



Policy and Resources Committee

Date:	Wednesday, 11 November 2020
Time:	6.00 p.m.
Venue:	Virtual

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.

- 4. MINUTES (Pages 1 - 8)**

To approve the accuracy of the minutes of the meeting held on 7 October, 2020.

- 5. PUBLIC AND MEMBER QUESTIONS**

5a. Public Questions

Notice of questions to be given in writing or by email, by 12noon, Friday, 6 November, 2020 to the Council's Monitoring Officer and to be dealt with in accordance with Standing Order 10.

5b. Statements and Petitions

Representations and petitions to be dealt with in accordance with Standing Order 11.

5c. Questions by Members

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

SECTION A - KEY AND OTHER DECISIONS

- 6. THE PROVISION OF FOOD AND ACTIVITIES FOR CHILDREN IN SCHOOL HOLIDAYS DURING THE COVID-19 PANDEMIC (Pages 9 - 24)**
- 7. COMMUNITY LAND TRUST LTD - TRANSFER OF 78-80 NEW CHESTER ROAD, NEW FERRY (Pages 25 - 32)**
- 8. ESTABLISHMENT OF A LOCAL PLAN WORKING GROUP (Pages 33 - 40)**

SECTION B - BUDGET AND PERFORMANCE MANAGEMENT

- 9. 2020/21 REVENUE BUDGET MONITOR FOR QUARTER TWO (APR - SEP) (Pages 41 - 76)**
- 10. CAPITAL MONITORING QUARTER 2 2020/21 (Pages 77 - 90)**
- 11. COUNCIL TAX BASE REPORT 2021/2022 (TAX BASE, DISCOUNTS AND EXEMPTIONS AND LOCAL COUNCIL TAX REDUCTION SCHEME) (Pages 91 - 100)**
- 12. TREASURY MANAGEMENT MID-YEAR REPORT 2020/21 (Pages 101 - 114)**

SECTION C - WORK PROGRAMME / OVERVIEW AND SCRUTINY

- 13. WORK PROGRAMME UPDATE (Pages 115 - 122)**

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POLICY AND RESOURCES COMMITTEE

Wednesday, 7 October 2020

<u>Present:</u>	Councillor	J Williamson (Chair)	
	Councillors	T Anderson	A Leech
		C Carubia	M McLaughlin
		P Cleary	J McManus
		W Clements	Y Nolan
		P Gilchrist	L Rennie
		JE Green	C Spriggs
		EA Grey	P Stuart
		A Hodson	T Usher

1 WELCOME AND INTRODUCTION

The Chair welcomed everyone to the first meeting of the new Policy and Resources Committee and then asked that the committee observe a minute's silence in tribute to the memory of former Councillor Bill Davies who had sadly passed away on 2 October, 2020.

2 APOLOGIES

No apologies had been received.

3 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

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

Councillor Lesley Rennie declared a non-pecuniary interest in respect of agenda item 7 'Sale of Land at Arrowe Park Road, Upton' by virtue of being a member of Merseyside Fire and Rescue Authority.

Councillor Jeff Green declared a non-pecuniary interest in respect of agenda item 6 'Site of Rock Ferry High School – Sale to a Registered Provider' by virtue of being a former director of Magenta Living, which had a joint company with Torus.

4 PUBLIC AND MEMBER QUESTIONS

The Chair reported that no questions from members of the public had been submitted.

Notice of representations had been received and two members of the public, Mr P Harrod and Mr T Watson, addressed the committee speaking against the proposed sale of land at Arrowe Park Road, Upton stating that more traffic, and therefore more pollution would be created at an already busy roundabout, if another supermarket were to be built for which there was no need, and which would be damaging to smaller businesses close by.

5 **SALE OF LAND AT ARROWE PARK ROAD, UPTON**

A Report by the Director of Regeneration and Place sought approval to amend a plan attached to an earlier decision to sell land at Arrowe Park Road, Upton.

David Armstrong, Assistant Chief Executive, introduced the report which was purely about the sale of land and did not concern itself with planning issues which would be a matter for another committee.

Prior to debating the item, Councillor Elizabeth Grey informed the committee that she had expressed very strong views about this matter, which could be seen as pre-determination so excused herself from the debate and any vote on the matter.

The Director of Law and Governance explained the matter of pre-determination in which a Member would have gone beyond expressing a strong view to the point at which they would no longer be coming at the issue with an open mind and in effect had said how they would vote.

The Committee then debated the matter at some length during which the Chair agreed to ward Councillor Jean Robinson addressing the meeting, speaking against the proposed sale of land. David Armstrong responded to a number of comments raised by Members.

Councillor Tom Usher moved, and it was seconded by Councillor Paul Stuart, that –

“The recommendations within the report be approved, with the addition of one further recommendation, that the Assistant Chief Executive report back to this Committee with a recommendation on a small amount of the capital receipts from this sale being ringfenced to support local projects in the area.”

An amendment to the recommendation was then moved by Councillor Phil Gilchrist, seconded by Councillor Chris Carubia, that –

“The additional triangular area shown near property 210 be not included in the sale.”

The amendment was put and lost (3:13).

The motion was put and carried (14:2).

Resolved (14:2) - That:

- (1) the public open space land edged red on the attached amended plan set out as Appendix 2 to this report at Arrowe Park Road, Upton (“the Site”), be declared surplus to Council requirements;**
- (2) the Director of Regeneration and Place be authorised to agree a sale of the Site to Lidl GB Ltd. at £820,000 plus fees;**
- (3) the Site is appropriated from primarily residential use to planning purposes pursuant to Section 122 of the Local Government Act (LGA) 1972, and disposed of provided no objections are made;**
- (4) if the Site is appropriated as recommended that the Council will advertise the sale of the public open space as required by law;**
- (5) any objections to the appropriation and/or disposal be considered and determined by the Director of Regeneration and Place, in consultation with the Chair of Policy and Resources Committee.**
- (6) the Assistant Chief Executive report back to this Committee with a recommendation on a small amount of the capital receipts from this sale being ringfenced to support local projects in the area.**

The Chair then adjourned the meeting at 7.35pm for 10 minutes.

The meeting resumed at 7.47pm.

6 SITE OF ROCK FERRY HIGH SCHOOL - SALE TO A REGISTERED PROVIDER

A report by the Director of Regeneration and Place sought approval of the sale of part of the site of the former Rock Ferry High School, Rock Ferry at a revised sale price, following an earlier decision to sell at Cabinet on 20 January 2020.

David Armstrong, Assistant Chief Executive, introduced the report which would enable a Registered Provider of social housing to develop 186 new affordable homes in the borough.

Resolved - That the Director of Law and Governance, in consultation with the Director of Regeneration and Place, be authorised to negotiate and finalise a sale of part of the site of the former Rock Ferry High School, as defined at paragraph 3.3 of this report, to Torus62 Ltd

(Registered Society No RS007826) for £1,200,000 plus a contribution of £1,500 towards the Council's costs.

7 CAR PARKING CHARGES OPTIONS

A report by the Director of Neighbourhood Services informed Members of options to be considered for the reintroduction of the current car parking charges policy in Wirral in 2020/21 and alternative options for parking charges in 2021/22 and beyond.

Simon Fox, Assistant Director: Highways and Infrastructure, stated that in a normal year, the Council would receive £35,000 a week, but at current levels of parking of 40%, income would be around £14,200 and if charges were re-instated approximately £300,000 income could be achieved.

Many Members expressed concern at the prospect of re-introducing charges at a time when Covid cases were once again on the rise and many local businesses were struggling.

The Director of Resources commented that the loss of income from parking charges would not be able to be offset against any future possible capitalisation directive which the Ministry of Housing, Communities and Local Government were being asked to approve, and that Members would need to ask officers to bring forward alternative savings to offset this.

On a motion by Councillor Jeff Green, seconded by Councillor Julie McManus, it was -

Resolved (16:1) - That:

- (1) this Policy and Resources Committee agrees not to re-introduce car parking charges at this time; and**
- (2) authorisation is given to the Director of Neighbourhoods to consult on the implications of the medium to long term options detailed in Appendix 1 of the report and a further report is brought to the Environment, Climate Emergency and Transport Committee, as a matter of urgency, in the new year, with a particular emphasis on social inequalities and that in the meantime officers seek to find compensatory savings and that business traders are also consulted.**

8 APPOINTMENT OF SUB COMMITTEE MEMBERS

A report by the Director of Law and Governance advised the Committee, in accordance with the relevant statutory provisions and the terms of the Constitution, to appoint Members to the four Sub-Committees of the Policy and Resources Committee for 2020 / 2021, as follows:

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

Councillor Anita Leech suggested that, as with the current Local Plan Advisory Group, all political groups on the Council should be represented on the new Local Plan Sub-Committee. The Director of Law and Governance advised that a unanimous decision of Council would be required if it were to be removed from the political balance requirements.

Following a short debate it was moved by Councillor Anita Leech, seconded by Councillor Pat Cleary and then -

A. RECOMMENDED (unanimously) – That Council is requested to remove from political balance requirements in accordance with the requirements of the Local Government Housing Act 1989, the Local Plan Steering Sub Committee, at section 1.7 of Part 3(B) of the constitution, so that it be constituted in a manner that reflects the membership of the Local Plan Advisory Group, being one member from each political group on the Council. It is noted that the Chair of the Sub-Committee has been appointed at the Annual Meeting of Council.

B. Resolved (unanimously) - That the Policy and Resources Committee:

- (1) (a) confirm that the Senior Officer Appointments and Staffing Sub-Committee be appointed for 2020-21 with the terms of reference identified 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 2020-21, including the appointment of the Chair and named deputies.

- (2) (a) confirm that the Finance Sub-Committee be appointed for 2020-21 with the terms of reference identified with 5 Members of the Policy and Resources Committee.
- (b) appoint Members to serve on the Finance and Procurement Sub-Committee in 2020-21, including the appointment of the Chair and named deputies.
- (3) (a) confirm that the Shareholder Board be appointed for 2020-21 with the terms of reference identified with 3 Members of the Policy and Resources Committee.
- (b) appoint Members to serve on the Shareholder Board in 2020-21, including the appointment of named deputies.
- (4) confirm that the Monitoring Officer as proper officer be authorised to carry out the wishes of the Leaders of Political Groups in allocating Members to membership and substitute membership of these sub-committees and to appoint those Members with effect from the date at which the proper officer is advised of the names of such Members.

9 2020/21 & 2021/22 COVID-19 BUDGET POSITION STATEMENT

A report by the Director of Resources provided a summary of the Council's financial position following the Covid-19 pandemic. The report highlighted the impact on the Council's 2020/21 and 2021/22 budget following the onset of Covid-19 and the actions in place to mitigate the deficit. The report also described the support available from HM Treasury in mitigating the deficit and asked the Committee for approval to submit a formal application for support and highlighted the options available if this support was not forthcoming.

The report provided information on the additional government funding provided to support the Council's emergency response to Covid-19.

The Director of Resources responded to a number of comments and confirmed that each of the six policy committees would receive a budget report, though no proposals would be included as these were not fully formed yet. The report would contain the budget for each individual committee. There was a need to demonstrate to the MHCLG that the Council had a robust sustainable plan to mitigate any future losses including the staff to deliver on these, so not all non-statutory services would be put forward as potential savings.

Members expressed the view that a very bleak outlook was being painted in the report and of the need to protect communities against potentially

damaging cuts. There was also a need to be very cautious in the approach to how decisions on savings were made whilst the funding settlement figures from government were as yet unknown. There was a need to work together to support civic society.

The Chair referred to her meetings with other Combined Authority leaders and that they were all united in making representations to central government to help local government in giving the support to residents that they needed.

A. RECOMMENDED (unanimously) - To Council that an additional £99,731,884 be added to the budget for 2020/21 as a result of additional one off Government funding received since the 2020/21 budget was set on 2 March 2020 to either be spent or passported to support the emergency response to Covid-19 or returned to the Government by 31 March 2021, as described in Section 5 of the report.

B. Resolved (Unanimously) – That the Policy and Resources Committee supports the formal application to MHCLG to request a capitalisation directive from HM Treasury on the Council's behalf, as described in Section 6 of the report.

10 **2021/22 BUDGET PROCESS**

A report by the Director of Resources informed of the process for budget setting as a transition year for 2021/22 in the Committee Process. The report described the financial position for 2021/22 which as at Quarter 1 forecast a deficit of £45m, and the actions being put in place to mitigate the gap. The Director updated the Committee that since the report was written the forecast deficit could potentially be as much as £60m.

The report detailed how these actions included a phased approach of 5 stages and included the timeline for the 2021/22 budget setting process of when individual budget proposals were presented to the Policy and Services Committees to the recommendation for approval by the Policy and Resources Committee in February, to Full Council to set the 2021/22 budget.

Resolved - That the Policy and Resources Committee note the transition process for the 2021/22 budget setting process.

11 **BUDGET AND PERFORMANCE MONITORING**

A report by the Director of Resources advised that through the development of Wirral Council's new Governance arrangements and the approval of the Wirral Plan 2025 (currently being refreshed to reflect strategic priorities, as a result of Covid-19) the Authority had committed to developing a budget and performance monitoring framework, which honoured the Council's dedication

to a more accountable, transparent way of conducting business, policy formation and decision making.

The report proposed that the Performance Framework was modelled on the Covid Dashboard set up at the start of the Coronavirus pandemic. The Committee were advised how this would enable clear and accessible data to be presented in a timely and meaningful way.

The report informed that there were a very wide range of data sets that could be included in the Dashboard, and it was proposed that the specific selection would be co-created with members to ensure it was of most relevance and benefit to members.

Resolved - That the Policy and Resources Committee request the Director of Resources to schedule a Members' Workshop to enable members to identify, shape and own the performance data and information presented in future reports.

12 **WORK PROGRAMME UPDATE**

A report by the Director of Law and Governance, advised how the Policy and Resources Committee, in co-operation with the other Policy and Service Committees was responsible for proposing and delivering an annual committee work programme. The work programme should align with corporate priorities of the Council, in particular the delivery of the key decisions that were in the remit of this Committee.

It was envisaged that the work programme would be formed from a combination of key decisions, standing items and requested officer reports. The report provided 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 was attached as an appendix to the report.

Resolved - That the proposed Policy and Resources Committee work programme for the remainder of the 2020/21 municipal year, be noted.



POLICY AND RESOURCES COMMITTEE

Wednesday, 11 November 2020

REPORT TITLE:	THE PROVISION OF FOOD AND ACTIVITIES FOR CHILDREN IN SCHOOL HOLIDAYS DURING THE COVID-19 PANDEMIC
REPORT OF:	DIRECTOR FOR CHILDREN, FAMILIES AND EDUCATION

REPORT SUMMARY

This report provides the Policy and Resources Committee with an overview of the provision of free school meals (FSM) in school holidays during the Covid-19 emergency pandemic since March. The report also sets out proposals for the funding of FSM between Christmas and the end of the Easter holidays in 2021 and recommends a process for the development of a sustainable approach to the provision of FSM and support to eligible children in the medium and longer term.

RECOMMENDATIONS

The Committee agrees:

1. The proposal to provide funding for FSM during school holidays up until the end of 2021 Easter holidays.
2. To ask the Children, Families and Education Committee to develop proposals for consideration by the Policy and Resources Committee on a sustainable approach for the provision of FSM and support to eligible children in the medium and long term.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The Covid-19 crisis has highlighted the need for children to be able to access FSM and support activities during school holidays. A specific request has been made by the Leader of the Council for a report to come to the Policy and Resources Committee to address two issues. Firstly, an urgent decision is needed on the use of the Tranche 4 Covid-19 emergency fund to provide funding for FSM between Christmas and the end of the Easter term 2021. Secondly, as the full impact of Covid-19 becomes clearer the Policy and Resources Committee will need to consider how best to meet the needs of children eligible for FSM in the medium and longer term.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The option to not provide any free school meals to children over the coming school holidays has been considered.

3.0 BACKGROUND INFORMATION

- 3.1 The Covid-19 crisis has highlighted the needs of children who are eligible for FSM who in more normal times do not receive support to access food during school holidays.
- 3.2 The Child Food Poverty Task Force (CFPTF), which includes many food manufacturers and suppliers and is led footballer Marcus Rashford, has recently endorsed recommendations made in the National Food Strategy (NSF and published in July). The NFS sets out to address the support needed from the sector to address the turbulence caused by the Covid-19 pandemic and to prepare for the end of the EU exit transition period on 31 December 2020. The strategy has identified where the worst cracks have appeared during the pandemic and recommends some immediate Government actions to help those most affected.
- 3.3 The CFPTF has asked Government to support vulnerable children to end child food poverty by implementing 3 key recommendations in the NFS. These are to expand access to Free School Meals, provide meals & activities during holidays to stop holiday hunger & increase the value of and expand the Healthy Start scheme.
- 3.4 The establishment of the Task Force follows the success of a campaign led by Marcus Rashford where the Government provided a supermarket voucher system for children to access FSM over the school summer holidays. This scheme has not been extended to cover other school holidays following the summer break.
- 3.5 During the summer, many families were issued with either an electronic voucher or gift card worth £15 each week per pupil, to spend at supermarkets including Sainsbury's, Asda, Tesco, Morrisons, Waitrose and M&S.
- 3.6 The Government also launched a Covid Summer Food Fund. This supported pupils who were eligible for benefits-related free school meals during the summer holidays. It was an exceptional fund to cover the 2020 summer holiday period only. The

payments for the Covid Summer Food Fund were met centrally by DfE. Within the region, Edsential, the company owned by Cheshire West and Chester Council and Wirral Council were successful in receiving £1.8m from this fund which meant that around £750k was made available to support Wirral children.

- 3.7 In England, about 1.4 million children claimed for free school meals in January 2020 - 17.3% of state-educated pupils. The take-up was greatest in the north-east of England (23.5%), followed by the West Midlands (20.5%) and the north-west of England (20.2%).
- 3.8 Analysis by the Food Foundation estimates a further 900,000 children in England may have sought free school meals since the start of the pandemic. The original scheme changed during the pandemic as most children were not at school during the first wave of the coronavirus pandemic. This prompted concerns that those eligible for free school meals could "fall through the cracks" and go hungry.
- 3.9 In recent years, free school meals have been linked to lowering obesity levels, and boosting academic achievement for poorer pupils.
- 3.10 During term time, the government in England expects schools to support pupils eligible for free school meals through alternative schemes, including:
- Food parcels for collection or delivery
 - The government's centrally funded national voucher scheme
 - Alternative vouchers for a local shop or supermarket
- 3.11 There is currently support available for pupils who have to stay at home with Government guidance stating that schools should work with their suppliers to prepare meals or food parcels for pupils who are eligible for benefits-related free school meals and who are not in attendance because they:
- are self-isolating
 - have had symptoms or a positive test result themselves
 - are a close contact of someone who has coronavirus (COVID-19)
 - are not attending as a result of local restrictions

4.0 WIRRAL COUNCIL SUPPORT SO FAR

- 4.1 At the start of the pandemic, the Council made provision for free school meals over the Easter holidays in March and April 2020 by allocating £386k to the Children and Young People's cell from Tranche 1 of the emergency Covid-19 funding provided by the Government. This funding was not specifically provided for the provision of FSM over school holidays, but Local Authorities has flexibility to use it as it saw fit in supporting the emergency response.
- 4.2 This support for providing FSM continued during the May school half term and an additional £240k was allocated to the Children and Young People's cell from the emergency Covid-19 funding. Both allocations of funding were made under emergency powers delegated to the Chief executive by the Administration and were approved through the Council's Covid-19 emergency governance process.

- 4.3 Originally there were no plans for the Government's FSM voucher scheme during the school summer holidays, so the Council were poised to continue to support this, once again, to be funded from the emergency Covid-19 grant funding. However, the Government's FSM voucher scheme was established which meant that the Council did not have to support this from its own resources.
- 4.4 Over the summer months, the Humanitarian Cell took over the responsibility for all support provided to the community for food and essential supplies, including the responsibility for and the allocation of the Financial Support with Welfare Scheme (formally the Local Welfare Assistance Scheme). This Cell led the Council's response to the preparation and delivery of emergency food supplies to anyone in the Community who needed it. The members of the Humanitarian Cell include various community organisations as well as Council employees. This meant that a joined up response was able to be provided and that the organisations involved in providing that support were aligned and really got to know the community and how best to support them effectively.
- 4.5 In August, the Government provided funding of just over £450k to the Council in the form of a Local Authority Emergency Assistance Grant for food and essential supplies. The Council had discretion as to how this fund would be allocated and spent to identify and support those in most need. The Humanitarian Cell allocated the funding as described in the table below:

Local Authority Emergency Assistance Grant for Food and Essential Supplies

a) Financial support with welfare needs.	£275,000
b) Food supply for central food warehouse.	£38,000
c) Targeted work with the 3.6% second most dependent cohort (grant payable local charities Citizens Advice Wirral and Involve Northwest, split equally).	£12,000
d) Small Grants Programme for community food and welfare support providers.	£75,000
e) Supply of reusable protective face masks to those in financial hardship (x20,000)	£26,000
f) Fuel (utility) poverty advice and triage (grant payable to Energy Projects Plus)	£10,450
g) Pump priming for community-based projects to provide support with white goods, household items and clothing.	£10,000
h) Digital access and support for 25 vulnerable and digitally excluded people to enable access to online food shopping (Age UK Wirral)	£6,670
Contingency	£708.63
Total	£453,828.63

4.6 During the October school half term this allocation of this funding was used to ensure free school meals could be provided. The Small Grants Programme highlighted in item d) provided just under £80k of grants to 16 different organisations across Wirral to provide food and activities to children over the October break. The details of these organisations can be found in Appendix 1.

