



## Policy and Resources Committee

**Date:** Wednesday, 30 June 2021

**Time:** 6.00 p.m.

**Venue:** Floral Pavilion, New Brighton

Members of the public are encouraged to view the meeting via the webcast, (see below) but for anyone who would like to attend in person, please contact the box office at the Floral Pavilion by telephone on 0151 666 0000, in advance of the meeting. All those attending will be asked to wear a face covering (unless exempt) and are encouraged to take a Lateral Flow Test before attending. You should not attend if you have tested positive for Coronavirus or if you have any symptoms of Coronavirus.

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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 - 16)**

To approve the accuracy of the minutes of the meeting held on 9 June, 2021.

## **5. PUBLIC AND MEMBER QUESTIONS**

### **5a. Public Questions**

Notice of question to be given in writing or by email by 12 noon, Friday, 25 June, 2021 to the Council's Monitoring Officer ([committeeservices@wirral.gov.uk](mailto:committeeservices@wirral.gov.uk)) and to be dealt with in accordance with Standing Order 10.

For more information on how your personal information will be used, please see this link:

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### **5b. Statements and Petitions**

Notice of representations to be given in writing or by email by 12 noon, Friday, 25 June, 2021 to the Council's Monitoring Officer ([committeeservices@wirral.gov.uk](mailto:committeeservices@wirral.gov.uk)) and to be dealt with in accordance with Standing Order 11.1.

Petitions may be presented to the Committee. The person presenting the petition will be allowed to address the meeting briefly (not exceeding one minute) to outline the aims of the petition. The Chair will refer the matter to another appropriate body of the Council within whose terms of reference it falls without discussion, unless a relevant item appears elsewhere on the Agenda. Please give notice of petitions to [committeeservices@wirral.gov.uk](mailto:committeeservices@wirral.gov.uk) in advance of the meeting.

### **5c. Questions by Members**

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

## **SECTION A - KEY AND OTHER DECISIONS**

### **6. HOMEWORKING ALLOWANCE (Pages 17 - 24)**

### **7. APPOINTMENT TO MERSEY FOREST STEERING GROUP 2021/22 (Pages 25 - 30)**

## **SECTION B - BUDGET AND PERFORMANCE MANAGEMENT**

### **8. REVENUE OUTTURN FOR FINANCIAL YEAR 2020-21 (Pages 31 - 78)**

### **9. CAPITAL OUTTURN FOR FINANCIAL YEAR 2020/21 (Pages 79 - 104)**

**SECTION C - WORK PROGRAMME / OVERVIEW AND SCRUTINY**

**10. WORK PROGRAMME UPDATE (Pages 105 - 116)**

**SECTION D - REFERRALS FROM COMMITTEES / COUNCIL**

**11. REFERRAL FROM ECONOMY REGENERATION AND DEVELOPMENT COMMITTEE**

**11a. ACTIVE TRAVEL FUNDING – TRANCHE 1, TRANCHE 2 AND LOCAL AUTHORITY CAPABILITY FUNDING (Pages 117 – 139)**

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# Public Document Pack Agenda Item 4

## POLICY AND RESOURCES COMMITTEE

Wednesday, 9 June 2021

Present: Councillor J Williamson (Chair)

Councillors	T Anderson P Gilchrist P Cleary EA Grey T Jones J McManus Y Nolan	J Robinson P Stuart H Cameron W Clements JE Green L Rennie
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Deputy: Councillor M McLaughlin (In place of S Hayes)

### 1 WELCOME AND INTRODUCTION

The Chair welcomed everyone to the first meeting of the Committee in this municipal year.

### 2 APOLOGIES

Councillor Moira McLaughlin confirmed the apologies of Councillor Steve Hayes and that she was deputising for him.

### 3 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

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

No such declarations were made.

### 4 MINUTES

The Committee were asked to approve the accuracy of the minutes of the previous two meetings of the Committee.

In respect of minute 86 (17/3/21) 'Annual Workforce Monitoring Report 2019/20', Councillor Jeff Green raised the issue of the possible re-establishment of the Employment Sub-Committee (as referenced in the fourth paragraph of the minute).

Councillor Phil Gilchrist commented that, as an issue of governance arrangements, it was his understanding that this was to be looked at within the work programme of the Constitution and Standards Committee.

**Resolved – That the minutes of the meetings held on 17 and 24 March, 2021, be approved and adopted as correct records.**

**5 LEADER'S UPDATE**

The Chair gave what she said would be the last update on COVID-19 to come to this Committee, unless there were any drastic changes to the situation in the Borough. Since the lifting of some restrictions on 17 May, 2021 as per the national roadmap, Wirral had seen an increase in cases. For the week ending 5 June Wirral recorded 162 weekly cases, an increase of 86 cases (+113% increase) on the previous 7 days. The largest proportion of cases were in younger adults aged 30-39s

This rise in cases was expected as people mixed more and the more virulent Delta variant became the dominant virus in circulation.

There was some good news in that 76% of the eligible population had had 1 dose of the vaccine and 57.9% had had 2 doses. Wirral had also not seen a significant increase in patients being admitted to hospital. Vigilance in the race between the virus and the vaccine was required and the message remained, hands, face and space.

**6 PUBLIC AND MEMBER QUESTIONS**

The Chair reported that no questions from either members of the public or Members had been submitted. Nor were there any statements or petitions to receive.

**7 COMMUNITY WEALTH BUILDING UPDATE**

Alan Evans, Director of Regeneration and Place, introduced a report which gave an update on Community Wealth Building.

A prosperous, inclusive economy where local people could get good jobs and achieve their aspirations was a key priority for the Council. Community Wealth Building was a key part of how this would be achieved and make a major contribution to the economic, social and health outcomes of the borough. The report gave an overview of activity to date, together with an overview of actions to accelerate this approach as part of Wirral's Strategic Recovery and forthcoming developments. He highlighted the Dock Branch project using and creating local jobs and apprenticeships and the use of Community Investment Bonds.

In response to Members' comments, he reported that an economic recovery plan would be taken to the Economic Regeneration and Development Committee looking at measures to kickstart the economy, particularly with

regard to retail, leisure and hospitality sectors. With regard to the Liverpool John Moores University research project, this was a work in progress and he would circulate an update on this to all Committee members. He referred to the work undertaken with the procurement team over the last two years since the Community Wealth Building Strategy was launched and in respect of the large construction contracts, doing what the Council could to ensure the use of local labour as much as possible.

With regard to the Keep it Local initiative, he agreed to supply more up to date information than the 2017/18 figures referred to in the report for contract spend and also promised to have this broken down by directorate and Committee. Partner organisations, such as in health had also been encouraged to roll out this initiative. Local businesses registered within the Borough were those which would be classified as local and not franchises of larger businesses.

Members expressed their support for the actions and developments outlined in the report and the Chair expressed her thanks to Rose Boylan for the report.

It was moved by Councillor Pat Cleary and seconded by the Chair, that an addition to the recommendations contained in the report, be made as follows:

**'Committee agrees that Community Wealth Building implications be added as a standard item to future officer reports across all of the Policy and Service Committees of the Council.'**

The addition was agreed by assent, and it was therefore -

**Resolved – That,**

- (1) the progress made in driving Community Wealth Building in Wirral to date be noted and Committee endorses the approach going forward;**
- (2) Committee agrees that Community Wealth Building implications be added as a standard item to future officer reports across all of the Policy and Service Committees of the Council.**

## **8 USE OF COUNCIL BUILDINGS FOR CIVIC, COUNCIL AND COMMITTEE MEETINGS**

David Armstrong, Assistant Chief Executive, introduced a report which provided an update in respect of proposed arrangements for the safe operation of Council meetings for the administrative year 2021/22 giving due consideration to guidance and regulations arising from Covid-19.

In response to comments from Members, he stated that he would be happy to provide the Health and Safety guidance and Public Health England advice used in drafting the report, to Members. The report was purely about current arrangements for Committee meetings, both Wallasey and Birkenhead Town Halls were problematic buildings with regard to not having any air conditioning or ventilation equipment. Both buildings were being kept secure and technical appraisals for both buildings would be brought back to the Committee in a future report. The technical appraisals could take some time, but a work in progress update report would be brought back in the meantime. A Local Plan hearing could take place in the Floral Pavilion building conference suite if the Council was required to host such a meeting.

A Member suggested that Group Leaders could be apprised of the measures in place as to how the two town hall buildings were being kept secure.

A Member suggested the need for a clear analytical examination of accommodation requirements over the next few years, with new Council offices in Birkenhead due to be completed in two or three years' time.

Members expressed some differing views as to the need for a working group to look into the issues raised in the report and also on the future use of the Town Hall in Wallasey.

On a motion by the Chair, seconded by Councillor Yvonne Nolan, it was -

**Resolved (8:7) – That**

**(1) the arrangements for the safe operation of Council and Committee meetings to continue at the Floral Pavilion for a six-month period from May 2021 be approved, with a potential review in September 2021.**

**(2) the Assistant Chief Executive report back to the Committee on:**

- (a) a review of the outcome of the HM Government Roadmap Review and revised Covid Regulations and / or Guidance following publication;**
- (b) the implications of the impact that the Roadmap Review may have on Council and Committee Meetings in the context of the Council's estate; and**
- (c) consideration of the works and investment required to enable Wallasey and Birkenhead Town Halls to operate Council and Committee meetings going forward in a safe and compliant manner.**

## APPOINTMENT OF SUB-COMMITTEE MEMBERS

Vicki Shaw, Head of Legal Services, presented a report to the Committee which advised, in accordance with the relevant statutory provisions and the terms of the Constitution, on the appointment of Members to the four Sub-Committees of the Policy and Resources Committee for 2021/22, as follows:

- The Senior Officer Appointments and Staffing Sub-Committee
- The Local Plan Steering Sub-Committee (and its Working Group)
- The Finance and Procurement Sub-Committee
- The Shareholder Board

Two of the sub-committees, the Senior Officer Appointments and Staffing Sub-Committee and the Local Plan Steering Sub-Committee (and its Working Group) would not be appointed in accordance with the political balance rules, having been unanimously agreed by the Council in September and October, 2020 that they be exempt from the rules on proportionality.

Responding to a Member's comment on a proposed Employment Sub-Committee, as referred to in minute 4, Vicki Shaw stated that any proposed new sub-committee would be a matter for Constitution and Standards Committee to look at, as clarity would be required on the terms of reference and also on amending the current Constitution.

On a motion by the Chair, seconded by Councillor Yvonne Nolan, it was -

**Resolved – That this Committee,**

**(1) (a) confirms that the Senior Officer Appointments and Staffing Sub-Committee be appointed for 2021-22 with the terms of reference as referred to in paragraph 3.1 of the Director's report and will consist of:**

- (i) **the leader (Chair of Policy & Resources Committee), or in their absence the Deputy Leader (Vice-Chair), who shall chair the Sub-Committee;**
- (ii) **a member from each of the other Political Groups represented on the Policy & Resources Committee; and**
- (iii) **the Chair, or in their absence the Vice-Chair, of the Policy & Services Committee with terms of reference most closely associated with the post concerned (or if that committee concerned is deemed to be the Policy & Resources Committee then the Deputy Leader (Vice-Chair)).**

**(b) appoint Members to serve on the Senior Officer Appointments and Staffing Sub-Committee in 2021-22, including the appointment of the Chair and named deputies.**

- (2) (a) confirms that the Local Plan Steering Sub-Committee be appointed for 2021-22 with the terms of reference identified with 5 Members of the Policy and Resources Committee, as well as Local Plan Working Group (terms of reference attached as Appendix 1).
- (b) appoint Members to serve on the Local Plan Sub-Committee in 2021-22, including the appointment of named deputies.
- (c) appoint Members to serve on the Local Plan Working Group in 2021-22, including the appointment of named deputies
- (3) (a) confirm that the Finance and Procurement Sub-Committee be appointed for 2021-22 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 2021-22, including the appointment of the Chair and named deputies.
- (4) (a) confirms that the Shareholder Board be appointed for 2021-22 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 2021-22, including the appointment of named deputies.
- (5) authorises the Monitoring Officer as proper officer to carry out the wishes of the Group Leaders in allocating Members to membership and substitute membership of those sub-committees listed in recommendations (1) to (4) above and to appoint those Members with effect from the date at which the proper officer is advised of the names of such Members. (Sub-Committee membership attached as an appendix to these minutes).

## 10 CONTAIN OUTBREAK MANAGEMENT FUND UPDATE

Julie Webster, Director of Public Health, introduced a report which provided an update in relation to the Contain Outbreak Management Fund, specifically:

- An overview of this temporary fund and Wirral's awarded allocation up to 2021/22.
- The current position in relation to use of the fund to date, and the remainder to be allocated.

- An outline summary of emerging priorities and plans, supporting the ongoing COVID-19 response and population health recovery over the next twelve months.
- Recommendations relating to the development of future spending proposals for this fund, linked to other existing COVID-19 funding and the wider recovery and renewal priorities for Wirral.

Responding to Members' comments, she acknowledged the difficulties faced by some when asked to self-isolate and that work was ongoing, with the help of Community Connectors to support individuals who were finding it difficult. With regard to contact tracing she expressed full support for it being carried out locally and reassured the Committee that no care home residents were being discharged from hospitals without first having a negative COVID test.

Members expressed their thanks to the Director of Public Health and all her team for the amazing work which had they had undertaken over the past 15 months.

On a motion by the Chair, seconded by Councillor Yvonne Nolan, it was -

**Resolved – That,**

- (1) **this Committee notes the contents of the report, the progress made to date and supports the ongoing COVID-19 response;**
- (2) **a Member Working Group be established to consist of eight Members (3:2:1:1:1) to give oversight to future spending proposals for this fund, linked to other existing COVID-19 funding and the wider recovery and renewal priorities for Wirral.**

## 11    **2021/22 BUDGET MONITORING AND 22/23 BUDGET PROCESS**

Shaer Halewood, Director of Resources, introduced a report on the 2021/22 budget monitoring and 2022/23 budget process.

The Committee was aware that the Ministry for Housing, Communities and Local Government (MHCLG) had provided a conditional offer of exceptional financial support (capitalisation directive) for 2021/22 of up to £10.7m. One of the conditions of that offer was that the Council would need to provide evidence from the assurance review of the authority's financial position and its ability to meet any or all of the identified budget gap without any additional borrowing. Therefore, it was vitally important that the Council had robust processes in place to manage and monitor the in-year financial position, to ensure it was reporting a forecast balanced position to the end of the year and that the process for 2022/23 budget setting was underway early so that a budget could be agreed by full Council in March.

