:** A favourable variance of £0.02m is reported for 2022/23. Income pressures of over £0.7m exist across the rental accommodation within Birkenhead, with income being at 50% of budgeted income targets, principally at Europa House (£0.3m) and Birkenhead Market (£0.3m). These are partially offset with reduced spend on unoccupied buildings, with reduced maintenance and running costs (£0.5m). Holding costs for assets awaiting Community Asset Transfer (£0.1m) recently transferred from Neighbourhoods have been offset by one-off backdated rate relief (£0.2m) on some listed building assets and the write-back of a no longer needed provision (£0.08m) relating to a now settled penalty fee.
- Budget Virements**
- 6.5 There have been one budget virements since Quarter 3, of £0.087m from Resources relating to the transfer of the Concierge Service to Assets.

7. Resources

- 7.1 As at the end of March 2023 (Quarter 4), the outturn position for Resources is a favourable variance of £0.790m against a budget of £44.813m.

TABLE 10: 2022/23 Resources– Service Budget & Outturn

	Budget £000	Outturn £000	Variance (+ Fav / - Adv) £000 %		Adverse/ Favourable
Finance & Investment	23,133	22,063	1,070	5%	Favourable
HR & OD and Payroll	3,788	3,114	674	18%	Favourable
Digital & Improvement	7,466	9,739	-2,273	-30%	Adverse
Revenues & Benefits	2,215	2,374	-159	-7%	Adverse
Audit, Risk & Business Continuity	537	545	-8	-1%	Adverse
Strategic Change	7,674	6,188	1,486	19%	Favourable
Directorate Surplus / (Deficit)	44,813	44,023	790	2%	Favourable

- 7.2 **Finance & Investment:** A favourable variance of £1.070m is reported for 2022/23. There was an underspend on net Treasury activities of £0.126 million, which is attributable to lower debt management costs and an increase in investment returns. Reserves were used to offset some of the pressures from the Expected Credit Losses (ECL) and the resilience budget was released to contribute towards the overall council position.
- 7.3 **HR & OD:** A favourable variance of £0.674m is reported for 2022/23. This is due to a temporary non-recruitment of posts in adherence of the vacancy freeze and in anticipation of recurrent staffing savings in 2023/24.
- 7.4 **Digital & Improvement:** An adverse variance of £2.273m is reported for 2022/23. . This is an ongoing pressure resulting from loss of income from schools choosing to procure IT services with external suppliers. Printing Services are consistently unable to achieve their income target as the volume of printing reduces due to continued use of digital solutions. Both areas are subject to an ongoing review which will result in options for the services coming forward in 2023/24.
- 7.5 **Revenues & Benefits:** An adverse outturn variance of £0.159m is reported. There is a shortfall in Housing Benefit subsidy received from central government in respect of local housing allowance. This is countrywide phenomenon and not a Wirral specific issue. This relates to Supported Accommodation and is partially mitigated through Housing Benefits Overpayments.
- 7.6 **Strategic Change:** A favourable outturn variance of £1.486m is reported for 2022/23. This is due to the pause and reset of the Strategic Change Portfolio to ensure focus on priority areas that only achieve beneficial outcomes from 2023/24.

Budget Virements

- 7.7 There have been no budget virements requiring committee approval in quarter 4.

Appendix 2 - Delivery of the 2022/23 saving programme.

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/ unachieved in year	Comment
Adults Care & Health					
Adult Care & Health demand mitigations	£3.890m	£3.890m	£0.000m	£0.000m	Adult Care and Health have worked closely with both NHS Wirral Community Health and Care Foundation Trust (WCHFT) and Cheshire and Wirral NHS Partnership Trust (CWP) to achieve savings targets set each year. Regular meetings occurred throughout the year to discuss their approach and progress. All savings achieved have been validated and are reflected within the outturn.
Total Adult Care & Health	£3.890m	£3.890m	£0.000m	£0.000m	

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/ unachieved in year	Comment
Chief Executive Office					
Service Redesign	£0.110m	£0.060m	£0.050m	£0.000m	Savings have been identified through deletion of vacant post and reduction marketing budget. Mitigation to be achieved as some employees have been seconded to work on the COVID-19 response and funded through Contain Outbreak Management Fund (COMF).
Total Chief Exec Office	£0.110m	£0.060m	£0.050m	£0.000m	

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/ unachieved in year	Comment
Children Families & Education					
Reduction of Historic Teacher's Pensions Costs	£0.200m	£0.200m	£0.000m	£0.000m	Saving is fully achieved. This historic commitment reduces year on year as the cohort ages budget has been reduced accordingly.
Alternative Accommodation Provision for Children Looked After	£1.000m	£0.900m	£0.000m	£0.100m	Two projects were previously forecast to come on-stream towards the end of the financial year are now expected to be completed in the new financial year. Reserve funding has been utilised to mitigate the delay.
Utilisation of demand reserve for COVID pressures	£0.467m	£0.467m	£0.000m	£0.000m	Saving is fully achieved. Reserve has been drawdown and utilised.
Children's Services Redesign and posts deletion/closure	£0.294m	£0.294m	£0.000m	£0.000m	Saving is achieved.Redesign has been completed and posts deleted.

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/ unachieved in year	Comment
Reduction in adoption orders	£0.050m	£0.000m	£0.050m	£0.000m	Approved saving has been delayed but will be achieved 2023-24. The savings was to be found by a reduction in Wirral's Adoption in Merseyside (AIM) budget allocation due to falling numbers of adoption placements, as a historic backlog has been cleared. Whilst some of this has come through in 2022/23, the full impact is expected to occur in 23/24. An update from in-year monitoring is that an underspend is reported for the Service Level Agreement (unrelated to placements). This will mitigate / offset the impact of the budgetary saving not being implemented as originally planned. The savings are expected to be delivered by underspend in AIM during the year and Wirral's contribution to AIM budget being reduced in 23/24.
Reduction in Looked After Children (LAC) numbers	£0.564m	£0.564m	£0.000m	£0.000m	Saving is achieved. Headline rate of LAC has fallen.
Review of Youth Offending Service (YOS)	£0.025m	£0.025m	£0.000m	£0.000m	Saving is fully achieved. Service has been redesigned and saving achieved.

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/unachieved in year	Comment
Special Educational Needs (SEND) Transport Review	£0.150m	£0.050m	£0.000m	£0.100m	Working with families and young people is continuing to reconfigure services.
Increase funding for placements from CCG and SEND	£0.200m	£0.100m	£0.000m	£0.100m	There are ongoing discussions for funding from Integrated Care Boards (ICBs) and health partners. Wirral has been successful in bidding for capital funding for valuing care residential which is included in the accommodation strategy savings. We expect Health contribution towards the funding of the unit. A more detailed focus on individual placements is also increasing funding where appropriate. Funding is now actively explored on all new placements. With joint funding 50% contribution agreed for a recent high cost placement.
Redesign of Youth Offer	£0.200m	£0.200m	£0.000m	£0.000m	Saving is fully achieved. Youth redesign is implemented.
Total Children Families & Education	£3.150m	£2.800m	£0.050m	£0.300m	

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/unachieved in year	Comment
Law and Governance					
Capitalisation of salaries	£0.200m	£0.200m	£0.000m	£0.000m	Saving is fully achieved.
Removal of individual ward member budgets	£0.184m	£0.184m	£0.000m	£0.000m	Saving is fully achieved.
Reduction in the Number of Committees	£0.150m	£0.150m	£0.000m	£0.000m	Saving is fully achieved.
Whole Council Elections	£0.125m	£0.125m	£0.000m	£0.000m	Saving is fully achieved. Budget has been removed with a contribution to reserve each year to smooth the effective of the four yearly elections and any by-elections.
Total Law & Governance	£0.659m	£0.659m	£0.000m	£0.000m	

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/unachieved in year	Comment
Neighbourhood Services					
Highways Operational Services - Income Exploration	£0.030m	£0.000m	£0.030m	£0.000m	This saving was not achieved due to income shortfalls within Highways arising from increases in supply chain costs. This saving was mitigated through identification of additional costs that could be capitalised.
Closure of Europa Fun/Leisure Pool & Enhanced Gym Offer	£0.266m	£0.266m	£0.000m	£0.000m	Fun Pool has remained closed since March 2020, therefore this saving is expected to be fully achieved. A new staffing structure was put in place last financial year to reflect the reduced costs associated with running a gym in place of the fun pool.
Catering Pod at Leasowe Leisure Centre for Football Traffic	£0.021m	£0.015m	£0.000m	£0.006m	Catering pod has been purchased and located at Leasowe. Trading commenced mid September to coincide with the football season when income generation opportunities are greatest. Since commencing trading, £0.015m of income has been achieved in 2022/23. However this was only implemented mid year and income should be fully achieved in line with the saving in future years.

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/ unachieved in year	Comment
Fleet efficiencies in Transport - going green	£0.020m	£0.000m	£0.020m	£0.000m	This saving will be achieved through a review and replacement of some fleet vehicles with newer models which are more efficient. There is a risk associated with this saving due to increased inflation impacting fuel bills. Mitigation was achieved through opportunities that have arisen since April 2022 in relation to a review of the transport fleet and income generation.
Capitalisation of Highways salaries	£0.015m	£0.015m	£0.000m	£0.000m	Saving achieved. Full year costs of £0.015m have been identified which relate to employees currently working on capital projects.
Highways maintenance Contracts	£0.025m	£0.025m	£0.000m	£0.000m	Savings have been achieved. Maintenance spend has been reduced this year as expenditure was only incurred for essential works.

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/unachieved in year	Comment
Street Lighting Service Savings	£0.050m	£0.050m	£0.000m	£0.000m	Saving achieved.
Car park maintenance 1 year budget reduction	£0.050m	£0.050m	£0.000m	£0.000m	Saving achieved.
Eco and Forest School Income	£0.020m	£0.000m	£0.020m	£0.000m	Income generation plans were finalised during 2022/23. To date no income has been achieved but it is expected that this will be achieved from 2023/24 onwards. Mitigation has been achieved through a current vacancy within the Forest Schools service area of Parks.
Tree management Team Commercial Offer	£0.025m	£0.000m	£0.025m	£0.000m	Due to the unforeseen departure of the Tree Manager, delays have been encountered to progress the saving meaning the service had to put temporary cover in to complete this project. £5K of income has been generated this year. It is expected that the full saving will be achieved from 2023/24 onwards. Mitigation will be achieved through a vacant Tree Manager post whilst work continues to generate the income associated with this saving.
Rent of Café - Royden	£0.010m	£0.010m	£0.000m	£0.000m	The site has been operational from August 2022 and this saving has been fully achieved in 2022/23.

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/ unachieved in year	Comment
Income increase on allotments	£0.050m	£0.050m	£0.000m	£0.000m	Saving is fully achieved.
Increase in charges for Waste and Environmental services.	£0.462m	£0.462m	£0.000m	£0.000m	Saving is fully achieved.
Removal of Vacancies in Environmental and Waste team	£0.100m	£0.100m	£0.000m	£0.000m	Saving is fully achieved.
Suspension of Climate Emergency Initiatives	£0.125m	£0.125m	£0.000m	£0.000m	Saving is fully achieved.
Remodelling of Street Cleansing: Plus special events	£0.214m	£0.214m	£0.000m	£0.000m	Saving is fully achieved.
Review of overtime budget in Parks	£0.015m	£0.015m	£0.000m	£0.000m	Saving is fully achieved.
Reduce grass cutting from 10 to 8 cuts	£0.100m	£0.100m	£0.000m	£0.000m	Saving is fully achieved.
Cease community firework displays	£0.030m	£0.030m	£0.000m	£0.000m	Saving is fully achieved.