4.7 During the October half-term, extensive communications were provided under the banner of “Wirral Community pulling together” so that families knew what to do and where they could access support. The details of this are provided in Appendix 2.

5.0 PROPOSED PROCESS FOR CONTINUATION OF FSM SUPPORT TO 2021 EASTER SCHOOL HOLIDAYS

5.1 During the past 8 months different types of schemes have been in place to support the provision of FSM over school holidays, the main ones being Free School Meal vouchers and the Small Grants Programme.

5.2 Community-based feeding groups and organisations are well-established supporting those in crisis and/or vulnerable in need of food. They have established relationships with many of the families they are supporting and can help ensure the provision of advice and guidance and targeted support where need is identified. They seek leadership and support from the Council, not replication of their activities.

5.3 Many local groups already have strong relationships with local schools within their respective areas; this together with their expertise needs capitalising upon. The operation of the Edsential Holiday Activity Fund over the summer which can be adapted as a successful model of delivery. It should be noted that the Fund showed that only 56% of families entitled to FSMs needed additional support - a number were able to manage on their existing budgets, etc. Additionally, about 10% of those engaged did so to access the activities available, rather than because they needed help with food.

5.4 Project Proposal

- Continue to work existing community-based groups and schools across the borough to ensure those Children & Young People entitled to FSMs who needed it throughout the holidays (Christmas, February half-term and Easter).
- Further engage with schools to support parents to access points for food. This is an approach that has worked well in several local areas. Schools are a trusted point of contact for families and provide dignity for parents (not being contacted directly by a charity) and choice; this also acknowledges that not all FSM families need additional help with food.
- Funding will be provided to NEO Community (Feeding Birkenhead) to co-ordinate the logistics of the project. The organisation has experience co-ordinating similar projects across the borough (most recently as described above, the administration of the Edsential Holiday Activity Fund and co-ordinating the distribution of FSMs to families self-isolating; they were also a key partner in the delivery of the Emergency

Food Hub). NEO will be able to plug gaps in delivery in local areas where identified and facilitate the buddying up between organisations to share skills and resources.

- Funding will be distributed according to geographical need to community organisations to provide resource for the periods identified; this includes home delivery of food for families self-isolating (this is based on a set cost per head so levels the playing field for families irrespective of geography).

5.5 The estimated budget for the proposal would be £150,000 as the proposal currently stands. An additional option to include activities for families in the provision, as was provided for the October half-term and would result in additional funding of £25,000 bringing the total budget requirement to £175,000. However, as these figures are estimates, it is recommended to set a total budget of £200,000 to include for an element of contingency.

5.6 The proposal would be funded from the Tranche 4 of Government Covid-19 emergency funding of £5.4m which the Council has recently been notified about. Any funding from the proposal not allocated after the 2021 Easter school holidays, would be returned to the Council's Covid-19 emergency funding reserve for reallocation. See Appendix 3 for the detailed breakdown of funding required for the proposal.

5.7 Neo Community have been consulted with regards to whether the proposal is viable and manageable, and they agree that this option is the most effective way forward to support the ongoing provision of FSM over school holidays.

6.0 FINANCIAL IMPLICATIONS

6.1 The recommendation includes for funding to be provided of £200k to support the proposal. This funding can be allocated from Tranche 4 of the Government Covid-19 emergency funding which provides discretion for Local Authorities on how to spend it.

7.0 LEGAL IMPLICATIONS

7.1 Funding will be made available subject to an appropriate agreement to ensure the desired outcomes are achieved.

7.2 Any regulatory measures that may be required will be investigated and actions taken to ensure compliance with legal requirements and processes, including contract procedure rules and state aid.

8.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

8.1 There are no specific additional implications resulting from this report as all resources required will come from existing areas.

9.0 RELEVANT RISKS

9.1 A positive risk occurs in that the Government may choose to make provision to fund FSM during the following school holidays, in which case any funding allocated will be returned to the Council's Covid-19 Emergency funding reserve to be reallocated.

10.0 ENGAGEMENT/CONSULTATION

10.1 Informal consultation has been carried out with Neo Community.

11.0 EQUALITY IMPLICATIONS

11.1 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.

11.2 Each proposal will have its own EIA which will form part of the decision making process as per requirements.

12.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

12.1 There are no specific environment or climate implications resulting from this report.

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BACKGROUND PAPERS

Covid-19 Emergency Governance processes
Tactical Coordination Group Minutes
Strategic Coordination Group Minutes
JESIP approval forms
Officer published decision reports

APPENDICES

Appendix 1 – List of organisations providing support over the October half-term
Appendix 2 - Communications provided over the October half-term
Appendix 3 - Free School Meal Proposal – Funding Requirement

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
None	

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The list of organisations providing support over the October half-term:

- Building Bridges, Bray Street, Birkenhead: Hot lunches and activities. Monday to Friday, 10am-3.30pm (lunch served between 1pm and 2pm). buildingbridgeswirralcic@gmail.com
- Leasowe Millennium Centre, Twickenham Drive, Leasowe: Food boxes and activity packs. Monday, Wednesday, Friday, 10am-3pm. jenni@wirraldt.org.uk
- Sandbrook Community Centre, Sunningdale, Chapelhill Road, Moreton: Lunch packs and activity packs. moira@wirraldt.org.uk
- Carrbridge Centre, Woodchurch: Monday, Tuesday, Wednesday, Friday, 9am-12.30pm. Meals and activities (with activity packs available for children unable to attend in person). carrbridgemakeithappen@gmail.com
- Core Project, Clover Drive, Bidston Rise: Meals, packed lunches, and activities - collection and local delivery available. Corebirkenhead@outlook.com
- Gautby Road Youth, Play, and Community Centre, Bidston/Birkenhead. Daily packed lunches and activity packs. luke@gautbyroad.co.uk
- Rock Ferry Salvation Army Church, Old Chester Road. Family food hampers and activities. myrtle.lacey@salvationarmy.org.uk
- Hope for New Brighton at New Brighton Baptist Church: Food bags and recipe cards. shirlmbowen@gmail.com
- Charlotte's Brightside, Molyneux Drive, New Brighton: Cooking ingredients and activities (mainly deliveries). angie.churchill@yahoo.co.uk
- Bee Wirral, St Anne Street, Birkenhead: Food bags and activity packs. rach@beewirral.co.uk
- Oak Community Project, Christ The King Church, St Anne Street, Birkenhead. Lunch Bags and Activity Packs (available for collection or delivery on Monday). den.price59@gmail.com
- Shaftesbury Youth Club, Prenton: Monday to Friday, 9.30am-3pm. Breakfast, lunch bags, and activities. michellenaylor@shaftes.org.uk
- Nightingales, Argyle Street, Birkenhead: Hampers for Wirral Ways clients with children. damien.prescott@cgl.org.uk
- The Positivitree, Bloom Building, Abbey Close, Birkenhead: Healthy grab bags and craft workshop. rachel@thepositivitree.com
- Cre8ing Careers - Wirral-wide: Food hampers and activities. lynne.howe@crea8ingcareers.com
- Neo Community: Support for families in Rock Ferry. ema@neocommunity.org.uk

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Communications provided over the October half-term

Press release issued, quoting Leader of Wirral Council and listing the community, voluntary and faith organisations are working with the Council to provide practical support and food to families in need this week.

<https://www.wirralglobe.co.uk/news/18821839.scheme-supporting-families-food-half-term/>

Also posted on social media:

- FACEBOOK: 435 Likes & 150 shares
- TWITTER: 79 Likes & 38 retweets (Also retweeted by Marcus Rashford – 3.7m followers)

Each day during half-term a focus on 1 or 2 of our community providers was provided each day as described below:

DAY	FOCUS	OFFER	MEDIA
Monday	The Oak Community Project	providing lunch bags and activity packs for children in Birkenhead	Video on social media
Tuesday	Charlotte’s Brightside	Delivering ingredients and activity packs around New Brighton.	Video on social media
Wednesday	CYPD	Providing 66 free packed lunches each day. They have teamed up with Sandwich Express Cheshire Ltd, who will be making the packed lunches and these will be available for collection from 11am to 10pm. Also offering free delivery of meals to families.	Video on Social Media / media release (possibly joint release with Youth & Play service below)
Thursday	Neo Community	Hot food deliveries around Rock Ferry (PS, Ema tells me they’re on NW tonight later)	Video on social media
Friday	The Positivtree	Grab bags and craft workshops for young carers	Video on social media
Friday	Wirral Youth & Play Service	The Youth Hubs and Clubs staff half term offer is: - Delivering Halloween themed activity packs - Delivering food packs to families in need - Virtual Halloween Parties and activities	Video on Social media / media release
Round up and personal thank you from Leader			

Additional Social Media Messages provided:

(From Cllr Williamson)

I want to personally thank all the business and community groups who have come together, and are working with the Council this week, to support families during half term. I am so proud of our Wirral community -your compassion never ceases to amaze me.

#EndChildFoodPoverty

During this half-term, a range of local community, voluntary and faith organisations are pulling together again alongside Wirral Council to provide practical support to families.

#EndChildFoodPoverty <https://wirralview.com/covid-19-news/supporting-families-food-over-half-term>

Anyone requiring crisis food support and who cannot pay for the food they need can apply for an emergency food parcel by calling the Coronavirus helpline on 0151 666 5050.

#EndChildFoodPoverty

Financial help is available for those most in need and who have a specific food requirement due to a medical or health condition and/or religious or cultural requirement. Apply online at www.wirral.gov.uk/welfaresupport or by calling the Coronavirus Helpline on 0151 666 5050. **#EndChildFoodPoverty**

Families who are struggling to feed their children this half term may be surprised to learn how much community support there is out there. **#EndChildFoodPoverty**

<https://wirralview.com/covid-19-news/supporting-families-food-over-half-term>

WIRRAL GLOBE ARTICLE:

COMMUNITY, voluntary and faith organisations are working with the Council to provide practical support and food to families in need this week.

The aim is to build on the strong foundations established at the end of March when individuals and groups came together with the shared aim of providing emergency food to those everyone that needed it as the impact of the 'lockdown' was hitting.

The help being provided this week will see breakfasts, hot meals, lunch boxes, activity packs and other practical support given the local families in need.

Some of this activity is the result of groups bidding for grants from the Wirral COVID-19 Food and Essential Supplies Fund, administered by the council. Groups were able to bid for up to £3,000 out of the £75,000 made available under the fund to run specific projects.

A number of groups are using their grant to provide support over October half-term, which is in addition to any help that individual schools may be providing and services that operate year-round, such as Wirral Foodbank and social supermarkets.

As well as the help being offered throughout the half term break, a wide range of food support is available to people during the health emergency, including:

Wirral Infobank: A great online resource for local support and services, including help with shopping, social supermarkets (offering cut price food) and hot food deliveries – visit www.wirralinfobank.co.uk.

Priority supermarket delivery slots From Iceland or Tesco are available for people who are vulnerable or self-isolating. Residents can apply by calling Wirral's Coronavirus helpline on 0151 666 5050. The helpline can also advise on assistance that may be available from Age UK Wirral for anyone digitally excluded.

Help with shopping Several local charities provide a shopping service for vulnerable people and for those self-isolating. To be referred, call Wirral Coronavirus Helpline on 0151 666 5050 or complete a form online www.wirral.gov.uk/welfaresupport.

Food for people in crisis Anyone requiring crisis food support and who cannot pay for the food they need can apply for an emergency food parcel by calling the Coronavirus helpline on 0151 666 5050. Applicants will be asked a few questions to determine their eligibility and, if successful, will be given a unique code that can be exchanged for a food parcel from Wirral Foodbank. Help is also available for people unable to collect food.

Financial help with food. Financial help is available for those most in need and who have a specific food requirement due to a medical or health condition and/or religious or cultural requirement. Apply online at www.wirral.gov.uk/welfaresupport or by calling the Coronavirus Helpline on 0151 666 5050.

Wirral Council leader, Cllr Janette Williamson, said:

"It is widely acknowledged that many families in poverty and in need of support are working families.

"This has been worsened by Covid where we have seen businesses close and people lose their jobs.

"We must not allow our parents to feel that they are alone in this.

"We remain committed to supporting people in need and we are committed to making every effort to ensure that every child on free school meals has access to food this half-term.

"The Food and Essential Supplies Fund we set up when the emergency food hub stood down is helping us ensure Wirral's dedicated community-based organisations and groups are supported to do what they best – serve their local community.

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Free School Meal Proposal – Funding Requirement

Free School Meal costs based on 60% take up and need			
	Primary	Secondary	
FSM Flat rate Cost	£3.00	£3.50	2020 School allocation for FSM
Community Cost	£3.50	£4.00	To include Fuel, overheads etc.
To include Activity	£4.50	£5.00	Almost more important to have food and activities
Number of FSM Target	c.6500	Equates to c. 56% of FSM eligible children in Wirral	
	Primary	Secondary	Total
Cost for Meals alone (PW)	£12,250	£13,000	£25,250
Cost for Meals alone (5 weeks)	£61,250	£65,000	£126,250
Cost for Meals + Activity (PW)	£14,625	£16,250	£30,875
Cost for Meals + Activity (5 weeks)	£73,125	£81,250	£154,375
Co-ordination/grant management/publicity/school engagement/direct delivery where gaps in provision identified (Neo Community)			£20,000
Contingency			£25,625
Total			£200,000

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POLICY AND RESOURCES COMMITTEE

Wednesday, 11 November 2020

REPORT TITLE:	COMMUNITY LAND TRUST LTD - TRANSFER OF 78-80 NEW CHESTER ROAD, NEW FERRY
REPORT OF:	DIRECTOR OF REGENERATION AND PLACE

REPORT SUMMARY

This report seeks approval to dispose of the freehold interest at nominal value to New Ferry Community Land Trust Limited (CLT), following the refurbishment and renovation of the property. This follows the purchase of the property on behalf of the CLT for the purposes of carrying out a scheme of refurbishment to bring the building back into use, using the Liverpool City Region (LCR) Combined Authority Town Centre Fund.

This matter affects the Bromborough Ward and is not a key decision.

RECOMMENDATION/S

That the Director of Law and Governance, in consultation with the Director of Regeneration and Place, be authorised to enter into a legal agreement with New Ferry Community Land Trust Ltd which requires the property to be renovated and refurbished to an acceptable standard following which the freehold of the property will be transferred to the CLT at nominal consideration subject to the recipient meeting agreed conditions.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 This legal agreement will allow for the New Ferry Community Land Trust's appointed project managers and contractors to undertake the necessary renovation works to the property.
- 1.2. The disposal is in accordance with the legal obligations and Action plan that the Council is committed to in its Grant Funding Agreement (GFA) with the LCR Combined Authority.
- 1.2 The renovation work will assist in improving the area, potentially bringing 4 self-contained apartments/flats and at least one commercial/retail unit back into use.
- 1.4 The disposal will also reduce the void and security costs incurred in holding the asset.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The Council is obliged to bring back into use this empty building as part of a Grant funding agreement that is in place with the Combined Authority and the Council.
- 2.2 The Council could resolve not to proceed with this proposal, but it would contravene the grant funding conditions which means the grant would need to be repaid.

3.0 BACKGROUND INFORMATION

- 3.1 In July 2018, the Liverpool City Region Metro Mayor, announced a new fund to revitalise town centres in the Liverpool City Region allocating £1m each to each of the combined authority's councils. The Council decided to allocate half of this funding to support regeneration activity in New Ferry. It was decided that the town centre fund would be used to support the development of a Community Land Trust (CLT) for the area.
- 3.2 On the 29 October 2019 an Officer decision was taken by the Director of Economic and Housing Growth to accept the Grant Funding Agreement (GFA) from the Liverpool City Region Combined Authority Town Centre Fund for the £1,000,000, which includes both the Liscard and New Ferry projects.
- 3.3 The Town Centre Fund was formerly launched in early 2019 with the main aim to improve the vitality and viability of our Town and District Centres by increasing local participation, well-being and inclusivity. One of the key themes for the fund is to support local stewardship through the establishment of Community Land Trusts or other stewardship models and to promote the diversification and re-use of vacant buildings in town centres. The Council decided that it would put forward a proposal for using the £0.5M from the LCR Town Centre Fund to support New Ferry Town Centre and the development of New Ferry CLT Ltd as a suitable community led organisation that was recognised as a Community Land Trust. This funding would

enable the CLT to bring an empty building back into use which would meet both the CLT and the Town Centre Fund's key aims and objectives.

- 3.4 Following the explosion and recovery response led by the Council, members of the community, including local residents and businesses came together and formed the New Ferry Community Land Trust Ltd in November 2018. Community Land Trusts (CLTs) are set up and run by ordinary people to develop and manage homes as well as other assets important to that community, like community enterprises, food growing or workspaces. A CLT must be not-for-private-profit. This means that they can, and should, make a surplus as a community business, but that surplus must be used to benefit the community. New Ferry CLT is registered as a Community Benefit Society under the Co-operative and Community Benefit Societies Act 2014.
- 3.5 The aim of the newly constituted New Ferry CLT is to work with a variety of partners: the Council, Port Sunlight Village Trust, Wirral Chamber of Commerce and the local traders group to revitalise the town centre. Its aim is also to empower the community to take ownership of empty vacant building(s) and open spaces in the area, which will not only help promote social cohesion and well-being but encourage innovative uses. Proposals also include measures to undertake environmental and public realm improvements and to facilitate seasonal events.
- 3.6 The property 78-80 New Chester Road was identified as a potential vacant building which was being marketed for sale at auction on 12 March 2020. Council officers attended the auction and successfully secured its purchase for the sum of £170,000, using the town centre fund grant. The property is vacant but comprises a three storey, corner building at the junction of Bebington Road and New Chester Road in New Ferry town centre. The property is shown edged red on the attached plan.
- 3.7 The Council has entered into a grant funding agreement with the CLT which was agreed on the 4th June 2020, which sets out the funding conditions of the grant. In summary, the CLT will deliver this project, whilst the Council will act as the accountable body for the fund and is responsible for making grant payments to the CLT and claiming this funding back from the Combined Authority.
- 3.8 The building, 78-80 New Chester Road is to remain in the Council's ownership until the works have been completed to an acceptable standard, following which, in accordance with the grant conditions, it will be transferred to the CLT for nominal a consideration.
- 3.9 The CLT has recently appointed a project manager to manage the works on their behalf and surveys and investigations on the property are currently being undertaken. Once the specification for the renovation works is agreed, the Council would enter into an agreement with the CLT which requires them to undertake the works, with the freehold being transferred to them on completion.
- 3.10 All works must be completed by the end of September 2021, in accordance with the completion date for the Town Centre Fund.
- 3.11 Although the scheme, including the acquisition and renovation costs, is being funded by the LCR grant, under s123 of the Local Government Act 1972, except with the consent of the Secretary of State, the Council shall not dispose of land for a

consideration less than the best reasonably obtainable. The Secretary of State has issued the General Disposal Consent (England) 2003 (“the General Disposal Consent”) which applies where:

- a) the Council consider the purpose of disposal is likely to contribute to the achievement of any one or more the following in respect of any part of its area of any persons resident in its area (i) promotion or improvement of economic well- being; (ii) promotion or improvement of social well- being;(iii) promotion or improvement of environmental well- being and in addition
- b) the difference between the best price as assessed in line with the guidance in the consent and the price to be paid is not in excess of two million pounds.

3.12 It is considered that that the terms of the disposal meet the terms of the General Disposal Consent because the disposal will enable the Community Land Trust to renovate the property, benefitting from the income it achieves which it will use within the community. This proposal will promote or improve the economic and social well-being of New Ferry and its surrounding area in the interests of its residents.

3.13 The market value of the property is considered to be £170,000, reflected by the price paid at auction. The proposal to sell at a nominal consideration is therefore within the threshold of the General Disposal Consent.

4.0 FINANCIAL IMPLICATIONS

4.1 The disposal will not result in a Capital receipt for the Council as it will be transferred at a peppercorn value.

4.2 The purchase of the building has been funded through external funds using the Town Centre Fund Grant.

4.3 Any future occupiers of the building will have to pay Council Tax or business rates as appropriate, which will generate future income for the Council.

5.0 LEGAL IMPLICATIONS

5.1 The Council is obligated to bring back into use this empty building as part of a grant funding agreement that is in place with the LCR Combined Authority.

5.2 As the report sets out, the proposal is to sell at an undervalue which is justified by the terms of the General Disposal Consent.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 There are no IT or staffing implications arising from this report.

6.2. On completion of the disposal, the CLT will become the legal owner of the building and will assume full responsibility for its maintenance and running costs.

7.0 RELEVANT RISKS

7.1 Should the CLT be unable to complete the works, then the building will remain in Council ownership and the grant would have to be repaid.

8.0 ENGAGEMENT/CONSULTATION

8.1 Officers have been supporting the CLT since its inception and have been engaging with them on a regular basis to ensure that the project remains on track to be delivered.

9.0 EQUALITY IMPLICATIONS

9.1 The property will be renovated in accordance with DDA standards by the CLT on behalf of the community that it represents. There are no equality implications arising from this report.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 The transaction will result in the re-use of this vacant property and its refurbishment to current energy efficiency standards. The Trust has been made aware of the of the Council's ambitions in respect of the environment and the climate.