The report also outlined the processes and information to be provided for all Policy Committees to monitor their specific budgets and to ensure that the committee budgets remained within the relevant envelope and to take collective responsibility via the Policy and Resources Committee to ensure that the whole Council budget remained in balance at all times, by agreeing mitigating actions to bring the budget back in line, should a deficit be forecast.

The report reminded Members that one of the key documents required to enable the Council to receive approval for exceptional financial support was a balanced five-year medium term financial plan (MTFP). A summary of this was provided in the budget report to the Committee on 17 March 2021 (minute 87 refers). Each Committee, supported by officers, was accountable for identifying, developing and agreeing savings proposals during the summer to ensure a draft balanced budget could be considered by this Committee in October 2021, to enable budget consultation to start in a timely manner in November 2021.

To enable the officer budget proposals to be scrutinised by the Committee, it was recommended that a budget workshop be established to consider the content of the MTFP and make recommendations into the Committee on the viability of the proposals, the robustness of the pressures / growth items and to recommend any additional proposals that the Committee required officers to prepare.

The Chair expressed support for the approach but also the need for a reboot of the commercial strategy providing more income generation for the Council rather than a continual need to find savings and suggested an item on the work programme looking at the Council's appetite for risk with a commercial strategy.

Responding to comments from Members, Shaer Halewood, acknowledged that no single committee had come forward to take on the zero based budgeting approach, and that to minimise the risk of achieving the savings identified all committees could take this on, although there was no assurance that this could happen. After some discussion on the subject, it was suggested that the Adult Social Care and Public Health Committee could be the pilot Committee to initially trial zero based budgeting with other committees potentially following on.

Responding to further comments, Shaer Halewood, stated that more detailed information for budget workshops with a breakdown of budget headings would be provided including on bad debt provision. Some of this information was not readily accessible due to the financial systems being based on directorates and not individual committees. Policy and Resources Committee would have oversight of all the Policy Committee proposals in October on which to take decisions as to what went out for consultation in November. Updates would be provided to this Committee before the October meeting.

With regard to the Capitalisation Directive, the MHCLG commissioned external review, due to start this month would conclude in the summer, and any recommendations would be taken forward for the Council's budget setting process for next year. There would be a report on capital receipts with a forecast income of £4.6m from assets for 2022/23 and these would form part of the budget workshop for Members to look at which assets they would be happy to dispose of to form part of next year's budget savings.

On a motion by the Chair, seconded by Councillor Yvonne Nolan, it was -

**Resolved – That,**

- (1) Committee notes the content of the report and the current forecast position of savings for 2021/22 and the ongoing work being undertaken to mitigate any under achievement due to the National Employers' pay award offer in paragraph 3.14 of the report;**
- (2) Committee notes that it may be possible to reduce the value of exceptional financial support in 2021/22 as a result of utilising some of the Contain Outbreak Management Funding for expenditure currently committed against the Tranche funding, but that this will be monitored during the year and an update provided to the Committee at the quarterly reporting;**
- (3) Committee convene a series of budget workshops to identify any alternative savings / income / reductions in pressures to ensure that the agreed budget savings for 2021/22 can be made as highlighted in paragraph 3.10 of the report;**
- (4) Committee agree for officers to work on the current proposals within this report at paragraph 3.25 for the 2022/23 budget, and tasks officers with developing them into full business cases, where appropriate, for inclusion in the 2022/23 budget proposals to Policy and Resources Committee at its October meeting for approval;**
- (5) Committee convene a series of budget workshops to identify any alternative savings / income / reductions in pressures for 2022/23 to ensure that a full suite of costed and deliverable proposals can be recommended to the Policy and Resources Committee at its October meeting for approval;**
- (6) Committee agrees to commence the Zero Based Budgeting project within the budget workshops, as highlighted in paragraph 3.19 of the report to contribute to the overall savings target of £170k in 2021/22, commencing with Adult Social Care and Public Health Committee undertaking the process, fully supported by officers to**

**enable a framework to be developed for other Committees to follow.**

## **12 WORK PROGRAMME UPDATE**

Vicki Shaw, Head of Legal Services, introduced a report which advised how this 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 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 and was attached as an appendix to the report.

The Chair suggested that an item on Income Generation be added with a report to come regularly to the Committee.

In response to a Member's comment on the item 'One Wirral Change Programme' due to come to the Committee in July, the Chief Executive agreed that he would ask his officers to look at how this could best be scheduled to enable a thorough examination of the issues and detail the report was likely to contain.

On a motion by the Chair, seconded by Councillor Yvonne Nolan, it was -

**Resolved – That the Policy & Resources Committee work programme for the 2021/22 municipal year, with the addition of Income Generation, be agreed.**

## **13 MOTION - SUPPORT FOR BRITISH VALUES LOCALLY**

The Committee considered a motion, 'Support for British Values Locally', which had been referred from 22 March, 2021 Council meeting.

The Chair informed the Committee that a report was being prepared for the next Constitution and Standards Committee meeting, which would be giving full consideration to reviewing the Flag Flying Policy in line with national guidance.

**Resolved – That Committee notes a report on the matter was to be considered by the Constitution and Standards Committee.**

## **14 MOTION - COMMUNITY INVESTMENT BONDS**

The Committee considered a motion, 'Community Investment Bonds', which had been referred from 22 March, 2021 Council meeting.

**Resolved – That this matter be included as part of the Work Programme with a report to a future meeting.**

15 **MOTION - REFUGEES AND ASYLUM SEEKERS**

The Committee considered a motion, ‘Refugees and Asylum Seekers’, which had been referred from 22 March, 2021 Council meeting.

**Resolved – That this matter be included as part of the Work Programme with a report to a future meeting.**

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# Minute Annex

## MEMBERSHIP OF P & R SUB – COMMITTEES – 2021/22

### SENIOR OFFICER APPOINTMENTS AND STAFFING SUB-COMMITTEE To Consist of:

- (1) The Leader (Chair), or in their absence Deputy Leader
- (2) a member of each of the Political groups represented on the Policy and Resources Committee; and
- (3) the Chair, or in their absence the vice chair of the Policy and Services Committee with terms of reference most closely associated with the post concerned

MEMBERS	DEPUTIES
<b>1 Labour</b>  Janette Williamson (Chair)	Yvonne Nolan
<b>1 Conservative</b>  Lesley Rennie	Tom Anderson
<b>1 Liberal Democrat:</b>  Phil Gilchrist	Chris Carubia
<b>1 Independent:</b>  Steve Hayes	Moira McLaughlin
<b>1 Green:</b>  Pat Cleary	Chris Cooke
<b>+ 1 Chair of appropriate Policy and Performance Committee</b>  Adult, Social Care and Public Health – Yvonne Nolan Children, YP & Education- Wendy Clements Economy, Regeneration and Development- Tony Jones Environment, Climate Emergency and Transport – Elizabeth Grey Housing – Julie McManus Tourism, Communities, Culture and Leisure – Helen Cameron	

**FINANCE SUB-COMMITTEE  
(5 P & R MEMBERS)**

MEMBERS	DEPUTIES
<b>2 Labour:</b>  Janette Williamson (Chair) Yvonne Nolan	Paul Stuart
<b>2 Conservative:</b>  Tom Anderson Jeff Green	Lesley Rennie
<b>1 Liberal Democrat:</b>  Phil Gilchrist	Chris Carubia

**LOCAL PLAN STEERING SUB-COMMITTEE  
5 Members from P & R Committee**

MEMBERS	DEPUTIES
<b>1 Labour:</b>  Janette Williamson (Chair)	Yvonne Nolan
<b>1 Conservative:</b>  Tom Anderson	Lesley Rennie
<b>1 Liberal Democrat:</b>  Phil Gilchrist	Chris Carubia
<b>1 Independent:</b>  Steve Hayes	Moira McLaughlin
<b>1 Green</b>  Pat Cleary	Chris Cooke

**Local Plan Working Group Members to consist of:**

**Councillors Tony Jones, Tom Anderson, Phil Gilchrist, Harry Gorman and Steve Hayes**

**SHAREHOLDER BOARD**  
**(3 Members)**

<b>MEMBERS</b>	<b>DEPUTIES</b>
<b>2 Labour:</b>  Janette Williamson (Chair) Yvonne Nolan	Paul Stuart
<b>1 Conservative:</b>  Jeff Green	Helen Cameron

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## POLICY AND RESOURCES COMMITTEE

Wednesday, 30 June, 2021

<b>REPORT TITLE:</b>	<b>HOMEWORKING ALLOWANCE</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF RESOURCES</b>

### REPORT SUMMARY

This report sets out the issues and implications relating to the implementation of a homeworking allowance and sets out the detail and eligibility criteria should the Policy and Resources Committee agree to implement an allowance.

### RECOMMENDATION/S

It is recommended that the Policy and Resources Committee:

- a) consider the options, issues and implications associated with implementation of a homeworking allowance and the detail of the draft policy and eligibility criteria that has been developed and;
- b) consider whether to implement a homeworking allowance based on the policy and criteria developed.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION/S**

- 1.1 The Council has moved to a hybrid working model where significant numbers of staff will have the option to work at home regularly combined with some attendance at offices and site visits as required.
- 1.2 The Trade Unions have requested that the Council formally consider the implementation of a homeworking allowance for staff. It is appropriate that this request is considered by the Policy and Resources Committee.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 There is no obligation for the Council as an employer to pay a homeworking allowance or meet any costs of homeworking that may be incurred by employees.

As such, officer's position has been to maintain the position we have adopted which is to signpost employees to apply to claim tax relief from HMRC. There is no cost to the Council for this and all employees can apply.

- 2.2 Additionally, any staff who have concerned about the cost of homeworking can choose to work from a Council building.

### **3.0 BACKGROUND INFORMATION**

- 3.1 Since the start of the pandemic, approximately 1,900 Council staff have worked from home in line with government advice. This has been very successful, and we have been able to continue to deliver services that have previously been delivered from our office accommodation or other fixed assets.
- 3.2 This experience and particularly the successful way in which technology has worked and has been embraced, has accelerated the move to more agile working models. Like many large organisations, the Council is now moving towards a 'hybrid' working model with a combination of employees working at home, attending office to work, or meeting colleagues and/or visiting sites as required by service need.
- 3.3 We are keen to offer employees a degree of personal choice about where they work if the business need continues to be met.
- 3.4 There is a strong appetite from the workforce to retain an option for homeworking. A staff survey undertaken in November 2020 indicated that over 92% of 1,085 employees who responded, indicated a preference to work at home for 3 or more days a week.
- 3.5 Whilst hybrid working will be encouraged, it is not the intention of the Council to impose homeworking on employees. It is acknowledged that not all employees can work at home. Some employees may not have an appropriate home environment and others may prefer not to for personal reasons. There are also some jobs that cannot be done at home as effectively and some employees including new members of staff, trainees or apprentices benefit from working alongside colleagues.

## **Homeworking Allowance**

- 3.6 The Trade Unions requested that the Council considers the payment of a homeworking allowance. They have put forward a case that working at home places financial hardship on some employees who have to meet the cost of additional heating and other bills, particularly over the course of the winter months. (At a national level the Trade Unions have included the implementation of a homeworking allowance as part of the national pay claim for 21/22).
- 3.7 In response, the Council has not agreed to the request to introduce of an allowance to date for a number of reasons:
- There have been very few issues raised directly by employees in relation to the cost of homeworking.
  - We have sign-posted employees to the HMRC tax relief option available to all employees who meet the tax threshold whereby employees required to work from home can claim tax relief based on the rate at which they pay tax: for example, if an employee pays the 20% basic rate of tax and claims tax relief on £6 a week, they would receive £1.20 a week in tax relief (20% of £6 a week) towards the cost of their household bills).
  - We have also advised if there are any personal reasons that mean employees who can't or don't wish to work from home (which would include concerns over costs) can choose to come into an office. This will remain the case in future as office accommodation is re-opened.
  - Personal circumstances vary, for the vast majority of staff, increased utility costs arising from working at home are likely to be offset by savings from not commuting and incurring petrol, parking or public transport costs.
  - Very few Councils have introduced an allowance. From an LGA survey of Councils in 2020 time around 99% of Council's reported they were not considering implementing a homeworking payment. None of the Liverpool City Region Local Authorities have implemented allowances for homeworking at this stage.
- 3.8 As this is a policy decision affecting the workforce, with a potential budget implication it is appropriate that this issue is considered by this Committee. The Leader of the Council asked for work to be undertaken to explore the implications of implementing a homeworking allowance for low paid staff and a report produced. This work has been undertaken in consultation with the Trade Unions.
- 3.9 There were several complexities to consider in developing this:
- **Eligibility criteria** - the purpose would be to pay an allowance to staff in recognition of the additional costs of homeworking. As with any allowance, to ensure it is applied fairly and equitably, criteria is required to ensure we do not make payments to staff who are not incurring additional costs or for whom there is no justification for doing so for other reasons. For example, some employees already have other people living at home whilst they are working at home and so are not incurring any additional costs from heating or lighting. We would also

want to exclude employees whose overall saving from travel costs exceeds any increase in heating or utility costs.

- **Low paid staff** - determination of which staff are considered to be low paid in the context of an allowance and taking into account the staff groups and grades who are likely to be working at home.
  - **Flexible policy** - there is no expectation that staff will work at home all day every day and so an allowance system would need to be flexible and enable staff to claim on a pro-rata basis for time at home. The allowance should not be payable for periods of annual leave or other absence as the Council is not responsible for meeting home utility costs on these days.
  - **The amount of the allowance** - HMRC regulations currently allow an employer to pay allowances of up to £26 per month tax free and without a requirement for the employee to provide evidence or receipts showing costs. This is equivalent to £6 per week or £1.20 per day. This is at the employer's cost.
  - **Administration and process** - A requirement to ensure the process for claiming/paying the allowance is straightforward and also not administratively resource intensive or costly.
- 3.10 Appendix A sets out a proposed homeworking allowance policy, including eligibility criteria. This has sought to address the issues set out in 3.9 above.