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/ unachieved in year	Comment
Income Strategy - Cemeteries and crematorium service	£0.053m	£0.053m	£0.000m	£0.000m	Saving is fully achieved.
Fund ASB Post from PCC grant	£0.050m	£0.050m	£0.000m	£0.000m	Saving is fully achieved.
Review Engagement Officer secondment	£0.035m	£0.035m	£0.000m	£0.000m	Saving is fully achieved.
Introduce Overnight Camper Van Parking Charge in New Brighton	£0.035m	£0.001m	£0.000m	£0.034m	The option went live on 8th July. An Experimental Traffic Regulation Order (ETRO) allows for comments to be received during the first 6 months and amendments to be made if required. Income to date is £600, no penalties have been issued to campervans parking in contravention as compliance has been achieved.
Deletion of Vacant Posts	£0.302m	£0.302m	£0.000m	£0.000m	Saving is fully achieved.
Reduction in budget for office related expenditure	£0.023m	£0.023m	£0.000m	£0.000m	Saving is fully achieved.

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/ unachieved in year	Comment
Review of Leisure service	£0.178m	£0.130m	£0.048m	£0.000m	This has been fully achieved from EVR/VS requests within the service.
Increase catering across all Leisure Sites	£0.060m	£0.000m	£0.000m	£0.060m	This saving has not been achieved this year, as catering income across leisure has only achieved £35K against an existing income target of £104K.
Outdoor Water Sports Offer at West Kirby Marine Lake	£0.015m	£0.000m	£0.000m	£0.015m	This saving has not been achieved this year, as income generated by West Kirby Marine Lake is only £0.162m against a target of £0.266m

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/unachieved in year	Comment
Temporary Closure and Remodelling of Bidston Tennis Centre	£0.114m	£0.000m	£0.000m	£0.114m	The tennis centre closed for refurbishment works from April 2022. However ongoing costs were incurred through premises costs, some of these have been recovered through charges to the LTA & Elections for occupying the site. Additional costs of £0.178m will need to be recovered through the contingency fund
Review of Golf Offer	£0.328m	£0.328m	£0.000m	£0.000m	Prices have been increased from April 2022 and sites linked to this saving have closed. Savings have been achieved through deleting posts relating to employees who have now left the Authority and through additional income from the revised price offer. Approximately £0.100m additional income has been achieved due to retention rates with customers transferring to Arrowe Park and Warrens.
Exercise referral programme	£0.100m	£0.013m	£0.000m	£0.087m	Only £0.013m of additional exercise on referral income has been achieved this year. This shortfall is due to the discontinuation of grants announced in Q1 of 2022/23

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/unachieved in year	Comment
Floral pavilion - plans to reduce subsidy	£0.350m	£0.000m	£0.000m	£0.350m	This saving has not been achieved this year due to shortfalls in income generation because of cost of living pressures & delays in implementing new business models. There is a legacy saving of £0.5m within the Floral pavilion budget that was left in its accounts following the unsuccessful attempt to outsource the venue in 2018/19. The Theatre has continuously struggled to mitigate the effect of this saving being left in the budget. Income wise, the Theatre had a record breaking pantomime year and is continuing with a third party options appraisal to identify opportunities to redevelop the non-profitable areas of the site, in particular the conferencing centre as part of the New Brighton Masterplan.
Transport efficiencies	£0.070m	£0.040m	£0.030m	£0.000m	Savings to date have been achieved through mitigation as employees associated with this saving are still in post.

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/unachieved in year	Comment
Reduction in Community Patrol Service	£0.150m	£0.100m	£0.050m	£0.000m	Savings were delayed due to lead in pressures due to employees working notice periods. This saving will be fully achieved this year through mitigation and funding from Reserves.
Cessation of Constituency Team and Remodelling of Section	£0.346m	£0.300m	£0.046m	£0.000m	The restructure of this area is now complete and employees have moved to new roles from Q2 onwards. Due to these delays, mitigation is being achieved through the Community Safety Grant
Review of Neighbourhoods Service Directorate	£0.360m	£0.110m	£0.250m	£0.000m	Savings were delayed due to lead in pressures due to employees working notice periods. This saving will be fully achieved this year through mitigation.

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/unachieved in year	Comment
Permanent Closure and Demolition of Woodchurch Leisure Centre	£0.402m	£0.200m	£0.000m	£0.202m	Only £0.200m of this saving was achieved this year, leaving a shortfall of £0.202m. The adverse variance against Woodchurch for 2022/23 is £0.202m, which is in line with what was projected. This was due to holding costs whilst the CAT process was completed and was projected at the beginning of the year. The shortfall is mitigated from contingency this year.
Reprovision of the Library Service	£0.652m	£0.272m	£0.000m	£0.380m	Only £0.272m of this saving was expected to be achieved from Nov-Mar whilst the CAT process was completed. The remaining £0.380m of this relates to costs from April to October whilst the libraries were still operational. The actual adverse variance against Libraries for the year was £0.372m, which will be mitigated from Contingency this year.
Total Neighbourhood Services	£5.251m	£3.484m	£0.519m	£1.248m	

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/ unachieved in year	Comment
Regeneration & Place					
Cease support for Community Alarms	£0.200m	£0.200m	£0.000m	£0.000m	Saving is fully achieved.
Reconfiguration of Commissioned Homelessness accommodation	£0.115m	£0.115m	£0.000m	£0.000m	Saving is fully achieved.
The Closure Public Conveniences	£0.050m	£0.050m	£0.000m	£0.000m	Saving is fully achieved.
Corporate buildings - holding costs	£0.050m	£0.050m	£0.000m	£0.000m	Saving is fully achieved.
Capitalisation of Regeneration Staff Salaries	£1.423m	£1.300m	£0.123m	£0.000m	91% of saving achieved. Remaining saving mitigated through vacancies and within overall funding package for Regeneration (which includes use of reserves)
Total Regeneration & Place	£1.838m	£1.715m	£0.123m	£0.000m	

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/unachieved in year	Comment
Resources					
To reduce heating in occupied council buildings by 2 degrees	£0.113m	£0.113m	£0.000m	£0.000m	Saving is fully achieved.
One Stop Shop establishment review	£0.099m	£0.099m	£0.000m	£0.000m	Saving is fully achieved.
Review of Treasury activity	£0.500m	£0.500m	£0.000m	£0.000m	Saving is fully achieved.
Revenues & Benefits Review and Restructure	£0.750m	£0.750m	£0.000m	£0.000m	Saving is fully achieved.
Strategic Change revenue budget reduction	£0.650m	£0.650m	£0.000m	£0.000m	Saving is fully achieved.

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/ unachieved in year	Comment
Restructure of Commercial Income Team	£0.230m	£0.230m	£0.000m	£0.000m	Saving is fully achieved.
Review of Finance Team Structure	£0.050m	£0.050m	£0.000m	£0.000m	Saving is fully achieved.
Cease Business Rates Contribution	£0.696m	£0.696m	£0.000m	£0.000m	Saving is fully achieved.
Modernisation of Information & Communications Technology Service	£0.050m	£0.050m	£0.000m	£0.000m	Saving is fully achieved.

Saving Proposal	Approved Saving	Delivered	Delivered through mitigation	Delayed/ unachieved in year	Comment
Review of Business Support Unit	£0.020m	£0.020m	£0.000m	£0.000m	Saving is fully achieved.
Review of Internal Audit - Efficiencies and Income	£0.080m	£0.080m	£0.000m	£0.000m	Saving is fully achieved.
Reduction in Learning & Development Budget	£0.100m	£0.100m	£0.000m	£0.000m	Saving is fully achieved.
Total Resources	£3.338m	£3.338m	£0.000m	£0.000m	

Appendix 3 - Earmarked Reserves 2022/23

Adult Care and Public Health

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Adult Social Care – Safeguarding	106	-98	38	46
Public Health Ringfenced Grant	6,594		318	6,912
Champs Innovation Fund	352	-283	0	69
Champs Covid-19 Contact Tracing Hub	433	-229	0	204
Better Care Fund	236	-236	0	0
Implementation of Charging Reform	0	0	98	98
Total	7,721	-846	454	7,329

Children, Families and Education

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Intensive Family Intervention Project	505	-100	0	405
School Improvement -	1,094	-237	0	857
Schools Causing Concern	500	0	0	500
SEND OFSTED Inspection Improvement Action Plan	1,051	-171	0	880
Children's Centre – Outdoor Play	92	0	0	92
Help for Young People	36	-10	0	26
Looked After Children Education Services	211	-100	0	111
Local Safeguarding Children's Board	23	0	0	23
SEND - High Needs	248	-138	0	110
YOS - Remand & Mobile Youth Centre	157	-36	0	121
Early Help & Play Development	123	-6	0	117
DRIVE Safelives & Domestic Abuse Hub	50	0	0	50
Children's Transformation	32	-32	0	0
Children IT data system	127	0	0	127
Mersey & Cheshire ICS Pilot	20	0	0	20
Care Leaver Accommodation Development	358	-155	0	203
Wirral Apprentice Programme	53	-34	0	19
Looked after Children Placement Reserve	470	-470	0	0
Total	5,150	-1,489	0	3,661

Law and Governance

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Licensing Reserve	60	-60	0	0
Taxi, Marriage & Scrap Metal Licences	145	-25	0	120
Electoral Reserve	150	0	0	150
Total	355	-85	0	270

Neighbourhoods

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Community Safety Initiatives	195	-152	0	43
Health & Safety Flood Prevention	455	-455	0	0
Parks Tree Maintenance	187	-187	0	0
Environmental Health	300	-260	0	40
Climate Emergency	100	-100	0	0
Les Mills Classes	89	-35	0	54
Litter Enforcement - development of initiatives	49	-49	0	0
Weed Spraying : Mitigate against additional costs	41	-41	0	0
Birkenhead Park World Heritage Site Lottery Bid	40	-40	0	0
Coastal Protection	35	0	0	35
Sports Development Reserve	22	0	0	22
Environmental Health F.S.A. Backlog	28	-28	0	0
Trading Standards	25	0	0	25
Hilbre Island - Legacy	21	0	0	21
Health & Safety Armed Forces Welfare Pathway	14	0	0	14
BikeSafe	10	-2	0	8
Repairs & Maintenance upgrades on Public Conveniences	8	0	0	8
LAMPS to Concerto system replacement	2	-2	0	0
Library Donations	1	0	0	1
Storeton Quarry	30	0	0	30
Total	1,652	-1,351	0	301

Regeneration and Place

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Selective Licensing	1,354	-34	113	1,433
Wirral Ways to Work	496	0	129	625
Regeneration and Inward Investment	1,423	-38	0	1,385
Urban Development Corporation Bid	410	-333	0	77
Building Control Fee Earning	468	-61	13	420
HMO Licence Fees	164	0	0	164
Major Infrastructure Project Development	183	-121	0	62
Property Repairs rental income	276	0	0	276
DCLG Empty Shops Grant	41	0	0	41
ERDF 4.2 Match Funding	18	0	0	18
Europa Centre Dilapidations	83	-83	0	0
A/M GMT – Community Fund CAT	76	-76	0	0
Licence Survey Work	56	-56	0	0
Emergency Maintenance and Work in Default	206	68	0	274
Heritage Fund	12	-12	0	0
Resettlement Programme Grant	992	0	794	1,786
Supporting People Programme	141	-141	0	0
Homelessness	180	-14	0	166
Domestic Abuse Bill Grant	602	0	0	602
Economic Growth	342	0	0	342
Birkenhead Future High Street funding	57	-10	0	47
Wirral Growth Company Profit	0	0	8455	8,455
Total	7,580	-911	9,504	16,173

Resources

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Commercial Management	205	0	0	205
Discretionary Housing Payments	185	0	280	465
HR/OD Talent Management	50	0	0	50
HR Reserve – Schools	41	0	0	41
Transformation Challenge Award	4	-4	0	0
Asset Consolidation Staff Relocation Contingency	111	-30	0	81
ICT Records Management	288	-29	0	259
Business Rates Equalisation Reserve (100%) rates retention pilot)	7,000	0	0	7,000
Enterprise Zone Contingency Fund	29	0	0	29
Financial Resilience Reserve	887	-787	0	100
Financial Instrument Equalisation Reserve	2,123	-2,065	0	58
Year 2 of EVR/VS Termination Payments	1,883	-323	0	1,560
Social Care Fund	3,340	-1,840	0	1,500
Digital Transformation	1,566	0	0	1,566
Treasury Management Equalisation	0	0	360	360
Community Asset Transfer Support Fund	0	0	178	178
Total	17,712	-5,078	818	13,452

Other Corporate

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Covid-19	14,062	-13,724	0	338
Insurance Fund	9,772	-2,450	1,680	9,002
NNDR3 S31 grants	11,794	-11,794	0	0
Enterprise Zone Investment	610	-345	74	339
Local Council Tax Support Grant	3,943	-1,517	0	2,426
Local Income Tax Guarantee	272	-272	0	0
Freeport Zone Investment	0	0	3	3
Covid Additional Relief Fund	0	0	4,334	4,334
Schools Capital	256	0	430	686
Schools Balances	16,307	-3,939	1,149	13,517
Total	57,016	-34,041	7,670	30,645

GRAND TOTAL (excluding DSG)	97,186	-43,801	18,446	71,831
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Notes on Reserves adjustments:

1. Champs Innovation Fund: Opening balance previously reported as £3,163k. Following audit of accounts, opening balance revised to £352k with remainder reclassified as a creditor.
2. Champs Covid-19 Contact Tracing Hub: Opening balance previously reported as £3,894k. Following audit of accounts, opening balance revised to £433k, with remainder reclassified as a creditor.
3. Project ADDER (Addiction, Diversion, Disruption, Enforcement, Recovery): Opening balance previously reported as £872k. Following audit of accounts, opening balance revised to £0; reclassified as a creditor.
4. Community Safety Initiatives: Opening balance previously reported as £801k. Following audit of accounts, opening balance revised to £195k, with remainder reclassified as a creditor.