REPORT AUTHOR: **Steve McMorran**
(Steve McMorran)
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APPENDICES

Site plan

BACKGROUND PAPERS

Liverpool City Region Report Approving the Town Centre Fund 26 July 2019

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Officer Decision form – Liverpool City Region Town Centre Fund	29 October 2019

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Production Date: 13 Mar 2020

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POLICY AND RESOURCES COMMITTEE

WEDNESDAY, 11 NOVEMBER 2020

REPORT TITLE:	ESTABLISHMENT OF LOCAL PLAN STEERING SUB-COMMITTEE AND LOCAL PLAN WORKING GROUP
REPORT OF:	DIRECTOR OF LAW AND GOVERNANCE

REPORT SUMMARY

The purpose of this report is to enable the Policy and Resources Committee to establish a Local Plan Steering Sub-Committee along with a Local Plan Working Group with the same membership.

This matter affects all Wards within the Borough

This matter is not a Key Decision.

RECOMMENDATIONS

It is recommended that:

- (1) The Local Plan Working Group be established with the Terms of Reference as attached to this report at Appendix 1.
- (2) The Monitoring Officer be authorised as proper officer to carry out the wishes of the Group Leaders in allocating Members of the Policy and Resources Committee to membership and substitute membership of the Local Plan Steering Sub-Committee and the Local Plan Working Group 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 The constitution provides for a Local Plan Steering Sub-Committee Local Plan Steering Sub-Committee of five (5) members of the Policy and Resources Committee, politically balanced, with responsibility for the Council's functions to formulate the policies and strategies that together will form the Council's other spatial planning documents (Local Plan). The Sub-Committee is time limited until the adoption of the Local Plan in development 2020/21. Council has waived the requirement for proportionality, so the recommendation seeks authority for nominations to be notified to the Monitoring Officer for membership of the Sub-Committee based upon membership being allocated to one member for each political group.
- 1.2 The Constitution as approved by Council enables the establishment of Working Groups to develop recommendations or investigate issues of interest or concern, alongside formal Sub-Committees. The recommendation is to approve the establishment of a Local Plan Working Group to replace the former Local Plan Member Advisory Group on similar Terms of Reference. The Local Plan Working Group will enable a continuation of the detailed consideration, guidance and support for the production of the Wirral Local Plan. The Working Group will also aid greater understanding of the key issues which the Local Plan must consider, and the reasonable options that exist to address those issues.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The Committee could decide to not establish the Local Plan Working Group. This would mean that the work of consultation with members outside the formal Committee system could become unstructured and ad hoc. This would be likely to be detrimental to the production of a sound Wirral Local Plan. There is also a risk that the Local Plan Steering Sub-Committee could become overworked with matters that are better discussed, in terms of the formulation of proposals, in the more informal setting of a Working Group. It is clear however, that it is the wish of Council to have a Local Plan Working Group working alongside the Local Plan Steering Sub-Committee

3.0 BACKGROUND INFORMATION

- 3.1 On 7 October 2020 Policy and Resources Committee resolved to recommend to Council that that, as with the previous Local Plan Advisory Group, all political groups on the Council should be represented on the new Local Plan Sub-Committee. This resolution was referred as a recommendation to Council because a unanimous decision of Council was required in order to remove the Sub-Committee from the political balance requirements that would otherwise apply. On 19 October 2020 Council approved this recommendation unanimously on the basis that the Sub Committee would comprise one member from each of the Council's political groups. This was on the understanding that the membership of the Working Group would mirror that of the Local Plan Steering Sub-Committee.
- 3.2 Paragraph 26 of Part 1 of the Council's Constitution states as follows:

“Panels, Forums, Working Groups, Liaison and Task & Finish Groups may be established by Committees. The purpose of these working groups is to examine in detail specific issues or aspects of policy, procedure or service, according to their remit. These groups do not take any decisions but inform the deliberations of the committees. Their membership may include councillors from each party, non-councillors by invitation and, occasionally, employees”

3.3 Paragraph 2 of Part 3 Section B of the Council’s constitution states as follows

“Working Groups Involving Members

Working groups, may be established by a Committee from time to time to develop recommendations or investigate issues of interest or concern alongside formal Sub-Committees. They shall be for specific purposes and shall be time limited. They will only be established when the matter cannot be undertaken by a relevant Committee and each committee is limited to establishing [two] such committees at any one time.

They usually fall into one of the following categories:

(a) Advisory groups relating to policy development or service functions

Usually established to advise about an issue or subject area. The relevant Committee shall specify terms of reference and membership, which may include invited persons holding relevant expertise or knowledge and Members who are not members of the parent Committee.

(b) Task & Finish Groups

Small groups of Members appointed by a Committee or Sub-Committee for the purpose of advising the parent committee about either:

- (i) an in-depth policy review*
- (ii) performance monitoring*
- (iii) responding to a major policy consultation.*

The terms of reference and purpose are specified by the relevant Committee.”

3.4 The Committee is recommended to approve the establishment of the Local Plan Working Group on a Task and Finish basis to continue the work formerly carried out by the Local Plan Member Advisory Group with regards to the production of the Wirral Local Plan 2022- 2037 and the membership of the Committee shall comprise one member (and one substitute) from each of the Council’s 5 political groups on the same basis as the Local Plan Steering Sub-Committee.

4.0 FINANCIAL IMPLICATIONS

4.1 There are no direct financial implications arising from this report.

5.0 LEGAL IMPLICATIONS

5.1 The establishment of the Local Plan Steering Sub-Committee and the Local Plan Working Group is in compliance with the Council’s Constitution.

- 5.2 The Local Plan Steering Sub-Committee will continue the monitoring of progress on the preparation of the Local Plan, including in respect of the Direction of 28th January 2019 made to the Council by the Secretary of State and any further directions. Failure to comply with the Direction of the Secretary of State may result in the Government's intervention in the preparation of the Wirral Local Plan.
- 5.3 Working groups and task and finish groups do not meet in public session and are not subject to the Access to Information Procedure Rules. Unlike a Sub-Committee, a working group can contain Members who are not members of the parent committee and other co-opted persons.
- 5.4 The constitution provides for a Local Plan Steering Sub-Committee comprising of five or more members of the Policy and Resources Committee, politically balanced, with responsibility for the Council's functions to formulate the policies and strategies that together will form the Council's other spatial planning documents (Local Plan). Section 15 of the Local Government and Housing Act 1989, and the relevant regulations set out political balance requirements on committees and sub-committees. Council has however resolved to waive the requirement for proportionality in accordance with the Act.
- 5.5 The Sub-Committee is time limited until the approval of the Local Plan by Council. The proposed Working Group will formulate proposals which will be considered by the Local Plan Steering Sub-Committee and Policy and Resources Committee, albeit ultimately it is only full Council that can approve the finalised Local Plan.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 There may be minor implications in terms of staffing time in terms of setting up and attending Working Group meetings, which can be managed within current resources.

7.0 RELEVANT RISKS

- 7.1 Failure to establish the Local Plan Working Group would have a detrimental impact on effective decision making and sound governance with regards to the preparation of the Wirral Local Plan

8.0 ENGAGEMENT/CONSULTATION

- 8.1 The Chair of the Committee and Party Spokespersons have been consulted on the proposals in this report

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. There are no equality implications arising from the proposals within this report.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 The recommendations contained within this report are expected to have no impact on emissions of Greenhouse Gases.

REPORT AUTHOR: Matthew Neal, Principal Solicitor
email: matthewneal@wirral.gov.uk

APPENDICES

Appendix 1- Proposed terms of Reference of the Local Plan Working Group

BACKGROUND PAPERS

Wirral Council Constitution

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Council AGM meeting	28 September 2020
Policy and Resources Committee	7 October 2020
Council meeting	19 October 2020

APPENDIX 1 - LOCAL PLAN WORKING GROUP TERMS OF REFERENCE

Purpose of the Local Plan Working Group

To enable detailed consideration, guidance and support for the development of the Wirral Local Plan and to aid greater understanding of the key issues which the Local Plan must consider, and the reasonable options that exist to address those issues.

Role of the Local Plan Working Group

1. To consider and comment on documents that relate to the Local Plan including (but not restricted to) policy options, draft policies and evidence studies prepared to support the Plan.
2. To identify gaps in the evidence base and the mechanisms for addressing any such gap; to develop the outputs of technical work and other information into policy.
3. To make recommendations as required to the Local Plan Steering Sub-Committee, Policy and Resources Committee and Council in respect of the development of the Local Plan.
4. To monitor progress on the preparation of the Local Plan (including in respect of the Direction of 28th January 2019 made to the Council by the Secretary of State and any further directions).
5. To provide updates to other Members including other relevant committees.
6. To consider and comment on responses to any plans being prepared by other local planning authorities (and the Combined Authority) as part of the duty to co-operate.

Membership of the Local Plan Working Group

1. The Advisory Group will comprise a member from each of the Council's political groups one of whom will be the Chair of the Local Plan Steering Sub-Committee.
In addition, Members of other Committees may be invited to attend as and when appropriate at the discretion of the Chair of the Local Plan Steering Sub-Committee.
2. The Council's Substitution Scheme will apply
3. The Working Group will be chaired by the Chair of the Local Plan Steering Sub-Committee (unless he or she chooses not to) or otherwise a Chair will be selected by the Group from amongst its number.
4. The Working Group meetings must have at least 3 members, not including the Chair, to be quorate.

Local Plan Working Group Working Arrangements and Principles:

1. The Members be supported by officers and consultants as appropriate.
2. The Working Group has no decision-making powers. Its purpose is to aid greater understanding of issues, desires and policy development.
3. The focus of the Working Group is on key issues for the Local Plan, not all related detailed issues.
4. Meetings to be held on an 'as required' basis.

5. Meetings are not open to the public, but outcomes from the Working Group will be made available to all Members as appropriate.
6. The Working Group must be mindful of the direction of 28th January 2019 made by the Secretary of State to Wirral Borough Council under s.27 of the Planning and Compulsory Purchase Act 2004.
7. The purpose of the Working Group is to help speed up the Local Plan making, not delay it.
8. The Working Group will cease on formal adoption of the Local Plan by the Council.

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POLICY AND RESOURCES COMMITTEE

Wednesday, 11 November 2020

REPORT TITLE:	2020/21 REVENUE BUDGET MONITOR FOR QUARTER TWO (APR - SEP)
REPORT OF:	DIRECTOR OF RESOURCES

REPORT SUMMARY

This Statement provides a summary of the projected year-end revenue position as at the end of Quarter 2 (September 2020) of the 2020/21 financial year, including:

- the financial risk profile presented by the COVID-19 pandemic
- a review of pressures and savings contained within the original budget position and
- an update to the Medium Term Financial Plan.

The year-end forecast recorded as part of September's financial monitoring activity represents an adverse variance to revenue budget of £24.074m; this comprises:

- £21.448m adverse forecast variance in relation to revenue budget, stemming largely from matters arising through the COVID-19 pandemic.
- £2.480m forecast deficit on expected capital receipts, which support the revenue budget position via flexible use of capital receipts and;
- £0.145m gap in direct COVID-19 funding against forecast requirements.

Government recently have announced further funding for Wirral of £5.428m for a Tranche 4 allocation, and £9.3m mitigations for Sales, Fees and Charges losses, which we are waiting receipt.

The Council's financial position remains challenging and to a certain degree uncertain, with work underway to develop response activity following the initiation of Tier 3 status in the Liverpool City Region whilst details of the forthcoming Spending Round are awaited in relation to 2021/22 funding.

The financial position is fluid and developing with the government having stated its continuing support to the sector. That said, the Council continues to limit spending to essential areas of service delivery only and Corporate Directors are supported to mitigate the risk of overspending.

RECOMMENDATIONS

That the Policy & Resources Committee be requested to:-

1. Note the year-end forecast position at Quarter 2 of £24.074m adverse.
2. Note the risks posed to delivering on the savings proposals within the 2020-21 budget.
3. Note the impact of funding and expenditure as a direct consequence of COVID-19, including the additional funding sources which have been identified, but as yet, not received.
4. Note the revisions to the Medium Term Financial Strategy (MTFS) 2020-2025.
5. Recommend to Council the increased budget in relation to Covid-19 funding of £42.538m, which is for Council use and note the additional £132.793m of funds that is to be made available to the Council for onward relay to other organisations as passported funding; a total sum of £175.33m is therefore the combined Covid-19 funding being received by the Council based on current information. This recommendation supersedes the recommendation made by Policy & Resources Committee on 7th October, following the recent notification of additional funding.

SUPPORTING INFORMATION

1.0 REASONS FOR RECOMMENDATIONS

- 1.1 Regular monitoring and reporting of the Revenue Budgets, savings achievements and MTFs position enables decisions to be taken in a timely manner, which may produce revenue benefits and will improve financial control of Wirral Council.

2.0 OTHER OPTIONS CONSIDERED

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

3.0 BACKGROUND INFORMATION

- 3.1.1 This report provides a summary of the projected year-end revenue position as at the end of Quarter 2, Month 6 (September 2020) of 2020/21 financial year.
- 3.1.2 The year-end forecast recorded as part of September's financial monitoring activity represents an adverse variance to budget of £24.074m.
- 3.1.3 An additional source of funding has been identified, which are expected to mitigate the position by £9.3m, in relation to Government commitment to offset losses of Sales, Fees and Income. This would improve the budget gap to an adverse variance to budget of £14.774m. However, at the time of reporting, the full value had not been received and as such has not been fully integrated into the forecast position.
- 3.1.4 The expenditure on COVID-19 activity, which represents a separate source of funding, is projecting an overspend of £0.145m.
- 3.1.5 Capital receipts, which underpin revenue activity, are forecast to under-deliver against plan by £2.480m.
- 3.1.6 Service Committees monitor and challenge budget and forecast positions. The breakdown of the revenue position by Service Committee is shown in Appendix 1.

TABLE 1 2020/21 BUDGET & FORECAST

	Full Year				
	Budget	Forecast	Variance (+ Fav, - Adv)		Adv/Fav
	£000	£000	£000	%	
Chief Executive Office	1,026	1,457	(431)	-42%	Adverse
Resources	20,977	22,293	(1,317)	-6%	Adverse
Neighbourhoods	56,197	68,469	(12,271)	-22%	Adverse
Legal and Governance	5,715	6,139	(424)	-7%	Adverse
Regeneration and Place	35,616	35,249	367	1%	Favourable
Children, Families & Education	83,910	85,968	(2,058)	-2%	Adverse
Adult Care and Health	106,627	106,571	56	0%	Favourable
Cross Cutting Initiatives	(5,370)	0	(5,370)	-100%	Adverse
Total Surplus / (Deficit)	304,697	326,197	(21,448)	-7%	Adverse
Other Budget Impact					
<i>Capital Receipts</i>	(4,500)	(2,020)	(2,480)	-55%	Adverse
<i>Covid - 19 Direct Expenditure</i>	23,937	24,083	(145)	-1%	Adverse
Budget Gap	324,135	348,260	(24,074)	-7%	Adverse

**An adverse variance is one where the forecast position is worse than the planned position, conversely, a favourable variance is where the forecast position is better than the planned position.*

3.2 Directorate Summaries

3.2.1 Adult Care and Health

3.2.2 As at the end of September 20 (Quarter 2), the forecast year end position for Adult Care and Health is small favourable variance of £0.056m against a budget of £106.6m. Access to Government COVID-19 monies and the current Clinical Commissioning Group (CCG) responsibility to provisionally fund hospital discharges has continued to help manage the Council's 'cost of care' burden. The CCG has confirmed that they will bear the Council costs of hospital discharges and deflections until 31 Aug 20 (approximately £0.9m) and has further alleviated costs by funding additional emergency bed provision. As at the 1 September 20, a revised and reduced Hospital Discharge Policy will apply which will again be funded by CCG.

3.2.3 This reduced 'cost of care' burden on the revenue budget will be offset by the increased risk of non-achievement of the £3.75m of efficiency savings, approved at the start of the financial year and prior to the COVID-19 pandemic. In the current circumstances, amidst an evolving position in relation the care sector in response to the pandemic, it is difficult to forecast with confidence the likely progress toward the achievement of these savings. At present, our forecast position assumes £1m of these savings will be achieved. There is also the added risk of, potentially significant, increases in demand for care services as we move through the year and the impact of COVID-19 and the period of lockdown is realised.

TABLE 2 2020/21 Adult Care and Health – Service Budget & Forecast

	Full Year		Variance		Adv/Fav
	Budget	Forecast	(+ Fav, - Adv)		
	£000	£000	£000	%	
Adult Social Care Central Functions	9,778	9,369	409	4%	Favourable
Older People Services - WCFT	44,903	45,079	(175)	0%	Adverse
Mental Health & Disability Services - CWP	48,293	48,421	(128)	0%	Adverse
Other Care Commissions	(148)	(44)	(104)	-70%	Adverse
Public Health	(6,126)	(6,307)	181	3%	Favourable
Wirral Intelligence Service	485	431	54	-11%	Adverse
Directorate Surplus / (Deficit)	97,185	96,949	237	0%	Favourable
Support / Admin Building Overhead	3,577	3,577	0	0%	
Movement on Reserves	5,864	6,045	(181)		
Total Surplus / (Deficit)	106,627	106,571	56	0%	

3.2.4 **Central Functions:** A favourable variance of £0.4m is forecast at quarter 2. This variance is largely due to savings from employee costs. This position will continue to be monitored throughout the year.

3.2.5 **Older People Services:** An adverse variance of £0.2m is forecast at quarter 2. The main contributing factor for the variance in this area is due to the increased risk of non-achievement of the efficiency savings approved at the start of the financial year. This pressure has been offset by access to Government COVID-19 monies and the current CCG's responsibility to provisionally fund hospital discharges and deflections.

3.2.6 **Mental Health & Disability Services:** An adverse variance of £0.1m is forecast at quarter 2. The forecast deficit position relates to the increased risk of non-achievement of efficiency savings, approved at the start of the financial year and prior to the COVID-19 pandemic. In the current circumstances, it is difficult to

forecast with confidence the likely progress toward the achievement of these savings at this time. The current forecast assumes £0.5m of the £1.65m of savings within this area will be achieved

- 3.2.7 **Other Care Commissions:** An adverse variance of £0.1m is forecast at quarter 2. The forecast adverse variance in this area relates to early intervention and prevention (EIP) commissions. Many of these commissions have been extended longer than initially anticipated due to the COVID-19 pandemic. A review is currently being undertaken in light of the current environment and this will inform future forecasts.
- 3.2.8 **Public Health:** A favourable variance position of £0.2m is forecast at quarter 2 in relation to the Cheshire and Merseyside Public Health Partnership (CHAMPS) budget – the surplus will be transferred to reserves as part of active financial planning. Public Health is a ringfenced grant with an annual value £29.7m and projected to be fully utilised. £6.7m of this funding supports public health activities delivered by the Council, representing a significant funding stream. Costs relating to the Council's response to the pandemic are dealt with in section 3.9 of this report and do not impact here.
- 3.2.9 **Wirral Intelligence Team:** A favourable variance of £0.05m is forecast at quarter 2. The minor forecast surplus within this service area is due to notional slippage against various posts.
- 3.2.10 **Movement on reserves:** The movement within reserves relates to the Cheshire and Merseyside Public Health Partnership (CHAMPS) budget. A project is underway to realign the budget for CHAMPS outcomes, which is expected to inform on the reserves position.
- 3.2.11 **Pressures and Savings Statement:** The reduced 'cost of care' burden on the revenue budget as noted above, will be offset by the increased risk of non-achievement of the full £3.75m of efficiency savings. £2.75m of these savings are considered high risk of non-achievement.

TABLE 3 2020/21 Adult Care and Health – Subjective Budget & Forecast

	Full Year		Variance		Adv/Fav
	Budget	Forecast	(+ Fav, - Adv)		
	£000	£000	£000	%	
Income	(83,919)	(84,235)	316	0%	Favourable
Expenditure					
Employee	5,786	5,288	499	9%	Favourable
Non Pay	47,506	47,716	(210)	0%	Adverse
Cost of Care	127,813	128,180	(367)	0%	Adverse
Total Expenditure	181,105	181,184	(79)	0%	
Directorate Surplus / (Deficit)	97,185	96,949	237	0%	Favourable
Support / Admin Building Overhead	3,577	3,577	0	0%	
Movement on Reserves	5,864	6,045	(181)	-3%	Adverse
Total Surplus / (Deficit)	106,627	106,571	56	0%	

3.2.12 Income: A favourable variance of £0.3m is reported at quarter 2. There has been an increase in the number of care packages within Adult Social Care that are jointly funded with Wirral CCG which is contributing to the over-achievement of income.

3.2.13 Employees: A favourable variance of £0.5m is reported at quarter 2. £0.2m of the forecast surplus relates to Public Health and CHAMPS grant funded services – this will be carried forward in reserves and the forecast above reflects this accordingly. There are minor variances against various posts within Wirral Intelligence Service and Adult Social Care.

3.2.14 Non Pay: An adverse variance of £0.2m is reported at quarter 2. £0.1m relates to the early intervention and prevention (EIP) commissions and £0.1m is an unplanned contribution to the LCR relating to previous financial years.

3.2.15 Cost of Care: An adverse variance of £0.4m is reported at quarter 2. The forecast deficit position is due to the increased risk of non-achievement of efficiency savings, approved at the start of the financial year and prior to the COVID-19 pandemic. In the current circumstances, it is difficult to forecast with confidence the likely progress toward the achievement of these savings at this time.

3.3 Children, Families and Education

3.3.1 The overall financial forecast of Children, Families and Education shows a full year adverse position of £2.058m.

The Covid-19 pandemic has resulted in a recognised risk of significant placement demand pressures transpiring later in 2020/21; as the full impact of Covid-19 emerges, the current estimate of this is a 5% increase in placements, which amounts to £0.6m forecast for the full financial year. A forecast overspend on In House Foster Care Skills payments, which is a 5% contingency of £0.19m for additional Covid-19 pressure for the rest of year. This is due to in house foster carers being unable to work as children are self-isolating or unable to attend school due to covid-19 restrictions meaning the year group are unable to attend. Willowtree Residential Unit has a £0.133m pressure on staffing which is due to extra staff being required to cover shifts were other staff members or children have been self-isolating. Within Schools-Core, there is £1m overspend projected on Transport is due to social distancing on the vehicles resulting in less children in each vehicle and more vehicles required to provide transport.