## **4.0 FINANCIAL IMPLICATIONS**

- 4.1 There would be a cost implication to the Council if a homeworking allowance is implemented, which as yet is undetermined as to where this would be funded from. For 2021/22 Covid-19 emergency tranche funding could be used but this would only be applicable for one year. Any future years allowance would result in a pressure in the MTFP.
- 4.2 It is not possible to predict with precision how many employees will be eligible to make a claim for the allowance or the number that may choose to do so because of the variation in personal circumstances. The Council does not hold information about benefits staff may be in receipt of, their usual commuting costs or their home circumstances.
- 4.3 For modelling purposes, we have calculated the cost to the Council based on 50% of employees at Band H or below who can work at home, claiming 3 days a week homeworking allowance for 46 weeks a year. This cost would be £80k per annum. This equates to around £165.00 per annum employee.

## **5.0 LEGAL IMPLICATIONS**

- 5.1 The Council has a duty to operate fair pay systems. We have an obligation to ensure that by adopting a policy with eligibility criteria that we do not discriminate or treat individuals unfairly.

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

- 6.1 There are no significant resource implications. The Council's Selfserve system will be used for claiming and approving the allowance.

## **7.0 RELEVANT RISKS**

- 7.1 There are some inherent risks and potential arising from introducing an allowance for staff we have assessed at low paid who meet certain other criteria which means some staff working at home will not receive the allowance.

## **8.0 ENGAGEMENT/CONSULTATION**

- 8.1 The Trade Unions have been involved in developing the draft criteria and have been consulted on 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, is not discriminatory. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.
- 9.2 The Council operates all pay arrangements within the requirements of the Equality Act 2010. An equality impact assessment has been produced.

## **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

- 10.1 The content and recommendations contained within this report are expected to have no impact on emissions of greenhouse gases.
- 10.2 It should be noted that if the introduction of a homeworking allowance were to encourage more staff to work at home, this may reduce the number of staff commuting to and from work as regularly in cars and on public transport which has environmental benefits.

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## **APPENDICES**

Appendix A Homeworking Allowance Policy

## **BACKGROUND PAPERS**

None

**SUBJECT HISTORY (last 3 years)**

Council Meeting	Date

**DRAFT****Homeworking Allowance Policy**

During the pandemic the Council has successfully moved to a model of homeworking for almost 2,000 employees, the vast majority of whom were previously office based.

This is a temporary situation for some roles as not all roles are fully suited to homeworking. Personal circumstances vary and there are a range of reasons why some staff may not be able to work at home.

However, like many organisations, such has been the success of homeworking the Council's future model of working may continue to incorporate homeworking for many roles. This will also bring benefits for the Council to rationalise our estate, reduce costs and move to a smaller but higher standard of accommodation which provides a covid safe and modern workplace for our staff.

We anticipate that working arrangements for many staff in the future will be a combination of office working, collaboration with colleagues, site working and homeworking. We want to introduce some personal choice to how, where and when staff work whilst ensuring business requirements continue to be met.

It is acknowledged that for some staff there are financial benefits from homeworking with reduced travel and other costs. However, individual circumstances vary, and this may not be the case for all, with some staff incurring additional utility costs from homeworking.

**Key Principles**

- The policy has been introduced specifically to support Council staff who incur additional utility costs arising from homeworking.
- Employees claiming the home working allowance will not also be able to make an additional claim directly to HMRC for home working tax relief.
- Employees currently claiming tax relief who wish to claim the home working allowance instead must contact HMRC and cancel the arrangement.
- Staff can claim the allowance if they have incurred additional utility costs arising from working from home, subject to the eligibility criteria detailed below.

**Details of the allowance**

- The payment is up to a maximum of £26 per month or £1.20 a day tax free in line with HMRC guidance.
- Employees who are eligible can make a claim on a monthly basis through self-serve based on work undertaken at home in the previous month.
- The allowance is payable for full days or aggregated time (e.g. an employee who has worked 4 x 0.5 days at home may claim 2 days).
- Line Managers will be required to authorise claims as they do for other expenses.

## Eligibility Criteria

- This allowance is intended to be payable to staff the Council has categorised as 'low paid' for the purposes of this policy which is **Band H or below** on the Council's pay structure or are in receipt of benefits set out below.
- Employees must have incurred additional utility costs from working at home in accordance with the spirit and aim of the policy.
- Employees in receipt of income related benefits are eligible to claim the home working allowance, this includes:
  - Universal Credit
  - Working Tax Credit
  - Income-based Employment and Support Allowance
  - Income-based Job Seeker's Allowance
  - Income Support
  - Housing Benefit
  - Pension Credit
- Employees who would normally incur home to work travel costs over the course of the year that exceed the amount of the annual homeworking allowance are not eligible to claim the homeworking allowance.
- Only one employee per household may claim the allowance where more than one employee is working at home at the same time.
- It is not expected that employees who have dependents or other people already living at home during the working day (and thereby already incurring utility costs) would claim the allowance unless there are exceptional circumstances.
- As with all allowances and expenses, employees are responsible for submitting timely claims in accordance with the criteria set out in the policy.
- The homeworking allowance does not form part of the Council's contractual terms and conditions of employment. The Council reserves the right to keep the criteria and payment of the allowance under review and will consult with Trade Unions in relation to any changes.

\*It is noted that national Trade Unions have included the introduction of a homeworking allowance in the national pay claim for 21/22. Should there be any agreement at national level for the payment of an allowance then the Council's policy and allowance will be reviewed.

This policy has been developed in joint agreement with the Trade Unions.

# Agenda Item 7

## POLICY AND RESOURCES COMMITTEE

**Wednesday, 30 June, 2021**

<b>REPORT TITLE:</b>	<b>APPOINTMENT TO MERSEY FOREST STEERING GROUP 2021/2022</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF LAW AND GOVERNANCE</b>

### **EXECUTIVE SUMMARY**

The purpose of this report is to request the Council to appoint a representative of the Council to serve on the Mersey Forest Steering Group in 2021/2022.

### **RECOMMENDATION**

The Policy and Resources Committee is requested to appoint an elected member to represent the Council on the Mersey Forest Steering Group.

## **SUPPORTING INFORMATION**

### **1.0 REASONS FOR RECOMMENDATION**

- 1.1 The Policy and Resources Committee is requested to appoint a member to the Mersey Forest Steering Group. Membership of the Mersey Forest will support the Council to deliver the requirements of the Tree, Woodland and Hedgerow Strategy. An expectation of our Mersey Forest membership is to be represented and contribute to the Steering Group's work

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 No other options were considered beyond those outlined in the report.

### **3.0 BACKGROUND INFORMATION**

- 3.1 Mersey Forest ("the Forest") was established in 1991 by Central Government acting through the Countryside Commission (now Natural England) in collaboration with the Councils.
- 3.2 Wirral Council joined Mersey Forest in 2021 as part of a wider strategic approach to addressing the impact of the environment and climate emergency and delivering Wirral's Tree, Woodland and Hedgerow Strategy. Becoming members of Mersey Forest and participating in its strategic coordination through the steering group is regarded as a major step forward in the delivery of Wirral's Tree, Woodland and Hedgerow Strategy. As members Wirral will be able to access resources, funding and expertise to support's Wirral's significant tree planting objectives.
- 3.3 The other six Councils which currently make up the partnership are Cheshire West and Chester Borough Council, Knowsley Metropolitan Borough Council, Liverpool City Council, St Helens Metropolitan Borough Council, Sefton Metropolitan Borough Council and Cheshire East Borough Council.
- 3.4 The membership of the steering group is made up of one member from each of the Councils, an officer from Natural England and an officer from the Forestry Commission. Steering group meetings will not usually be open to the public, but that is a matter of discretion for the member steering group. Council officers will attend in a supporting role.
- 3.5 The members steering group's role is primarily consultative, but it is expected and agreed that it will provide advice on all matters relating to the Forest Plan.
- 3.6 Decisions on what advice to give shall be based on a majority vote. In the event of a tie the Chairman shall have a second and casting vote.
- 3.7 The Mersey Forest Steering Group meetings are held quarterly and take place during the daytime.

- 3.8 The purpose of the Mersey Forest partnership is to work together in a spirit of mutual support and understanding and use reasonable endeavours to approve and implement the Forest Plan.

#### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 There are none arising directly from this report.

#### **5.0 LEGAL IMPLICATIONS**

- 5.1 There are none arising directly from this report.

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

- 6.1 There are none arising directly from this report.

#### **7.0 RELEVANT RISKS**

- 7.1 If Wirral fails to nominate a representative for the steering group there would be a risk of missing out on opportunities to support Wirral's tree planting objectives.

#### **8.0 ENGAGEMENT / CONSULTATION**

- 8.1 Not applicable for this appointment request.

#### **9.0 EQUALITIES IMPLICATIONS**

- 9.1 There are none arising directly from this report.

#### **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

- 10.1 There are none arising directly from this report.

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#### **APPENDICES**

Appendix 1 Mersey Forest Steering Group Terms of Reference

#### **BACKGROUND PAPERS**

Previous reports on the appointments to outside organisations and amendments made during the year and the Council's Constitution.

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Cabinet – Tree, Woodland and Hedgerow Strategy	July 2020

## **APPENDIX 1**

### **Mersey Forest Steering Group**

#### **Terms of Reference**

1. The Councils have agreed to work together to fulfil a shared objective and CW&C is obliged to consult closely with the other Councils, Natural England and the Forestry Commission via the Members Steering Group and Officers Working Group, as well as by direct consultation through Officers and other Committees when necessary and appropriate.
2. It is recognised that as the year progresses changing circumstances may produce a need to change the approved Business Plan and Budget. Such changes will require appropriate approvals. All significant changes will be reported to the Members Steering Group and Officers Working Group.

Expenditure changes within the existing Forest Budget will be undertaken using delegated powers whenever possible and member approval will not be sought subject always to CW&C Constitution and its Contract and Financial Procedure Rules, (Category A decisions as detailed in paragraph 3 below).

Expenditure in excess of the Budget which is funded by new income to CW&C for a specific project, but which is in accordance with the Forest Plan and the Business Plan will only require the prior approval of CW&C, (a Category A decisions as detailed in paragraph 3 below). If, however, that specific project or development involves a change in policy or is likely to significantly disrupt the approved Forest Plan or cause a Budget to overspend prior approval of all the Councils will be required, (a Category B decision as detailed in paragraph 3 below).

3. There are three categories of decision:
  - 3.1. Category A  
Decisions within the agreed Business Plan and Budget or specifically approved matters, and CW&C's delegated powers.
  - 3.2. Category B  
Decisions outside the Budget or Business Plan.  
Decisions which require all Councils' approval.
  - 3.3. Category C  
Category B decisions that are urgent.
4. Category B decisions will be referred to the Members Steering Group for consultation and a recommendation. The decision will be implemented by CW&C

in accordance with its Standing Orders and after obtaining consent from all of the Councils where a decision requires all Council's approval.

5. Category C decisions shall be dealt with by CW&C's appropriate procedure. The decision shall then be reported to the next meeting of the Members Steering Group and to the nominated Council officers as identified below.

When the urgent decision relates to action in the area of another of the Councils, then CW&C's Senior Manager shall request the views of that Council in writing (including electronically) from their nominated officer. At the date of this Agreement the nominated Council officers are as follows:

Cheshire West and Chester	:	Lisa Harris
Knowsley	:	Caroline Holmes
Liverpool	:	Juliet Staples
St Helens	:	Mike Roberts
Sefton	:	Mark Shaw
Wirral	:	Nicola Wallbank
Cheshire East	:	TBC

Changes to the above to be notified to the Project Director in writing.



## POLICY AND RESOURCES COMMITTEE

Wednesday, 30 June 2021

<b>REPORT TITLE:</b>	<b>REVENUE OUTTURN FOR FINANCIAL YEAR 2020/21</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF RESOURCES</b>

### REPORT SUMMARY

This report provides a summary of the year-end revenue position for the 2020/21 financial year as at the end of March 2021. As part of the budget monitoring cycle, the financial position of the Council has been reported to Members quarterly, the first from April to June 2020 was reported to Cabinet. The following three reports – from July to September 2020; October to December 2020 and this report, to the Policy and Resources Committee.

This is a key decision.

### RECOMMENDATIONS

That the Policy & Resources Committee:

1. Agree that the draft, unaudited outturn variance for 2020/21 is £6.525m as compared to the end of December forecast outturn variance of £8.9m.
2. Agree that following the approval of 'not exceeding £9m' Exceptional Financial Support from MHCLG that the outturn of £6.525m is capitalised in line with the relevant guidance.
3. Note the impact of funding and expenditure as a direct consequence of Covid-19, including the additional funding sources that has been received for 2020/21.
4. 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.
5. Recommend to full Council the 2020/21 budget of £46.574m in relation to Covid-19 funding for Council use and note the additional £22.963m of funds that is to be made available to the Council for onward relay to other organisations as passported funding. This recommendation follows on from the recommendation made by Policy & Resources Committee on 17<sup>th</sup> February 2021, following the recent notification of additional funding.
6. That the debts in excess of £10,000 included within Appendix 2 be approved for write off against the Provision for Bad Debts.

## SUPPORTING INFORMATION

### **1.0 REASONS FOR RECOMMENDATIONS**

- 1.1 The Local Government Finance Act 1988, section 114 requires the Section 151 officer to report to all of the authority's councillors if there is, or is likely to be, unlawful expenditure or an unbalanced budget; failure to set a legal budget may lead to intervention from the Secretary of State under section 15 of the Local Government Act 1999.
- 1.2 In reference to the exceptional finance support, the request must meet the following conditions: Accordingly, the Secretary of State directs, in exercise of his powers under sections 16(2)(b) and 20 of the Local Government Act 2003 ("the Act"), that Wirral Council ("the Authority") treat as capital expenditure, expenditure which is either:
  - revenue expenditure and meets the definition of an additional cost pressure as identified and agreed with the Ministry of Housing, Communities and Local Government (MHCLG) through the Authority's formal request for exceptional financial support; or
  - any revenue expenditure not exceeding the value of income losses in the financial period 2020/21 as identified and agreed with MHCLG through the Authority's application, and;
  - is properly incurred during the financial period 2020/21 and does not exceed a total of £9.0m.
- 1.3 This is not a full list of conditions, and as yet, this is still awaited from MHCLG.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 The Council could reject the exceptional financial support and reduce the General Fund balance; however, this would negatively impact the financial resilience of the organisation by limiting its ability to deliver the medium term financial strategy and respond to emergencies in the borough. This may also result in intervention and/or a public interest report issued by the Council's external auditor.