Notes on New Reserves:

1. **Wirral Growth Company Profit:** This reserve holds £8.455m of accrued profits from Wirral Growth Company LLP for the period to 31/03/23.
2. **Covid Additional Relief Fund:** The Covid Additional Relief Fund was provided by the Department for Levelling Up, Housing and Communities to enable Local Authorities to apply relief to Business Rates bills of those businesses who met locally defined criteria but had not benefitted from any of the previous Covid support funding for businesses. The relief was applied to business rates bills during 2022/23 but this money is held in reserve to offset the timing difference of impact of the resulting Collection Fund deficit on the General Fund impact in 2023/24.
3. **Treasury Management Equalisation:** This has been created to offset potentially higher interest costs in the future, and to mitigate fluctuations in investment values in some of the Treasury investment portfolio.
4. **Community Asset Transfer Support Fund:** £0.178m has been transferred to reserve to support community organisations to ensure they can be sustainable during the first year of taking over former Council assets, and to fund holding costs of assets to be transferred in 2023/24.
5. **Schools Capital:** £0.430m of ringfenced schools' money is held in reserve on behalf of two schools to disaggregate from school revenue balances money they have earmarked to fund capital expenditure on a new roof and a classroom expenditure.

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POLICY AND RESOURCES COMMITTEE

Wednesday, 14 June 2023

REPORT TITLE:	2023/24 BUDGET AND BUDGET MONITORING PROCESSES
REPORT OF:	DIRECTOR OF FINANCE

REPORT SUMMARY

This report sets out how the 2023/24 budget will be monitored through the Committee system, which will facilitate the Policy and Services Committees (the Committees) to take ownership of their specific budgets and present appropriate challenge and scrutiny of Officers on the management and performance of those budgets.

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

RECOMMENDATIONS

It is recommended that the Policy and Resources Committee note the process for in-year monitoring of the 2023/24 budget.

SUPPORTING INFORMATION

1.0 REASONS FOR RECOMMENDATIONS

- 1.1 The 2023/24 Council budget was agreed at Full Council on 27 February 2023. This budget was made up of savings proposals, pressures/growth items and funding that were based on actual known figures or best estimates available at the time. At any point during the year, these estimated figures could change and need to be monitored closely to ensure, if adverse, mitigating actions can be taken immediately to ensure a balanced budget can be reported to the end of the year.
- 1.2 The Council has a legal responsibility to set an annual balanced budget, which sets out how financial resources are to be allocated and utilised. In order to successfully do so, engagement with members, staff and residents is undertaken. The recommendations in this report inform that approach.
- 1.3 Managing and setting a budget will require difficult decisions to ensure that a balanced position can be presented. Regular Member engagement, which this report forms part of, is considered essential in delivering effective governance and financial oversight.

2.0 OTHER OPTIONS CONSIDERED

- 1.1 The proposals set out in this report are presented to allow for efficient and effective budget monitoring activity that can be conducted in a timely manner. As such, it is considered that to meet the business needs and address the challenges that the Council faces that no alternative options are viable or appropriate at this time.
- 1.2 Not engaging with the Committee at this time, on the matters set out, was an option that was available, however it is considered that involvement of Committees as soon as practical after the agreement of the 2023/24 budget will best assist in delivering the benefits detailed in paragraph 2.1.
- 1.3 In the event of the Section 151 Officer determining that a balanced financial position could not be presented, the Section 151 Officer would be required to issue a section 114 notice and report this to all Members of Full Council. The outcome of which could result in intervention by the Government.

3.0 BACKGROUND INFORMATION

Budget Monitoring Process

- 3.1 On 27 February 2023 Full Council approved the 2023/24 budget, which included significant budget savings/efficiencies (details provided at Appendix A) in order to present a balanced position for the year.
- 3.2 The calculation of the 2023/24 budget was prepared using known figures or best estimates available at the time. At any point during the year, internal or external factors may influence a change in these estimates which could either have a

favourable or adverse impact on the ability to deliver a balanced position at financial year-end.

- 3.3 In order to ensure that a balanced position can be achieved, it is imperative that a robust process for monitoring and managing the budget is in place.
- 3.4 An internal officer governance process is in place, in line with past activity, to scrutinise and challenge budget performance in advance of financial forecasts being presented to the Committees. This process includes:
- Budget holders routinely reviewing budget reports and transactions for accuracy and completeness
 - Regular meetings between budget holders and finance business partners (FBP) to review income and expenditure positions to date and to determine future commitments in order to present reliable forecasts
 - Directorate Management Team (DMT) review of the outcomes of the budget holder/FBP meetings
 - Scrutiny and challenge by DMTs as to the robustness of the figures and forecast presented in the context of Directorate-wide activity
 - DMT agreement on appropriate remedial action where necessary
 - Corporate Management Team review and challenge of the forecast position via the Operational Performance Group (OPG)
 - Referral and/or escalation to Investment and Change Board for organisational oversight in conjunction with other corporate initiatives (Strategic Leadership and Corporate Management Team members)
 - Progress on savings items monitored through ICB
 - Referral to quarterly Strategic Leadership Team performance meeting for Senior Officer scrutiny and agreement
 - Presentation to Committees
- 3.5 For the first meetings in the new municipal year, the Committees will receive confirmation of their budget position, detailed by function, to facilitate an understanding of income and expenditure monitoring against activity (see Appendix B).
- 3.6 The Committees will be responsible for ensuring that the budget is utilised effectively and responsibly and remains within the relevant budget envelope, identifying savings where appropriate to mitigate any adverse positions that may transpire in-year. Once the Annual Budget and related policy framework is approved it becomes the Council's decision and is effective immediately in respect of the relevant financial year in scope. The Council's Constitution provides that Policy and Service Committees and Officers are required to implement the Council's budget and policy framework as set out at Budget Council. In normal operating conditions, Policy and Service Committee may only take decisions which are fully consistent with the Council approved budget and policy framework. It is expected that Committee budgets will be effectively managed in-year within the agreed cash limited budget and value for money will be secured. Chief Officers must ensure that no commitments are made that would result in an approved budget being exceeded.
- 3.7 Policy and Resources Committee will be responsible for ensuring that the entire budget will be in balance, including providing mitigating actions to bring the budget back in line from any adverse variance position that may be forecast, which may take

the form of providing direction to other Service Committees. Policy and Resources Committee will be responsible for advising Full Council on organisation-wide financial activity.

- 3.8 To enable the Committees to manage and monitor budgets effectively in-year, a suite of detailed information will be provided on a quarterly basis, comprising:
- A revenue budget monitoring report for the preceding quarter that will include a full-year forecast
 - Full list of budget savings proposals and the progress for their achievement
 - Full list of reserves allocated to the Committee for future one-off commitments
 - A capital budget monitoring report for the preceding quarter that will include a full-year forecast
 - Other specific financial information relevant to the individual committee's decision-making process
- 3.9 This information will be made available at the earliest committee meeting, following the quarter end and completion of the internal governance process, detailed in paragraph 3.4. The anticipated timetable for reporting quarterly financial information to committee is:
- Quarter 1 (1 Apr – 30 Jun): July 23
 - Quarter 2 (1 Jul – 30 Sep): November 23
 - Quarter 3 (1 Oct – 31 Dec): February 24
 - Quarter 4 (1 Jan – 31 Mar): June 24
- 3.10 Each Committee is requested to establish a Budget monitoring panel to facilitate regular space to review the budget position in between scheduled committee meetings during stages of the financial year.
- 3.11 The Budget Monitoring Panel will comprise of the Committee Chair and Spokespersons, the relevant Director and Assistant Directors (as required), a Finance and Democratic Service representative.
- 3.12 The purpose of this group is to:-
- Ensure that Members are receiving the most current financial data and are monitoring the budget throughout the year.
 - Question the Director on the financial data before they are available to the wider committee membership and ahead of the scheduled Committee meeting.
 - Seek further explanatory information from the Director/Assistant Director where necessary.
 - Request that certain additional information is provided to the group.
 - Make suggestions as to how the information is presented.
 - Make links between financial performance and activity, to inform decision making of the Committee.
 - Inform the process of efficiency target setting and monitor performance against delivery of efficiency targets agreed.
- 3.13 The Committees have the autonomy (subject to delegation levels) to enact budget virements (transfers) from one function to another within their overall committee

budget envelope. Virements will also need to be agreed by the Section 151 Officer as there are certain conditions where budgets are not allowed to be transferred for the purposes of gaining a specific benefit e.g. where budgets from supplies budget headings are transferred to employee budget headings to take advantage of an uplift for pay inflation.

- 3.14 The Committees will be responsible for containing net expenditure within their overall budget envelope and not overspending. Where an adverse variance is forecast, each committee will be required to take remedial action, with detailed plans and timeframes, to bring the budget back in line and ensure that overspends are mitigated.
- 3.15 Where a committee has taken all possible steps for remedial action and is unable to fully mitigate an overspend, this must be reported to the Policy and Resources Committee who will then take an organisational-wide view of how this adverse variance will be managed. There must be immediate action agreed to ensure a deliverable, balanced forecast position can be reported, and this will be monitored on a monthly basis by the Policy and Resources Committee.
- 3.16 Whilst each committee is required to remain within its annual budget envelope, situations may transpire that demonstrate an in-year favourable forecast variance being reported to a Committee. Committees wishing to use any forecast underspend, must have approval from the P&R Committee.
- 3.17 The Council must not be in a situation where one Committee is forecasting an overspend, unable to mitigate it, and another Committee is forecasting an underspend and takes a decision to utilise this for unplanned growth purposes. The Policy and Resources Committee will be responsible for ensuring that operating in silos does not occur and that resources are aligned to Council objectives at all times.
- 3.18 The Policy and Resources Committee has ultimate responsibility for taking any necessary steps required to ensure a whole Council budget can report a balanced position throughout the year. The Section 151 Officer will be responsible for ensuring that any budget actions, proposals and mitigations are achievable and legal.
- 3.19 In addition to the standard budget monitoring process, as outlined above, which will include reviews of savings related activity, in 2023/24 additional scrutiny will be provided to ensure that agreed savings are delivered in a timely manner, in line with the original proposal. Two specific review routes will exist to support financial oversight and the delivery of savings:
 - Finance Sub-Committee,
 - Chief Executive led savings delivery board (Star Chamber) and
- 3.20 The Finance Sub-Committee will meet to support the Policy and Resources Committee in its aims of providing strategic direction to the operation of the Council, to maintain a strategic overview of budgets and to provide a coordinating role across all other service committees through a 'whole council view' of budget monitoring.
- 3.21 A savings delivery board (Star Chamber) will be convened with the aim of facilitating regular, in-depth senior officer and member engagement on savings progress in

order to review and challenge activity to date, as well as plans to be subsequently actioned, in order to deliver on the savings proposals agreed by Full Council.