TABLE 4 2020/21 Children, Families and Education – Service Budget & Forecast

	Full Year		Variance		Adv/Fav
	Budget	Forecast	(+ Fav, - Adv)		
	£000	£000	£000	%	
Children and Families	48,415	49,862	(1,447)	-3%	Adverse
Early Help and Prevention	11,868	11,791	77	1%	
Modernisation and Support	5,032	4,720	312	6%	Favourable
Schools - Core	10,110	11,110	(1,000)	-10%	Adverse
Schools - DSG	(5,544)	(5,544)	0	0%	
Directorate Surplus / (Deficit)	76,118	78,176	(2,058)	-3%	Adverse
Support / Admin Building Overhead	7,792	7,792	0	0%	
Movement on Reserves	6,238	6,238	0	0%	
Total Surplus / (Deficit)	83,910	85,968	(2,058)	-2%	Adverse

3.3.2 Children and Families: Children and Families area is reporting a £1.447m forecast deficit. This is due to a £0.472m pressure on placements particularly on independent residential and semi residential placements as high rate increases are impacting on the service and £0.242m on Allowances which is made up of a £0.052m forecast overspend on in house foster care skills payments (no budget), plus a 5% contingency of £0.190m for additional Covid-19 pressure in rest of year and £0.133m on staffing in Willowtree residential service. The service reviews high cost placements on a two-week basis to manage and reduce their prevalence. The service has started a project to improve the offer for residential services, including Willowtree, to improve outcomes and drive future efficiencies.

Although the indirect financial impact of Covid-19 across this area has been managed to date there is a risk of significant pressures transpiring later in 2020/21 as the full impact of Covid-19 emerges; a conservative estimate of 5% increase in demand has been forecast. There is an expectation that the number of looked after children (LAC) will increase due to reduced community-based activities in the current climate which support families and prevent children entering the care system (amounting to £0.6m for the remaining 6 months Oct to March). The Covid-19 impact on referrals is reviewed weekly by the service, to date no action had been required.

3.3.3 Modernisation and Support: Overall, full year favourable forecast variance of £0.077m is reported due to staffing being budgeted at the top of the pay scale but not all staff are at this level, in addition not all staff are members of the pension scheme.

3.3.4 Early help & Prevention: Early Help & Prevention is forecast to be £0.312m in surplus at year-end. This surplus is mostly due to staffing being budgeted at top of scale but not all staff are paid at top of scale as well as staff on maternity leave and/or have opted out of the pension scheme. There is also a delay in the implementation of the PAUSE program until October 2020. PAUSE is a programme which aims to reduce the demand for Children's social services by working with women who are at risk of repeated pregnancies that result in children being removed from their care.

The new Emergency Duty Team staffing model, which was to reduce cost pressures, was planned for implementation in April 2020 but has been delayed until January 2021 due to the current Covid-19 pandemic. There is also a £0.1m Agency Staff pressure of whom are mostly backfilling vacancies.

3.3.5 Schools – core: It is expected that services will be delivered with a deficit of £1m at year-end. The Children's Assisted Travel total annual budget of £3.5m has been transferred into Children's Services. This service was previously held in the Neighbourhoods directorate and has moved to this area to more closely manage the key driver of expenditure, demand for the service. This is to assist in monitoring the quality and cost of the service to ensure value for money. The £1m overspend projected on transport is split £0.560m transport autumn term; £0.440m transport spring 21 term. This is due to social distancing on the vehicles resulting in less children in each vehicle and more vehicles being required to provide transport. The transport position for 2020-21 and Covid-19 restrictions is currently being reviewed weekly.

3.3.6 Schools – DSG: The full year position for 2020-21 is forecast to be balanced. Schools DSG reflects the position reported at Schools Forum on 29th September which is currently forecasting an operational overspend of £1.7m due to demand for High Needs support. The overspend will be off-set by use of the DSG reserve to deliver a balanced position at the end of the financial year. This is the third consecutive year that the DSG reserve has been used to off-set in-year expenditure and this will result in a deficit (overcommitted) reserve of £3m by the end of 2020-21. The deficit position will need to be recovered in future years and the service are currently developing a deficit recovery plan. It should be noted that the DSG reserve is entirely ringfenced to DSG activity and does not impact Wirral Council reserves position.

TABLE 5 2020/21 Children, Families and Education – Subjective Budget & Forecast

	Full Year				
	Budget	Forecast	Variance (+ Fav, - Adv)		Adv/Fav
	£000	£000	£000	%	
Income	(383,306)	(384,116)	810	0%	Favourable
Expenditure					
Employee	167,039	167,034	5	0%	
Non Pay	261,151	265,231	(4,081)	-2%	Adverse
Cost of Care	24,997	26,665	(1,668)	-7%	Adverse
Total Expenditure	453,186	458,930	(5,744)	-1%	Adverse
Directorate Surplus / (Deficit)	69,880	74,814	(4,934)	-7%	Adverse
Support / Admin Building Overhead	7,792	7,792	0	0%	
Movement on Reserves	6,238	6,238	0	0%	
Total Surplus / (Deficit)	83,910	85,968	(2,058)	-2%	Adverse

- 3.3.7 **Income:** Income is forecast to overachieve due to holding no budget for Adoption Support Fund, Leaving Care grant and Unaccompanied Asylum-Seeking Children grant income.
- 3.3.8 **Employees:** Employees cost has a variance of £0.005m favourable although the Modernisation and Early Years and prevention have staffing surpluses the use of agency staff in other areas Children’s and Families and Schools Core off set this surplus.
- 3.3.9 **Non pay:** The £4.08m adverse variance is made up of the following main variances. A £2.3m pressure in the High Needs Service due to increased demand, which is off set using reserves. The £1m overspend projected on Transport is due to social distancing on the vehicles resulting in less children in each vehicle and more vehicles required to provide transport. Pressure on placements particularly on independent residential and semi residential placements as high rate increases are impacting on the service.
- 3.3.10 **Cost of Care:** Cost of care had an adverse variance of £1,668m. This is due to a £0.472m pressure on placements particularly on independent residential and semi residential placements as high rate increases are impacting on the service and £0.242m on Allowances. There is an expectation that the number of looked after children (LAC) will increase due to reduced community-based activities in the current

climate which support families and prevent children entering the care system (amounting to £0.6m for the remaining 6 months Oct to March).

3.3.11 **Reserves:** Reserves show a forecast variance of £2.876m. This is due to Schools DSG contribution to reserves forecast to be £2.36m less than planned due to demand in the High Needs service. It should be noted that the DSG reserve is entirely ringfenced to DSG activity and does not impact Wirral Council reserves position. £0.204m is to be used in Early years to support the intensive family intervention Project. Schools core Reserves – forecast usage of £0.313m being Carried forward School Brokerage & Monitoring Grant to support related costs in School Improvement £0.208m. Carried forward SEND Implementation grant to cover the cost of 2 posts for 12 months £0.105m.

3.4 Resources

3.4.1 As at the end of September 20 (Quarter 2), the forecast for Resources is an adverse variance of £1.3m against a budget of £21m. This is largely driven by COVID-19 pressures on services, which include Treasury Management, additional ICT requirements, Traded Services with Schools and additional staffing.

TABLE 6 2020/21 Resources – Service Budget & Forecast

	Full Year				
	Budget	Forecast	Variance		Adv/Fav
	£000	£000	(+ Fav, - Adv)	%	
Finance & Investment	9,396	8,361	1,036	11%	Favourable
HR & OD	(921)	(969)	48	-5%	Adverse
Digital & Improvement	5,419	6,245	(826)	-15%	Adverse
Revenues & Benefits	518	2,127	(1,609)	-310%	Adverse
Audit, Risk & Business Continuity	2	(33)	35	1906%	Favourable
Directorate Surplus / (Deficit)	14,415	15,731	(1,317)	-9%	Adverse
Support / Admin Building Overhead	6,562	6,562	0	0%	
Movement on Reserves	0	0	0		
Total Surplus / (Deficit)	20,977	22,293	(1,317)	-6%	Adverse

3.4.2 **Finance & Investment:** There is an anticipated favourable variance of £1.036m. There are two key drivers, an adverse position relating to treasury income, due to a number of factors - interest rates reducing from 0.75% to 0.1% in the last 6 months, minimising interest receipts plus the response to COVID-19 whilst investment

opportunities have been further curtailed in-year leading to lower returns than anticipated. This is mitigated by the favourable variance due to delays to the borrowing requirements for the capital programme. A £0.284m pressure from additional finance staffing due to additional monitoring and reporting requirements relating to COVID-19 and to backfill posts vacant due to sickness also contributes to the forecast position.

3.4.3 Digital & Improvement: The ICT Division has an expected adverse variance of £0.826m. £0.290m pressure is related to a drop in custom for Schools Technical Services, £0.172m combined income pressure from ICT traded services due to COVID-19. £0.217m pressure as a direct result of providing additional software and devices to enable working from home and for council departments to work more independently under the new COVID-19 work environment. £0.169m pressure from additional mobile phone purchases and running cost increase again due to COVID-19 restrictions and work environments. Mobile phones are in high demand due to the number of staff working from home. To try and reduce costs the ICT department is working with council Heads of Service to drive efficient use of mobile phones at home.

3.4.4 Revenue & Benefits: £1.60m Income target for Summons is not anticipated to be achieved in 20/21 due to a cabinet decision to pause recovery actions in respect of council tax debt. If recovery actions are re-instated, some income may be recoverable in future years, income that cannot be recovered will become a bad debt pressure.

TABLE 7 2020/21 Resources – Subjective Budget & Forecast

	Full Year				
	Budget	Forecast	Variance		Adv/Fav
	£000	£000	(+ Fav, - Adv) £000	%	
Income	(192,439)	(169,032)	(23,407)	-12%	Adverse
Expenditure					
Employee	28,389	24,126	4,263	15%	Favourable
Non Pay	178,465	160,637	17,828	10%	Favourable
Total Expenditure	206,853	184,763	22,091	11%	Favourable
Directorate Surplus / (Deficit)	14,415	15,731	(1,317)	-9%	Adverse
Support / Admin Building Overhead	6,562	6,562	0	0%	
Movement on Reserves	0	0	0	0%	
Total Surplus / (Deficit)	20,977	22,293	(1,317)	-6%	Adverse

3.4.5 **Income:** The income has been severely impacted by Covid-19 which has affected treasury income due to dropping interest rates; traded services have seen reduced custom from schools for technical services and court summons income is reduced to courts being closed.

3.4.6 **Employees:** The favourable variance is largely driven by vacancy slippage.

3.4.7 **Non Pay:** The favourable variance is driven by under-utilisation of the capital programme and there is budget for contingency of £3.16m, which is forecast to zero and is held to support the wider organisational pressure.

3.4.8 **Resources – Pressures and Savings Statement:** The original savings contained within the Resources directorate related to Treasury Investment income, which as described in paragraph 3.4.5, are negatively impacted by COVID-19. Delays in the implementation of the Capital Programme have reduced the revenue cost of capital pressures.

3.5 Legal & Governance

3.5.1 As at the end of September 2020 (Quarter 2) the forecast year-end position for Legal & Governance is an overspend of £0.424m against a budget of £5.7m. The Legal and Governance directorate were subject to a significant restructure, which included a change to the service model for the Legal Function and a change to the Committee system, COVID-19 has delayed the implementation of these projects, which has increased reliance on locum support.

TABLE 8 2020/21 Legal & Governance – Service Budget & Forecast

	Full Year				Adv/Fav
	Budget	Forecast	Variance (+ Fav, - Adv)		
	£000	£000	£000	%	
Law & Governance	1,770	1,827	(56)	-3%	Adverse
Legal Services	1,305	1,641	(336)	-26%	Adverse
Democratic & Member Services	3,182	3,099	84	3%	Favourable
Coroners Services	680	680	0	0%	
Directorate Surplus / (Deficit)	6,937	7,246	(309)	-4%	Adverse
Movement on Reserves	(741)	(626)	(115)	15%	Favourable
Support / Admin Building Overhead	(481)	(481)	0	0%	
Total Surplus / (Deficit)	5,715	6,139	(424)	-7%	Adverse

- 3.5.2 **Law & Governance:** Reporting a forecast £0.056m adverse variance which consists of £0.015m departmental turnover savings not being achievable, £0.055m Court Costs not expected to be realised, both of which are caused by COVID-19. This is offset by £0.011m small underspends on staff and advertising costs.
- 3.5.3 **Legal Services:** Reporting a £0.336m adverse variance. £0.062m is driven reduced demand for licencing, negatively impacting income. The remainder consists the use of agency staff (adverse variance £0.833m) to support delays in the recruitment of vacant posts (favourable variance of £0.621m) mainly in the Safeguarding Team.
- 3.5.4 **Democratic & Members Services:** Reporting a £0.084m favourable forecast variance. This includes an adverse variance of £0.277m income shortfall for wedding bookings due to Covid-19, and some low level adverse variances across a range of non-pay expenditure. The overall favourable variance is driven by £0.326m underspend on vacancies and £0.033m non-pay expenditure relating to Municipal Elections not going ahead in 20/21.
- 3.5.5 **Coroners Service:** Reporting a balanced budget. Excess death costs caused by COVID-19 are covered by COVID-19 specific funding.

TABLE 9 2020/21 Legal & Governance – Subjective Budget & Forecast

	Full Year				
	Budget	Forecast	Variance	Adv/Fav	
	£000	£000	(+ Fav, - Adv) £000 %		
Income	(3,516)	(3,197)	(320)	-9%	Adverse
Expenditure					
Employee	4,112	4,062	50	1%	Favourable
Non Pay	6,342	6,381	(39)	-1%	Adverse
Cost of Care	0	0	0	0%	
Total Expenditure	10,454	10,443	11	0%	Favourable
Directorate Surplus / (Deficit)	6,937	7,246	(309)	-4%	Adverse
Movement on Reserves	(741)	(626)	(115)	15%	
Support / Admin Building Overhead	(481)	(481)	0	0%	
Total Surplus / (Deficit)	5,715	6,139	(424)	-7%	Adverse

3.5.6 **Income:** The income within Law & Governance has been severely impacted due to services being closed during the current pandemic. There is still a great deal of uncertainty driven by changes to national guidelines, and this income will be alleviated, in part, by the national Sales, Fees and Income mitigation, however the situation is being closely monitored.

3.5.6 **Movement on reserves:** The reserves for Legal & Governance are held to support a permanent restructure. Due to delays in recruitment to the permanent restructure £0.115m of reserves are not being drawn down at this time but will be required in the future.

3.5.7 **Legal & Governance – Pressures and Savings Statement**

No savings targets were highlighted in this area.

3.6 **Regeneration & Place**

3.6.1 As at the end of September 20 (Quarter 2) the forecast year-end position for Regeneration & Place is a small favourable variance of £0.367m against a budget of £35.6m. This is largely in the Housing Service and Asset Management.

TABLE 10 2020/21 Regeneration & Place – Service Budget & Forecast

	Full Year		Variance		Adv/Fav
	Budget	Forecast	(+ Fav, - Adv)	%	
	£000	£000	£000	%	
Regeneration	25,380	25,639	(259)	-1%	Adverse
Housing	6,714	6,180	534	8%	Favourable
Asset Management & Investment	4,416	4,060	356	8%	Favourable
Planning	827	1,040	(213)	-26%	Adverse
Special Projects	141	141	(0)	0%	Adverse
Local Plan	1,522	1,522	(0)	0%	Adverse
Directorate Surplus / (Deficit)	38,999	38,581	419	1%	Favourable
Support / Admin Building Overhead	(2,261)	(2,261)	0	0%	
Movement on Reserves	(1,122)	(1,071)	(51)	5%	Adverse
Total Surplus / (Deficit)	35,616	35,249	367	1%	Favourable

3.6.2 **Regeneration:** £0.259m adverse position has been driven by the in-year delay to the strategic restructure for the Regeneration and Place team. Originally, permanent budget growth was agreed to enable a full a restructure. In light of the difficulties for the organisation caused by Covid-19, both the restructure and budget growth have been rephased to 2021/22. However urgent activity did need to be conducted, and this is being delivered by locum staff, the expense of this shows within this service.

As this represents a temporary expense, the adverse variance is offset by the wider directorate favourable variances.

- 3.6.3 **Housing:** Reporting a favourable forecast position of £0.534m. The service is maximising the use of one-off grants for Homelessness and the opportunities to utilise Better Care Fund to offset service expenditure thus alleviating budget. £0.15m favourable forecast variance is from Supported Housing as the revised forecast of the supported housing contract is based on current occupancy rates and increased income recovery from minor works carried out by the home adaptation team.
- 3.6.4 **Asset Management & Investment:** Reporting a favourable forecast position of £0.356m. The favourable forecast variance is due to the temporary closure of buildings, and represents an under-utilisation of the Disabled Access scheme (£0.1m) and the reduction in running costs, including the carbon offsetting scheme, of Council buildings due to closures of these buildings. These favourable balances are offsetting the adverse forecast from rent income loss anticipated from Birkenhead Market, which has been significantly impacted by Covid-19.
- 3.6.5 **Chief Planner:** The adverse forecast variance of £0.213m is due to the reduction of Planning Application income and additional pressure from the increased contract/exceedance costs of Merseyside Environmental Advisory Service.
- 3.6.6 **Local Plan:** Reported balanced position utilising the earmarked reserve.
- 3.6.7 **Movement of Reserves:** This reserve is primarily held for the Local Plan.

TABLE 11 2020/21 Regeneration & Place – Subjective Budget & Forecast

	Full Year				
	Budget	Forecast	Variance		Adv/Fav
	£000	£000	(+ Fav, - Adv) £000	%	
Income	(10,331)	(11,369)	1,038	10%	Favourable
Expenditure					
Employee	12,052	12,476	(424)	-4%	Adverse
Non Pay	37,279	37,473	(195)	-1%	Adverse
Cost of Care	0	0	0	0%	
Total Expenditure	49,331	49,950	(619)	-1%	Adverse
Directorate Surplus / (Deficit)	38,999	38,581	419	1%	Favourable
Support / Admin Building Overhead	(2,261)	(2,261)	0		
Movement on Reserves	(1,122)	(1,071)	(51)		
Total Surplus / (Deficit)	35,616	35,249	367	1%	Favourable

3.6.8 **Income:** The favourable position of income is due to one off grants and utilisation of capital funding within the Housing Services, which is offset by increased forecast in Employee and Non Pay which are shown as adverse position.

3.6.9 **Employee:** Permanent recruitment has been delayed meaning that Regeneration and Place are reliant on more expensive locum staff.

3.6.10 **Non Pay:** The adverse variance has been caused by pressure from the increased contract/exceedance costs of Merseyside Environmental Advisory Service, within the Chief Planning department.

3.7 Neighbourhoods

3.7.1 The Neighbourhoods directorate is predicting an adverse budget variance of £12.271m at year-end. This is due to income losses within Leisure Centres, Floral Pavilion, Car Parking and Garden Waste Subscriptions due to temporary closures and suspension of these services from the beginning of the year, due to the outbreak of COVID-19. Garden Waste collections recommenced in May, with subscriptions for 2020/21 being received in August. Income generated from other services affected by COVID-19 has been minimal for the first 2 quarters.

Plans for the phased reopening of Leisure Centres, Libraries and Museums were delayed until the necessary work was carried out to make them COVID secure. This work is underway in the Leisure Centres and one centre partially reopened in September. However, given the recent government guidance Leisure centres were ordered to temporarily close and plans for phased reopening of buildings were put on hold. This impacts on income generation across the service, with all forecasts now assuming no income generation for the first 3 quarters of the year and minimal income achieved for the final quarter. The service is attempting to partially mitigate the losses by maximising income generation from activities that are permitted. In addition, some savings have been achieved relating to utilities and premises costs.

Many of the staff have been redeployed onto COVID-19 emergency response functions such as the Food Hub, PPE Distribution and the COVID-19 Helpline, meaning that the costs incurred in Neighbourhoods directorate remain high even though income and core activity has fallen.

Financial projections pre COVID-19 would have anticipated a forecast balanced budget, but COVID-19 has decimated the income possibilities for 2020/21. Total income for the affected areas was budgeted at £15.654m for the year, therefore as the total income shortfall is currently predicted to be in excess of £12m, a reduction of almost 65% is evident in the forecast.

TABLE 12 2020/21 Neighbourhoods – Service Budget & Forecast

	Full Year				Adv/Fav
	Budget	Forecast	Variance (+ Fav, - Adv)		
	£000	£000	£000	%	
Director of Neighbourhoods	(489)	(489)	0	0%	Favourable
Neighbourhood Safety & Transport	3,388	3,584	(196)	-6%	
Highways and Infrastructure	6,447	8,211	(1,764)	-27%	Adverse
Leisure, Libraries and Customer Engagement	9,944	19,431	(9,487)	-95%	Adverse
Parks and Environment	34,763	35,589	(825)	-2%	Adverse
Directorate Surplus / (Deficit)	54,054	66,325	(12,271)	-23%	Adverse
Movement on Reserves	(1,341)	(1,341)	0	0%	
Support / Admin Building Overhead	3,484	3,484	0	0%	
Total Surplus / (Deficit)	56,197	68,469	(12,271)	-22%	Adverse

3.7.1 **Neighbourhood Safety & Transport:** An adverse variance of £0.196m is projected as at Quarter 2. This is mainly due to an under achievement of income within

Community Patrol following the loss of several contracts in previous years. The service has attempted to seek additional income generation opportunities for new clients, however there is an insufficient market for this.