### **3.0 BACKGROUND INFORMATION**

- 3.1.1 At the start of the year, the financial impact of Covid-19 was really starting to show. At the end of June, the overall forecast position was a projected overspend of £30m. This was mainly as a result on an adverse forecast on the first tranche of Covid-19 government funding, which was expected to be £4.3m above the funding received; a full year forecast loss on income from fees and charges, as at the time notification of the Government compensation scheme had not been announced; and the significant capacity issues that the Council was facing by mobilising all available staff to supporting the response to pandemic on a full time basis, meaning that most

business as usual functions, including the ability to achieve the 2020/21 savings that had been agreed by Full Council a few months earlier, were all put on pause.

- 3.1.2 The response by the Council was extraordinary and laid the foundations for how the Council would operate going forward, including harnessing the support and engagement of volunteers, community organisations, the third sector and the health system. The financial pressure on the Council to respond quickly was huge and decisions were made with the best interest of the residents at heart on the premise that future Government funding would be available for reimbursement. The Council set 5 priorities in response to supporting the pandemic which were the cornerstone of all decisions taken:
1. Preserve life
  2. Protect the vulnerable people in our communities
  3. Safeguard our children and young people
  4. Support local businesses and the economy
  5. Maintain the health and safety, and support the wellbeing, of our staff.
- 3.1.3 These priorities followed the declaring of an emergency by the Chief Executive in March and were part of a command and control structure whereby delegated authority was given to the Chief Executive for all emergency spending decisions. This was in conjunction with an emergency governance structure of a Strategic Coordinating Group, a Tactical Coordinating Group and a variety of specific Cells. Each item of expenditure was approved through this structure on the completion of a Joint Emergency Services Interoperability Principles (JESIP) template to maintain a full rationale and audit trail for all expenditure agreed.
- 3.1.4 By the end of September 2020, the forecast position had improved slightly with the allocation of further tranche funding and specific ringfenced funding available to Adult Social Care. At this time, the direct impact of the pandemic to front line service provision was forecast to be fully covered by tranche funding received. Savings proposals were still forecast as unachievable as the majority of the staff were still supporting the direct response. However, pressures were starting to materialise with regards Children Looked After and SEN transport due to the requirement for social distancing. At this time, notification had also been received of the government compensation scheme for sales, fees and charges losses however no funding had yet been received.
- 3.1.5 During October, Exceptional Financial Support (also known as the capitalisation directive) was formally applied for to MHCLG and the process for agreeing and negotiating this commenced. The forecast position was still around a £20m deficit for the year, based on known and estimated assumptions as to how much the response to the pandemic would cost. Appendix 1 provides more information about Exceptional Financial Support.
- 3.1.6 Reporting at the end of December 2020 had significantly improved with further allocations of tranche funding, a further allocation of Adult Social Funding, new funding for Test and Trace, Community Testing and the Contain Outbreak Management Fund. Other smaller grants and funding allocations announced also helped to reduce the forecast pressure across other areas of the Council. The

process for compensation for income losses for sales, fees and charges had commenced and the reimbursement was included within the forecast to the end of the year. The value of funding received from Government between July and December, saw the forecast position improve from a £20m adverse variance to a £9m adverse variance.

- 3.1.7 In March 2021, MHCLG approved the request for Exceptional Financial Support (EFS) for 2020/21 based on the December 2020 estimates, on the premise that this still may reduce as funding was still being allocated to support Covid-19 pressures, especially around the Contain Management Outbreak Funding.
- 3.1.8 Now, at the end of the year, the position has improved once more and an adverse variance of £6.525m is reported as the final position and the value that the Council will borrow under the EFS approval. As the lockdown restrictions started to relax, there was an opportunity for the Council to take stock and review whether the assumptions made during the year for demand and expenditure commitments had come to fruition. As nothing like this had been experienced before, there was no real way to accurately predict the value of funding and support required so best estimates had been used and had been firmed up as more of the situation became known.
- 3.1.9 Not all the additional demand within Children and Families has materialised but this does pose a question as to whether this is just a delay as it is anticipated that there will be longer lasting impact from the pandemic on children. The humanitarian effort was significant with many vulnerable people and communities supported throughout. Although the additional funding for school meals and winter grants and the increase in universal credit meant that the burden was not felt on core council budgets.
- 3.1.10 Adult Care and Health and Public Health has been fully funded in providing its response via a variety of grants, and flexibilities within the NHS and additional funding provided has meant that contributions have been forthcoming to support the overall response from the care sector.
- 3.1.11 Although many of the savings agreed at Full Council in March 2020 have still not been achieved, offsetting alternative savings have been available as a result of the way the Council has been working under lockdown restrictions. As the majority of Council buildings have remained closed and the majority of staff have been working at home, savings have been made from utilities costs, staff mileage and supplies and services costs such as printing, stationery and face to face training events.
- 3.1.12 In total, in 2020/21, £205m funding has been provided to Wirral by the Government to support the emergency pandemic. This is described in detail in paragraph 3.9 and a summary is provided below:

<b>Funding Category</b>	<b>£</b>
Funding received by the Council and given straight out as ring-fenced grants e.g. business grants, business rate reliefs	£134m
Funding received by the Council which has been split between ring-fenced grants and funding for council services e.g. Care Home Infection Control Grants	£14m
Funding received by the Council for own Council response to Covid-19 e.g. Tranche funding, Contain Outbreak Management Fund, Community Testing	£57m
<b>Total funding received in 2020/21</b>	<b>£205m</b>

3.1.13 An additional £10m of Tranche 5 funding has been notified as being received in 2021/22 which has been fully committed to Covid-19 pressures already identified in 2021/22.

3.1.14 The year-end position represents an adverse variance of £6.525m which will be the subject of borrowing under EFS approval from MHCLG. It must be noted that this is a draft position as this is subject to External Audit sign-off of the accounts by the Council's auditor, Grant Thornton.

**TABLE 1 2020/21 BUDGET & OUTTURN**

	Budget	Outturn	Variance (+ Fav, - Adv)		Adv/Fav
	£000	£000	£000	%	
Chief Executive Office	1,766	1,911	-145	-8%	Adverse
Resources	27,126	26,358	769	3%	Favourable
Neighbourhoods	50,987	63,001	-12,014	-24%	Adverse
Legal and Governance	5,715	6,382	-667	-12%	Adverse
Regeneration and Place	34,766	34,440	327	1%	Favourable
Children, Families & Education	83,232	81,825	1,407	2%	Favourable
Adult Care and Health	106,627	105,525	1,101	1%	Favourable
Cross Cutting Initiatives	-5,522	-1,494	-4,028	73%	Favourable
<b>Total Surplus / (Deficit)</b>	<b>304,697</b>	<b>317,948</b>	<b>-13,251</b>	<b>-4%</b>	<b>Adverse</b>
Sales, Fees, Charges Compensation	0	-11,011	11,011	0%	Favourable
<b>Operating Budget Gap</b>	<b>304,697</b>	<b>306,936</b>	<b>-2,240</b>	<b>-1%</b>	<b>Adverse</b>
Covid-19 Expenditure	46,574	46,574	0	0%	
<b>Total Revenue Gap</b>	<b>351,271</b>	<b>353,510</b>	<b>-2,240</b>	<b>0%</b>	<b>Adverse</b>
Funding	-304,697	-300,412	-4,285	-1%	Adverse
<b>Total Funding</b>	<b>46,574</b>	<b>53,099</b>	<b>-6,525</b>	<b>-14%</b>	<b>Adverse</b>
Exceptional Financial Support			-6,525		

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

### **3.2 Directorate Summaries**

#### **3.2.1 Adult Care and Health**

- 3.2.2 The financial outturn for 2020/21 is a favourable position of £1.101m against a total net budget of £106.627m. This represents a significant improvement from the £0.036m forecast adverse position reported at the end of December 2020.
- 3.2.3 It should be noted that this position includes £0.6m joint funded income relating to two historic invoices which only came light in March 21. This historic adjustment relates to financial performance before 2020/21 but nevertheless does need to be reflected in the figures as a favourable adjustment.
- 3.2.4 Other significant differences from the position which had previously been reported include a £0.14m increase in the Better Care Fund (BCF) position due to winter pressure not materialising as expected, this was due to additional national funding received in response to Covid-19.
- 3.2.5 Throughout this financial year, the cost of care pressure has been managed through access to increased Government funding for the Covid-19 response as the Clinical Commissioning Group (CCG) had responsibility to provisionally fund hospital discharges and deflections; usually these costs would be incurred by Wirral Council.
- 3.2.6 The pandemic also limited the ability to achieve £3.75m of efficiency savings, approved at the start of the financial year and prior to the Covid-19 pandemic, exacerbating financial pressures. Despite this, £1.5m of savings were achieved in 2020-21 across the two provider Trusts.
- 3.2.7 Overall, the Adult Care and Health budget experienced substantial one-off pressures in 2020/21 relating to Covid-19 which would have led to a significant overspend had it not been for the CCG and Covid grant support.

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

	Budget	Outturn	Variance	Adv/ Fav	
	£000	£000	£000	%	
Adult Social Care Central Functions	9,778	8,574	1,235	13%	Favourable
Older People Services - WCFT	44,903	44,998	-95	0%	Adverse
Mental Health & Disability Services - CWP	48,293	48,170	123	0%	Favourable
Other Care Commissions	-148	75	-223	-151%	Adverse
Public Health	215	-4,789	5,003	2,327%	Favourable
Wirral Intelligence Service	485	438	47	10%	Favourable
<b>Directorate Surplus / (Deficit)</b>	<b>103,525</b>	<b>97,465</b>	<b>6,091</b>	<b>6%</b>	<b>Favourable</b>
Support/Admin Building Overhead	3,577	3,548	29	1%	Favourable
Movement in Reserves	-476	4,512	-5,019	1,054%	
<b>Total Surplus/ (Deficit)</b>	<b>106,627</b>	<b>105,525</b>	<b>1,101</b>	<b>1%</b>	<b>Favourable</b>

**3.2.8 Central Functions:** A favourable variance of £1.235m is reported for 2020/21. This is due to savings from employee costs from vacancies and short delays in filling vacant posts. The BCF surplus, due to winter pressure monies not being utilised as expected, is also shown against this service area.

**3.2.9 Older People Services:** An adverse variance of £0.095m is reported for 2020/21. Expected efficiency savings have not materialised fully as a direct consequence of Covid-19, however the overall position has been mitigated the CCG's responsibility to fund hospital discharges and deflections during the pandemic.

**3.2.10 Mental Health & Disability Services:** A favourable variance of £0.123m is reported for 2020/21. The cost of care within Mental Health & Disability Services has been eased due to access to Government Covid-19 monies and the current CCG's responsibility to provisionally fund hospital discharges. This has helped to offset the pressures from the reduced achievement of the efficiency savings within the provider trust that were approved at the start of the financial year.

**3.2.11 Other Care Commissions** An adverse variance of £0.223m is reported for 2020/21, this 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.

**3.2.12 Public Health:** A balanced position is reported for 2020/21 after accounting for reserves movements (see 3.2.19). Public Health is a ringfenced grant with an annual value £29.7m. £6.7m of this funding supports public health activities delivered by the Council, representing a significant funding stream. Access to additional Covid funding and projects affected by the impact of Covid-19 and local restrictions have led to a larger than initially expected contribution to reserves at the year end, entirely relating to the delayed business as usual activity undertaken by Public Health. Costs relating to the Council's response to the pandemic are highlighted in section 3.9.

**3.2.13 Wirral Intelligence Team:** Favourable variance of £0.05m represents surpluses in staffing costs mainly due to staff not being at the top of their pay scales, although the budget is set assuming that this is the case, coupled with short delays in filling vacant posts. It should be noted that a saving was agreed in the 2021/22 budget for staffing costs that are not at the top of the grade, so this saving is a one-off and will not recur.

**3.2.14 Pressures and Savings Statement** The pandemic limited the ability to achieve £3.75m of efficiency savings, approved at the start of the financial year and prior to the Covid-19 pandemic, exacerbating financial pressures. Despite this, £1.5m of savings were achieved in 2020/21 across the two Trusts.

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

	Budget	Outturn	Variance		Adv/ Fav
	£000	£000	£000	%	
Income	-83,919	-87,319	3,400	4%	Favourable
<b>Expenditure:</b>					
Employee	5,786	5,115	671	12%	Favourable
Non Pay	53,846	53,585	291	1%	Favourable
Cost of Care	127,813	126,084	1,729	1%	Favourable
<b>Total Expenditure</b>	<b>187,445</b>	<b>184,784</b>	<b>2,691</b>	<b>1%</b>	Favourable
<b>Directorate Surplus / (Deficit)</b>	<b>103,525</b>	<b>97,465</b>	<b>6,091</b>	<b>6%</b>	Favourable
Support/Admin Building Overhead	3,577	3,548	29	1%	Favourable
Movement in Reserves	-476	4,512	-5,019	1,054%	
<b>Total Surplus/ (Deficit)</b>	<b>106,627</b>	<b>105,525</b>	<b>1,101</b>	<b>1%</b>	<b>Favourable</b>

**3.2.15 Income:** A favourable variance of £3.400m is reported for 2020/21. Within this position, it should be noted that there are a number of historic income adjustments relating to the correction of client income accruals and joint funded income. The

Cheshire and Merseyside Transforming Care Partnerships Community Discharge grant income (£0.950) is shown here, as it is administered by Wirral Council. This income was not represented in Directorate's original budget figures and hence shows up as a variance.

**3.2.16 Employees:** A favourable variance of £0.671m is reported for 2020/21. There are surpluses in all areas due to vacancies, staff not at the top of their pay scales (although the budget is set assuming that this is the case) and short delays in filling vacant posts.

**3.2.17 Non Pay:** A favourable variance of £0.291m is reported for 2020/21. Adverse variances relating to the contract extensions to the Early intervention and prevention (EIP) commissions have been offset by favourable variances in non-pay expenditure largely within Public Health, where project spend has been affected by the impact of Covid-19 and local restrictions.

**3.2.18 Cost of Care:** A favourable variance of £1.729m is reported for 2020-21. It should be noted that the outturn position would have been significantly adverse had it not been for the substantial grant support which has helped to temporarily alleviate in-year financial pressures.