4.0 FINANCIAL IMPLICATIONS

- 4.1 This report sets out the 2023/24 budget monitoring process and has no direct financial implications. The outcome of the process will, if not adhered to or a suitable alternative process agreed, will have significant financial implications. However, the proposals set out control environments and a timeline of activity deemed necessary as part of sound financial management regime.
- 4.2 If the 2023/24 budget cannot be balanced, this may result in a Section 114 report being issued by the Section 151 Officer - once issued there are immediate constraints on spending whereby no new expenditure is permitted, with the exception of that funding statutory services, including safeguarding vulnerable people, however existing commitments and contracts can continue to be honoured.
- 4.3 The Council delivers both statutory and non-statutory services at present – the requirement to eliminate subsidies provided to non-statutory services is considered to be a key requirement in delivering value for money and ensuring that finite resources are targeted on beneficial outcomes.
- 4.4 The FM Code requires the Council to demonstrate that the processes they have in place satisfy the principles of good financial management, based on the following six principles:
- Organisational Leadership – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisation culture.
 - Accountability – based on Medium-Term Financial Planning, that derives the annual budget process supported by effective risk management, quality supporting data and whole life costs.
 - Financial management - undertaken with transparency at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer actions and elected member decision making.
 - Professional standards - Adherence to professional standards is promoted by the leadership team and is evidenced.
 - Assurance - sources of assurance are recognised as an effective tool mainstreamed into financial management, including political scrutiny and the results of external audit, internal audit and inspection.
 - Sustainability - The long-term sustainability of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.

5.0 LEGAL IMPLICATIONS

- 5.1 The Policy and Resources Committee, in consultation with the respective Policy and Service Committees, has been charged by Council to formulate a draft Medium Term Financial Plan (MTFP) and budget to recommend to the Council.

- 5.2 The Council must set the budget in accordance with the provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a statutory responsibility of the Council. Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget. These provisions require the Council to make prudent allowance for the risk and uncertainties in its budget and regularly monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.
- 5.3 Once a budget is in place, Council has delegated responsibility to the Policy and Services Committees to implement it. The Committees **may not within, normal business operating conditions**, act contrary to the Budget without consent of Council other than in accordance with the Procedure Rules set out at Part 4(3) of the Constitution.
- 5.4 It is essential, as a matter of prudence that the financial position continues to be closely monitored. In particular, Members must satisfy themselves that sufficient mechanisms are in place to ensure both that agreed savings are delivered and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 At this time, there are no additional resource implications. There may be resource requirements of any action resulting in remedial or mitigating tasks if an adverse forecast is reported with regards the 2023/24 budget in year, however these will be reported at the appropriate time.

7.0 RELEVANT RISKS

- 7.1 The Council's ability to maintain a balanced budget is dependent on a proactive approach due to estimated figures being provided in the calculation for the budget, albeit the best estimates available at the time, plus any amount of internal and external factors that could impact on the budget position in year. Examples of which are new legislation, increased demand, loss of income, increased funding, decreased funding, inability to recruit to posts, etc.
- 7.2 A robust monitoring and management process for the budget is in place. If at any time during the year an adverse position is forecast, remedial action must be agreed and implemented immediately to ensure the budget can be brought back to balanced position.
- 7.3 The risk of this not being able to be achieved could mean that the Council does not have enough funding to offset its expenditure commitments for the year and therefore not be able report a balanced budget at the end of the year. This could result in the Section 151 Officer issuing a Section 114 notice.

- 7.4 A key risk to the Council's financial plans is that funding and demand assumptions in particular can change as more information becomes available. As such, the MTFP is regularly reviewed and updated as part of routine financial management.
- 7.5 Under the system of retained Business Rates, Authorities benefit from a share of any increased revenues but are liable for at least a share of any falls in income (subject to safety net triggers) and any non-collection. This includes reductions arising from appeals relating to past years which partially fall on the Authority. These risks are mitigated through a combination of the operation of the Collection Fund, General Fund Balances and a Business Rates Equalisation Reserve.
- 7.6 Assumptions have been made in the current budget outlook for income and funding from business rates and council tax and social care grants as the main sources of funding. If there is an adverse change to these assumptions as a result of government announcements, additional savings proposals or reduced expenditure would need to be identified as soon as possible to ensure a balanced five-year MTFP can be achieved. Committees will be kept updated with any announcements regarding the local government finance settlement through the year.
- 7.7 Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget. These provisions require the Council to make prudent allowance for the risk and uncertainties in its budget and regularly monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 Consultation has been carried out with the Senior Leadership Team in arriving at the governance process for the 2023/24 budget monitoring process.

9.0 EQUALITY IMPLICATIONS

- 9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.
- 9.2 There are no specific equality implications of this report regarding processes, however, it is recognised that some of the developing proposals for 2023/24 budget and beyond could have equality implications. Any implications will be considered and any negative impacts will be mitigated where possible.
- 9.3 Equality implications will be assessed during planning, decision and implementation stages and will be recognised as an ongoing responsibility. Any equality implications will be reported to the Committees. Equality issues will be a conscious consideration and an integral part of the process.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 At this time, there are no additional environmental and climate implications as these have already been identified for the proposals agreed and submitted. However, where the budget is unbalanced and further proposals are required, then there may be environment and climate implications associated with these that will be addressed within the relevant business cases presented to the Committee.

11.0 COMMUNITY WEALTH IMPLICATIONS

- 11.1 This report has no direct community wealth implications however any budget proposals to be developed should take account of related matters across headings such as the following:
- **Progressive Procurement and Social Value**
How we commission and procure goods and services. Encouraging contractors to deliver more benefits for the local area, such as good jobs, apprenticeship, training & skills opportunities, real living wage, minimising their environmental impact, and greater wellbeing.
 - **More local & community ownership of the economy**
Supporting more cooperatives and community businesses.
Enabling greater opportunities for local businesses.
Building on the experience of partnership working with voluntary, community and faith groups during the pandemic to further develop this sector.
 - **Decent and Fair Employment**
Paying all employees a fair and reasonable wage.
 - **Making wealth work for local places**

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APPENDICES

Appendix A Savings agreed at full Council for 2023/24
Appendix B Committee Budget Book details

BACKGROUND PAPERS

Pressure and Growth Proposals
Savings and Income Proposals
CIPFA's Financial Management Code

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Environment, Climate Emergency and Transport Committee	14 March 2023
Tourism, Communities, Culture & Leisure Committee	9 March 2023
Children, Young People & Education Committee	8 March 2023
Economy Regeneration & Development Committee	7 March 2023
Adult Social Care and Public Health Committee	6 March 2023
Full Council	27 February 2023
Policy and Resources Committee	14 February 2023
Policy and Resources Committee	18 January 2023
Policy and Resources Committee	9 November 2022
Policy and Resources Committee	5 October 2022
Policy and Resources Committee	7 September 2022
Policy and Resources Committee	13 July 2022

Appendix A – Savings agreed at full Council for 2023/24

Committee	23/24 Budget Saving (£m)
Adult Social Care and Public Health	
<u>Adult Care & Health</u>	
Review of all-age disability transition planning	-1.000
Review of services to support Independent Living	-4.935
Adult Social Care and Public Health Total	-5.935
Children, Young People & Education	
<u>Children, Families & Education</u>	
Increase the number of children looked after placed in family settings as opposed to higher cost residential settings	-1.100
Redesign and restructure of the Assessment and Intervention Service	-0.655
Reduction in contributions to the Regional Adoption Agency in line with the average number of referrals	-0.100
Reduction in financial support to Kingsway High School	-0.134
Reduction in Teacher's pension liabilities to the council	-0.190
Reduction in Wirral's Looked After Children numbers	-0.410
Review of contracts within Children's Services	-0.250
Review of council's contribution towards European Funded Send Inclusion Programme	-0.220
Review of Supporting Families funding and Early Help budgets	-1.121
Children, Young People & Education TOTAL	-4.180
Economy Regeneration & Housing	
<u>Regeneration & Place</u>	
Capitalisation of salaries (Re-direction of qualifying salaries away from the council's central budget	-0.085
Decommissioning of the Solar Campus site and relocation of teams currently working from the facility.	-0.005
Increase eligible rechargeable costs for Building Control services	-0.080
Lease income from rental of floors 4 & 5 at Marris House	-0.136
One off rental income for partial leasing of Cheshire Lines office space	-0.146
Recharging of costs where eligible grant and fee income is rechargeable within Supported Housing services	-0.060
Recharging of staff costs where eligible grant funding is in place for Economic Growth projects	-0.072
Recharging of staff costs where eligible grant funding is in place for Homes for Ukraine Resettlement Programme	-0.593
Redesign and review of contract commissioning for Economic Growth	-0.065
Re-provision of homeless accommodation and review of community alarm grant	-0.137
Review of Housing Support service and Fuel Poverty contract	-0.088
Review of Merseytravel levy budget	-0.122
Stand down and disposal of a number of council owned buildings	-0.672
Standing down of Wallasey Town Hall for a 12-month period	-0.400
Economy Regeneration & Housing TOTAL	-2.660

Appendix A – Savings agreed at full Council for 2023/24

Committee	23/24 Budget Saving (£m)
Environment, Climate Emergency & Transport	
<u>Neighbourhood Services</u>	
Capitalise Staff costs on infrastructure projects	-0.060
Expansion of the camping offer at Wirral Country Park	-0.010
Introduction of an environmental enforcement scheme	-0.150
Introduction of catering facilities at football playing fields	-0.020
Introduction of Electric Vehicle charging pilot scheme tariffs	-0.010
Introduction of large format digital screen advertising opportunities	-0.020
Introduction of Pet Memorial Garden	-0.010
Reintroduction of Christmas Markets at Birkenhead Park	-0.010
Restructure of the transport fleet	-0.030
Review of Cemeteries and Crematoria service income	-0.100
Review of Pest Control service income	-0.010
Review of Tree Management service	-0.050
Review of vehicle crossing provision	-0.015
Environment, Climate Emergency & Transport TOTAL	-0.495
Policy & Resources	
<u>Chief Executive Office</u>	
Corporate Office Restructure	-0.070
<u>Corporate</u>	
Apply vacancy factor to pay budgets	-2.300
Council wide budget adjustment	-0.340
Reprice pay budgets at Mid-point	-2.800
Review of enabling (back office) services across the council	-2.300
Review of senior management structure	-0.800
<u>Finance/ Resources</u>	
DSG Contribution to statutory functions	-1.200
Insurance reserve - one off	-1.000
Review of current payroll functions	-0.060
Review of digital systems within the Revenue and Benefits service	-0.100
Use of NNDR reserve - one off	-3.000
Policy & Resources TOTAL	-13.970
Tourism, Communities, Culture and Leisure	
<u>Neighbourhood Services</u>	
Development of the events programme at Williamson Art Gallery	-0.070
Leisure Centre service review	-0.500
Review of current Neighbourhood Directorate assets/ buildings	-0.050
Review of Neighbourhoods Staffing Structure	-0.425
Various underspends across Neighbourhoods	-0.060
Tourism, Communities, Culture and Leisure TOTAL	-1.105
GRAND TOTAL	-28.345

Appendix B Committee Budget Details

REVENUE BUDGETS

Revenue Budgets are the monies the Council allocates for its day-to-day expenditure. It is the amount of money the Council requires to provide its services during the year.

Table 1 below, highlights how the revenue budgets are allocated across the Council Directorates.

Directorate	Budget £000
Adults Care and Health	130,579
Chief Executive Office	1,585
Children, Families & Education	85,597
Law & Governance	5,775
Neighbourhood Services	54,584
Regeneration & Place	36,776
Resources	16,773
Finance	34,931
Total Budget	366,600

Table 2, below, highlights how the revenue budget is allocated across the various subjectives or types of expenditure.

Subjective	Budget £000
Income	-276,062
Expenditure:	
Employee	143,627
Non Pay	328,020
Cost of Care	171,015
Total Expenditure	642,662
Total Budget	366,600

Appendix B Committee Budget Details

Table 3 below, provides a further detailed breakdown of the service budgets.