The overall position has improved since Quarter 1 as Assisted Travel and SEN Transport budgets have been transferred out of Neighbourhoods to Children's Services as they are responsible for commissioning this service. There is a planned review of the future staffing requirements for the service later in the year to mitigate the loss that will be incorporated into the wider Neighbourhoods review.

- 3.7.2 **Highways & Infrastructure:** An adverse variance of £1.764m is projected as at Quarter 2. This is due to a loss of Car Parking income following temporary suspension of charges. In Quarter 1 it was assumed car parking would recommence in August. However, given recent decisions taken by Members, it is now assumed that there will be no income generated from car parking this year.

At present, Car Parking is projecting an adverse variance of £1.834m (other minor variances in this service area offset this in part). The service has attempted to mitigate some of these losses through generating additional income from road closures, permits and traffic signals due to an increase in demand for utilities companies work.

- 3.7.3 **Leisure, Libraries and Customer Engagement:** This area covers Leisure Centres, Golf Courses, Libraries, Museums and the Floral Pavilion. All income associated with these services ceased from 23rd March due to COVID-19 restrictions. Government guidance allowed for these services to recommence from the end of July, however planned reopening was delayed so that work could be carried out to make them COVID secure at significant additional costs. The service planned a phased reopening of these buildings from August onwards. However, the phased reopening is subject to delay due to additional activity required to make leisure centres Covid secure.

As a result of this, the area is projecting an adverse variance of £9.49m. This is predominantly due to loss of income within Leisure Centres (£7.8m) because of their temporary closure. The service has worked to mitigate losses through premises and contracts savings. Work is also being carried out to maximise income generation from Golf, outdoor football, and outdoor exercise classes.

In future the service may be limited further in the amount of income generated from Leisure Centres as there are plans to utilise some sites for vaccination centres and there is the possibility sites could be required again if the food hub is reinstated later in the year. Additional income may be available from partnership agencies to fund the additional costs of running these centres.

The Floral Pavilion is projecting an adverse variance due to underachievement of income of £2.2m. This assumes that the service will not fully reopen for live shows for the remainder of the financial year. The service has partially mitigated this through savings against Supplies and Third-Party payments to production companies.

A small amount of income is projected relating to the catering offer. There are smaller income losses expected relating to Libraries (£0.179m) and Museums (£0.021m), with neither service projected to achieve any of their income targets this year. Capital projects which were planned to improve income generation in these areas have been delayed due to COVID-19 but there may be plans to continue with them later this financial year subject to review.

3.7.4 Parks & Environment: An adverse variance of £0.825m is projected as at Quarter 2. This is due to temporary suspension of the Garden Waste Service (£0.54m) caused by COVID-19 as result of workforce prioritisation. The income loss within Waste is partially mitigated through projected favourable variances against payments to the contractor of £0.098m. The other main loss relates to income from football and bowling clubs within Parks (£0.55m), with most of this being front loaded towards the beginning of the spring season when these activities were not permitted. The income loss within Parks is partially mitigated through a projected reduction in Planned Preventative Maintenance work of £0.167m, which has resulted in cost avoidance and contributed towards supporting the pollinator programme.

The Garden Waste service achieved the target of 40,000 subscribers at a reduced rate. Work is underway to attract additional garden waste subscribers for 2020/21 through marketing campaigns. The new direct debit scheme has been implemented, which exceeded the initial target and will help with customer retention in future years. Plans are underway in Parks to reopen their facilities to sports clubs in line with government guidance and some income has been recovered.

3.7.5 Movement on Reserves: Full year forecast is in line with budget

TABLE 13 2020/21 Neighbourhoods – Subjective Budget & Forecast

	Full Year				
	Budget	Forecast	Variance		Adv/Fav
	£000	£000	£000	%	
Income	(31,743)	(18,318)	(13,425)	-42%	Adverse
Expenditure					
Employee	32,577	32,577	(0)	0%	Adverse
Non Pay	53,147	51,993	1,154	2%	Favourable
Cost of Care	73	73	0	0%	
Total Expenditure	85,797	84,643	1,154	1%	Favourable
Directorate Surplus / (Deficit)	54,054	66,325	(12,271)	-23%	Adverse
Support / Admin Building Overhead	3,484	3,484	0	0%	
Movement on Reserves	(1,341)	(1,341)	0	0%	
Total Surplus / (Deficit)	56,197	68,469	(12,271)	-22%	Adverse

3.7.6 The overall projected adverse position of £12.271m is mainly due to income losses. This relates to Leisure Centres, Floral Pavilion, Car Parking and Garden Waste Subscriptions due to temporary closures and suspension of these services from the beginning of the year, due to the outbreak of COVID-19. The service is attempting to mitigate these losses through a reduction in expenditure against Utilities, Planned Preventative Maintenance and through maximising income generation in other areas as far as possible. These incomes losses are, in part, mitigated by the national Sales, Fees and Charges mitigation, Please see table 1.

3.8 Chief Executive's Office

TABLE 14 2020/21 Chief Executive Office – Objective Budget & Forecast

	Full Year				Adv/Fav
	Budget £000	Forecast £000	Variance (+ Fav, - Adv) £000 %		
Chief Executive Office	3,255	3,686	(431)	-13%	Adverse
Directorate Surplus / (Deficit)	3,255	3,686	(431)	-13%	Adverse
Movement on Reserves	0	0	0	0%	
Support / Admin Building Overhead	(2,229)	(2,229)	0	0%	
Total Surplus / (Deficit)	1,026	1,457	(431)	-42%	Adverse

3.8.3 **Chief Executive Office:** There is a £0.431m forecast adverse variance which is mainly due to £0.155m loss of income in Corporate Marketing, £0.348m due to the secondment of a senior member of staff to the Corporate Office.

TABLE 15 2020/21 Chief Executive Office – Subjective Budget & Forecast

	Full Year				Adv/Fav
	Budget £000	Forecast £000	Variance (+ Fav, - Adv) £000 %		
Income	(438)	(284)	(155)	-35%	Adverse
Expenditure					
Employee	3,316	3,664	(348)	-11%	Adverse
Non Pay	377	306	71	19%	Favourable
Cost of Care	0	0	0	0%	
Total Expenditure	3,693	3,970	(277)	-7%	Adverse
Total Surplus / (Deficit)	3,255	3,686	(431)	-13%	Adverse
Support / Admin Building Overhead	(2,229)	(2,229)	0	0%	
Movement on Reserves	0	0	0	0%	
Total Surplus / (Deficit)	1,026	1,457	(431)	-42%	Adverse

3.8.1 **Income:** The adverse forecast variance reflects reduced activity in external marketing income expectations from the Communications service, for which demand has reduced in light of COVID-19.

3.8.2 **Employee Expenditure:** The adverse variance driven by the secondment of a senior officer to the Corporate Office.

3.8.3 **Non Pay Expenditure:** Full year forecast largely in line with budget.

3.8.4 **Movement on Reserves:** Full year forecast is in line with budget.

TABLE 16 2020/21 Cross Cutting Initiatives

	Full Year		Variance		Adv/Fav
	Original Saving Proposal	Saving Achieved	(+ Fav, - Adv)		
	£000	£000	£000	%	
Savings Initiative					
Income	0	0	0	0%	
Expenditure					
Employee - New Council Model	(5,000)	(4,466)	(534)	-11%	Adverse
Employee - Capitalisation of Salaries	(1,550)	(1,550)	0	0%	
Non Pay - Contract Reduction	(4,550)	0	(4,550)	-100%	Adverse
Non Pay - Zero Based Budget	(640)	(354)	(286)	-45%	Adverse
Total Surplus / (Deficit)	(11,740)	(6,370)	(5,370)	-46%	Adverse
Capital Receipts	(4,500)	(2,020)	(2,480)	-55%	Adverse

3.8.5 This table represents the savings value of the budgets required to deliver the organisational balanced position, as agreed at Council in March 2020. All other initiatives are held within the directorate-specific areas.

3.8.6 When a saving is delivered, the budget reduction is reflected in the directorate that has supported the saving.

3.8.7 The original endeavour underpinning the New Council Model required large scale, organisational-wide strategic activity. The COVID-19 pandemic reduced the availability of resources and time to be able to deliver these plans, and as such, are considered to be undeliverable in a sustainable manner and has been restated as a

pressure in 2021/22 (see table 18), but work is underway to ensure that savings of this nature are deliverable in future periods.

- 3.8.8 The allocation of savings to New Council Model represent a temporary salary saving driven by organisational-wide vacancy slippage and the implementation of a recruitment freeze, which started in September. The Senior Leadership Team review, and where appropriate, authorise any recruitment to vacant posts. Recruitment activity will reduce the value of this saving over time.
- 3.8.9 The zero based budget activity represents savings from stationery and mileage, largely driven by the workforce largely working from home. If home-working continues to operate in the same way as it is currently operating, this saving will be permanent.
- 3.8.10 A large scale review of contract reduction is underway, the full saving is limited by both the availability of internal resources to deliver the project and national restrictions imposed due to Covid-19, however a full view will be reported in quarter 3.
- 3.8.8 In addition to this, the flexible use of capital receipts, which can be used to support transformational change (revenue expenditure), are limited by issues arising through assets which will not achieve their expected selling price.

TABLE 17 2020/21 NATIONAL COVID-19 ADDITIONAL FUNDING AND ALLOCATION

Funding Title	Received for Council use £000	Received and Passported £000
Emergency Covid-19 Funding (three tranches)	23,937.380	0
Council Tax Hardship Fund	3,910.992	0
Emergency Fund for Rough Sleepers	4,000	0
Care Home Infection Control Fund Round 1	1,185.880	3,557.641
Care Home Infection Control Fund Round 2	817.461	3,268,844
Re-opening High Streets Safely Fund	286.292	0
Small Business Grant Fund and Retail, Hospitality and Leisure Grant Fund	0	61,014.250
Local Authority Discretionary Grant Funding	0	2,637.750
Business Grants New Burdens Grant	170.000	0
Test and Trace Funding	2,733.018	0
Local Authority Emergency Assistance Grant for Food and Essential Supplies	453.829	0
Business Improvement District Funding	0	21.844
Test & Trace £500 Payments	0	165.500
Test & Trace £500 Discretionary	0	99.321
Test & Trace Administration Costs	44.626	0
LA Compliance & Enforcement Grant	198.512	
Total Funding	33,741.990	70,765.150
Additional funding notified but not yet received:		
Tranche 4 Funding	5,428.456	
<i>Tier 3 Funding notified to LCR – Proposed Wirral share – Total £3.368m:</i>		
Enforcement	478.000	
Test and Trace	2,701.000	
Clinically Extremely Vulnerable People (Shielded)	189.000	
Revised Total	42,538.446	70,765.150
Total LCR Allocation support for businesses – as yet unallocated		30,000.000
Section 31 Grants Business Rate Relief		32,028.000
Budget Recommendation Total	42,538.446	132,793.150

3.9.1 **Additional Grants:** We have been awarded an additional 2 Grants since we reported in Q1 totalling £4.286m.

3.9.2 **Care Home Infection Control Fund – Tranche 2:** £4.087m

The Adult Social Care Infection Control Fund was first introduced in May 2020 and was initially worth £600 million. The purpose of this fund is to support adult social care providers, including those with whom the local authority does not have a contract, to reduce the rate of COVID-19 transmission within and between care

settings, in particular by helping to reduce the need for staff movements between sites. Due to its success in limiting the transmission of COVID-19 within and between care settings, the Adult Social Care Infection Control Fund has been extended until March 2021, with an extra £546 million of funding. Wirral Council's element of this funding is £4.087m .

The guidance issued with the funding states that the monies must be used for COVID-19 infection control measures. Local authorities should pass 80% of each instalment to care homes within the local authority's geographical area on a 'per beds' basis and CQC-regulated community care providers (domiciliary care, extra care and supported living) within the local authority's geographical area on a 'per user' basis. The other 20% of the funding must be used to support care providers to take additional steps to tackle the risk of COVID-19 infections but can be allocated at the local authority's discretion.

3.9.3 Compliance & Enforcement Funding: £0.199m

On the 22nd September 2020 the Prime Minister announced that £60m will be made available across the police and local authorities for compliance and enforcement activities.

Of the £60m, £30m is being allocated to all district and unitary authorities including Metropolitan borough and London borough councils in England to spend on COVID-19 related compliance and enforcement activities.

It has been indicated that where appropriate, they would encourage local authorities to consider using this funding for the deployment of COVID-19 secure marshals, or their equivalents, to support compliance. The guidance given focuses on supporting local authorities who are deploying marshals, wardens, stewards, ambassadors or similar roles to support compliance social distancing in public places.

3.9.4 Emergency Covid-19 Funding – Tranche 4

The three tranches of the COVID-19 Emergency funding provided in March, April and July were un-ringfenced, in that they were to provide a direct response to the COVID-19 emergency but within the discretion of Local Authorities as to where they would direct this funding.

A fourth tranche of funding to support the emergency COVID-19 response was announced on 22nd October 2020, of which £5.428m was awarded to Wirral. The allocation of this funding and monies will be on the same basis as the first three Tranches and will be at Wirral's discretion but with clear expectations. We have yet to receive the payment and the allocation of this grant will much depend on the emergency response needed in the coming weeks and months.

3.9.5 Tier 3 Support Funding: Government has indicated that there will be additional funding available to support Wirral's move into Tier 3 restrictions. This amount is currently estimated at £3.368m. £0.478m will support Enforcement activity, £2.701m will support Test and Trace and £0.189m will be aimed at supporting clinically

vulnerable people. This funding is expected to cover additional Tier 3 expenses not yet included in the Quarter 2 forecast, and will not reduce the organisational gap.

3.9.6 The request for Policy and Resources Committee recommend to Council the increased budget in relation to Covid-19 funding of £42.538m, which is for Council use and note the additional £132.793m of funds that is to be made available to the Council for onward relay to other organisations as passported funding; a total sum of £175.33m is therefore the combined Covid-19 funding being received by the Council based on current information. This recommendation supersedes the recommendation made by Policy & Resources Committee on 7th October, following the recent notification of additional funding.

3.10 Medium Term Financial Plan (MTFP)

TABLE 18: 2020/21 Medium Term Financial Plan Summary

BUDGET GAP	20-21 £m	21-22 £m	22-23 £m	23-24 £m	24-25 £m	25-26 £m
20-21 Budget Requirement / Baseline	304.7	304.7	346.1	348.0	363.6	374.9
Pressures/Investments	30.3	53.5	15.1	15.6	11.3	11.4
Savings	(8.6)	(12.2)	(13.2)	-	-	-
Total Budget Requirement	326.3	346.1	348.0	363.6	374.9	386.3
Funded By :						
Business Rates	(138.2)	(120.1)	(121.7)	(124.3)	(126.3)	(126.3)
Council Tax	(150.2)	(153.1)	(157.6)	(162.2)	(166.9)	(166.9)
Other funding arrangements	(13.8)	(12.2)	(7.5)	(7.4)	(11.3)	(11.3)
Total Funding (excluding Covid)	(302.2)	(285.3)	(286.7)	(293.8)	(304.5)	(304.5)
Total Budget Gap at Q2	24.1	60.8	61.3	69.8	70.4	81.8
Mitigations anticipated:						
<i>Estimated Government support for lost Sales, fees & charges (SFC) income</i>	(9.3)					
Estimated Budget Gap	14.8	60.8	61.3	69.8	70.4	81.8

3.10.1 A more detailed extract from the MTFP can be found in Appendix 2.

3.10.2 COVID-19 activity has limited the Council's ability to deliver in-year savings, which would have supported a more sustainable position in 2021-22 and onwards. Key areas of concern are: reduced business rates / council tax collection; reduced income from services, increased costs for care and increased demand for services. As the situation is changing, the ability to assess the scale of the ongoing issue is limited.

- 3.10.3 It is reasonable to note that some savings initiatives which were predicted to be delivered in 2020/21 could be partially delivered in 2020/21, dependent on changes to the current environment. If this materialises, this will reduce the gap in 2021/22. The recent move of the Liverpool City Region into tier 3 status may further limit opportunities for recovery.
- 3.10.4 Government have indicated that the impact of business rates / council tax losses may be smoothed over a longer period of time, which will alleviate the immediate pressure in 2021/22 but at the time of writing, information is still awaited from central government as to whether this flexibility will be granted and which would be needed to assess the impact of this measure.
- 3.10.5 The announcement of the national fair funding review is delayed, this makes long term financial planning more difficult to assess.
- 3.10.6 Access to reserves / use of capital receipts. These are one-off sources of funding, which are depleted and therefore the use of them to support revenue budgets is limited.
- 3.10.7 There are likely to be pressures arising as a result of changes in the environment driven by COVID-19.
- 3.10.8 Following agreement at Policy and Resources Committee in October 2020, a capitalisation directive was submitted for an in-principle sum of £63.528m (£23.910m for 2020/21 and £39.618m in 2021/22). A review of this request is underway, by the Local Government Association (LGA). However, since the original request was submitted, further work on the in-year savings has resulted in a more favourable position, and this could reduce the request. It should be noted that in order to continue to develop our longer-terms financial sustainability strategy, additional resource requirement has been identified for a fixed-term, which would be included as part of the capitalisation request. The LGA review will validate the revised submission.

4.0 FINANCIAL IMPLICATIONS

- 4.1 This is the Quarter 2 budget monitoring report that provides information on the forecast outturn for the Council for 2020/21. The Council has robust methods for reporting and forecasting budgets in place and alongside formal Quarterly reporting to Cabinet, 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 can be reported at the end of the year.

5.0 LEGAL IMPLICATIONS

5.1 The entire report concerns the duty of the Council to avoid a budget shortfall. The Chief Finance Officer has a personal duty under the Local Government Finance Act 1988 Section 114 to make a report to the executive if it appears to them that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources available to it to meet that expenditure.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 There are no implications arising directly from this report.

7.0 RELEVANT RISKS

7.1 The possible failure to deliver the Revenue Budget is being mitigated by:

1. Senior Leadership / Directorate Teams regularly reviewing the financial position.
2. Availability of General Fund Balances.
3. Review of existing services and service provision.
4. Capitalisation directive, please see 3.10.8

8.0 ENGAGEMENT/CONSULTATION

8.1 No consultation has been carried out in relation to this report.

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 has no impact for equality implications at this stage, however any associated actions may require an assessment.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 This report is essentially a monitoring report on financial performance.