**3.2.19 Movement on reserves (Revenue Impact):** The movement within reserves largely (98%) relates to year end movement to Public Health reserves. The Public Health team have been at the forefront of Covid-19 response, which, combined with local restrictions, has delayed some business as usual activity. The ring-fenced nature of Public Health funding means that any un-utilised funding, must be held in reserves for Public Health projects, which will recommence once the Covid-19 situation is resolved.

**Table 4 – Adult Care and Health Earmarked Reserves**

2020/21 Reserve Movements £000						
	Opening Balance	Revenue		Non Revenue		
	Opening Balance	Reserve Increase	Reserve Call Out	Reserve Release	Reserve Transfer	Closing Balance
Public Health	-1,900	-4,538	11	0	-1,636	-8,063
Adult Social Care	-147	0	15	21	-71	-181
<b>Total</b>	<b>-2,047</b>	<b>-4,538</b>	<b>26</b>	<b>21</b>	<b>-1,706</b>	<b>-8,244</b>

**3.2.20 Earmarked Reserves:** In addition to the revenue movements noted in 3.2.19, £0.002m has been released support the Financial Resilience reserve, these reserves were held for historic projects which are now complete. A further £1.7m has been transferred from a pooled reserve, with no impact on the organisational position.

### **3.3 Children, Families and Education**

- 3.3.1 The overall financial outturn of Children, Families and Education shows a full year favourable position of £1.407m. This is a significant positive change to the forecast position as at December 2020 (favourable £0.433m). There are several reasons for this.
- 3.3.2 There were a number of one-off implications of Covid actions and funding in 2020/21 which have impacted on the service and financial outturn in a positive way. Grants have been provided outside of the council's budget for crisis management and providing food during school holidays and during school closures. The humanitarian service has been funding community services that have benefited the families that would normally use many of the services that are provided by Children's Services. Due to the Covid-19 response and the other council initiatives the service has seen a decrease in activity against some budgets, inclusive of those that have significantly overspent in previous years. An example of this is the children in need budgets which often go to help families in significant poverty by providing food and other essentials. Covid-19 funding along with winter pressures has supported activity in this regard and the reported saving is therefore not considered repeatable.
- 3.3.3 An increase in universal credit of £20 per week reduced some of the pressure on family incomes and therefore it is suspected that a reduction in family breakdowns/family poverty has impacted favourably on the demand for the service. As at the end of December, national assumptions for the additional demand for Children's Social Care were noted, and Wirral's forecast reflected that, however, the demand has not materialised accordingly. Early indications suggest that demand will transpire later, and a rise is expected still in 2021/22
- 3.3.4 The service continues to manage the high placement costs but have a favourable variance at the end of the year of £1.275m for the Looked After Children service which includes placements and staffing. There are favourable variances in Early Help and Prevention and Modernisation and Support of £0.930m and £0.530m due to staff being budgeted for higher costs and some projects and contracts being delayed due to the current government restrictions.

**TABLE 5 2020/21 Children, Families and Education – Service Budget & Outturn**

	Budget £000	Outturn £000	Variance (+ Fav, - Adv) £000	Adv/Fav %
Children and Families	48,404	47,134	1,269	3% Favourable
Early Help and Prevention	10,920	9,990	929	9% Favourable
Modernisation and Support	5,032	4,502	529	11% Favourable
Schools - Core	11,552	11,589	-36	0% Adverse
<b>Surplus / (Deficit)</b>	<b>75,907</b>	<b>73,216</b>	<b>2,691</b>	<b>4% Favourable</b>
Support / Admin Building Overhead	7,324	7,387	-63	-1% Adverse
Movement on Reserves	0	1,221	-1,221	0%
<b>Total Surplus / (Deficit)</b>	<b>83,232</b>	<b>81,825</b>	<b>1,407</b>	<b>2% Favourable</b>

3.3.5 **Children and Families:** Favourable variance of £1.269m (-£0.676m at the end of December 2020). Throughout the year placements and allowances have been forecasting a contingency for a 5% increase in demand due to Covid-19, amounting to £1m. This demand has not transpired in 20/21 due to extra help and funding for families on the edge of care due to the Covid -19 pandemic. Some of the initiatives around residential care during Covid-19 have helped keep costs significantly lower than were previously anticipated. The in-year establishment of the semi-independent living units have produced a saving in advance of the planned budget saving next year.

The service has a £0.915m underspend on allowances as the contingency for cost increases was not required as the demand has not materialised. Placements are £0.252m overspent but this was lower than previously forecast due to the in-year average price being lower than the regional average. The 20/21 demand for looked after children has been lower than previously forecast due to the impact of Covid-19 and the interventions from Covid-19 related monies as well as activities in the community including monies and services that have target vulnerable families. Underspends have been partially off-set by additional non-staff costs of £0.284m.

The service has underspent on staffing (£0.896m) which is mainly due to unfilled vacancies. Some of the vacant posts have been filled by agency, but some posts are not filled due to difficulties in recruiting permanent staff. In other areas staffing expenditure is underspent due to externally funded projects, this means that the services have received additional external funding to pay for staffing. Where staff are

funded in this way, their centrally funded posts are held as vacant to ensure that when this short-term funding ends staff can be realigned into the existing structure.

- 3.3.6 **Early help & Prevention:** Favourable variance of £0.929m (£0.384m at end of December). This surplus is in part due to various employee budget variances. There was a delay in the implementation of the PAUSE program resulting in a surplus of £0.193m. The PAUSE program has been implemented to help vulnerable women and is a voluntary programme for women who have experienced, or are at risk of, repeat removals of children from their care.
- 3.3.7 **Modernisation and Support:** The full-year favourable variance of £0.529m (£0.425m as at end of December) relates to employee budgets and delays in establishing contracts to modernise services due to the impact of Covid-19.
- 3.3.8 **Schools – core** is an adverse position of £0.036m against a budget of £11.6m. The Schools core service budget includes Private Financing Initiative (PFI) which overspent by £1.5m against a budget of £1.4m which is due to the recognition of both in-year and future liabilities to reflect the 'closed' status of Kingsway School. The PFI position includes the final instalment (£0.160m) of £1.2m of additional funding and the continuation of the annual grant of £0.941m both of which have been secured from Department of Education to reflect the closed status of Kingsway School. The Council must meet the annual PFI costs whilst the building is non-operational, and it is not expected that this status will change during the coming year. Under advice from the Council's auditors, the full value of the potential liability has been recognised in the financial year 2020/21 and this accounts for £1.3m of the £1.5m PFI overspend.

The PFI overspend has been off-set by underspends on both staff related and project based activities. Staff related underspends include historic pensions/retirement commitments where the reduction in the number of recipients was greater than expected (£0.409m) and other short-term vacancies (£0.107m). Project based activity includes School Improvement (£0.515m) where there has been slippage, mainly due to Covid-19 restrictions, but plans are in place to deliver the activities to schools in 2021/22. The 'Wirral Ways to Work' programme which supports eligible young people to move into education, employment and training has underspent by £0.204m due to the slippage of activities into 2021/22. In addition, funding of £0.2m that had been set aside in the budget to meet any shortfalls in Dedicated Schools Grant (DSG) contributions for services delivered to schools was unused in 2020/21.

**TABLE 6 2020/21 Children, Families and Education – Subjective Budget & Outturn**

	Budget £000	Outturn £000	Variance (+ Fav, - Adv) £000	Variance % %	Adv/Fav
Income	-18,847	-22,058	3,211	17%	Favourable
<b>Expenditure</b>					
Employee	39,321	36,613	2,708	7%	Favourable
Non Pay	30,544	33,708	-3,164	-10%	Adverse
Cost of Care	24,888	24,952	-64	0%	Adverse
Total Expenditure	<b>94,754</b>	<b>95,274</b>	<b>-520</b>	<b>-1%</b>	Adverse
<b>Total Surplus / (Deficit)</b>	<b>75,907</b>	<b>73,216</b>	<b>2,691</b>	<b>4%</b>	<b>Favourable</b>
Support / Admin Building Overhead	7,324	7,387	-63	-1%	
Movement on Reserves	0	1,221	-1,221	0%	
<b>Total Surplus / (Deficit)</b>	<b>83,232</b>	<b>81,825</b>	<b>1,407</b>	<b>2%</b>	<b>Favourable</b>

3.3.9 **Income:** Favourable variance of £3.211m. Children's services have received grants during the year that were not included in the base budget as they were contingent on expenditure activity in the financial year, this favourable income variance is off set by the expenditure incurred and has no impact on the bottom-line position. Of the £3.211m additional grant income, £1.484m relates to Children and Families, £0.909m to Early Help and Prevention and £0.819m for Schools Core.

3.3.10 **Employees:** Favourable variance of £2.708m. There are surpluses in all areas due to vacancies as well as a number of staff not being paid at the top of their pay scales although the budget is set assuming that this is the case. Pension costs have reduced for non-teachers and teachers. Teacher's historic pension costs were less than expected and can fluctuate significantly year on year with the reduction in 2020-21 higher than expected. In several areas there are vacancies due to a number of staff seconded on externally funded projects which will transfer back into the organisation once those projects end.

3.3.11 **Non pay:** Adverse variance of £3.164m, this relates to additional costs of £1.854 have been incurred which is mainly due to activity on grant funded schemes and thus is off-set by grant income. In addition, Private Placements overspent by £0.135m due to high fees from providers in year.

Schools core services have an adverse variance of £1.491m which is mainly due to PFI (£2.105m) where costs include the recognition of in-year and future years liability for Kingsway school (£1.521m) plus additional in-year costs off-set by income of £0.584m. The PFI overspend has been partially off-set by slippage in School Improvement activity to be carried forward to 2021-22 of £0.3m, slippage in match-

funded 'Ways to Work' project £0.204m plus balance of DSG contribution to combined budgets of £0.186m

**3.3.12 Cost of Care:** Cost of care illustrates an adverse variance of £0.064m.

**3.3.13 Movement on Reserves (Revenue Impact):** net transfer to reserves of £1.221m which includes an increase in reserves of £1.516m mainly due to the slippage in activities resulting from Covid-19 restrictions, particularly where funding has been provided by grants and schools to enable the services to be delivered in 2021/22. Reserve call of £0.295m includes £0.169m for a Capacity Project, encompassing an overhaul of the early help branding, language, partner engagement, communications, digital platforms (website and apps development), online self-assessment for early help and reflection tool for own early help plan, a contribution to capitalisation works for Birkenhead Children's Centre of £0.069m plus £0.057m to support Troubled Families.

**TABLE 7 2020/21 Children, Families and Education – Dedicated Schools Grant (DSG)**

	Budget £000	Outturn £000	Variance (+ Fav, - Adv) £000	Adv/Fav %
Schools Block	108,514	108,514	0	0%
Schools de-delegated	1,744	1,691	53	3% Favourable
Central School Costs	2,139	2,100	39	2% Favourable
High Needs	40,073	41,446	-1,374	-3% Adverse
Early Years	21,208	20,645	563	3% Favourable
<b>Total</b>	<b>173,678</b>	<b>174,397</b>	<b>-719</b>	<b>0% Adverse</b>
DSG Grant Income	-174,321	-173,982	-339	0% Adverse
Movement on DSG Reserves	644	-414	1,058	164%
<b>Total Surplus / (Deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>

**3.3.14 Schools Block:**

Individual school balances have been carried forward to 2021/22 in the designated schools reserve thus delivering an in-year balanced position. The cumulative schools' reserves brought forward were £7.9m and this increased by £5.6m to £13.5m by the end of the financial year.

**3.3.15 De-delegated funds:** Small favourable variance due to business rates differentials being less than expected.

**3.3.16 Central Schools Costs:** relate to central functions carried out on behalf of maintained schools and academies e.g., School Admissions and has a small favourable variance due to staff vacancies.

**3.3.17 High Needs Block:**

Adverse variances of £1.374m due to additional demand in both volume and complexity. In particular:

- specialist/individual educational needs are overspent by £0.679m due to an increase in demand particularly in latter half of the year.
- top-ups to school budgets for post-16 SEN pupils is overspent by £0.326m due to an increase in school places.
- exceptional needs support is overspent by £0.405m due to the growth in applications since September 2020.
- the cost of independent school places has exceeded budget by £1.033m due to places being 31 more than planned. It is expected that the increased demand will continue into 2021/22 thus the relevant budgets have been increased to reflect this.

Adverse variances are partially offset by special school places where the additional 40 places agreed for 2021/22 had not been fully allocated in 2020/21 (£0.301m), additional demand for Alternative Provision top-ups being less than expected (£0.191m). In addition, savings due to staff vacancies and additional recharges/contributions from other budgets underspent by £0.487m. This is a priority area for the service and although it is difficult to recruit to a number of posts due to the current employment market the service plan is to staff this service fully.

**3.3.18 The Early Years** budget is used to provide Early Education to young children who are entitled to receive it free of charge. Local authorities have been required to maintain funding to providers at pre-COVID levels and it is expected that this will be reflected in the funding from Education and Skills Funding Agency (ESFA), although the final grant allocation will not be confirmed until summer 2021. The 20-21 underspend mainly reflects the reduction in attendance due to COVID-19. The underspend is partially offset with the shortfall of DSG income.

**3.3.19 DSG income:** Shortfall due to adjustment to reflect expected final grant for Early Years. The final grant income will be confirmed in July.

**3.3.20 DSG reserves:** The planned transfer to reserve of £0.644m reflected the expected underspend on High Needs. The actual outcome reflects a total net overspend of £0.414m requiring a use of reserves rather than a contribution to reserves. The

opening DSG reserve balance reflected a deficit of £1.264m which, after including the in-year deficit of £0.414m, gives a closing deficit position of £1.678m.

**Table 8 – Children, Families and Education Earmarked Reserves**

2020/21 Reserve Movements £000						
	Opening Balance	Revenue		Non Revenue		Closing Balance
		Reserve Increase	Reserve Call Out	Reserve Release	Reserve Transfer	
Children, Families and Education	-1,376	-1,516	295	708	-458	-2,347
Schools DSG	1,264	0	414	0	0	1,678
<b>Total</b>	<b>-111</b>	<b>-1,516</b>	<b>709</b>	<b>708</b>	<b>-458</b>	<b>-669</b>

**3.3.21 Earmarked Reserves:** In addition to the revenue movements noted in 3.3.13 and 3.3.20, £0.708mm has been released support the Financial Resilience Reserve, these reserves were held for historic projects which are now complete. A further £0.458m has been transferred from a pooled reserve, with no impact on the organisational position.