Directorate	Income	Employee	Non Pay	Cost of Care	Grand Total
	£000	£000	£000	£000	£000
Adults Care and Health	-£90,346	£14,232	£62,490	£144,203	£130,579
Chief Executive Office	-£321	£1,752	£154	£0	£1,585
Children, Families & Education	-£21,428	£44,110	£33,933	£28,982	£85,597
Law & Governance	-£3,486	£4,102	£5,160	£0	£5,775
Neighbourhood Services	-£30,418	£30,788	£54,214	£0	£54,584
Regeneration & Place	-£13,296	£13,516	£36,556	£0	£36,776
Resources	-£3,399	£13,072	£7,101	£0	£16,773
Finance	-£113,367	£22,056	£128,413	-£2,170	£34,931
Total Budget	-£276,062	£143,627	£328,020	£171,015	£366,600

CAPITAL BUDGETS

Capital budgets are the monies allocated for spend on providing or improving non-current assets, which include land, buildings and equipment, which will be of use or benefit in providing services for more than one financial year.

Full details of the 2023-24 capital budgets can be found within the Capital Outturn report elsewhere on the agenda.

RESERVES

Earmarked reserves represent money that has been set aside for a clearly defined purpose, and which is available to meet future expenditure in that area.

General fund balance (general reserve) is set aside to minimise possible financial impacts to the Authority and provide financial resilience.

Directorate Earmarked Reserves	Opening Balance £000
Adult Care & Health	7,329
Children, Families & Education	3,661
Law & Governance	270
Neighbourhoods Services	301
Regeneration and Place	16,173
Resources	13,452
Other Corporate	30,645
Total	71,831

General Fund Balances	13,180
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POLICY AND RESOURCES COMMITTEE

Wednesday, 14 June 2023

REPORT TITLE:	TREASURY MANAGEMENT ANNUAL REPORT 2022-23
REPORT OF:	DIRECTOR OF FINANCE

REPORT SUMMARY

The Council's treasury management activity is underpinned by CIPFA's Code of Practice on Treasury Management ("the Code"), which requires the production of an annual Treasury Management Strategy Statement on likely financing and investment activity. The Code also recommends that Members are informed of treasury management activities at least twice a year.

This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the Department for Levelling Up, Housing and Communities (DLUHC) Investment Guidance.

There was an underspend in the 2022/23 financial year on net Treasury activities of £0.126 million, which is attributable to lower debt management costs and an increase in investment returns. This underspend was incorporated into the Revenue Outturn report.

The level of Capital Financing debt held on the balance sheet, including the Merseyside Residuary Body debt managed by the Council on behalf of the constituent authorities, was £164 million at 31 March 2023. This is an increase of £4 million since 31 March 2022 and reflects the additional Public Works Loan Board loan to finance the second year of the Capitalisation Directive. At 31 March 2023, the Council also held £121 million of temporary loans from other Local Authorities, compared to £58 million at 31 March 2022. This is due to the policy of minimising and delaying fixed term borrowing costs which adversely impact upon the revenue budget.

The Council has complied with the Treasury Management Indicators as set out in the agreed Treasury Management Strategy for 2022/23.

The report helps to ensure that the Council maintains effective management of financial resources which indirectly supports the delivery of all five priorities of the Wirral Plan 2021 - 26.

RECOMMENDATION

The Policy and Resources Committee is recommended to note the Treasury Management Outturn Report for 2022/23.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 Wirral Council has adopted the CIPFA Code of Practice on Treasury Management ("the Code"), which includes regular update reports to Members of treasury activity. This report is the outturn review for 2022/23.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 As per the requirements of the CIPFA Code, this report updates Members on Treasury activities to 31st March 2023, therefore no other options have been considered.

3.0 BACKGROUND INFORMATION

- 3.1 Treasury management is defined by CIPFA as: "The management of the Council investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- 3.2 The Council approves the Treasury Management Strategy at the start of each financial year. This identifies how it is proposed to finance capital expenditure, borrow and invest in the light of capital spending requirements, the interest rate forecasts and the expected economic conditions. During the year Members receive a mid-year report on treasury management activities and at the end of each financial year an Annual Report.
- 3.3 Treasury Management activities must be considered within the economic context and environment in which they are undertaken.
- 3.4 Appendix A provides detail of the economic developments throughout 2022/23. In summary, regarding inflation and economic growth, inflation within the financial year was at the highest levels seen for forty years. This has been driven by steep rises in energy costs. These record inflation levels have impacted upon the Bank of England's monetary policy as they have reacted by raising their lending base rate from 0.75% to 4.25% at the end of March 2023. As Treasury activities centre around both lending and investing funds, these changes in interest rates have an effect on both the investment returns and borrowing interest costs for the Council.

THE COUNCIL TREASURY POSITION

- 3.5 The table shows how the position has changed since the mid-year report as at 30 September 2022.

Table 1: Summary of Treasury Position

	Balance 30 Sep 22 £m	Maturities £m	Additions £m	Balance 31 Mar 23 £m
Investments	36.37	-256.51	251.82	31.68
Borrowings	-203.48	127.91	-209.10	-284.68
Other Long-Term Liabilities	-33.05	1.35	0.00	-31.70
Net Debt	-200.16	-127.25	42.72	-284.69

- 3.6 Throughout the second half of the year the level of net debt increased due to the increase of borrowing. This increase was owing to a contribution of factors,
- Continued delivery of the Capital Programme, which is part funded by debt
 - Agreeing a Public Works Loan Board (PWLB) loan to cover the second year of the Capitalisation Directive
 - Temporary loans from other Local Authorities that were taken out towards the end of 2022/23 for cashflow purposes. Temporary loans from other Local Authorities are less costly compared to fixing into longer term loan arrangements with for example the PWLB, hence their use for short-term cashflow.

BORROWING AND DEBT MANAGEMENT

- 3.7 As outlined in the Treasury Strategy, the Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective. The Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.
- 3.8 The Council undertakes borrowing to fund capital expenditure. The cost of both long and short-term borrowing rose dramatically over the year, with rates at the end of March around 2% - 4% higher than those at the beginning of April. Rate rises have been driven primarily by inflation and the need for central banks to control this by raising interest rates.
- 3.9 The use of cash balances in lieu of borrowing will not be sustainable over the medium term. Elements of the Capital Programme will ultimately require funding via borrowing from external sources. As capital reserves are called upon the resources temporarily available to use in lieu of external borrowing diminish, meaning the Council will reach a point when it is no longer possible to delay borrowing any further. Internal borrowing does not remove the need to externally borrow, it merely delays incurring the debt and consequently the financing costs.
- 3.10 The decision to continue to use internal resources in lieu of borrowing for capital purposes helped to reduce borrowing costs in 2022/23. In future years, as cash flows

diminish through use of reserve and/or interest rates rise, external borrowing will have to increase. The Treasury Management team will continue to proactively manage the Council's cash flow and where possible to minimise costs. Agreeing fixed term debt, in an environment in which interest rates may fluctuate, would lessen the potential exposure to future interest rate increases albeit at the counter risk of interest rates falling.

- 3.11 **Lender Option Borrower Option (LOBO) loans:** The Council continues to hold £94.5 million of LOBO loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. No banks have exercised their option during the second half of the year.
- 3.12 Appendix B illustrates the movement in the Council's debt portfolio since the mid-year point. Borrowings have increased by £81.2 million, with other long-term liabilities (PFI agreements) reducing by £1.60 million. The increase in borrowing is attributable to the utilisation of useable reserves and continued delivery of the capital programme, part of which is funded by borrowing. Temporary borrowing continues to be utilised, when possible, to keep interest costs reduced. Further detail is provided in Appendix B that describes the debt management approach taken in 2022/23 and provides additional details of borrowings in tables B1 and B2.

TREASURY INVESTMENT ACTIVITY

- 3.13 Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. These investments arise from a number of sources including General Fund Balances, Reserves and Provisions, grants received in advance of expenditure, money borrowed in advance of capital expenditure, Schools' Balances, and daily cashflow / working capital.
- 3.15 CIPFA revised Treasury Management Code defines treasury management investments as those which arise from the Council's cash flows or treasury risk management activity that ultimately represents balances which need to be invested until the cash is required for use in the course of business.
- 3.16 Appendix C describes investment management, with a significant sum of available funding being utilised to temporarily minimise borrowing costs. Table C1 details investments held as at 31 March 2023.
- 3.17 From a starting position of £67 million of investments as at 31 March 2022, the level of investment decreased to £53 million at 30 June 2022 and then further reduced to a balance of £36 million as at 30 September 2022. During the final quarter of the financial year the investment levels fell from £37 million at 31 December 2022 to £32 million at 31 March 2023, the reduction due to:
- Invested cash being used to repay temporary loans as they become due, rather than entering into replacement loan agreements.

- The continued utilisation of the funding as service need dictates, including grant monies received at the end of 2021/22 that inflated the investment balances coming into 2022/23.

- 3.18 Bank Rate has increased from 0.75% at the beginning of the year to 4.25% at the end of March 2023. The return on the Council's sterling Low Volatility Net Asset Value (LVNAV) Money Market Funds ranged between 0.44% - 0.58% at the end of start of the year and between 4.00% and 4.13% at the end of March.
- 3.19 The budgeted investment income for the year was £1.2 million with an actual income of £1.1 million at the end of the year. This shortfall in investment income is attributable to these key factors:
- a) Low interest rates offered for investments at the start of the financial year
 - b) The continuing policy of relying on internal borrowing to temporarily fund and thereby delay borrowing for the Capital Programme, which reduces balances available to put into investments but generates savings in interest incurred.
- 3.20 Given the risk of short-term unsecured bank investments, the Council has invested in alternative and/or higher yielding asset classes as shown in Appendix C, table C1.
- 3.21 However, the reduction in investment income is being offset by the savings of on delayed borrowing for amounts internally borrowed.
- 3.22 The return on investments, along with the policy of internally borrowing, reflects prevailing market conditions and the objective of optimising returns commensurate with the overriding principles of security and liquidity.

COMPLIANCE WITH TREASURY INDICATORS

- 3.23 The Chief Finance Officer reports that all treasury management activities undertaken during 2022/23 complied fully with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in Appendix D.

4.0 FINANCIAL IMPLICATIONS

- 4.1 Capital debt finance has reduced annually over recent years, despite additional annual Capital commitments. This has contributed to the generation of substantial savings.
- 4.2 Investment income has also helped to generate resources for service delivery.
- 4.3 In the financial year 2022/23 there was an underspend on net Treasury activities of £0.126 million, which is attributable to lower debt management costs than originally budgeted for and an increase in investment returns compared to last year.

5.0 LEGAL IMPLICATIONS

- 5.1 The Council has adopted the CIPFA Code of Practice on Treasury Management. This requires the annual production of Performance Indicators and a Treasury

Management Strategy Statement and the reporting of treasury management activities at least twice a year.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 There are none arising directly from this report.

7.0 RELEVANT RISKS

7.1 The Council is responsible for treasury decisions and activity and none of these decisions are without risk. The successful identification, monitoring and control of risk are important, and the main risks are: -

Risk	Mitigation
Exposure to inflation	That wherever possible investments are entered into at inflation equalling levels of interest. This depends entirely on the nature and purpose of the proposed investment.
Legal and Regulatory Risk	That appropriate legal advice is sought on new opportunities to ensure adherence to relevant legislation and regulation.
Credit and Counterparty Risk (Security of investments).	That any potential counterparty is subjected to suitable due diligence to ascertain appropriateness for investment and investment criteria
Council issues S114 notice	Should the Council encounter difficulties in obtaining borrowing following a S114 notice, the Council has access to borrow from the PWLB as a lender of last resort. Any such borrowing would be subject to higher rates of interest.

7.2 The risks mentioned above are inherent in Treasury activity, therefore they are persistent, continuous risks. Appendix 1 of the Treasury Management Strategy 22/23 (approved by Council on 28 February 2022) states that "the Council will create and maintain, as the cornerstones for effective treasury management: -

- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities.
- Suitable Treasury Management Practices (TMPs), setting out the way the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities."