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APPENDICES

Appendix 1: Revenue Budget and Forecast by Service Committee
Appendix 2: 2020/21 MEDIUM TERM FINANCIAL PLAN (EXTRACT)

BACKGROUND PAPERS

2020/21 & 2021/22 Covid-19 Budget Position Statement
2021/22 Budget Process

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Policy and Resources Committee	7 October 2020

Appendix 1: Revenue Budget and Forecast by Service Committee

Please note that these figures will be provided in the Performance Report at each Service Committee

Environment, Climate Emergency and Transport Committee

	Full Year				
	Budget	Forecast	Variance (+ Fav, - Adv)		Adv/Fav
	£000	£000	£000	%	
Environment (including parks and open spaces)	7,318	7,701	(383)	-5%	Adverse
Highways management and infrastructure	7,254	9,018	(1,764)	-24%	Adverse
Recycling and waste	28,612	29,054	(442)	-2%	Adverse
Total Surplus / (Deficit)	43,185	45,774	(2,589)	-6%	Adverse

Tourism, Communities, Culture & Leisure Committee

	Full Year				
	Budget	Forecast	Variance (+ Fav, - Adv)		Adv/Fav
	£000	£000	£000	%	
Community Development	13,013	22,695	(9,682)	-74%	Adverse
Promotion of Community Engagement	1,293	1,293	0	0%	
Total Surplus / (Deficit)	14,306	23,988	(9,682)	-68%	Adverse

Adult

	Full Year				
	Budget	Forecast	Variance (+ Fav, - Adv)		Adv/Fav
	£000	£000	£000	%	
Adult Social Care	106,142	106,086	56	0%	Favourable
Public Health	485	485	0	0%	

Total Surplus / (Deficit)	106,627	106,571	56	0%	Favourable
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Children

	Full Year				
	Budget	Forecast	Variance (+ Fav, - Adv)		Adv/Fav
	£000	£000	£000	%	
Education	4,566	5,566	(1,000)	-22%	Adverse
Social Care Services	79,344	80,402	(1,058)	-1%	Adverse
Total Surplus / (Deficit)	83,910	85,968	(2,058)	-2%	Adverse

Housing

	Full Year				
	Budget	Forecast	Variance (+ Fav, - Adv)		Adv/Fav
	£000	£000	£000	%	
Homelessness	1,159	1,159	0	0%	
Housing Related Support Services	4,703	4,169	534	11%	Favourable
Licensing of Residential Accommodation	886	886	0	0%	
Strategic Housing (Including the Housing Investment Programme)	848	848	0	0%	
Total Surplus / (Deficit)	7,596	7,062	534	7%	Favourable

Economy Regeneration & Development

	Full Year				
	Budget	Forecast	Variance (+ Fav, - Adv)		Adv/Fav
	£000	£000	£000	%	
Development Projects	23,130	23,277	(147)	-1%	Adverse
Growth and Economic Development	1,640	1,854	(214)	-13%	Adverse
Planning Policies	1,451	1,664	(213)	-15%	

Total Surplus / (Deficit)	26,221	26,795	(574)	-2%	Adverse
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Policy and Resources

	Full Year				
	Budget	Forecast	Variance (+ Fav, - Adv)		Adv/Fav
	£000	£000	£000	%	
Company and Asset Ownership	506	150	356	70%	Favourable
Chief Executive Office	1,026	1,457	(431)	-42%	Adverse
Legal and Governance	5,715	6,139	(424)	-7%	Adverse
Resources	20,977	22,295	(1,318)	-6%	Adverse
Cross Cutting Initiatives	(5,370)	0	(5,370)	100%	Favourable
Total Surplus / (Deficit)	22,853	30,040	(7,187)	-31%	Adverse

Appendix 2: 2020/21 MEDIUM TERM FINANCIAL PLAN (EXTRACT)

BUDGET GAP	20-21 £m	21-22 £m	22-23 £m	23-24 £m	24-25 £m	25-26 £m
20-21 Budget Requirement / Baseline	304.7	304.7	346.1	348.0	363.6	374.9
Pressures:						
Regeneration & Place	0.8	2.8	0.4	0.4	0.4	0.4
Resources	4.5	4.3	-	-	-	-
Legal & Governance	0.7	0.2	-	-	-	-
Chief Executive's Office	0.6	-	-	-	-	-
Neighbourhoods	13.4	11.0	0.5	2.3	0.5	0.5
Children's	2.1	9.6	0.9	0.9	1.0	1.0
Adult Care & Health	2.7	12.1	6.2	6.2	6.2	6.2
Corporate	5.4	13.6	7.1	5.8	3.2	3.3
Covid gap pressure	0.1	-	-	-	-	-
Total Pressures/Investments	30.3	53.5	15.1	15.6	11.3	11.4
Savings:						
Regeneration & Place	(1.1)	(0.6)	-	-	-	-
Resources	(3.2)	-	(0.0)	-	-	-
Legal & Governance	(0.3)	-	-	-	-	-
Chief Executive's Office	(0.1)	-	-	-	-	-
Neighbourhoods	(1.2)	(1.3)	(9.3)	-	-	-
Children's	-	(2.4)	(0.9)	-	-	-
Adult Care & Health	(2.8)	(3.8)	(3.0)	-	-	-
Corporate	-	(4.1)	-	-	-	-
Total Savings	(8.6)	(12.2)	(13.2)	-	-	-
Total Budget Requirement	326.3	346.1	348.0	363.6	374.9	386.3
Funded By :						
<u>National Non Domestic Rates:</u>						
Business Rates Income	(70.7)	(71.8)	(73.0)	(74.2)	(75.4)	(75.4)
Business Rates Section 31 Grant	(12.0)	(12.2)	(12.4)	(12.6)	(12.8)	(12.8)
Additional Section 31 Grant (RPI v CPI difference)	(0.5)	-	-	-	-	-
Top-Up Grant	(34.4)	(34.9)	(35.5)	(36.1)	(36.7)	(36.7)
Better Care Fund (BCF)	(18.7)	(18.7)	(18.7)	(18.7)	(18.7)	(18.7)
Loss of RSG equivalent	-	19.5	19.8	19.2	19.2	19.2
NNDR/Section 31 impact - 19/20	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)

Business Rates	(138.2)	(120.1)	(121.7)	(124.3)	(126.3)	(126.3)
Council Tax:						
Council Tax base position	(142.4)	(148.7)	(153.1)	(157.6)	(162.2)	(162.2)
Annual increase in number of properties	(1.4)	(1.4)	(1.4)	(1.4)	(1.5)	(1.5)
Inflation	(2.9)	(3.0)	(3.1)	(3.2)	(3.3)	(3.3)
Local Council Tax Reduction Scheme	0.8	-	-	-	-	-
Adult Social Care precept	(2.8)	-	-	-	-	-
	(148.7)	(153.1)	(157.6)	(162.2)	(166.9)	(166.9)
Council Tax surplus - 19/20 - one-off impact in 20/21	(1.5)	-	-	-	-	-
Council Tax	(150.2)	(153.1)	(157.6)	(162.2)	(166.9)	(166.9)
Collection Fund shortfall	-	3.9	3.9	3.9	-	-
New Homes Bonus	(0.5)	(0.1)	(0.1)	-	-	-
Social Care Support Grant	(11.3)	(11.3)	(11.3)	(11.3)	(11.3)	(11.3)
Capital Receipts	(2.0)	(4.7)	-	-	-	-
Budget difference	(0.0)	-	-	-	-	-
Total Funding (excluding Covid)	(302.2)	(285.3)	(286.7)	(293.8)	(304.5)	(304.5)
Total Budget Gap at Q2	24.1	60.8	61.3	69.8	70.4	81.8
Mitigations anticipated:						
<i>Estimated Government support for lost Sales, fees & charges (SFC) income</i>	(9.3)					
Estimated Budget Gap	14.8	60.8	61.3	69.8	70.4	81.8



POLICY AND RESOURCES COMMITTEE

Wednesday, 11 November 2020

REPORT TITLE:	CAPITAL MONITORING QUARTER 2 2020/21
REPORT OF:	DIRECTOR OF RESOURCES

REPORT SUMMARY

This report provides an update on the progress of the Capital Programme 2020/21 at the end of September 2020. It recommends that Committee agree the revised 2020/21 Capital Programme of £95.1 million which takes account of re-profiling, virements, additional funding requirements and grant variations identified since the Capital Programme was formally agreed on 2nd March 2020.

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

RECOMMENDATION/S

- 1 That the Committee recommends to Council the approval of additional funding for the schemes referred to in section 3.5 of the report.
- 2 That the Committee recommends to Council the approval of the revised Capital Programme of £95.1 million for 2020-21, including the virements referred to in paragraph 3.7 of the report.
- 3 The Committee agrees that the outcome of the on-going review and reprofiling of the Capital Programme is reported to members in the next quarterly capital monitoring report.

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 No other options have been considered.

3.0 BACKGROUND INFORMATION

3.1 Capital Programme 2020/21 Position by Directorate

Table 1: Wirral Council 2020/21 Full Year Capital Budget and Forecast Position

Programme	Budget £m	Forecast £m	Variance £m	Variance %
Adult Care & Health	7.550	6.832	(0.72)	-10%
Children, Families & Education	5.500	4.410	(1.09)	-20%
Cross Cutting Initiatives	5.500	6.000	0.50	9%
Neighbourhoods	22.625	35.614	12.99	57%
Regeneration & Place	54.354	33.915	(20.44)	-38%
Resources	8.314	8.347	0.03	0%
Total	103.843	95.118	(8.73)	-8%

NB: items of significant scheme variation are included below

- 3.1.1 Table 1 provides an update on the 2020/21 capital Programme. A number of significant variations have arisen since the programme was agreed in March 2020. These include the re-profiling of expenditure into and out of the 2020/21 financial year, inclusion of additional grant funded schemes, variations to spend forecasts and the inclusion of potential new capital schemes that are seeking funding via this report. Further detail is provided below.
- 3.1.2 Given the budgetary pressures that the Council faces, which have been exacerbated by the COVID-19 outbreak, a review of the programme is currently underway to try and identify schemes that may no longer be financially viable, essential or deliverable. The initial stages of this review have resulted in scheme reductions totalling £0.55 million and the reprofiling of budget into future years of £43.65 million. It is anticipated that further reductions and/or deferrals of budget will be made as the review continues and an update will be provided in the next monitoring report.
- 3.1.3 Table 2 below categorises the movement in the forecast programme:

Table 2: Movement between previously approved Capital Budget and Forecast Position

Programme	Budget £m	Reprofiling from 19-20 £m	Additional Grant £m	New Bids £m	Scheme Reduction £m	Reprofiling to Future Yrs £m	Forecast £m
Adult Care & Health	7.55	1.39	-	-	(0.55)	(1.56)	6.83
Children, Families & Education	5.50	1.87	2.26	0.24	-	(5.46)	4.41
Cross Cutting Initiatives	5.50	0.00	-	0.50	-	-	6.00
Neighbourhoods	22.63	9.32	7.82	0.20	-	(4.36)	35.61
Regeneration & Place	54.35	5.73	4.16	0.94	-	(31.28)	33.92
Resources	8.31	1.03	-	-	-	(1.00)	8.35
Total	103.84	19.35	14.24	1.89	(0.55)	(43.65)	95.12

3.2 Reprofiling of expenditure

3.2.1 Since the approval of the Capital Programme a number of schemes have had reprofiled budget into 2020/21 from 2019/20.

3.2.2 A major influence on the programme has been the impact of the COVID-19 pandemic with schemes being delayed or deferred due to resource constraint and workload reassessment. In light of the enhanced and extreme financial pressures the Authority finds itself facing as a result of the COVID response, a review of the Capital Programme is under way to identify which schemes can either be delayed, deferred or even withdrawn to reduce the ongoing financial commitments that result from the programme.

3.2.3 Those schemes that have encountered significant delays as a result of COVID and/or other operational reasons are included with the items of significant variations, summarised in Appendix 1. A review of the profiling of expenditure within the Capital Programme is continuing and is likely to lead to a further reduction in anticipated spend for the year. The outcome of the review will be reported in the next quarterly capital monitoring report.

3.4 Grant Funded Schemes

3.4.1 The Authority has been successful in its application for grant funding to enable the following schemes to take place. 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.

3.4.2 Special Educational Needs (SEN) Funding - £0.849 million

The Grant is from the Education & Skills Funding Agency for the sole use to improve SEN provision in our Schools. It is in Grant form delivered in two halves in 2020/21. Officers within the Directorate have identified that the Grant is to be spent on

creating additional space (new construction) to Foxfield Special School and creating additional space in Stanley Special school.

3.4.3 Coronation Park Sustainable Drainage - £0.180 million

Grant Aid funding to deliver a Natural Flood Management Scheme that will reduce the risk of surface water flooding from Coronation Park to adjacent properties. 14 properties will be better protected from the current level of risk and the scheme will also introduce adaptations which make the park more resilient to the impact of climate change thereby meeting a key objective of the Resilient Parks Project and the Climate Emergency Action Plan.

3.4.4 Highways Funding

There have been several awards announced in relation to the Highways programme of works, as per the following list:

- **Key Route Network 'Top Slice' Funding - £1.026 million**
This funding was separated from the transportation funding (former Local Transport Plan) to be spent only on the Key route network projects.
- **Highway Challenge Fund 1- £0.500 million**
Funding issued by the Department for Transport to be spent on all roads; works will include some drainage works and road restraint barriers.
- **Pot-Hole Fund - £0.203 million**
This is funding for pot-hole repair and reducing the formation of potholes and can be spent on all roads.
- **Highway Challenge Fund 2 - £2.279 million**
This is specific project funding for drainage and surface improvements to Poulton Bridge Rd / Dock Rd junction.

3.4.5 Active Travel Funding - £0.308 million

Emergency Active Travel Grant from the Department for Transport to increase levels of cycling and walking as part of COVID response.

3.5 Recommendations to Full Council: Approval for Funding

3.5.1 Children's System Rationalisation (£0.826m over a three-year period)

Children's Services currently maintains two distinct case management/information systems. Funding is required to replace the two systems with a single system (through the extension of the 'Liquidlogic' system already in use).

In addition to the service and information improvements, it would be possible to decommission a set of servers and associated infrastructure, thus reducing demand on IT Services and avoiding future costs associated with the maintenance and upgrade of this infrastructure.

3.5.2 Tree Strategy Delivery (£0.208m over a four-year period)

On the 28th of July, the Council approved and endorsed the Wirral Tree, Woodland, and Hedgerow Strategy (herein referred to as 'The Strategy') in full. The Strategy outlines an ambitious target of doubling Wirral's tree cover over the next decade equating to 210,000 net new trees in Wirral.

The Strategy was developed in response to high level corporate initiatives, namely the declaration of a 'Climate Emergency' which seeks to reduce the Council's own impact on climate change. The aim is to plant enough trees in Wirral to establish healthier and more environmentally sound living conditions for us all. In addition, trees represent a natural and significant solution for carbon capture, as they remove and store carbon dioxide from the atmosphere. Trees also remain the most cost-effective way to improve environmental quality and foster many additional positive benefits such as biodiversity gain, ecosystem services, improved health and wellbeing and increased aesthetic appeal.

The capital bid will not incur any additional revenue costs to the Council as the repayments, plus interest, will be paid from the committed Climate Emergency budget (c. £0.25 million per annum).

3.5.3 Allotments Sites Expansion (£0.127m)

This funding is to extend 3 allotment sites to reduce waiting lists. The Bebington Road site proposal is for raised plots, which are smaller raised beds ideal for beginner gardeners and those with disabilities. The expansion sites proposed are currently waste land within the outlined allotment sites.

The bid is the result of the recommendation of the Environment Overview and Scrutiny Committee, in January 2020, to increase the number of allotment sites across the Borough.

Other grant funding sources are being explored but are in the early stages. Funding via borrowing is being requested as an underwriting to endeavours to secure external funding.

3.5.4 Birkenhead Temporary Market Pre-Development Costs (£0.050m)

On 24 March 2020 Cabinet agreed that Birkenhead market should be re-provided on part of the current market site. For business continuity a temporary location is required to accommodate the market traders. It is intended that traders will operate out of converted bespoke containers.

This funding is for the pre-development works, including design and cost analysis to take forward a temporary market solution for planning.

3.5.5 Concerto Development Asset Management System (£0.042m over a two-year period)

The Concerto system is the Council's Corporate Asset Management System. It was procured in September 2014 and has been developed in subsequent years with the

aim of achieving a strategic model. This is designed to encompass all disciplines and practices essential to the strategic and operational management of the Council's property portfolio.

Funding is required to further develop the system focusing on Health and Safety Compliance, Security & Governance and Capital Schemes.

3.5.6 Capitalisation of Salaries (Funding required £0.500m)

Under Capital rules the Council can charge the costs of officers working on capital projects to the capital programme, providing certain conditions are met. An exercise is underway to identify officers and schemes to which this ability can be exercised. This will ease pressure on the revenue budget and spread the costs over the life of the corresponding asset. During the year individual schemes will be adjusted as required to transfer these costs. Initial funding was agreed for £1.00 million as part of the 2020/25 Capital Strategy, however an additional £0.500 million is requested to expand this exercise and realign the Capital programme with the Revenue budget.

3.6 Other Scheme Matters

3.6.1 Strategic Acquisitions Fund – No new funding required

Within the Capital Programme there is funding allocated to the purchase of strategically key sites. Amongst these acquisitions, this funding has been used to acquire Birkenhead Market. As part of the purchase of the market, payments are to be made to market traders in respect of the surrender of existing tenancy agreements, with this fund being used to finance this completion transaction.

3.6.2 West Kirby Sailing Centre

This scheme is nearing completion and considerable problems have been encountered during its delivery. Officers are currently producing a detailed account of the scheme. The main contract which is still on site has suffered a number of significant challenges due to unforeseen foundation problems, which in turn resulted in major redesign of the building and resultant on-site delays. A summary of these difficulties is found below. Additional funding is being identified from existing budgets.

Additional costs have been incurred on the scheme due to the following difficulties:

- (i) Major foundation problems which resulted in steel work redesign and increased costs
- (ii) Design changes caused site close down as no works could be progressed
- (iii) Design challenges have caused programme delay (glazing framework)
- (iv) Site security during close down
- (v) Delays i.e. glazing/frame 8 weeks lost in programme, the Contractors have applied for extra time.
- (vi) Specific issues regarding the material composite because of the location on the sea front i.e. anodised rather than galvanised. Design issues between architect and main contractor have also incurred programme delay

- (vii) COVID delays since March 2020 still to be quantified

As reported in the 2019/20 Capital Outturn, this project has overspent and it is estimated that approximately £0.87 million will be required to complete the project this financial year. In terms of funding this remaining cost, Asset Management have identified budget of £0.38 million that can be reallocated to his scheme from other projects within the programme, details that are found below. Officers will examine the existing Capital programme to try to identify any further budget that can be repurposed to fund this requirement.

3.7 Virements

The following budget virements have been proposed where schemes have been identified as not requiring the full budget allocation as originally expected. It is proposed that this resource be reallocated to schemes that require additional resource to fully complete the works.

Table 3: Proposed Virements

Area	Scheme	Proposed Virement £m	Proposed Reallocation
Regeneration & Place	Beechwood Recreation Centre	0.31	West Kirby Sailing Centre
Regeneration & Place	Pool Covers	0.07	West Kirby Sailing Centre
Regeneration & Place	New House Building Programme	0.23	Clearance (Beaufort Rd Scheme)

3.8 Capital Funding Requirements

Table 4: Financing the Capital Programme 2020/21

Source of Financing	Original Programme £m	Revised Programme £m
Borrowing	55.62	51.27
Grants / Loans	28.43	39.23
Capital Receipts	4.50	4.50
Revenue/Reserves	0.02	0.02
Enterprise Zone NNDR Uplift	15.28	0.10
Total	103.84	95.12

3.8.1 Any re-profiling that reduces borrowing will produce one-off revenue savings. A permanent saving only occurs if schemes cease, otherwise the full budget will be required in 2021/22 when the re-profiled expenditure is incurred.

3.8.2 The Public Works Loans Board (PWLb) last year announced a 1% increase in the rate of borrowing. The current capital programme includes a funding requirement of £51 million from borrowing, the full year impact of this would increase financing costs by £510,000 per annum if new PWLB borrowing was chosen as the funding source.

There would be an increased cost of financing for future capital schemes financed by PWLB borrowing. These costs would impact upon the revenue budget. The PWLB change has had limited impact so far, as the Council's Treasury Management strategy utilises cheaper, short term, non-PWLB sources of finance to fund the Capital Programme.

Capital Receipts

- 3.8.3 In accordance with the Capital Receipts flexibilities introduced by the Government capital receipts generated between 1 April 2016 and 31 March 2022 can be used to support expenditure that is 'Transformational' in nature.
- 3.8.4 Within the Capital Programme for 2020/21 is the scope for use of up to £4.5 million of capital receipts to fund expenditure that meets the conditions of the flexible receipts allowance. The costs are being managed through revenue monitoring as this is more appropriate for operational reasons but will be reported as capital at year end.
- 3.8.5 Application of receipts to fund such expenditure is predicated on the realisation of the receipts within this financial year. Key sales that are still in process include Rock Ferry High School. If the anticipated receipts do not come to fruition, this will cause a subsequent pressure in the revenue budget as the costs will need to remain within the revenue budget for funding, rather than via capital receipts. Any gap is reported in the Revenue Reporting.

4.0 FINANCIAL IMPLICATIONS

- 4.1 This is the Quarter 2 budget monitoring report that provides information on the forecast outturn and progress against the capital programme. The Council has systems for reporting and forecasting budgets in place and alongside formal Quarterly reporting to Cabinet, the financial position is reported monthly at each Directorate Management Team 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 can be reported at the end of the year.
- 4.2 The revenue impact of the additional borrowing required to fund all new bids is:

Table 5: Additional financing costs to fund new bids

	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m
Additional revenue cost	0.010	0.060	0.099	0.158

- 4.3 It is estimated that these costs will peak in 2027/28 at £0.170 million reflecting the fact that the principal repayment associated with debt (the Minimum Revenue Provision) increases over the expected life of the asset funded from borrowing.

5.0 LEGAL IMPLICATIONS

5.1 The report provides an update on capital activity which forms part of the Council's overall budgetary position. The Chief Finance Officer has a personal duty under the Local Government Finance Act 1988 Section 114 to make a report to the executive if it appears to them that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources available to it to meet that expenditure.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 There are no 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 the monthly review by a senior group of officers, charged with improving performance.

7.2 The possible failure to deliver the Revenue Budget is being mitigated by:

- (i) Senior Leadership / Directorate Teams regularly reviewing the financial position.
- (ii) Availability of General Fund Balances.
- (iii) Where possible, reprofiling of 2020/21 projected Capital expenditure

8.0 ENGAGEMENT/CONSULTATION

8.1 No consultation has been carried out in relation to this report.

9.0 EQUALITY IMPLICATIONS

9.1 No because this report is essentially a monitoring report on financial performance.

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. Amongst the requests for new funding contained within this report is a further example of environmentally friendly scheme:

- Tree Strategy Delivery – The aim is to plant enough trees in Wirral to establish healthier and more environmentally sound living conditions for all.

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APPENDICES

Appendix 1 Summary of Significant Programme Variations in Quarter 2

BACKGROUND PAPERS

The Capital Programme incorporates financing from agreed business cases and funding from external grant agreement documents.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Budget Council – 2020/21 Capital Programme	2nd March 2020
2019/20 Capital Outturn	27th July 2020
2020/21 Quarter 1 Capital Financial Monitoring	27th July 2020

Appendix 1

Summary of Significant Programme Variations in Quarter 2

Area	Scheme	Original Programme £m	Forecast Q1 £m	Forecast Q2 £m	Variance from Q1 £m	Comment
Adult Care and Health	Community Intermediate Care	0.50	0.50	0.00	(0.50)	The allocation of the original council funding is now under review due to possible alternative funding. This allocation is deferred to 2021/22.
	Telecare & Telehealth Ecosystem	1.50	2.00	1.00	(1.00)	A Multi-year scheme, with forecast reflecting the expenditure as at Q2. Potential for external funding to reduce the required amount of Council borrowing. Reprofiled of budget to 2021/22.
Children, Families & Education	Special Educational Needs (SEN) and Disabilities	0.00	0.00	0.85	0.85	New grant from the Education & Skills Agency or the sole use to improve SEN provision in Schools. Earmarked for funding additional space in Foxfield Special School and Stanley Special School.
	School Place Planning	0.00	1.15	0.57	(0.58)	COVID-19 resulted in a closedown of the construction industry and supply chain. Despite subsequent relaxing of restrictions, this scheme is now 9 months behind schedule. Budgets reprofiled into 2021/22.
	Basic Needs	1.00	1.39	0.48	(0.91)	
	School Condition & Modernisation	4.50	4.57	2.00	(2.57)	
Cross Cutting Initiatives	Capitalisation of Salaries	1.00	1.00	1.50	0.50	An additional £0.50million is requested to expand this exercise and realign the Capital programme with the Revenue budget.