#### 3.4 Resources

- 3.4.1 The Resources directorate illustrates a favourable budget variance of £0.769m at year-end against a budget of £27.126m. This represents a deteriorated position from the end of December, where a favourable position of £2.222m was forecast. The reasons for the deterioration are the identification of additional requirements for bad debt in relation to Edsential, and a non-achievement of the Treasury investment income, where market conditions have limited the opportunity to refinance loans.

**TABLE 9 2020/21 Resources – Service Budget & Outturn**

	Budget	Outturn	Variance (+ Fav, - Adv)	Adv/Fav
	£000	£000	£000	
Finance & Investment	20,402	22,696	-2,293	-11% Adverse
HR & OD	4,478	3,880	598	13% Favourable
Digital & Improvement	6,283	6,979	-696	-11% Adverse
PMO & Change Programme	4,559	1,035	3,524	77% Favourable
Revenues & Benefits	2,157	3,493	-1,337	-62% Adverse
Audit, Risk & Business Continuity	599	562	37	6% Favourable
<b>Surplus / (Deficit)</b>	<b>38,479</b>	<b>38,645</b>	<b>-167</b>	<b>0% Adverse</b>
Support / Admin Building Overhead	-10,959	-10,959	0	0%
Movement on Reserves	-394	-1,329	936	-238% Favourable
<b>Total Surplus / (Deficit)</b>	<b>27,126</b>	<b>26,358</b>	<b>769</b>	<b>3% Favourable</b>

3.4.2 **Finance & Investment:** The service is reporting an adverse variance mainly as a result of savings that have not been made during the year and a reduction in income as a result of low global interest rates on investments. One area that materialised during this period, is related to difficulties being experienced within the Council's part owned company, Edsential, who have suffered short term income losses as a result of the pandemic. The Council has a credit agreement with Edsential and in-line with proper accounting treatment, has assumed that the loan may not be repaid. This has resulted in an adverse variance on the bad debt provision budget. If the position at Edsential improves, then this transaction can be reversed in 2021/22. Traded services continue to see reduced demand, generating an adverse variance of £0.110m, although part of these income losses are partially mitigated by the Sales, Fees and Charges compensation scheme, which is reported separately.

3.4.3 **Human Resources and Organisational Development;** There is a favourable variance of £0.598m, which is mainly related to staff vacancies of £0.670m offset by other small non-pay variances.

3.4.4 **Digital & Improvement:** An adverse variance of £0.696m is reported as a result of increased cost of software licences, staff cover for sickness and reduced income from Schools Traded Services in ICT. This is partially mitigated by the national Sales, Fees and Charges Compensation Scheme.

3.4.5 **PMO and Change Programme:** There is a favourable variance of £3.524m due to the pause and delay of delivering projects due to Covid-19, the capitalisation of staff delivering capital projects and secondment of staff to Covid-19 response initiatives.

3.4.6 **Revenue & Benefits:** There is an adverse variance of £1.337m which represents an improvement to the Q3 adverse variance forecast £1.484m. The position is due to the pausing of debt recovery through court summons during the past 12 months of,

£1.6m. This is in part offset by a favourable variance of £0.3m in non-pay costs, as a result of reduced need for supplies and services due to home working and the utilisation of Covid-19 funds to provide Local Welfare Assistance.

**TABLE 10 2020/21 Resources – Subjective Budget & Outturn**

	Budget £000	Outturn £000	Variance (+ Fav, - Adv) £000	Adv/Fav %
Income	-170,036	-149,515	-20,521	-12% Adverse
<b>Expenditure</b>				
Employee	29,729	32,032	-2,302	-8% Adverse
Non Pay	178,785	156,129	22,657	13% Favourable
Cost of Care	0	0	0	0%
Total Expenditure	<b>208,515</b>	<b>188,161</b>	<b>20,354</b>	<b>10%</b> Favourable
<b>Total Surplus / (Deficit)</b>	<b>38,479</b>	<b>38,645</b>	<b>-167</b>	<b>0%</b> Adverse
Support / Admin Building Overhead	-10,959	-10,959	0	0%
Movement on Reserves	-394	-1,329	936	-238%
<b>Total Surplus / (Deficit)</b>	<b>27,126</b>	<b>26,358</b>	<b>769</b>	<b>3%</b> Favourable

- 3.4.7 **Income:** Generation of income has been impacted by Covid-19. This has resulted in reduced interest income, court summons fees and a reduction in demand for traded services. The largest part of income directly relates to Housing Benefit claims, which is very directly with actual payments, shown as a favourable variance on non-pay expense.
- 3.4.8 **Employees:** The adverse variance reflects the organisational provision for the cost of the Early Retirement / Voluntary Redundancy scheme (EVR). EVR is a strategic activity designed to deliver future year savings and is usually funded by capital receipts, however as there is an adverse position on this funding stream, the expense has been funded by reserves. The directorate position is favourable variance, driven by staff vacancies as a result of the recruitment review, secondment to supporting the Covid-19 pandemic and additional capitalisation of staff working on capital projects.
- 3.4.9 **Non Pay:** The favourable variance is largely driven by the reduced costs of financing capital activity (£0.542m); reduced supplies and services costs (£1.8m) as a result of staff working from home. The remaining reduced expenditure is directly attributable to reduced Housing Benefit claims, the exact offset being shown in income.

**3.4.10 Movement on Reserves (Revenue Impact);** The depletion of reserves relates to the provisions for Early Retirement / Voluntary Redundancy payments. These costs are usually funded by Flexible Use of Capital Receipts funding, but these have not materialised this year, see paragraph 3.8.17.

**TABLE 11 – Resources Earmarked Reserves**

	2020/21 Reserve Movements £000					Closing Balance
	Opening Balance	Revenue	Non Revenue			
Resources	-2,656	-1,376	46	2,868	-176	-1,293
Total	<b>-2,656</b>	<b>-1,376</b>	<b>46</b>	<b>2,868</b>	<b>-176</b>	<b>-1,293</b>

**3.4.11 Earmarked Reserves:** In addition to the revenue movements noted in 3.4.10, £2.868m has been released support Financial Resilience Reserve, these reserves were held for historic projects which are now complete. A further £0.176m has been transferred from a pooled reserve, with no impact on the organisational position.

### 3.5 Legal & Governance

**3.5.1** The outturn position for Legal & Governance is an adverse position of £0.667m against a budget of £5.7m. The main reason for this is additional cost of locum staff following a delay in the implementation of the Directorate restructure, as a result of Covid-19. There are also income losses in the Registrars and Licensing services as a result of national guidance in response to the Covid-19 pandemic.

**TABLE 12 2020/21 Legal & Governance – Service Budget & Outturn**

	Budget £000	Outturn £000	Variance (+ Fav, - Adv) £000	Variance % %	Adv/Fav
Legal & Governance	1,770	1,775	-5	0%	Adverse
Legal and Licensing	1,314	1,661	-348	-26%	Adverse
Democratic & Member Services	2,825	2,685	140	5%	Favourable
Coroner Service	680	733	-53	-8%	Adverse
Electoral Service	584	338	245	42%	Favourable
Registrar Service	-226	44	-271	120%	Favourable
<b>Total Surplus / (Deficit)</b>	<b>6,946</b>	<b>7,237</b>	<b>-291</b>	<b>-4%</b>	<b>Adverse</b>
Support / Admin Building Overhead	-481	-478	-3	1%	
Movement on Reserves	-750	-377	-373	50%	
<b>Total Surplus / (Deficit)</b>	<b>5,715</b>	<b>6,382</b>	<b>-667</b>	<b>-12%</b>	<b>Adverse</b>

3.5.2 **Legal & Governance:** There is a small adverse variance of £0.005m at outturn.

3.5.3 **Legal & Licensing:** Reporting an overall £0.348m adverse outturn variance. There has been a drop in Licencing income of £0.148m impacted by the current pandemic. There are pressures in staffing where locum staff are covering permanent roles (adverse variance of £0.459m). These income losses, in part, are mitigated by the Sales, Fees and Charges income compensation scheme.

3.5.4 **Democratic & Members Services:** Reporting a £0.140m favourable outturn largely due to vacancy slippage caused by in year due to delays in the introduction of the new Committee system.

3.5.5 **Coroners Service:** There is an adverse outturn position of £0.053m due to an increase in Coroner costs.

3.5.6 **Electoral Service:** Reporting a £0.245m favourable outturn variance due to the postponement of elections during the year.

3.5.7 **Registrar Service:** Reporting an adverse outturn variance from budget of £0.271m. Reduced income for Registrar services, caused by the national lockdown restrictions, e.g. in respect of weddings, is a main component of the reported variance. These income losses, in part, are mitigated by the Sales, Fees and Charges income compensation scheme.

**TABLE 13 2020/21 Legal & Governance – Subjective Budget & Outturn**

	Budget £000	Outturn £000	Variance (+ Fav, - Adv) £000	Adv/Fav %	
Income	-3,516	-3,078	-439	-12%	Adverse
<b>Expenditure</b>					
Employee	4,121	4,096	25	1%	Favourable
Non Pay	6,342	6,219	123	2%	Favourable
Cost of Care	0	0	0	0%	
Total Expenditure	<b>10,463</b>	<b>10,315</b>	<b>147</b>	<b>1%</b>	Favourable
<b>Total Surplus / (Deficit)</b>	<b>6,946</b>	<b>7,237</b>	<b>-291</b>	<b>-4%</b>	<b>Adverse</b>
Support / Admin Building Overhead	-481	-478	-3	1%	
Movement on Reserves	-750	-377	-373	50%	
<b>Total Surplus / (Deficit)</b>	<b>5,715</b>	<b>6,382</b>	<b>-667</b>	<b>-12%</b>	<b>Adverse</b>

3.5.8 **Income:** Demand for services such as Registrars and Licencing has been impacted by national guidelines instigated as a response to the Covid-19 pandemic. This is, in part, mitigated by the national Sales, Fees and Charges Compensation Scheme.

3.5.9 **Employees:** This adverse variance is due to the reliance on locum support to cover the vacant posts within the structure. There have been challenges in recruiting to some of the permanent posts, all appointment of locums is subject to a rigorous process to ensure value for money is sought whilst meeting critical organisational needs. However, the overall adverse position has in part, been mitigated by staff vacancies in Electoral Services and Democratic and Members Services

3.5.10 **Non Pay:** There is a favourable variance due to the reduced need for Electoral activity in the 2020/21 year.

3.5.11 **Movement on reserves (Revenue Impact):** The reserves for Law & Governance are in place to support a permanent restructure. The Covid-19 situation has caused delays to the restructure and the reserves will be held to ensure the permanent structure can later be implemented. The £0.392m represent the actual cost of the restructure activity which has been delivered.

**TABLE 14 – Legal & Governance Earmarked Reserves**

2020/21 Reserve Movements £000						
	Opening Balance	Revenue		Non Revenue		Closing Balance
		Reserve Increase	Reserve Call Out	Reserve Release	Reserve Transfer	
Safeguarding	-425	0	283	0	0	-142
Litigation & Governance	-77	0	15	0	0	-62
Property & Planning	-82	0	65	0	0	-17
Contracts & Commercial	-90	0	29	0	0	-61
Democratic & Member Services	-76	-15	0	0	0	-91
<b>Total</b>	<b>-750</b>	<b>-15</b>	<b>392</b>	<b>0</b>	<b>0</b>	<b>-373</b>

**3.5.12 Earmarked Reserves:** There are no non-revenue movements to these reserves.

### 3.6 Regeneration & Place

3.6.1 Regeneration and Place shows a favourable variance of £0.327m against a budget of £34.8m, which is an improvement on the December forecast adverse variance of £0.89m. The Covid-19 pandemic has affected this Directorate in a number of ways. Housing and Homelessness has seen significant rises in demand and changes to the statutory requirements of service provision, however, access to additional financial support has supported the activity. The Assets function shows the financial savings as a result of the workforce shift to homeworking, reducing the revenue costs of the Council buildings. Regeneration activity slowed at the outset of the pandemic as staff were diverted to the emergency response, but as the year progressed, the projects were able to recommence.

**TABLE 15 2020/21 Regeneration & Place – Service Budget & Outturn**

	Budget	Outturn	Variance (+ Fav, - Adv)		Adv/Fav
	£000	£000	£000	%	
Regeneration	25,159	25,440	-280	-1%	Adverse
Housing	6,159	6,057	102	2%	Favourable
Asset Management & Investment	4,416	3,764	651	15%	Favourable
Planning	827	1,033	-206	-25%	Adverse
Special Projects	141	169	-29	-20%	Adverse
Local Plan	1,075	809	266	25%	Favourable
<b>Total Surplus / (Deficit)</b>	<b>37,777</b>	<b>37,272</b>	<b>504</b>	<b>1%</b>	<b>Favourable</b>
Support / Admin Building Overhead	-2,335	-2,335	0	0%	
Movement on Reserves	-675	-497	-178	26%	
<b>Total Surplus / (Deficit)</b>	<b>34,766</b>	<b>34,440</b>	<b>327</b>	<b>1%</b>	<b>Favourable</b>

3.6.2 **Regeneration:** £0.280m adverse position is due to the delay to the strategic restructure for the Regeneration and Place team (£0.225m). In the original plan for this service, it had been agreed to fund growth to ensure a sustainable service could be delivered. In light of the difficulties for the organisation caused by Covid-19, this plan has been rephased to 2021/22, releasing funds to support the wider organisational budget gap. However urgent activity did need to be conducted, and this was delivered by locum staff, the expense of this shows within this service.

3.6.3 **Housing:** £0.102m favourable outturn variance against a budget of £6.2m. This was made up of an adverse variance of £0.300m for the Homelessness service, which has been significantly impacted by Covid-19, both in terms of demand and changes to statutory requirements. The Housing service has also utilised the Better Care Fund more efficiently to offset eligible service expenditure across the Housing function. There was a Supported Housing favourable variance of £0.205m due to an increase in income recovery from minor works carried out by the home adaptation team. The Housing Standards area showed a favourable variance of £0.195m due to lower non-pay costs of £0.080m and selective licence fee income of £0.123m.

3.6.4 **Asset Management & Investment:** Reporting a net £0.651m favourable outturn, which can be broken down into several distinct areas.