8.0 ENGAGEMENT/CONSULTATION

- 8.1 This report has been written in consultation with the Council's external treasury management advisors, Arlingclose Ltd, in accordance with best practice.

9.0 EQUALITY IMPLICATIONS

- 9.1 There are none arising directly from this report.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 As part of future investment strategy, consideration will be given to potential opportunities to invest in environmentally focussed instruments or organisations. 'Ethical, Social and Governance' (ESG) investment criteria will be considered and, where viable in adherence to the policies laid out in this strategy, will only be entered into following satisfactory assessment of the instrument and/or organisation. Two such investments in the current investment portfolio are the holding in the Altana Social Impact Fund along with the Green Energy Bond held.

11.0 COMMUNITY WEALTH IMPLICATIONS

- 11.1 Investment vehicles that embrace green and sustainable practices will be given due consideration, should a suitable investment opportunity become available and subject to appropriate due diligence. One fund that the Council invest in is Altana Social Impact Fund, an organisation that is keen to look at investment opportunities within the local area. Possible investment examples include but not limited to;
- Social Housing – affordable places to live for many residents
 - Community lending vehicles – creating jobs and revenues in local communities

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APPENDICES

Appendix A	Economic Background
Appendix B	Debt Management
Appendix C	Investment Management
Appendix D	Treasury Indicators 2022/23

TERMS OF REFERENCE

This report is being considered by the Policy and Resources Committee in accordance with 1.2(a)(i) of the Policy and Resources Committee Terms of Reference:

formulate, co-ordinate and implement corporate policies and strategies and the medium term financial plan (budget), which includes responsibility for any decision:

- (i) that relates to such matters to the extent that they are not reserved to full Council.

BACKGROUND PAPERS

CIPFA Code of Practice on Treasury Management
Wirral Council Treasury Management Strategy 2022/23

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Treasury Management Annual Report 2019-20	Cabinet – 27 July 2020
Treasury Management Mid-Year Report 2020-21	P&R – 3 Nov 2020
Treasury Management Strategy Statement 2021-22	P&R - 17 Feb 2021
Treasury Management Annual Report 2020-21	P&R - 28 July 2021
Treasury Management Mid-Year Report 2021-22	P&R - 10 Nov 2021
Treasury Management Strategy Statement 2022-23	P&R - 15 Feb 2022
Treasury Management Annual Report 2021-22	P&R - 13 Jul 2022
Treasury Management Mid-Year Report 2023-23	P&R – 9 November 2022

APPENDIX A

ECONOMIC BACKGROUND

Growth & Inflation

- 1 The war in Ukraine continued to keep global inflation above central bank targets and the UK economic outlook remained relatively weak with the chance of a mild recession. The economic backdrop during the January to March period continued to be characterised by high energy and commodity prices, high inflation, and the associated impact on household budgets and spending.
- 2 Central Bank rhetoric and actions remained consistent with combatting inflation. The Bank of England, US Federal Reserve, and European Central Bank all increased interest rates over the period, even in the face of potential economic slowdowns in those regions.
- 3 Starting the financial year at 5.5%, the annual Consumer Price Index (CPI) measure of UK inflation rose strongly to hit 10.1% in July and then 11.1% in October. Inflation remained high in subsequent months but appeared to be past the peak, before unexpectedly rising again in February. Annual headline CPI registered 10.4% in February, up from 10.1% in January, with the largest upward contributions coming from food and housing.
- 4 The labour market remained tight albeit with some ongoing evidence of potential loosening at the end of the period. The unemployment rate eased from 3.8% April-June to 3.6% in the following quarter, before picking up again to 3.7% between October-December. The most recent information for the period December-February showed an unemployment rate of 3.7%. Nominal earnings were robust throughout the year, with earnings growth in December-February at 5.7% for both total pay (including bonuses) and 6.5% for regular pay. Once adjusted for inflation, however, both measures were negative for that period and have been so throughout most of the year.
- 5 Quarterly GDP was soft through the year, registering a 0.1% gain in the April-June period, before contracting by (an upwardly revised) -0.1% in the subsequent quarter. For the October-December period was revised upwards to 0.1% (from 0.0%), illustrating a resilient but weak economic picture. The annual growth rate in Quarter 4 was 0.6%.

Monetary Policy

- 6 The Bank of England increased the official Bank Rate to 4.25% during the financial year. From 0.75% in March 2022, the Monetary Policy Committee (MPC) pushed through rises at every subsequent meeting over the period, with recent hikes of 50bps in December and February and then 25bps in March, taking Bank Rate to 4.25%. March's rise was voted by a majority of 7-2, with two MPC members preferring to maintain Bank Rate at 4.0%.

Market Reaction

- 7 Uncertainty continued to be a key driver of financial market sentiment and bond yields remained relatively volatile due to concerns over elevated inflation and higher interest rates, as well as the likelihood of the UK entering a recession and for how long the Bank of England would continue to tighten monetary policy. Towards the end of the period, fears around the health of the banking system following the collapse of Silicon Valley Bank in the US and purchase of Credit Suisse by UBS caused further volatility.
- 8 Over the period the 5-year UK benchmark gilt yield rose from 1.41% to peak at 4.70% in September before ending the financial year at 3.36%. Over the same period the 10-year gilt yield rose from 1.61% to peak at 4.51% before falling back to 3.49. The rate at which the Council borrows from the Public Works Loan Board is determined by the gilt rates at the time a loan is arranged.

Counterparty Review

- 9 The Council's Treasury advisor, Arlingclose, reduced its recommended maximum duration limit for unsecured deposits for all UK and Non-UK banks/institutions on its counterparty list to 35 days as a precautionary measure. No changes were made to the names on the list.
- 10 As market volatility is expected to remain a feature, at least in the near term and, as ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remains under constant review.

APPENDIX B

DEBT MANAGEMENT

- 1 The table below shows Council debt as at 31 March 2023, with movements since the Mid-year update report.

Table B1: Council Debt as at 31 March 2023

Debt Principal	Balance 30 Sep 22 £m	Maturities £m	Additions £m	Balance 31 Mar 23 £m
Borrowings				
Public Works Loan Board (PWLB)	-24.05	8.45	-12.10	-27.71
Market Loans (Fixed Rate)	-38.50	-	-	-38.50
Market Loans (LOBO)	-94.50	-	-	-94.50
Interest Free Loans & Other	-3.43	0.45	-	-2.98
Total Capital Finance Loans	-160.48	8.90	-12.10	-163.68
Other Liabilities (PFI)	-32.82	1.60	-	-31.22
Temporary Cashflow Loans	-43.00	119.00	-197.00	-121.00
TOTAL	-236.30	129.50	-209.10	-315.90

The increase in total debt is due to a combination of factors:

- *A net increase in PWLB borrowing due to a new loan to cover the second year of the Capitalistion Direction.*
- *The increase in short term temporary borrowing for cashflow purposes towards the end of the financial year as Council Tax and Business Rate receipts reduce.*

- 2 The following table shows the capital financing loans repaid during the second half of the year.

Table B2 – Loan Maturities since 30 September 2022

Loans maturing in 2022/23	Principal £'m	Fixed/ Variable	Rate %	Loan Maturity date	Terms
PWLB	0.13	Fixed	2.16	February 2023	E I P
PWLB	1.80	Fixed	4.88	March 2023	Maturity
PWLB	6.52	Fixed	3.09	March 2023	Maturity
SALIX	0.45	Fixed	0.00	Various	E I P
Total Maturing Borrowing	8.90				

Note: Equal Instalments of Principal (EIP) loans are loans that are repaid in equal instalments spread over the duration of the loan. Maturity loans are repaid in full at the maturity date of the loan.

- 3 With external longer-term borrowing reducing, the Council has used the Local Council loan market to delay entering into more costly debt, generating savings. The deferral of further borrowing costs through internal borrowing and policy amendments have provided substantial one-off savings to the Council.
- 4 Effective utilisation of the short-term Local Council loan market has further delayed the need to enter into more costly longer-term loans. At 31 March 2023, the Council had £121 million borrowed via such loans running at an average rate of 4.2%. These temporary, short-dated loans, from other local authorities remain affordable and attractive for periods of low cash flow.
- 5 The Authority's borrowing decisions are not predicated on any one outcome for interest rates and a balanced portfolio of short- and long-term borrowing was maintained.
- 6 Local authorities can borrow from the PWLB provided they can confirm they are not planning to purchase 'investment assets primarily for yield' in the current or next two financial years, with confirmation of the purpose of capital expenditure from the Section 151 Officer. Authorities that are purchasing or intending to purchase investment assets primarily for yield will not be able to access the PWLB except to refinance existing loans or externalise internal borrowing. The Council's current Capital Programme does not contain schemes that are primarily focussed on a commercial return.
- 7 Acceptable uses of PWLB borrowing includes service delivery, housing, regeneration, preventative action, refinancing and treasury management.
- 8 The Public Works Loans Board (PWLB) remains the Council's preferred source of longer-term borrowing given the transparency and control that its facilities continue to provide.
- 9 Competitive market alternatives may be available for authorities with or without access to the PWLB. However, the financial strength of the individual Council and borrowing purpose will be scrutinised by commercial lenders.
- 10 Borrowing options and the timing of such borrowing will continue to be assessed in conjunction with the Council's treasury advisor.
- 11 Other Long-Term Liabilities include the schools Private Finance Initiative (PFI) scheme and finance leases used to purchase vehicles, plant and equipment. Under International Financial Reporting Standards (IFRS) these are shown on the Balance Sheet as a Financial Liability and therefore need to be considered within any Treasury Management decision making process.

APPENDIX C

INVESTMENT MANAGEMENT

1 Table C1: Investment Profile

Investments with:	30 Sep 22 £m	31 Dec 22 £m	31 Mar 23 £m
UK Banks			
Money Market Funds	16.76	16.91	12.08
Green Energy Bonds	1.50	1.50	1.50
Community Interest Companies	1.11	1.11	1.11
Other Pooled Funds:			
- <i>Property Funds</i>	1.00	1.00	1.00
- <i>Strategic Bond Funds</i>	1.00	1.00	1.00
- <i>Public Sector Social Investment Fund</i>	10.00	10.00	10.00
- <i>Cash Plus Funds</i>	5.00	5.00	5.00
TOTAL	36.37	36.51	31.69

2 Table C2: Investment Sources

Usable Reserves	30 Sep 22 £m	31 Dec 22 £m	31 Mar 23 £m
General Fund	10.68	10.68	13.18
Earmarked Reserves	104.94	104.94	72.26
Capital Receipts Reserve	6.25	6.55	2.98
Capital Grants Unapplied	61.94	65.08	51.47
	183.81	187.25	139.89
Internal Borrowing in lieu of External Borrowing	(147.44)	(150.74)	(108.20)
Reserves Invested	36.37	36.51	31.69

- 3 Security of capital remained the main investment objective throughout 2022/23. This was maintained by following the counterparty policy set out in the Treasury Management Strategy Statement for 2022/23 which defined high credit quality organisations as those having a long-term credit rating of A- or higher.
- 4 Counterparty credit quality was assessed and monitored with reference to credit ratings (the Council's minimum long-term counterparty rating for 2022/23 was A- across rating agencies Fitch, S&P and Moody's); Credit Default Swap (CDS) prices, financial statements, information on potential government support and reports in the quality financial press.
- 5 The following table shows the credit composition of the Council's investment portfolio as at 31st March 2023:

Table C3: Credit Composition of Investment Portfolio

Credit Rating	Proportion of Portfolio %
AAA	60
Unrated	40
Total	100

Note: 'Unrated' institutions are organisations that despite the absence of a formal rating, are deemed credit worthy due to analysis of their performance over a variety of credit metrics. These institutions are subject to a lower counterparty limit than those with formal credit ratings. Unrated investments at the 31 March 2023 are as follows:

- £1.11 million credit facility with Edsential – a jointly owned company (Wirral and Cheshire West and Chester Council)
- £10.0 million investment with the Altana Social Investment Fund (ASIF)
- £1.50 million in a Bagnall Green Energy Bond

Both the ASIF and Bagnall Green Energy bond were subject to external due diligence before funds were invested.