Area	Scheme	Original Programme £m	Forecast Q1 £m	Forecast Q2 £m	Variance from Q1 £m	Comment
Neighbourhoods	Highway Maintenance	0.00	0.43	6.59	6.16	The Council has been awarded several allocations of funding, which have now been added to the scheme of works. These works include pothole works, roadworks, footways, structures and streetlighting.
	Street Lighting Column - Replacement or Upgrade	4.96	4.96	2.96	(2.00)	The second phase of the LED streetlighting works is underway and works are forecast to continue into 21/22, therefore some budget is being reprofiled into 2021/22.
	Transport Advisory Group Business Case - A41 Corridor and Wirral Waters	0.00	1.06	0.45	(0.60)	Contractors have outlined a delivery plan to develop business cases. Works are expected to start Oct '20 and to continue into 2021/22.
	Active Travel Tranche 1	0.00	0.00	0.31	0.31	Emergency Active Travel Grant from Department for Transport to increase levels of cycling and walking as part of COVID response.
	Parks Machinery	1.32	1.32	0.66	(0.66)	COVID-19 resulted in suppliers on lockdown, therefore ordering delayed and funding reprofiled into 2021/22.
Parks Vehicles	0.55	0.55	0.00	(0.55)		
Regeneration & Place	Bebington Oval Facility Upgrade	0.53	0.75	0.08	(0.67)	Significant reprofiling into 2021/22 is being reported due to the unprecedented circumstances of Covid and the knock-on effect to both the construction and project teams. Council resources have been redirected to front line Covid responses to remobilise services following lockdown, dealing with urgent remedial repairs etc this has drawn officers away from major capital projects. The Capital Project will continue to be affected going forward as the supply chain regains its momentum for construction activities.
	Energy efficient buildings	1.00	1.00	0.00	(1.00)	
	Health & Safety - Condition Surveys	5.00	5.00	0.80	(4.20)	
	Leasowe Leisure Centre/Evolutions	2.00	1.99	0.10	(1.89)	
	Parks and Countryside DDA	0.45	0.47	0.10	(0.37)	
	West Kirby Concourse/Guinea Gap Reception	0.35	0.36	0.00	(0.36)	
	Wirral Tennis Centre - Facility Upgrade	0.78	0.78	0.00	(0.78)	
	West Kirby Marine Lake/Sailing Centre	0.00	0.00	0.87	0.87	There have been various issues with the scheme that have resulted in delays and additional costs. See 3.6.2 in main report

Area	Scheme	Original Programme £m	Forecast Q1 £m	Forecast Q2 £m	Variance from Q1 £m	Comment
Regeneration & Place	Community Bank	2.00	2.75	0.50	(2.25)	A joint scheme with both Liverpool and Presston Councils. Budget is reprofiled into future years, with a report to written to members to update on the scheme.
	Housing Infrastructure Fund (Enabling Infrastructure)	0.00	0.62	0.41	(0.21)	A number of delivery action plans are in being worked upon, with timescales running into the next financial year. As such, some budget is to be reprofiled into 2021/22.
	Strategic Acquisition Fund	8.55	9.64	7.04	(2.60)	Funding allocated to the purchase of strategically key sites and includes an allocation for works associated with the Wirral Growth Company. This allocation has no specified deadline and funding is reprofiled as required.
	New Ferry Regeneration Strategic Acquisitions	0.99	0.99	0.20	(0.79)	The spend is dependent on reaching settlements with the owners of the properties involved in the scheme. At the current time we are trying to acquire properties with the agreement of the owners, but opinions on value vary. Consequently it is forecast that funding needs to be reprofiled into 21/22.
	Wirral Waters Investment Fund	15.18	15.56	0.40	(15.16)	With the Wirral Waters site being granted the designation of an Enterprise Zone, any growth in Business Rates within the area is to be retained and used to fund financing costs associated with future works within the area. Due to delays in development of the area, this schemes is under review and budget reprofiled accordingly.
Resources	Customer Experience Improvements Project	1.00	1.67	0.67	(1.00)	£1m reprofiled into 21/22 due to the focus on the COVID-19 response, which has delayed the implementation of this scheme.



POLICY AND RESOURCES COMMITTEE

Wednesday, 11 November 2020

REPORT TITLE:	COUNCIL TAX 2021/22 <u>(TAX BASE, DISCOUNTS AND EXEMPTIONS AND LOCAL COUNCIL TAX REDUCTION SCHEME)</u>
REPORT OF:	DIRECTOR OF RESOURCES

REPORT SUMMARY

This report brings together related issues regarding the proposed Council Tax Base for 2021/22 upon which the annual billing and Council Tax levels will be set; the proposed Council Tax Discounts including Local Discounts, exemptions for 2021/22 and the Local Council Tax Reduction Scheme to be used during 2021/22. These need to be approved by Council by 31 January 2021.

The matter affects all Wards within the Borough.

This is a key decision.

RECOMMENDATIONS

That the Policy & Resources Committee be requested to recommend to Council the following:

- 1 The figure of 94,198.6 be approved as the Council Tax Base for 2021/22 subject to the items below being approved;
- 2 The level and award of each local discount for 2021/22 be:-

Wirral Women's & Children's Aid

To continue to award Wirral Women & Children's Aid 100% discount. This remains unchanged from 2020/21.

Care Leaver's Discount

To award Care Leavers the requisite discount to reduce their Council Tax liability to zero until they are 25. This remains unchanged from 2020/21.

Empty Property Discounts

Discount category D = 0% Full charge on properties undergoing renovations.

Discount category C = 0% Full charge on empty properties from date they become unoccupied.

Both remain unchanged from 2020/21.

Empty Property Premium = 100% (200% Council Tax) for unfurnished properties empty for more than two years. 200% (300% Council Tax) for unfurnished properties empty more than five years. 300% (400% Council Tax) for unfurnished properties empty more than ten years.

Council Tax Discretionary Hardship Relief Scheme

The Council Tax Discretionary Hardship Relief Scheme, approved by Cabinet in October 2013, continues in its current format for 2021/2022. The Scheme offers help and assistance in exceptional cases of hardship.

3. Local Council Tax Reduction Scheme (LCTRS)

The Local Council Tax Reduction Scheme, be the approved Scheme for 2021/2022. This remains unchanged from 2020/21 apart from the following:

- a. Where an entitlement to the Care Leaver Discount/Exemption has ceased, Local Council Tax Reduction to be awarded without the need for a further application where their eligibility is known.
- b. The scheme is aligned to all of the DWP's upratings and changes for Housing Benefit and Universal Credit

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The Council must agree the Council Tax Base for 2021/22 by 31 January 2021.
- 1.2. The Council must decide on the level of Local Discounts and Exemptions by 31 January 2021.
- 1.3 The Council must determine annually the Local Council Tax Reduction Scheme.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 In respect of the Council Tax Base this has to be set by 31 January each year and there are no other options.
- 2.2. The Local Discounts, Exemptions and the Local Council Tax Reduction Scheme are reviewed annually and could be amended which will have a financial impact for the authority as set out in this report.

3.0 BACKGROUND INFORMATION

- 3.1 The Council has a statutory duty to take decisions each year regarding the administration of Council Tax which must be agreed by Council by the 31st January each year.
- 3.2 The Authority is required to annually determine its Council Tax Base in order to determine the appropriate levels for Wirral, the Preceptor Authorities (Police & Crime Commissioner and Fire & Rescue Services) and the Environment Agency (Flood Defence). The Council Tax Base has a direct impact on the Council Tax that will be levied for Wirral for 2021/22.
- 3.3 The Council Tax Base must be agreed by 31 January 2021 and will be used to calculate the Council Tax charges for 2021/22.
- 3.4 The Tax Base calculation process is as follows;
 - Calculate the number of properties at 14th September 2020 and adjust for changes due to demolitions and new builds up to 31st March 2022 which are then converted to a full year Band D equivalent. Adjust at the 5th October for discounts, exemptions and disabled relief and add any changes expected over the year reflecting the Local Council Tax Reduction Scheme and changes to empty property discounts and premiums.

- Convert the number of “discounted” dwellings in each Council Tax Band to Band D equivalent;
- Adjust the total number of Band D equivalents by the estimated Council Tax collection rate for the year. The amended calculation is as below and will be utilised in calculating the Council Tax charge for 2020/21.

3.5 Forecast properties per Council Tax band within Wirral as at October 2020:-

Table 1: Wirral Council Tax Bandings Forecast

Band	Value (£)	Properties 2020	Change	Properties 2021	Band %	Ratio
A	<40,000	60,270	293	60,563	40.30	6/9
B	40,001-52,000	32,505	121	32,626	21.71	7/9
C	52,001-68,000	27,484	22	27,506	18.30	8/9
D	68,001-88,000	13,402	35	13,437	8.95	9/9
E	88,001-120,000	8,266	112	8,378	5.58	11/9
F	120,001-160,000	4,325	1	4,326	2.88	13/9
G	160,001-320,000	3,155	1	3,156	2.10	15/9
H	>320,000	273	1	274	0.18	18/9
Total		149,680	586	150,266	100.00	

- 3.6 The properties are converted to the Band D equivalent and adjusted for the Local Council Tax Reduction Scheme and other Council Tax Discount, Exemptions and Disabled Relief and adjusted by the Collection Rate to give the Council Tax Base.

Table 2: Wirral Council Tax Band D calculation 2021/22

Band	Properties 2021	Changes due to LCTRS discounts, exemptions	Revised property equivalent	Ratio to Band D	Net Band D equivalent
A	60,563	(24,896.3)	35,666.7	6/9	23,778
B	32,626	(7,413.6)	25,212.4	7/9	19,610
C	27,506	(4,057.2)	23,448.8	8/9	20,843
D	13,437	(1,542.0)	11,895.0	9/9	11,895
E	8,378	(757.3)	7,620.7	11/9	9,314
F	4,326	(324.4)	4001.6	13/9	5,780
G	3,156	(225.8)	2,930.2	15/9	4,884
H	274	(37.5)	236.5	18/9	474
Band A Disabled		(4.3)	64.7	5/9	36
Total	150,266	-39,258.4	111,076.6		96,614
Collection Rate					x 97.50%
Adjusted Council Tax Base					94,198.6

- 3.7 The Collection Rate takes into consideration previous experience and current collection rates. An exercise has taken place analysing previous year's collection rates and it would be prudent to apply a collection rate of 97.50%. This has been reflected in the setting of the Council Tax Base.
- 3.8 The Collection Rate is the rate that best reflects collection over more than just the current year and will therefore take longer than the financial year to achieve. All previous year collections have met or exceeded projections and this rate should be achieved for 2021/22.
- 3.9 The recommended figure for 2021/22 is 94,198.65. Compared to the 2020/21 figure of 93,965.9. This is an increase of 232.7. Despite this increase, the Council Tax Base has been adversely affected by the Covid 19 crisis. Since the start of the financial year the number of households claiming Council Tax Support has increased by 1,000. The amount of expenditure has also increased by £1m. This is the equivalent of 527 Band D properties.
- 3.10 The level of Council Tax is confirmed at Budget Council which for 2021/22 is scheduled for 1st March 2021.

COUNCIL TAX LOCAL DISCOUNTS & EXEMPTIONS 2021/22

- 3.11 Local Discounts and Exemptions are subject to an annual review and impact directly upon the Council Tax income being fully met by the Council. From 1 April 2013 the Council adopted 0% discount levels for empty properties and properties undergoing construction, where previously they had been exempt for 6 and 12 months respectively thus receiving a 100% discount. This report reviews these reduced discounts and increased charges and also the current levels of specific local discounts. Any amendment or granting of discount agreed as part of this report will come into force from 1 April 2021.
- 3.12. Local Discounts can be granted under Section 13a of the Local Government Act 1992. The Local Government Finance Act 2012 introduced changes in national Council Tax discounts and exemptions. These were considered and adopted for 2013/14 by Cabinet on 24 January 2013 and cover the level of discount awarded on empty properties and the premium charged on long term empties. Wirral chose to maximise the amount payable in each category and must review its charges each year.

A LOCAL DISCOUNTS - LOCAL GOVERNMENT ACT 1992

- 3.13 Local Discounts, as used by Wirral, are granted under Section 13a of the Local Government Act 1992 and reviewed annually. Amounts detailed below.

Table 3: Local Government Act 1992 Local Discounts in Wirral

	£
Wirral Women & Children's Aid	4,500
Council Tax Discretionary Relief (Hardship)	50,000
Care Leaver's Discount	111,500
Total	166,000

Wirral Women & Children's Aid

- 3.14 Cabinet on 22 July 2004 awarded a local discount to Wirral Women's and Children's Aid, the discount leaving no Council Tax to pay, on the basis of the valuable work undertaken at the premises. The circumstances have remained unaltered and the cost of the award is currently £4,500. A decision is required as to whether this discount continues for 2021/22.

Council Tax Discretionary Hardship Relief

- 3.15 Regulations allow that a discount can be granted to an individual in a case of extreme hardship, covered by the Council's Council Tax Discretionary Relief policy (minute 71, 10 October 2013) or alternatively a discount can be granted to all empty properties within a specific area, such as a clearance area. This can give more flexibility to the Council which has to fund any locally defined discounts. A decision is required as to whether Council Tax Discretionary Hardship Relief continues in its current format for 2021/20.

Care Leaver's Discount

- 3.16 A local discount is currently awarded to Care Leavers removing the requirement to pay Council Tax from Care Leavers until they become 25. The discount is awarded after all other reliefs and discounts have been granted and recognises the financial burden that leaving care can cause. This remains unaltered from last year and the cost of the award is currently £ 111,500. A decision is required as to whether this discount this discount continues for 2021/22.

B DISCOUNTS & EXEMPTIONS - LOCAL GOVERNMENT ACT 2012

- 3.17 The Local Government Finance Act 2012 introduced changes in national Council Tax discounts and exemptions which gave Local Authorities local discretion on discount levels. These were considered and adopted by Cabinet on 24 January 2013 (minute 166) for the 2013/14 financial year and have continued in subsequent years. Wirral chose to maximise the charges it raises by minimising the discount awarded, i.e. 0%.

Table 4: Local Government Act 2012 Empty Property Discounts

Income from minimising discounts	£
Empty properties –unoccupied/renovation (Discount C+D) = 0%	2,600,000
Empty property – premium of 100% (Council Tax charge 200%)	620,000
Empty property – premium of 200% (Council Tax charge 300%)	360,000
Empty property – premium of 300% (Council Tax charge 400%)	435,000
Total	4,015,000

Empty Properties Discount

- 3.18 The changes allowed by the 2012 Act covered charges made against empty property and second homes. In broad terms this removed the exempt classifications A and C and allowed Councils to define their own level of discounts re-categorising them as discounts C and D. The Regulations also allowed Councils to apply a premium on

properties that had been empty for more than two years and from 2020 those empty for over 5 years and from 2021 those empty over 10 years.

- 3.19 The Council chose to award 0% discount (Discount D) – full charge - on properties undergoing renovations which were previously entitled to a 12 month exemption, or 100% discount.
- 3.20 The Council chose to similarly award a 0% discount (Discount C) – full charge - on empty properties that had previously been exempt for the first six months that they were empty, or 100% discount.
- 3.21 The Council has previously chosen to use its powers to date to charge the maximum amount its powers to charge the maximum amount of Premium on properties that had been empty for more than two years which is 100% (200% of the Council Tax payable) and for properties that have been empty for more than 5 years which is 200% premium (300% of the Council Tax). Its is recommended that this premium is also used for properties which have been empty for over 10 year which would be 300% (400% of the Council Tax). The aim is to encourage prompt property re-occupation and discourage properties being held empty by speculators waiting for an increase in values. To remove the Premiums would cost £1,415,000 in lost potential Council Tax income.

C LOCAL COUNCIL TAX REDUCTION SCHEME

- 3.22 Central Government abolished Council Tax Benefit (CTB) on 31 March 2013 and tasked each administering Council to formulate an individual Local Scheme to replace it. At the same time Central Government reduced the grant they awarded to Councils for CTB by 10%. The Government also stated that any Local Council Tax Reduction Scheme devised should leave pensioners no worse off than they were under the 2012/13 CTB scheme. The option was also given to define vulnerable groups and offer the groups the same level of protection as pensioners. Wirral designated persons classed as disabled or with disabled children as vulnerable in 2013/14. The Scheme must be approved by each year prior to the year it will be applied.
- 3.23 Having regard to the financial pressures the Council resolved, on 28 January 2013, that it could not find funding from its existing budgets to make up the shortfall caused by the governments changes and decided to pass on the reduction to Local Council Tax Reduction Scheme recipients that resulted in non-vulnerable working age claimants paying a minimum of 22% of the Council Tax charge.
- 3.24 Cabinet agreed on the 4th November 2019 that this minimum amount be reduced from 22% to 12%. This has helped some of the poorest households in the borough.
- 3.25 The Scheme, its impacts and costs are continually monitored and need to be annually reviewed and approved prior to the year it will be applied.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The Council Tax Base is used to calculate Council Tax levels for 2021/22. Failure to comply with timescales could delay Council Tax bills with the potential to affect

collection and cash-flow. On the assumption that the levels of support under the Local Council Tax Reduction Scheme and the Discounts and Exemptions are adopted the Council Base will be increased by 232 Band D equivalents.

- 4.2. For Local Discounts variations to the discount levels will either generate additional or less income. The cost of local discounts is met in full by the Council and do not impact upon the Council Tax Base. Any saving to the Council will result in an increase in the amount payable by the charge payer.

Table 6: Local Government Act 1992 Local Discounts

	£
Wirral Women & Children's Aid	4,500
Council Tax Discretionary Relief (Hardship)	50,000
Care Leaver's Discount	111,500
Total	166,000

Table 7: Local Government Act 2012 Empty Property Discounts/ Charges

Income from minimising discounts	£
Empty properties –unoccupied/renovation (Discount C+D) = 0%	2,600,000
Empty property – premium of 100% (200% Council Tax)	620,000
Empty property -premium of 200% (300% Council Tax)	360,000
Empty property -premium of 300% (400% Council Tax)	435,000
Total	4,015,000

5.0 LEGAL IMPLICATIONS

- 5.1 The legislation requiring this calculation is the Local Authorities (Calculation of Council Tax Base) Regulations 1992. This requires the Authority to declare, by means of Council resolution, the Tax Base it will use to calculate the tax level and this resolution must be no later than 31 January in the year preceding the tax

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

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

7.0 RELEVANT RISKS

- 7.1 If the Council Tax Base figure is not declared by 31 January 2021 the Council and Preceptor Authorities will be unable to make considered budgetary decisions that could delay the Council Tax bills and income streams for 2021/22.
- 7.2. In respect of Local Discounts and Exemptions the changes made to domestic empty property charges are expected to generate over £4,015,000 of additional Council Tax charges. Any changes to the current level of discounts or reduction to the Empty Premium would see a reduction in Council Tax raised and the income lost would have to be replaced by an alternative income stream.

- 7.3 The Local Council Tax Reduction Scheme provides vital support to low income families across the Borough. A scheme needs to be approved annually as part of the budget setting process.
- 7.4 As always, the Council Tax Base is calculated in October. This year, due to the Covid 19 crisis, there is potential for the number of households claiming Local Council Tax Reduction to increase during the remainder of the year. Although the risk of there being increased discounts has always existed it is much higher this year due to economic uncertainty over the coming months.
- 7.5 The on-going effect of the Covid 19 crisis is still unknown in terms of the number of people who will continue to be eligible for Council Tax Support during both the current and the future financial year remains unclear at this time.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 No consultation is required in the calculation of the Tax Base. The Discount and Exemptions are proposed to be maintained at the previous year's level and no direct consultation has been undertaken on discount levels. The level of changes for discounts and exemptions were consulted upon in 2012/13 and no specific consultation has been undertaken as they are not proposed to be changed. A consultation did take place last year on the changes to the Council Tax Reduction Scheme but the numbers who took part in the consultation were not sufficient for any meaningful data to be reported. However, there were no adverse comments.

9.0 EQUALITY IMPLICATIONS

- 9.1 There is no requirement for an Equality Impact Assessment. The link to the Equality Impact Assessment for the Local Council Tax Reduction Scheme from 2019 when it was changed is below.

<https://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments/equality-impact-assessments-2017/delivery>

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 There will be no measurable environmental impact.

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APPENDICES

None

BACKGROUND PAPERS

Department for Communities and Local Government; - Council Tax (CTB1) form and accompanying documentation.

Local Government Finance Act 1992, 2003 and 2012.

Valuation Office Agency - Valuation List.

Welfare Reform Act 2012.

Council Tax Reduction Scheme (Default Scheme) (England) Regulations 2012.

Rating (Property in Common Occupation) & Council Tax (Empty Dwellings) Act 2018

None

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet	27 November 2017
Cabinet	26 November 2018
Cabinet	5 November 2019



POLICY AND RESOURCES COMMITTEE

Wednesday, 11 November 2020

REPORT TITLE:	TREASURY MANAGEMENT MID-YEAR REPORT 2020/21
REPORT OF:	DIRECTOR OF RESOURCES

REPORT SUMMARY

The Authority'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 Authority's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the Ministry of Housing, Communities and Local Government (MHCLG) Investment Guidance.