- £0.1m saving against Disabled Access budgets due to the temporary or permanent closure of Council used buildings, with those buildings being used already being Equality Act compliant.
- £0.295m favourable variance from the premises budget for utility expenditure

- £0.244m in maintenance costs, £0.165m for other supplies and £0.093m in staffing costs due to closed council buildings
- £0.164m favourable variance for Hired & Contracted services, which includes cleaning and security.

These favourable variances are partially offset by the impact of the £0.401m adverse variance for Birkenhead Market rent income losses and other small income losses for rental of buildings. The income losses, are in part, mitigated by the Sales, Fees and Charges Compensation Scheme.

- 3.6.5 **Planning:** The adverse outturn variance of £0.206m is due to income losses as a result of reduced demand for Planning fee income due to the Covid-19 pandemic and additional pressure from the increased contract/exceedance costs of Merseyside Environmental Advisory Service who provide statutory advice on ecology, archaeology and waste, specifically relating to increased volume and complexity from Development Management planning applications. The income losses, are in part, mitigated by the Sales, Fees and Charges Compensation Scheme.
- 3.6.6 **Special Projects:** There is a small adverse variance of £0.029m. This is due to projects requiring additional external support.
- 3.6.7 **Local Plan:** The in-year revenue position is £0.266m favourable variance due to changes to the activity programme, however, the funding for this project is ringfenced, and the underspend has been held in an earmarked reserve for use in financial year 2021/22. Reported balanced position utilising the earmarked reserve.

**TABLE 16 2020/21 Regeneration & Place – Subjective Budget & Outturn**

	Budget	Outturn	Variance (+ Fav, - Adv)	Adv/Fav	
	£000	£000	£000	%	
Income	-10,886	-10,544	-342	-3%	Adverse
<b>Expenditure</b>					
Employee	11,834	12,118	-284	-2%	Adverse
Non Pay	36,829	35,698	1,131	3%	Favourable
Cost of Care	0	0	0	0%	
Total Expenditure	<b>48,663</b>	<b>47,816</b>	<b>847</b>	<b>2%</b>	Favourable
<b>Total Surplus / (Deficit)</b>	<b>37,777</b>	<b>37,272</b>	<b>504</b>	<b>1%</b>	<b>Favourable</b>
Support / Admin Building Overhead	-2,335	-2,335	0	0%	
Movement on Reserves	-675	-497	-178	26%	
<b>Total Surplus / (Deficit)</b>	<b>34,766</b>	<b>34,440</b>	<b>327</b>	<b>1%</b>	<b>Favourable</b>

3.6.8 **Income:** The directorate encountered significant income losses in areas such as planning and Birkenhead Market as a result of Covid-19 restrictions, however the overall position has been mitigated in part by improvements in grant funding in Housing.

3.6.9 **Employee:** This adverse variance is due to agency costs covering time sensitive work. The team was subject to a restructure at the beginning of the year, which was paused to enable resources to be diverted to the Covid-19 effort. These costs are not expected to be a permanent pressure, as once the team has been fully recruited, there will be a reduced need for temporary staffing. The additional expense was mitigated by employing only those required for urgent, time-limited and statutory items.

3.6.10 **Non Pay:** Overall there is a favourable variance which sits predominantly within Asset Management & Investment. This is for premises utility expenditure, maintenance costs for closed council buildings, staff costs and Hired & Contracted services, such as cleaning and security. In addition, a significant amount of project activity has paused to enable the staff to deliver the Covid response.

3.6.11 **Movement of Reserves:** The net release of reserves relates to the ongoing revenue requirement for the local plan (£0.394m) and Wirral Ways to Work (£0.104m), both schemes are funded by earmarked reserves.

**TABLE 17 – Regeneration & Place Earmarked Reserves**

	2020/21 Reserve Movements £000					Closing Balance
	Opening Balance	Revenue	Non Revenue			
	Reserve Increase	Reserve Call Out	Reserve Release	Reserve Transfer		
Regeneration and Place	-3,883	0	497	618	-141	-2,908
<b>Total</b>	<b>-3,883</b>	<b>0</b>	<b>497</b>	<b>618</b>	<b>-141</b>	<b>-2,908</b>

**3.6.12 Earmarked Reserves:** In addition to the revenue movements noted in 3.6.12, £0.618m has been identified as available to release to support the Financial Resilience Reserve. These reserves were held for historic projects which are now complete. A further £0.141m has been transferred from a historic pooled reserve, with no impact on the organisational position.

### 3.7 Neighbourhoods

**3.7.1** The Neighbourhoods Directorate outturn represents an adverse budget variance of £12.014m, which has improved slightly from £12.849m projected at the end of December. This adverse variance 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 this financial year. A proportion of these losses have been reimbursed from central government through the sales, fees and charges income loss compensation scheme.

Plans for the phased reopening of Leisure Centres, Libraries and Museums were delayed until the necessary work was carried out to ensure they were Covid secure. The work was completed in the Leisure Centres in September and some sites reopened for a brief period. However subsequent government guidance and restrictions meant that services were only open for a short period during October – December and were not permitted to reopen until May 2021/22. This impacted income generation across the service, as no income was received between January and March 2021. The service partially mitigated the losses earlier in the year by maximising income generation from activities that were permitted and there were plans to continue with this in the final part of the year. However, as outdoor activities were not permitted until very late in the financial year, income mitigation opportunities have been severely limited. The service has worked to achieve some limited savings relating to utilities and premises costs.

During the financial year many of the staff were 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.

**TABLE 18 2020/21 Neighbourhoods – Service Budget & Outturn**

	Budget	Outturn	Variance (+ Fav, - Adv)		Adv/Fav
	£000	£000	£000	%	
Neighbourhood Safety & Transport	3,446	3,122	324	9%	Favourable
Highways and Infrastructure	7,224	10,367	-3,143	-44%	Adverse
Leisure, Libraries and Customer Engagement	4,822	12,816	-7,994	-166%	Adverse
Parks and Environment	35,494	36,697	-1,202	-3%	Adverse
<b>Total Surplus / (Deficit)</b>	<b>50,987</b>	<b>63,001</b>	<b>-12,014</b>	<b>-24%</b>	<b>Adverse</b>

**3.7.2 Neighbourhood Safety & Transport:** A final year-end favourable variance of £0.324m is reported against this area. This is mainly due to a credit allocated to Employees following reassessment of the pension deficit liability.

The service has attempted to seek additional income generation opportunities for new clients, however there has been an insufficient market for this. Most of the additional costs within Community Patrol have arisen because of increased pressure on the service due to a rise in footfall and anti-social behaviour within the local area directly related to the ongoing pandemic. It is anticipated that this will continue in 2021/22 and additional COVID-19 funding has been secured as part of the Summer Plan 2021.

**3.7.3 Highways & Infrastructure:** This area is reporting an adverse variance of £3.143m. This is mainly due to a loss of £1.867m from Car Parking income following temporary suspension of charges. Car Parking charges were reinstated from February generating some income for the service. The remaining adverse variance within this area consists of:

- An underachievement of Developer Income (£0.198m)
- An underachievement of Inspection income (£0.248m)
- Design Team under recovery (£0.215m)
- Highways Management (£0.919m).

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.

**3.7.4 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 2020 due to Covid-19 restrictions. Government guidance allowed for these services to recommence from the end of July, however planned reopening was contingent on work being carried out to make them COVID secure at significant additional costs. The planned remobilisation of these services has been interrupted by changes in government guidance and restrictions in the form of the Tier System and further national lockdowns. This has severely limited income generation opportunities.

As a result of this, the area is reporting an adverse variance of £7.994m. This is predominantly due to loss of income within Leisure Centres (£7.63m) due to the 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. These services have now recommenced in accordance with Government guidance. However, this was too late to have any impact on 2020/21 figures.

In future the service may be limited further in the amount of income generated from Leisure Centres as several sites are currently being used as vaccination sites. Additional income may be available from partnership agencies to fund part of the additional costs of running these centres.

The Floral Pavilion reported an adverse variance due to underachievement of income of £2.161m. The service did not fully reopen for live shows during the financial year and the only income received related to funding from partnership agencies in relation to the time the site was used as a testing facility. The service has partially mitigated the income shortfall through savings against Supplies and payments to external agencies such as production companies.

A small amount of income was received relating to the catering offer for the months it was permitted to open. There are smaller income losses evident in relation to Libraries (£0.177m), One Stop Shops (£0.095m) and Museums (£0.021m). Capital projects which were planned to improve income generation in these areas have been delayed due to Covid-19 and did not recommence in-year. Several new capital projects are underway within this area and will continue in 2021/22.

**3.7.5 Parks & Environment:** This area is reporting a final adverse variance of £1.202m. This is due to temporary suspension of the Garden Waste Service (£0.516m) 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 £0.102m. The other main loss relates to income from football and bowling clubs within Parks (£0.677m), 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 £0.161m, 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. A small number of additional garden waste subscribers were enrolled later in

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. Parks have reopened their facilities to sports clubs in line with government guidance. However, this happened too late in the financial year to have any impact on 2020/21 figures.

**TABLE 19 2020/21 Neighbourhoods – Subjective Budget & Outturn**

	Budget	Outturn	Variance (+ Fav, - Adv)	Adv/Fav	
	£000	£000	£000	%	
Income	-35,217	-25,174	-10,043	-29%	Adverse
<b>Expenditure</b>					
Employee	32,190	31,164	1,026	3%	Favourable
Non Pay	51,682	54,480	-2,798	-5%	Adverse
Cost of Care	0	0	0	0%	
Total Expenditure	<b>83,872</b>	<b>85,644</b>	<b>-1,772</b>	<b>-2%</b>	Adverse
<b>Total Surplus / (Deficit)</b>	<b>48,655</b>	<b>60,470</b>	<b>-11,815</b>	<b>-24%</b>	Adverse
Support / Admin Building Overhead	3,484	3,477	8	0%	
Movement on Reserves	-1,152	-946	-206	18%	
<b>Total Surplus / (Deficit)</b>	<b>50,987</b>	<b>63,001</b>	<b>-12,014</b>	<b>-24%</b>	Adverse

3.7.6 **Income:** The overall adverse position for the Directorate of £12.014m 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 compensation scheme, which is recorded separately. The overall income figure appears more favourable than at the end of December as the figures include additional income derived from internal charges for work carried out by Highways Management. This is offset by an overall adverse variance against Non Pay.

3.7.7 **Employee:** The overall favourable position of £1.026m is due to activity associated with Parks and Environment and Community Safety & Transport. Employees in these areas were engaged in COVID-19 specific activity and available grants were utilised accordingly.

3.7.8 **Non Pay:** The adverse position is largely driven by costs associated with Highways Management in relation to work carried out for other services across the Authority. Expenditure in excess of the budget has been recovered through internal charges across the Authority. This is reflected within income and accounts for the improvement in the overall income position in the final quarter.

3.7.9 **Movement on Reserves (Revenue Impact):** Reserves were utilised as planned in relation to Waste and Tree Maintenance. However several new reserves were created to support the Directorate in 2021/22, reducing the overall net position by £0.206m. In 2020/21, reserves were utilised to support tree maintenance, improvement of waste and recycling facilities and project work in association with partnership agencies.

**TABLE 20 – Neighbourhoods Earmarked Reserves**

	2020/21 Reserve Movements £000					
	Opening Balance	Revenue	Non Revenue			Closing Balance
	Reserve Increase	Reserve Call Out	Reserve Release	Reserve Transfer		
Neighbourhoods	-3,064	-657	1,603	97	-389	-2,410
<b>Total</b>	<b>-3,064</b>	<b>-657</b>	<b>1,603</b>	<b>97</b>	<b>-389</b>	<b>-2,410</b>

3.7.10 **Earmarked Reserves:** In addition to the revenue movements noted in 3.7.9, £0.097m has been identified as available to release to support the Corporate Savings position, these reserves were held for historic projects which are now complete and a further £0.389 has been transferred from a historic pooled reserve, with no impact on the organisational position.

### **3.8 Chief Executive Office**

3.8.1 The Chief Executive Office directorate is predicting an adverse budget variance of £0.145m at year-end against a budget of £1.766m. Covid-19 has significantly impacted the ability of Wirral to generate marketing income but has also seen some savings materialising that have reduced the full impact.

**TABLE 21 2020/21 Chief Executive Office – Budget & Outturn**

	Budget £000	Outturn £000	Variance (+ Fav, - Adv) £000	Adv/Fav %	
Chief Executive Office	304	284	20	7%	Favourable
Communications and Marketing	878	1,097	-219	-25%	Adverse
Executive Support	584	531	54	9%	Favourable
<b>Total Surplus / (Deficit)</b>	<b>1,766</b>	<b>1,911</b>	<b>-145</b>	<b>-8%</b>	<b>Adverse</b>

3.8.2 **Chief Executive Office:** The outturn position is a favourable variance of £0.020m on non-pay expenditure due to reduced activity.

3.8.3 **Communications and Marketing:** There is a £0.219m outturn adverse variance which is mainly due to loss of income in Corporate Marketing, this is mitigated in part by reduced requirement for non-pay costs associated with income generation.

3.8.4 **Executive Support:** The outturn position for Executive Support is a small favourable variance of £0.054m from salary underspends.

**TABLE 22 2020/21 Chief Executive Office – Subjective Budget & Outturn**

	Budget £000	Outturn £000	Variance (+ Fav, - Adv) £000	Adv/Fav %	
Income	-321	-55	-266	-83%	Adverse
<b>Expenditure</b>					
Employee	1,752	1,770	-18	-1%	Adverse
Non Pay	178	39	139	78%	Favourable
Cost of Care	0	0	0	0%	
<b>Total Expenditure</b>	<b>1,930</b>	<b>1,809</b>	<b>121</b>	<b>6%</b>	<b>Favourable</b>
<b>Total Surplus / (Deficit)</b>	<b>1,609</b>	<b>1,754</b>	<b>-145</b>	<b>-9%</b>	<b>Adverse</b>
Support / Admin Building Overhead	157	157	0	0%	
Movement on Reserves	0	0	0	0%	
<b>Total Surplus / (Deficit)</b>	<b>1,766</b>	<b>1,911</b>	<b>-145</b>	<b>-8%</b>	<b>Adverse</b>

- 3.8.5 **Income:** The adverse outturn variance reflects reduced activity in external marketing income expectations from the Communications service, for which demand was reduced in light of Covid-19.
- 3.8.6 **Employee Expenditure:** The adverse variance is the result of staff secondment into the Corporate Office.
- 3.8.7 **Non Pay Expenditure:** The favourable variance is driven by the reduced cost of sales associated with Marketing income.
- 3.8.8 **Movement on Reserves:** There are no reserves held by this Directorate.