- 6 The Altana Social Impact Fund (ASIF), in which the Council is invested in, is restricted to Social Impact investments in the UK businesses only, with underlying investments having to demonstrate, either qualitatively or quantitatively, that their products/services improve the lives of UK residents. Within the first half of this year the fund has completed its first investment, into an ethical lending platform. The fund continues to generate opportunities to meet their social impact objectives which are subject to due diligence. It is hoped further transactions will be concluded in the coming months.
- 7 Investments with banks are primarily call accounts and money market deposits. The maximum duration of any new investment was constantly reviewed in line with the prevailing credit outlook during the year as well as market conditions.
- 8 In keeping with the Department for Levelling Up, Housing and Communities Guidance on Investments, the Council maintained a sufficient level of liquidity through the use of Money Market Funds and the use of call accounts.
- 9 For diversification purposes the Council can invest in a variety of counterparties and financial instruments to help mitigate counterparty and liquidity risks. A summary of the instruments invested in follows:

Table C4: Investment Portfolio – Financial Instruments

Investment Instrument	Proportion of Portfolio %
Money Market Fund	31
Externally Managed Fund	60
Corporate Deposit	4
Green Energy Bond	5
Total	100

- 10 £17m of the Council's investments are held in externally managed strategic pooled bond, property and cash plus funds where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability. These funds generate an income return which is used to support services in year.
- 11 The last financial year was a very difficult environment for bonds engendered by global central banks' determination to bring high and persistent inflation under control through increases in policy rates and strong rhetoric. The sell-off in gilts, other sovereign bonds and corporate bonds with a rise in gilt/bond yields (i.e., a fall in price) was reflected in the Council's bond fund.
- 12 As these funds have no defined maturity date, but most are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over a three to five year period total returns will exceed cash interest rates. In light of their performance over the medium to long-term and the Council's latest cash flow forecasts, investment in these funds has been maintained.
- 13 The Department of Levelling UP, Housing and Communities published a consultation on the IFRS 9 pooled investment fund statutory override for English authorities for fair value gains and losses on pooled investment funds which was due to expire with effect from 2023/24. The options under evaluation were to allow the override to lapse, to extend it, or to make it permanent. The override will be extended for two years and therefore remain in place for the 2023/24 and 2024/25 financial years. Under the Regulations, gains and losses resulting from unrealised fair value movements relating to treasury pooled investment funds, that otherwise must be recognised in profit or loss under IFRS 9, are not charges to the revenue account, and must be taken into an unusable reserve account.

APPENDIX D

TREASURY MANAGEMENT INDICATORS

2022/2023

Background

The Council measures and manages its exposures to treasury management risks using the following indicators.

Treasury Management Indicators

1. Security

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Target	As at 31.03.23	Complied?
Portfolio average credit rating	A	A+	Yes

2. Liquidity

The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount it can borrow each quarter without giving prior notice. As shown below the Council entered into temporary cashflow loans that exceeded the target set in the indicator. This evidences that there are sufficient sources of liquidity available to the Council, should the need arise.

Liquidity risk indicator	Target	As at 31.03.23	Complied?
Total sum borrowed in past 3 months without prior notice	£10m (Minimum)	£125m	Yes

3. Maturity Structure of Borrowing

This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Maturity Structure of Borrowing	Lower Limit	Upper Limit	Actual	
	2022/23	2022/23	31.03.23	Complied?
	%	%	%	
Under 12 Months	0	90	77	YES
12 Months and within 24 months	0	75	2	YES
24 Months and within 5 years	0	75	4	YES
5 years and within 10 years	0	75	1	YES
10 years and over	0	100	16	YES

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment, including LOBO loans, many of which have repayment options every six months. The Council complied with this indicator.

4. Principal Sums Invested for Periods Longer Than a Year

The Council has placed an upper limit for principal sums invested for periods longer than a year. This limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

	2022/23	2023/24	2024/25
	£m	£m	£m
Limit on principal invested beyond year end	50	30	30
Actual principal invested beyond year end	12.4	12.3	12.2
Complied?	Yes	Yes	Yes

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POLICY AND RESOURCES COMMITTEE

Wednesday, 14 June 2023

REPORT TITLE:	APPOINTMENT OF SUB-COMMITTEES
REPORT OF:	DIRECTOR OF LAW AND GOVERNANCE (MONITORING OFFICER)

REPORT SUMMARY

The purpose of the report is to enable the Policy and Resources Committee, in accordance with the relevant statutory provisions and the terms of the Constitution, to appoint Members to the three Sub-Committees of the Policy and Resources Committee for 2023/2024, these are:

- The Senior Officer Appointments and Staffing Sub-Committee
- The Finance Sub-Committee
- The Shareholder Board

Leaders and Deputy Leaders of the political groups represented on the Council are entitled to attend meetings of all Committees, Sub-Committees and Panels, with the right to speak at the invitation of the Chair (Part 3 (B) Section 1 of the Council's constitution), if they are not appointed as members of the sub-committee or board.

This matter affects all wards. It is not a key decision.

The appointment of various Sub-Committees to undertake duties on behalf of Policy & Resources Committee will contribute to all of the Wirral Plan 2021-2026 priorities.

RECOMMENDATION/S

The Policy and Resources Committee is recommended to:

- (1) (a) confirm that the Senior Officer Appointments and Staffing Sub-Committee be appointed for 2023-24 with the terms of reference as referred to in paragraph 3.1 of this report and will consist of:
 - (i) the Leader (Chair of Policy & Resources Committee), or in their absence the Deputy Leader (Vice-Chair), who shall chair the Sub-Committee;
 - (ii) a member from each of the other Political Groups represented on the Policy & Resources Committee; and
 - (iii) the Chair, or in their absence the Vice-Chair, of the Policy & Services Committee with terms of reference most closely associated with the post

concerned (or if that committee concerned is deemed to be the Policy & Resources Committee then the Deputy Leader (Vice-Chair).

(b) appoint Members to serve on the Senior Officer Appointments and Staffing Sub-Committee in 2022-23, including the appointment of the Chair and named deputies.

- (2) (a) confirm that the Finance Sub-Committee be appointed for 2022-23 with the terms of reference identified with 5 or more members of the Policy and Resources Committee.

(b) appoint Members to serve on the Finance Sub-Committee in 2022-23, including the appointment of the Chair and named deputies.

- (3) (a) confirm that the Shareholder Board be appointed for 2022-23 with the terms of reference identified with 3 to 5 members of the Policy and Resources Committee.

(b) appoint Members to serve on the Shareholder Board in 2022-23, including the appointment of named deputies.

- (4) agree that the Contain Outbreak Management Fund Working Group not be re-established, and that the Director of Public be requested to present a summary outcome report to the Health and Wellbeing Board.

- (5) authorise the Monitoring Officer as Proper Officer to carry out the wishes of the Group Leaders in allocating Members to membership and substitute membership of those sub-committees, listed in recommendations (1) to (4) above and to appoint those Members with effect from the date at which the Proper Officer is advised of the names of such Members.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 To enable the appointment of Members to the three Sub-Committees of the Policy and Resources Committee as listed in 3.1 below.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Part 2, Article 6.4 (iii) of the constitution states: Sub-Committees will normally be constituted of five (5) members, which may be altered to accommodate the overall political balance calculation, or be constituted of such other number as the parent Committee decides.

3.0 BACKGROUND INFORMATION

- 3.1 The Sub-Committees of the Policy and Resources Committee are described below (Constitution (Part 3 – Responsibility for Functions (B) Committee Terms of Reference)):

Senior Officer Appointments and Staffing Sub-Committee

- (a) A Sub-Committee of members of the Policy and Resources Committee, with delegated authority to recommend or make appointments and related matters in respect of chief officers, as set out at Part 4(7) of the Constitution, together with oversight of employment policies, terms and conditions.
- (b) The Sub-Committee will not be appointed in accordance with the political balance rules (as previously agreed by Council at its meeting on 28 September 2020 (minute 8 refers)) but will consist of:
 - (i) the Leader (Chair of Policy & Resources Committee), or in their absence the Deputy Leader (Vice-Chair), who shall chair the Sub-Committee;
 - (ii) a member from each of the other Political Groups represented on the Policy & Resources Committee; and
 - (iii) the Chair, or in their absence the Vice-Chair, of the Policy & Services Committee with terms of reference most closely associated with the post concerned (or if that committee concerned is deemed to be the Policy & Resources Committee then the Deputy Leader (Vice-Chair)).

Finance Sub-Committee

A Sub-Committee of five (5) or more members of the Policy and Resources Committee, subject to political balance, with responsibility for development of the Council's budget and for oversight of the Council's procurement framework.

Shareholder Board

A Sub-Committee of three (3) to five (5) members of the Policy and Resources Committee, subject to political balance, with delegated authority to exercise responsibility for the Council's functions as corporate shareholder of a company, or group of companies or a limited liability partnership. The Sub-Committee will be organised, and will also meet as a working group, alongside officers and advisors in accordance with the Council's adopted Code of Practice for the Governance of Council Interests in Companies at Part 5(7) of this Constitution.

3.2 Proportionality:

Members must have regard to the requirements of section 15 of the Local Government and Housing Act 1989, and the relevant regulations (which deal with political balance on committees and sub-committees), and the terms of the High Court judgment in the case of *R v Brent LBC ex-parte Gladbaum and Wood (1989)* (which requires the relevant parent committee, rather than the Council, to appoint members of sub-committees and panels).

Part 2, Article 6.4 (b) (iii) of the Constitution states: sub-committees, constituted of members of the parent committee, will normally number three (3) or more (5) members, in accordance with political balance requirements.

The political balance of the Finance Sub-Committee, if set at 5 members should be:

- 2 Labour Members
- 1 Conservative Member
- 1 Green Member
- 1 Lib Dem Member

Shareholder Board was previously 5 members to ensure that political representation of all four groups on the Board.

- 2 Labour Member
- 1 Conservative Member
- 1 Green Member
- 1 Lib Dem Member

It was a decision of Council to change the requirements for political balance of the Senior Officer Appointments & Staffing Sub-Committee.

- 3.3 The Finance and Shareholder Board Sub-Committees are subject to political balance regulation (S15 of the Local Government and Housing Act 1989).
- 3.4 It is noted that the Senior Officer Appointments and Staffing Sub-Committee's primary function is to make appointments or recommendations to Council on appointments regarding chief officers of the Council. In its alternative form the sub-committee exists to deal with disciplinary matters and appeals. There was considered to be an optimum size for such sub-committees and it was unanimously

agreed at Annual Council on 28 September 2020 that this Sub-Committee be exempt from political proportionality. It was felt by all group leaders that it was important that all political groups on the Council had a vote on these matters.

3.5 Contain Outbreak Management Fund Working Group

In 2022/23 Policy & Resources Committee agreed to re-appoint to the Contain Outbreak Management Fund Working Group which provided oversight to future spending proposals for this fund, linked to other existing Covid-19 funding and the wider recovery and renewal priorities for Wirral. The national Contain Outbreak and Management Fund (COMF) which was allocated to Wirral ended on 31st March 2023. No further allocations of this funding are expected for 2023/24. It has been agreed by Policy and Resources Committee that the Cost of Living Workstream will report to the Health and Wellbeing Board. Therefore it is proposed that this Working Group not be re-established for 2023/24.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The Chair of the Finance Sub-Committee is entitled to a special responsibility allowance (SRA) of £4,993.92 under Part 6 of the Constitution – Members' Allowances Scheme. These funds are accounted for within the Members' Allowances Scheme.
- 4.2 It should be noted that under the Members' Allowances Scheme, no councillor shall be entitled to receive more than one payment by way of a special responsibility allowance. Any councillor who is already receiving an SRA as Chair of a Policy and Services Committee, Group Leader etc shall not be entitled to additional payment as Chair of the Sub-Committee mentioned above as per paragraph 4.3 of the Members' Allowances Scheme.