Whilst in past years Treasury Management has generated savings against budget the COVID situation has contributed to the current forecast being -

- A projected overspend of £2.3 million on Treasury activities is presented at the mid-year point, which is attributable to 2020/21 budget savings that are considered to be of a high risk of not being achieved due to implementation delays emanating from COVID response activity and significant changes in interest rates on investments.

This matter affects all Wards within the Borough.

The decisions in this report are key decisions.

RECOMMENDATION

That the Treasury Management Mid-Year Report for 2020/21 be noted.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION

- 1.1 Wirral 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 mid-year review for 2020/21.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The mid-year report is in accordance with CIPFA’s code of Treasury Management which recommends reporting on Treasury Management at least twice yearly. Alternative options would be to report at more frequent intervals.

3.0 BACKGROUND INFORMATION

- 3.1 Treasury management is defined by CIPFA as: “The management of the local authority 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 Treasury Management Strategy must be agreed by members before 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. The Authority is able to borrow and/or invest substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are, therefore, central to the Authority’s treasury management strategy. During the year, Members receive a mid-year report on treasury management activities and at the end of each financial year an Annual Report.

ECONOMIC BACKGROUND

Growth & Inflation

- 3.3 The spread of the coronavirus dominated during the period as countries around the world tried to manage the delicate balancing act of containing transmission of the virus while easing lockdown measures and getting their populations and economies working again. After a relatively quiet few months of Brexit news it was back in the headlines towards the end of the period as agreement between the UK and EU on a trade deal was looking difficult.
- 3.4 GDP growth contracted by a massive 19.8% (revised from first estimate -20.4%) in Q2 2020 (Apr-Jun) according to the Office for National Statistics, pushing the annual growth rate down to -21.5% (first estimate -21.7%). Recent monthly estimates of GDP have shown growth recovering, with the latest rise of almost 7% in July, but even with the two previous monthly gains this still only makes up half of the lost output.

- 3.5 The headline rate of UK Consumer Price Inflation (CPI) fell to 0.2% year/year in August, further below the Bank of England's 2% target.
- 3.6 In the three months to July, labour market data showed the unemployment rate increased from 3.9% to 4.1% while wages fell 1% for total pay in nominal terms (0.2% regular pay) and was down 1.8% in real terms (-0.7% regular pay). Despite only a modest rise in unemployment over the period, the rate is expected to pick up sharply in the coming months as the furlough scheme ends in October. On the back of this, the Bank of England has forecast unemployment could hit a peak of between 8% and 9%.

Monetary Policy

- 3.7 The Bank of England (BoE) maintained Bank Rate at 0.1% and its Quantitative Easing programme at £745 billion.

Market Reaction

- 3.8 Equity markets continued their recovery, with the Dow Jones climbing to not far off its pre-crisis peak, albeit that performance being driven by a handful of technology stocks including Apple and Microsoft, with the former up 75% in 2020. The FTSE 100 and 250 have made up around half of their losses at the height of the pandemic in March. Central bank and government stimulus packages continue to support asset prices, but volatility remains.
- 3.9 The UK government issues bonds to raise funding, these bonds are known as 'Gilts'. The pricing of Gilts can fluctuate and depends on market opinion on areas such as interest rate expectation and investors perception of the condition of the economy.
- 3.10 Ultra-low interest rates and the flight to quality continued, keeping gilts yields low but volatile over the period with the yield on some short-dated UK government bonds remaining negative. The 5-year UK benchmark gilt yield started and ended the June–September period at -0.06% (with much volatility in between). The 10-year gilt yield also bounced around, starting at 0.21% and ending at 0.23% over the same period, while the 20-year rose from 0.56% to 0.74%.
- 3.11 The interest rates at which the government issues bonds act as a base in rate setting for loan and investment opportunities that the Council may be presented with, for example the Public Works Loan Board (PWL) would charge the Council a rate of interest of gilts & a fixed margin for any borrowing we arrange from them. It is for this reason that the gilt market is under constant review in case any favourable borrowing conditions arise for the Council.

THE COUNCIL TREASURY POSITION

3.12 The table shows how the position has changed since 31 March 2020.

Table 1: Summary of Treasury Position

	Balance 31 Mar 20 £m	Maturities £m	Additions £m	Balance 30 Sep 20 £m
Investments	88	(824)	781	45
Borrowings	(313)	261	(182)	(234)
Other Long-Term Liabilities	(40)	1	0	(39)
Net Debt	(265)	(562)	599	(228)

Throughout the first six months of the year the level of net debt has reduced due to the repayment of debt as it fell due. During the latter part of March, the Council received upfront funding from Central Government in relation to the response to the COVID-19 outbreak. These funds were invested in short term instruments until such time that the cash was required and consequently the level of investment at 31 March 2020 increased to £88 million. As this funding has been utilised, the level of investments has reduced.

3.13 The decrease in Net Debt is the result of repaying loans as they fall due and managing Capital financing requirements via 'internal borrowing' to minimise interest costs payable by the Authority. Internal borrowing is discussed further in this report.

TREASURY INVESTMENT ACTIVITY

3.14 Both the CIPFA and the MHCLG's Investment Guidance require the Authority to invest prudently and have regard to the security and liquidity of investments before seeking the optimum 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 At 30 September 2020 the Council held investments of £45 million. Table 2 below shows the level of investment decreasing to £50 million at 30 June 2020 (from £88 million as 31 March 2020) due to temporary loans being repaid and the utilisation of the COVID response funding being utilised.

3.16 **Table 2: Investment Profile**

Investments with:	31 Mar 20 £m	30 Jun 20 £m	30 Sep 20 £m
UK Banks	15	-	5
Non-UK Banks	5	7	-
Central Government	10	-	-
Money Market Funds	40	25	22
Community Interest Companies	1	1	1

Other Pooled Funds:			
- <i>Property Funds</i>	1	1	1
- <i>Strategic Bond Funds</i>	1	1	1
- <i>Public Sector Social Investment Fund</i>	10	10	10
- <i>Cash Plus Funds</i>	5	5	5
TOTAL	88	50	45

3.17 Table 3: Investment Sources

Usable Reserves	31 Mar 20 £m	30 Jun 20 £m	30 Sep 20 £m
General Fund	11	11	11
Earmarked Reserves	67	67	67
Capital Receipts Reserve	1	1	1
Capital Grants Unapplied	19	28	31
	97	107	110
Internal Borrowing in lieu of External Borrowing	(9)	(57)	(65)
Reserves Invested	88	50	45

- 3.18 With short-term investment interest rates having remained at historic low levels, it is more cost effective, in the short-term, to use internal resources rather than undertake longer term external borrowing. By doing so, the Authority is able to reduce net borrowing costs despite foregone investment income and also reduce overall treasury risk. Whilst such a strategy is most likely to be beneficial over the short term, internal resources are reducing and it is unlikely that such a policy can be sustained long term. The benefits of internal borrowing are monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to eventually rise.
- 3.19 Security of capital remains the main investment objective. This is maintained by following the counterparty policy set out in the Treasury Management Strategy Statement for 2020/21 which defined high credit quality organisations as those having a long-term credit rating of A- or higher.
- 3.20 Counterparty credit quality is assessed and monitored with reference to credit ratings (the Authority's minimum long-term counterparty rating for 2020/21 is 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.
- 3.21 The following table shows the credit composition of the Council's investment portfolio as at 30th September 2020:

Table 4: Credit Composition of Investment Portfolio

Credit Rating	Proportion of Portfolio %
AAA	64
A	11
Unrated	25
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.

- 3.22 Investments with banks are primarily call accounts and fixed-rate term 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.
- 3.23 In keeping with the MHCLG Guidance on Investments, the Council maintained a sufficient level of liquidity through the use of Money Market Funds and the use of call accounts.
- 3.24 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 5: Investment Portfolio – Financial Instruments

Investment Instrument	Proportion of Portfolio %
Money Market Fund	49
Externally Managed Fund	38
Call Account	11
Term Deposit	2
Total	100

- 3.25 £17m of the Authority'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.
- 3.26 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 Authority'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 Authority's latest cash flow forecasts, investment in these funds has been maintained.

- 3.27 The budget for investment income is £2.1 million but achievable income will be in the region of £0.3 million. This reduction in investment income is attributable to these key factors:
- a) Low interest rates offered for investments
 - b) The economic impact of COVID-19
 - c) 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.
- 3.28 The UK Bank Rate remained at 0.1% throughout the first half of the year. The average income return on investments at the end of September was 0.3%, with the portfolio invested in secure counterparties with a good level of liquidity. However, this does not reflect the savings of an estimated 2.0% on delayed borrowing for amounts internally borrowed.
- 3.29 The return on investments, along with our policy of internally borrowing, reflects prevailing market conditions and the objective of optimising returns commensurate with the overriding principles of security and liquidity.

BORROWING AND DEBT MANAGEMENT

- 3.30 The Council undertakes borrowing to fund capital expenditure. As short-term investment interest rates have remained and are likely to remain at least over the immediate future, lower than long-term borrowing rates, the Authority determined it was more cost effective in the short-term to use internal resources instead.
- 3.31 The use of internal borrowing will not be sustainable over the medium term. Elements of the Capital Programme will ultimately require funding via borrowing from external sources. As 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.
- 3.32 The decision to continue to use internal resources in lieu of borrowing for capital purposes, is helping to reduce borrowing costs in 2020/21. The level of cost reduction will be dependent upon the borrowing requirement of Capital schemes delivered within the financial year. 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 Authority's cash flow to delay external borrowing for as long as is possible and prudent to reduce costs.
- 3.33 With external longer-term borrowing reducing, the Council has used the Local Authority loan market to delay entering into more costly debt, generating savings as

illustrated below. The deferral of further borrowing costs through internal borrowing and policy amendments have provided substantial one-off savings to the Council:

Table 6: Debt Levels and Savings Achieved

Year	Capital Financing Loans £m	Contribution to General Fund £m
2015/16	199.4	4.0
2016/17	190.9	9.4
2017/18	181.8	6.8
2018/19	173.9	2.1
2019/20	172.7	0.9

- 3.34 Effective utilisation of the short-term Local Authority loan market has further delayed the need to enter into more costly longer-term loans. At 30th September, the Council had £59 million borrowed via such loans running at an average rate of 0.04%. These temporary, short dated loans, from other local authorities remain affordable and attractive for periods of low cash flow, with rates available of around 0.05% for up to three-month periods.
- 3.35 On 9th October 2019 the PWLB raised the cost of certainty rate borrowing to 1.8% above UK gilt yields making it relatively expensive. Market alternatives are available; however, the financial strength of individual authorities will be scrutinised by investors and commercial lenders. The Chancellor’s March 2020 Budget statement included significant changes to Public Works Loan Board (PWLB) policy and launched a wide-ranging consultation on the PWLB’s future direction.
- 3.36 The consultation titled “Future Lending Terms” allows stakeholders to contribute to developing a system whereby PWLB loans can be made available at improved margins to support qualifying projects. It contains proposals to recommend authorities that are not involved in “debt for yield” activity to borrow at lower rates as well as stopping local authorities using PWLB loans to buy commercial assets primarily for yield. The consultation also broaches the possibility of slowing, or stopping, individual authorities from borrowing large sums in specific circumstances. The consultation closed on 31st July 2020 with the announcement and implementation of the revised lending terms expected in the latter part of this calendar year or early next year.
- 3.37 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.
- 3.38 Borrowing options and the timing of such borrowing will continue to be assessed in conjunction with the Council’s treasury advisor.
- 3.39 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.

3.40 The Council has not entered into any new lease agreements during 2020/21.

3.41 The table below shows Council debt as at 30 September 2020:

Table 7: Council Debt as at 30 September 2020

Debt	Balance 31 Mar 20 £m	Maturities £m	Additions £m	Balance 30 Sep 20 £m
<u>Borrowings</u>				
PWLB	(19)	1	0	(18)
Market Loans (Fixed Rate)	(44)	3	0	(41)
Market Loans (LOBO)	(108)	0	0	(108)
Interest Free Loans	(2)	0	0	(2)
Total Capital Finance Loans	(173)	4	0	(169)
Other Long Term Liabilities	(40)	1	0	(39)
Temporary Cashflow Loans	(141)	266	(184)	(59)
TOTAL	(354)	271	(184)	(267)

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

- *Repayment of temporary cashflow loans that were required over the latter part of 2019/20. These loans were taken out to finance cashflow requirements and provide additional liquidity as the COVID outbreak caused uncertainty within loan markets.*
- *The repayment of longer term PWLB loans, through the use of internal resources rather than arranging new loans to replace the maturing debt.*

3.42 LOBO loans: The Authority continues to hold £108m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate as set dates, following which the Authority 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 first half of the year. Discussions are taking place to investigate the possibility of replacing some LOBOs with alternative loan arrangements. A saving option was included in the 20/21 budget for this refinancing, however the COVID situation resulted in officer time being redirected to response activities and caused issues with access to documentation as buildings were closed, which delayed this review.

COMPLIANCE WITH TREASURY INDICATORS

3.43 The Chief Finance Officer reports that all treasury management activities undertaken during the quarter complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in Appendix 1 below.

INTEREST RATE FORECAST

3.44 Our treasury advisor Arlingclose expects Bank Rate to remain at the current 0.10% level for some time and additional monetary loosening in the future most likely

through further financial asset purchases (QE). While Arlingclose’s central case for Bank Rate is no change from the current level of 0.1%, further cuts to Bank Rate to zero or even into negative territory cannot be completely ruled out.

- 3.45 Gilt yields are expected to remain very low in the medium term. Shorter-term gilt yields are currently negative and will remain around zero or below until either the Bank of England expressly rules out negative Bank Rate or growth/inflation prospects improve.
- 3.46 Downside risks remain in the near term, as the government dials down its fiscal support measures, reacts to the risk of a further escalation in infection rates and the Brexit transition period comes to an end.

Table 8: Arlingclose Bank of England Interest Rate Forecast

	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Upside Risk	0.00	0.00	0.00	0.15	0.15	0.15
Arlingclose Central Case	0.10	0.10	0.10	0.10	0.10	0.10
Downside Risk	0.50	0.50	0.50	0.50	0.50	0.50

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 The Treasury Management team will endeavour to further reduce interest costs wherever possible during the second half of the year.
- 4.4 Savings of £2.5 million were incorporated into the 2020/21 budget in respect of treasury/investment activity. The budget for interest payable was reduced by £1 million and £1.5 million was added to the interest receivable budget. The Bank of England Base Rate has been significantly reduced by from 0.75% to 0.1% as a response to the COVID pandemic. Opportunities for investments have been curtailed whilst the rate of increase for yields has slowed, however work is being carried out with Arlingclose to try and enhance the rate of return on the investment portfolio. With regards to reducing the interest costs associated with the Council’s loans, work is taking place to renegotiate borrowing terms with lenders but is behind schedule due to other demands on financial institutions and other involved parties.
- 4.5 Consequently, these issues mentioned above are resulting in a forecast overspend of £2.3 million on Treasury activities for 2020/21.

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: -

- Liquidity Risk (Inadequate cash resources).
- Market or Interest Rate Risk (Fluctuations in interest rate levels).
- Inflation Risk (Exposure to inflation).
- Credit and Counterparty Risk (Security of investments).
- Refinancing Risk (Impact of debt maturing in future years).
- Legal and Regulatory Risk.

8.0 ENGAGEMENT/CONSULTATION

8.1 There has been no specific consultation with regards to this report.

9.0 EQUALITY IMPLICATIONS

9.1 There are none arising directly from this report.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 The content and/or recommendations contained within this report are expected to have no impact on emissions of CO2.

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APPENDICES

Appendix 1 Treasury Indicators 2020/21

BACKGROUND PAPERS

CIPFA Code of Practice on Treasury Management

SUBJECT HISTORY

Meeting	Date
Treasury Management Strategy Statement 2020-21	17th February 2020
Treasury Management Annual Report 2019-20	27th July 2020

TREASURY MANAGEMENT INDICATORS 2020/2021

Background

Treasury management indicators are not in the 2017 edition of the CIPFA Treasury Management Code itself but in the separate Treasury Management Code guidance notes for local authorities, which was last published in 2011. The Authority measures and manages its exposures to treasury management risks using the following indicators.

Treasury Management Indicators

1. Security

The Authority 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 30.09.20
Portfolio average credit rating	A-	AA-

2. Liquidity

The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount it can borrow each quarter without giving prior notice.

Liquidity risk indicator	Target	As at 30.09.20
Total sum borrowed in past 3 months without prior notice	£15m	£100m

3. Maturity Structure of Borrowing

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

Maturity Structure of Borrowing	Lower Limit 2020/21 %	Upper Limit 2020/21 %	Actual Maturity 30.09.20 %
Under 12 Months	0	90	66.5
12 Months and within 24 months	0	75	1.6
24 Months and within 5 years	0	75	4.1
5 years and within 10 years	0	75	0.6
10 years and over	0	100	27.2
		Total	100.00

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 Authority complied with this indicator in the first half of the year.

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.

Price risk indicator	2020/21	As At 30.09.20
Limit on principal invested beyond year end	£30m	£10m



POLICY AND RESOURCES COMMITTEE

Wednesday, 11 November 2020

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.

RECOMMENDATION/S

Members of the committee are invited to comment on and note the proposed Policy and Resources Committee work programme for the remainder of the 2020/21 municipal year.

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 **£100,000**;
 - (iii) on any virement between Budget funds (capital) or any amendment to the Capital Programme requested by a Committee or officer in excess of **£100,000**;
 - (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, **£100,000**;
 - (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, coordinate 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.

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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

POLICY AND RESOURCES COMMITTEE

WORK PROGRAMME 2020/21

11 November 2020

Contact Officer/s: Andrew Mossop
Bryn Griffiths

PROPOSED AGENDA FOR POLICY AND RESOURCES COMMITTEE – 11 Nov 2020

Item	Key Decision Yes/No	Lead Departmental Officer	Wirral Plan Priority
Q2 Revenue Budget Monitoring Report	Yes	Vikki Gregorich / Shaer Halewood	Inclusive Economy
Q2 Capital Monitoring Report	Yes	Pete Molyneux / Shaer Halewood	Inclusive Economy
Council Tax Base Report	Yes	Pete McCann / Shaer Halewood	Inclusive Economy
Treasury Management Mid-Year Report	Yes	Pete Molyneux / Shaer Halewood	Inclusive Economy
Establishment of a Local Plan Working Group	No	Matthew Neal / Phil McCourt	Inclusive Economy
Community Trust Ltd – Transfer of 78-80 New Chester Road, New Ferry	No	Steve McMorran / Alan Evans	Inclusive Economy
Provision of School Meals during School Holidays	No	Paul Boyce	Brighter Futures

Deadline for SLT	Deadline for Cleared Reports	Agenda Published
15 October 2020	22 October 2020	

KEY DECISIONS

Item	Approximate timescale	Lead Departmental Officer	Wirral Plan Priority
Q2 Revenue Budget Monitoring Report	Nov 2020	Shaer Halewood	Inclusive Economy
Q2 Capital Monitoring Report	Nov 2020	Shaer Halewood	Inclusive Economy
Council Tax Base Report	Nov 2020	Shaer Halewood	Inclusive Economy
Treasury Management Mid-Year Report	Nov 2020	Shaer Halewood	Inclusive Economy

ADDITIONAL AGENDA ITEMS – WAITING TO BE SCHEDULED

Item	Approximate timescale	Lead Departmental Officer
Investment Strategy (Key)	Between November 2020 and December 2020	Shaer Halewood
Application for National Non Domestic Rate Relief	Between November 2020 and February 2021	David Armstrong
Liverpool City Region Enabling Powers and Associated Issues (Key)	Between November 2020 and February 2021	Phil McCourt
Strategic Asset Acquisitions (Key)	Between November 2020 and February 2021	Alan Evans
Wirral Local Plan: 'Local Green Space – Assessment of Applications for designations' (key)	Between November 2020 and February 2021	Alan Evans
Budget 2021/22, Medium Term Financial Plan and Covid Monitoring 2020/21(key)	Between November 2020 and December 2020	Shaer Halewood

Loan / Facility Application (Key)	Between November 2020 and December 2020	Shaer Halewood
Replacement of the Council's Critical Business Systems (Key)	December 2020	Shaer Halewood
Consolidation of Assets (Key)	Between December 2020 and March 2021	Alan Evans
Edsential Cash Flow Arrangement and Financial Arrangements (Key)	Between November 2020 and February 2021	Graham Hodgkinson
Approval of grant	Between December 2020 and March 2021	Shaer Halewood
Northwest Community Bank (Key)	January 2021	Shaer Halewood
Real Living Wage Accreditation (Key)	January 2021	Shaer Halewood
Birkenhead One Stop Shop (Key)	January 2021	Alan Evans
Budget Monitoring Quarter 3 (Key)	February 2021	Shaer Halewood
Motion - Cancel Local Authority Debt (Referred by Council on 19 October 2020)	December 2020	Shaer Halewood
2021/22 Budget Report	Between November 2020 and December 2020	Shaer Halewood
Change Program Update	Between December 2020 and January 2021	Shaer Halewood

STANDING ITEMS AND MONITORING REPORTS

Item	Reporting Frequency	Lead Departmental Officer

WORK PROGRAMME ACTIVITIES OUTSIDE COMMITTEE

Item	Format	Timescale	Lead Officer	Progress
Working Groups/ Sub Committees				

Task and Finish work				
Spotlight sessions / workshops				
Corporate scrutiny / Other				