5.0 LEGAL IMPLICATIONS

- 5.1 The Council must allocate seats on committees and sub committees so as to give effect to the political balance rules. The rules for the allocation of seats are set out in Sections 15 and 16 of the Local Government and Housing Act 1989 and the Local Government Committee and Political Group Regulations 1990. The Act provides four principles concerning political representation that must be observed. The four principles are:-
 - (a) That not all seats are allocated to the same political party.
 - (b) That the political group with the majority of seats should have the majority of seats on each committee.
 - (c) Subject to (a) and (b) that the total number of seats allocated to political groups on all committees (to which Section 15 of the Act applies), shall be in the same proportion as the total number of seats on the authority held by each political group.

- (d) Subject to (a) to (c) that the number of seats allocated to each political group on a committee (to which Section 15 of the Act applies), shall be the same as the proportion of the total number of seats on the authority held by each political group.

The legislation provides that the Council may make alternative arrangements to the 'proportionality' principles within this report only by a unanimous vote.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 There are no resource implications arising directly from this report.

7.0 RELEVANT RISKS

- 7.1 There are no direct risks arising from this report.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 It is for Members of the Policy and Resources Committee to decide how they wish to allocate places on the Sub-Committees and Working Group.

9.0 EQUALITY IMPLICATIONS

- 9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.
- 9.2 There are no equality implications arising directly from this report.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 There are no environment and climate implications arising directly from this report.

11.0 COMMUNITY WEALTH BUILDING IMPLICATIONS

- 11.1 There are none arising directly from this report.

REPORT AUTHOR: **Dan Sharples**
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BACKGROUND PAPERS

The Constitution of the Council
Members' Allowances Scheme

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Policy and Resources Committee	8 June 2022
Policy and Resources Committee	25 October 2021
Policy and Resources Committee	9 June 2021
Policy and Resources Committee	11 November 2020
Council	19 October 2020
Policy and Resources Committee	7 October 2020
Council	28 September 2020

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POLICY AND RESOURCES COMMITTEE

Wednesday, 22 March 2023

REPORT TITLE:	WORK PROGRAMME UPDATE
REPORT OF:	DIRECTOR OF LAW AND GOVERNANCE

REPORT SUMMARY

The Policy and Resources Committee, in co-operation with the other Policy and Service Committees, is responsible for proposing and delivering an annual committee work programme. This work programme should align with the corporate priorities of the Council, in particular the delivery of the key decisions which are within the remit of the Committee.

It is envisaged that the work programme will be formed from a combination of key decisions, standing items and requested officer reports. This report provides the Committee with an opportunity to plan and regularly review its work across the municipal year. The work programme for the Policy and Resources Committee is attached as Appendix 1 to this report.

Following the whole-Council elections, the newly composited Committee is invited to review the 2023-24 work programme moving into the 2023/24 municipal year. It is proposed that issues on the existing work programme that are for information purposes only could be considered via other means, such as briefing notes or workshops, in accordance with the Constitution.

RECOMMENDATION/S

The Policy & Resources Committee is recommended to:

- (1) comment on and note the proposed Policy and Resources Committee work programme for the 2022/23 municipal year.
- (2) review its items for future consideration on the work programme.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1** To ensure Members of the Policy and Resources committee have the opportunity to contribute to the delivery of the annual work programme.

2.0 OTHER OPTIONS CONSIDERED

- 2.1** Various formats for the workplan were explored. The current format is open to amendment to match the requirements of the committee.

3.0 BACKGROUND INFORMATION

- 3.1** The work programme should align with the priorities of the Council and its partners. The programme will be informed by:

- (i) The Council Plan
- (ii) The Council's transformation programme
- (iii) The Council's Forward Plan
- (iv) Service performance information
- (v) Risk management information
- (vi) Public or service user feedback
- (vii) Referrals from Council

Terms of Reference

The Policy and Resources Committee has two main areas of responsibility, which is to provide strategic direction to the operation of the Council, including making decisions on policies and co-ordinating spend not reserved to full Council, and to maintain a strategic overview of outcomes, performance, risk management and budgets.

The Committee is charged by full Council to:-

- (a) formulate, co-ordinate and implement corporate policies and strategies and the medium-term financial plan (budget), which includes responsibility for any decision:
 - (i) that relates to such matters to the extent that they are not reserved to full Council;
 - (ii) on any cross-cutting policies that impact on other committee areas;
 - (iii) on policy matters not otherwise allocated to any other committee; and
 - (iv) to determine any dispute or difference between committees;
- (b) provide a co-ordinating role across all other service committees and retain a 'whole-council' view of performance, budget monitoring and risk management, which includes responsibility for a decision:
 - (i) that has a major impact on a number of Council services or on the Council as a whole;

- (ii) on any virement between Budget funds (revenue) requested by a Committee or officer in excess of **£500,000**;
 - (iii) on any virement between Budget funds (capital) or any amendment to the Capital Programme requested by a Committee or officer in excess of **£500,000**;
 - (iv) regarding land and property including major acquisition and disposals, which includes reserved decision making concerning any purchase, sale or transfer of a value in excess of, or likely to exceed, **£500,000**;
 - (v) regarding companies or limited liability partnerships including acquisition and disposals; and
 - (vi) which is deemed significant in terms of impact on the Council's revenue or capital (to be determined by the Head of Paid Service and/or Section 151 Officer in consultation with the Leader);
- (c) without limiting the generality of responsibility for cross-cutting policies (at (a) above), lead on behalf of the Council:
- (i) in matters concerning relationships with HM Government, the Liverpool City Region Combined Authority and other major public and non-public bodies;
- (d) appoint Council representatives as required;
- (e) nominate councillors and other persons to outside bodies; and
- (f) undertake responsibility for developing and monitoring the enabling corporate services, including, finance and investment, project support and risk management, strategic procurement and commercial strategies, ICT, property and asset management, human resources and organisational development, law and governance, communications and public affairs, emergency planning and business continuity.

4.0 FINANCIAL IMPLICATIONS

- 4.1** This report is for information and planning purposes only, therefore there are no direct financial implication arising. However, there may be financial implications arising as a result of work programme items.

5.0 LEGAL IMPLICATIONS

- 5.1** There are no direct legal implications arising from this report. However, there may be legal implications arising as a result of work programme items.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1** There are no direct implications to staffing, ICT or Assets.

7.0 RELEVANT RISKS

- 7.1** The Committee's ability to undertake its responsibility to provide strategic direction to the operation of the Council, make decisions on policies, co-ordinate spend, and maintain a strategic overview of outcomes, performance, risk management and budgets may be compromised if it does not have the opportunity to plan and regularly review its work across the municipal year.

8.0 ENGAGEMENT/CONSULTATION

- 8.1** Not applicable

9.0 EQUALITY IMPLICATIONS

- 9.1** Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision, or activity.

This report is for information to Members and there are no direct equality implications.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1** This report is for information to Members and there are no direct environment and climate implications.

11.0 COMMUNITY WEALTH BUILDING

- 11.1** This report is for information to Members and has no direct community wealth implications.

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APPENDICES

Appendix 1: Policy and Resources Committee Work Plan

BACKGROUND PAPERS

The Council Plan
The Council's transformation programme
The Council's Forward Plan

Subject History (last three years)

Council Meeting	Date
Policy and Resources Committee	7 October 2020
	11 November 2020
	21 December 2020
	20 January 2021
	17 February 2021
	17 March 2021
	9 June 2021
	30 June 2021
	28 July 2021
	01 September 2021
	07 October 2021
	25 October 2021
	10 November 2021
	30 November 2021
	01 December 2021
	17 January 2022
	15 February 2022
	16 March 2022
	8 June 2022
	27 June 2022
	13 July 2022
	31 August 2022
	7 September 2022
	5 October 2022
	9 November 2022
	18 January 2023
	22 March 2023

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POLICY AND RESOURCES COMMITTEE

WORK PROGRAMME 2023/24

DECISIONS TO BE TAKEN BETWEEN JUNE 2023 AND SEPTEMBER 2023

Item	Brief Description	Committee Meeting	Lead Departmental Officer
BCD Cheshire Lines		July 2023	Marcus Shaw
Property Asset Disposals	To agree a list of property assets for disposal	July 2023	Steve McMorran
Wirral Growth Company Accounts and Revised Business Partnership Plan		July 2023	Damian Cooke
Edsential Review and Options		July 2023	Matt Bennett
Strategic Change Programme		July 2023	Shaer Halewood
Digital Transformation Partner		July 2023	Shaer Halewood
Community Asset Transfer	Referral from Tourism, Communities, Culture & Leisure Committee	July 2023	David Ball
2023-24 Budget Monitoring Q1	This report sets out the financial monitoring information for the Council as at Quarter 2 (30 September) of 2023/24.	July 2023	Mark Goulding
2023-24 Capital Monitoring Q1	This report provides a summary of the Capital Programme position for the 2023/24 financial year as at the end of June 2023.	July 2023	Pete Molyneux

ADDITIONAL AGENDA ITEMS – WAITING TO BE SCHEDULED

Item	Brief Description	Approximate timescale	Lead Departmental Officer
External Audit Report Action Progress	To report progress on the implementation of the Auditors recommendations	September 2023	Director of Finance

Performance Management Policy Update		TBC	Director of Resources
Benchmarking Council's Risk Appetite		TBC	Director of Finance
Pay Policy Statement Review		TBC	Director of Resources
Introduction of ERP and Payment of Invoices		TBC	Director of Finance

STANDING ITEMS AND MONITORING REPORTS

Item	Reporting Frequency	Lead Departmental Officer
Performance Monitoring	TBC	Director of Finance
Financial Monitoring	Quarterly	Director of Finance
Work Programme Update	Every Meeting	Director of Law and Governance

WORK PROGRAMME ACTIVITIES OUTSIDE COMMITTEE

Item	Format	Timescale	Lead Officer	Progress
Working Groups/ Sub Committees				
Task and Finish work				
Spotlight sessions / workshops				
Briefing Notes				

Policy and Resources Committee – Terms of Reference

The Policy and Resources Committee has two main areas of responsibility, which is to provide strategic direction to the operation of the Council, including making decisions on policies and co-ordinating spend not reserved to full Council, and to maintain a strategic overview of outcomes, performance, risk management and budgets.

The Committee is charged by full Council to:-

- (a) formulate, co-ordinate and implement corporate policies and strategies and the medium term financial plan (budget), which includes responsibility for any decision:
 - (i) that relates to such matters to the extent that they are not reserved to full Council;
 - (ii) on any cross-cutting policies that impact on other committee areas;
 - (iii) on policy matters not otherwise allocated to any other committee; and
 - (iv) to determine any dispute or difference between committees;
- (b) provide a co-ordinating role across all other service committees and retain a 'whole-council' view of performance, budget monitoring and risk management, which includes responsibility for a decision:
 - (i) that has a major impact on a number of Council services or on the Council as a whole;
 - (ii) on any virement between Budget funds (revenue) requested by a Committee or officer in excess of **£500,000**;
 - (iii) on any virement between Budget funds (capital) or any amendment to the Capital Programme requested by a Committee or officer in excess of £500,000
 - (iv) regarding land and property including major acquisition and disposals, which includes reserved decision making concerning any purchase, sale or transfer of a value in excess of, or likely to exceed, £500,000, unless the Committee has delegated this function in relation to a specified area or business plan as the Committee may determine
 - (v) regarding companies or limited liability partnerships including acquisition and disposals; and
 - (vi) which is deemed significant in terms of impact on the Council's revenue or capital (to be determined by the Head of Paid Service and/or Section 151 Officer in consultation with the Leader);
- (c) without limiting the generality of responsibility for cross-cutting policies (at (a) above), lead on behalf of the Council:
 - (i) in matters concerning relationships with HM Government, the Liverpool City Region Combined Authority and other major public and non-public bodies;
- (d) appoint Council representatives as required;
- (e) nominate councillors and other persons to outside bodies; and

- (f) undertake responsibility for developing and monitoring the enabling corporate services, including, finance and investment, project support and risk management, strategic procurement and commercial strategies, ICT, property and asset management, human resources and organisational development, law and governance, communications and public affairs, emergency planning and business continuity.