**TABLE 23 2020/21 Cross Cutting Initiatives**

<b>Savings Initiative</b>	<i>Original Saving Proposal</i>	<i>Allocated to Directorate s</i>	Budget	Outturn
	£000	£000	£000	£000
<b>Expenditure</b>				
Employee - New Council Model	-5,000	-4,427	-573	-573
Employee - Capitalisation of Salaries	-1,550	-1,550	0	0
Non Pay - Contract Reduction	-4,550	-1381	-4,595	-3,169
Non Pay - Zero Based Budget	-640	-354	-354	-286
<b>Total Surplus / (Deficit)</b>	<b>-11,740</b>	<b>-7,712</b>	<b>-5,522</b>	<b>-4,028</b>

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

- 3.8.10 As part of the Final Year Accounting activity, three items were identified as a benefit to the organisation. Over-recovery of Support Service Overheads £0.289m, CIES Income £0.752m and the release of historic income relating to ESG from DSG £0.317m.

- 3.8.11 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, but work is underway to ensure that savings of this nature are deliverable in future periods.

3.8.12 The allocation of savings to New Council Model represents a temporary salary saving driven by organisational-wide vacancies and a recruitment freeze. The Senior Leadership Team reviewed, and when appropriate, authorised any recruitment to vacant posts to minimise and control expenditure.

3.8.13 The allocation of savings to Capital is complete.

3.8.14 The zero-based budget activity represents savings from stationery and mileage, largely driven by a large contingent of the workforce predominantly working from home.

3.8.15 A large scale review of contract expenditure has taken place, the full saving is limited by both the availability of internal resources to deliver the project and national restrictions imposed due to Covid-19.

**TABLE 24 2020/21 Flexible Use of Capital Receipts**

	Budget £000	Outturn £000	Variance (+ Fav, - Adv) £000	Adv/Fav %	
<b>Capital Receipts</b>	-4,500	-784	-3,716	-83%	Adverse

3.8.16 Until 2022/23, the Council have the option to use the receipts from assets sales to fund revenue expenditure, if it is of a transformational nature, i.e. that it delivers a long term revenue benefit. At year end, the income is used to fund the capitalisation of applicable revenue expenditure. This is known as Flexible Use of Capital Receipts, and the programme has been extended for an additional 3 years, from the original end date of March 2022.

3.8.17 In, 2020/21 £4.5m of assets sales had been built into the budget. This has not been achieved for a number of reasons. Staff capacity has been limited in supporting asset sales due to supporting the management of Covid-19 secure buildings; a receipt was assumed for the sale of Land at Arrowe Park Road which requires planning approval and a fire at Rock Ferry High School reduced the expected sale value. Responding to the pressures of Covid-19 eliminated the ability to mitigate the material income losses in-year.

### **3.9 Covid Funding**

3.9.1 Covid funding received, or expected to be received, as at the end of March 2020/21 totals £216.556m, of which £46.574m is for use by the Council, and £11.011m relates to the sales, fees and charges compensation scheme reimbursement.

Utilisation of this funding over 20/21 to 21/22 is summarised in the table below, demonstrating an overall balanced impact on the Council's year end position:

**TABLE 25 Covid Grant Activity**

	<b>Covid Grant Income</b>	<b>Covid Grant Expenditure Incurred</b>
	<b>£m</b>	<b>£m</b>
19/20 Grants - held in Reserves, released for use in 20/21	11.862	
20/21 Grants	193.623	
20/21 Expenditure Incurred		162.974
20/21 Unclaimed business grant funding to be repaid in 21/22		15.699
20/21 Transfers to Reserves		26.196
20/21 Agency grants held for use in 21/22		0.615
<b>20/21 Total</b>	<b>205.485</b>	<b>205.485</b>
21/22 Grants due/receivable in 21/22	11.072	11.072
<b>Total 20/21 &amp; 21/22</b>	<b>216.556</b>	<b>216.556</b>

**TABLE 26 TOTAL NATIONAL COVID-19 ADDITIONAL FUNDING**

<b>Funding Title</b>	<b>Value £</b>
<b>FULLY PASSPORTED FUNDING:</b>	
Small Business Grant Fund (SBGF) & Retail, Hospitality and Leisure Grant Fund (RHLGF)	49,970,000
Local Authority Discretionary Grant Funding	2,637,750
Ministry of Housing, Communities & Local Government (MHCLG) - Local Restriction Support Grants	38,749,781
Department for Business, Energy & Industrial Strategy (BEIS)- LRSG Christmas Support Payment (Wet-led Pubs)	136,000
Business Improvement District Funding	21,844
Section 31 Grants - Business Rates Relief	33,430,422
Council Tax Hardship Fund	3,910,992
Liverpool City Region (LCR) Combined Authority - LCR Hospitality & Leisure Support Grant	6,000,000
<b>TOTAL FULLY PASSPORTED FUNDING</b>	<b>134,856,789</b>
<b>PARTIALLY PASSPORTED FUNDING:</b>	
Local Authority Emergency Assistance Grant for Food and Essential Supplies	453,829
Test & Trace £500 Payment Support Payment Scheme & Administration	1,104,951
Department for Work & Pensions - Covid Winter Grant Scheme	1,650,351
Care Home Infection Control Fund Round 1	4,743,521
Care Home Infection Control Fund Round 2	4,087,305
Lateral Flow Device (LFD) Testing in Adult Social Care	1,167,692
Department of Health & Social Care - Workforce Capacity Fund (Care Home Staff)	900,185
<b>TOTAL PARTIALLY PASSPORTED FUNDING</b>	<b>14,107,834</b>

<b>FUNDING FOR COUNCIL USE:</b>	
Emergency Covid-19 Funding (Tranche 1 to 4)	29,365,836
Test and Trace Service Support	2,733,018
Re-opening High Streets Safely Fund	42,952
Emergency Fund for Rough Sleepers	4,500
BEIS - New Burdens: Small Business Grant Fund (SBGF) & Retail Hospitality & Leisure Grant Fund (RHLGF)	170,000
BEIS - New Burdens: Local Authority Discretionary Grant Funding (LADGF)	76,500
MHCLG - New Burdens (Council Tax Hardship Fund & Business Rate Reliefs)	44,784
LA Compliance & Enforcement	198,512
DHSC - Test & Trace Contain Outbreak Management Fund	10,135,755
Local Covid Alert Level Surge Funding Grant	
Local Authority Practical Support for those Self-isolating	83,278
MHCLG - Clinically Extremely Vulnerable (CEV) grant	712,280
Community testing - MRF LCR SMART SILVER	2,137,405
MHCLG – Community Champions	375,000
MHCLG – Next Steps Accommodation Programme	494,269
<b>TOTAL FOR COUNCIL USE 2020/21 (Budget)</b>	<b>46,574,089</b>
Sales, Fees & Charges Compensation	11,011,347
<b>FUNDING FOR COUNCIL USE (2021/22):</b>	
Emergency Covid-19 Funding 21/22 - Tranche 5	10,006,249
<b>TOTAL FOR COUNCIL USE 2021/22</b>	<b>10,006,249</b>
<b>TOTAL COVID FUNDING</b>	<b>216,556,308</b>

3.9.2 **Additional Grants:** Since the end of December 2020/21, anticipated Covid funding has increased by £22.964m, as summarised in the table below, with further detail on the key increases provided in the narrative that follows:

**TABLE 27 2020/21 Covid Funding Changes from December 2020 to March 2021**

	<i>Increase/ (decrease) £</i>
<b>FULLY PASSPORTED FUNDING:</b>	
Small Business Grant Fund (SBGF) & Retail, Hospitality and Leisure Grant Fund (RHLGF)	139,750
Ministry of Housing, Communities & Local Government (MHCLG) - Local Restriction Support Grants	9,172,950
Department for Business, Energy & Industrial Strategy (BEIS)- LRSG Christmas Support Payment (Wet-led Pubs)	20,800
Section 31 Grants - Business Rates Relief	1,400,509

Liverpool City Region (LCR) Combined Authority - LCR Hospitality & Leisure Support Grant	2,519,788
<b>FULLY PASSPORTED FUNDING DECREASE</b>	<b>13,253,797</b>
<b>PARTIALLY PASSPORTED FUNDING:</b>	
Test & Trace £500 Payment Support Payment Scheme & Administration	
Department for Work & Pensions - Covid Winter Grant Scheme	425,734
<b>PARTIALLY PASSPORTED FUNDING INCREASE:</b>	<b>1,221,238</b>
<b>FUNDING FOR COUNCIL USE:</b>	
Re-opening High Streets Safely Fund *	-243,340
DHSC - Test & Trace Contain Outbreak Management Fund Local Covid Alert Level Surge Funding Grant	4,235,287
Local Authority Practical Support for those Self-isolating	83,278
MHCLG - Clinically Extremely Vulnerable (CEV) grant	485,280
MHCLG – Community Champions	375,000
MHCLG – Next Steps Accommodation Programme	494,269
<b>INCREASE IN FUNDING FOR COUNCIL USE</b>	<b>5,429,774</b>
Sales, Fees & Charges Compensation Estimate (December 2020 to March 2021)	3,543,000
<b>TOTAL COVID FUNDING INCREASE SINCE 31 DECEMBER for Financial Year 2020/21</b>	<b>23,447,809</b>
<b>CHANGE IN FUNDING FOR COUNCIL USE (2021/22):</b>	
Lower Tier Services Grant 21/22 ( <i>now confirmed as Non-Covid funding</i> )	-483,995
<b>TOTAL COVID FUNDING INCREASE SINCE Q3 2020/21</b>	<b>22,963,814</b>

\* Total funding available under the Re-opening High Streets Safely Fund remains at £286,292, as reported at Q3 20/21. However, this funding is subject to costs being incurred and a claim being submitted in 21/22 once lockdown is eased. For Q4 reporting, it has been assumed that funding is only received to the level of costs actually incurred as at 31 March 2021 (£42,952).

### 3.9.3 Fully passported funding increase (£13.3m)

**Key components of the increase in fully passported funding:** Additional Local Restriction Support Grants totalling £9.2m have been made available to support businesses required to close, or which have been severely impacted by local or national restrictions. Further funding of £2.5m has also been received to provide additional support for businesses in the form of the LCR Hospitality & Leisure Support grant. Section 31 grants in respect of business rate reliefs have also increased by £1.4m.

### 3.9.4 Partially passported funding increase (£1.2m)

**Test & Trace £500 Payment Support Payment Scheme increase (£0.8m):**  
Additional funding to cover the ongoing costs of the delivery of the Support Payment Scheme to support those self-isolating.

**Covid Winter Grant Scheme (£0.4m):** Additional funding to cover the extension of the Covid Winter Grant Scheme into April 2021 to provide direct assistance to vulnerable households and families with children particularly affected by the pandemic.

### 3.9.5 Increase in funding for Council use (£5.4m 2020/21)

The key movements in funding for Council use are set out below:

**Contain Outbreak Management Fund increase (£4.2m):** The Contain Outbreak Management Fund has been increased since December following the continuance of local and national lockdown periods. This £4.2m of funding is ring-fenced for Public Health and is being utilised to fund activities such as Enforcement, Test & Trace and support for the Clinically Extremely Vulnerable.

**Next Steps Accommodation Programme (£0.5m):** Additional funding has been made available to ensure measures taken to safeguard people who were taken safely from the streets is able to continue for an appropriate length of time, with a planned transition to more sustainable interim accommodation options until longer-term move-on accommodation can be put in place.

**Community Champions (£0.4m):** The Council has successfully secured £0.4m of Community Champions funding to support BAME outreach and health literacy.

**Sales, Fees & Charges compensation (£3.5m):** Compensation for loss of Sales, Fees and Charges income from April to the end of November 2020 of £7.5m has now been received. The increase of £3.5m from Q3 to Q4 of 2020/21 represents the estimated value of the final 2020/21 claim from December 2020 to March 2021. This final claim for 2020/21 brings the total expected compensation for the year to £11m (Table 1). Further claims will be submitted into 21/22 as the scheme has been extended until June 2021.

### 3.10 2020/21 Collection Fund Performance

**TABLE 28 Council Tax Collection Summary 2020/21**

Net	Council Tax	£	£
<b>Arrears brought forward</b>			<b>26,341,004</b>
Original debit raised		212,447,390	
Adjustments (reliefs, discounts, refunds etc)		-32,457,778	
Cash collected		-174,780,042	

<b>Net movement in arrears</b>	<b>5,209,570</b>
<b>Closing balance</b>	<b>31,550,574</b>

3.1

0.1 **Irrecoverable Council Tax:** Recovery of Council Tax is maximised wherever possible and year on year collection continues to be high. In some circumstances, however, cases need to be put forward for write off, for example where the liable person is deceased with no estate or the person cannot be traced.

3.10.2 The total Bad Debt provision for 2020/21 was £20.36m (including preceptor's provision). During the year a total of £1.214m in Council Tax debt was approved for write off by the Section 151 Officer under delegation. The write off categories are detailed in Appendix 2.

3.10.3 As part of the response to the Covid 19 crisis the government announced a Hardship Fund to assist authorities in providing additional council tax relief to vulnerable households affected most by Covid 19. Wirral received an allocation of £3.9m. This has been fully committed to award eligible households a credit of up to £150 on their council tax account with the balance of the funding used to offer support to households in multiyear debt.

**TABLE 29 – Council Tax Statistics comparison**

	<b>2020/21</b>	<b>2019/20</b>
Number of properties	149,870	149,486
Number of Council Tax Support claimants	31,327	30,318
Council Tax Collection Rate	93.8%	94.8%

**TABLE 30: Business Rates (National Non-Domestic Rates) Collection Summary  
2020/21**

<b>Business Rates</b>	£	£
<b>Arrears brought forward</b>		<b>5,628,826</b>
Original debit raised	97,253,337	
Adjustments (reliefs, discounts, refunds etc)	-58,162,731	
Cash collected	-37,937,139	
Net movement in arrears		1,153,467
<b>Closing balance</b>		<b>6,782,293</b>

- 3.10.4 **Irrecoverable Business Rates:** The total Bad Debt provision for Business Rates was £3.983m in 2020/21 (including preceptors). During the year, a total of £0.475m in Business Rates was approved for write off by the Section 151 Officer. The write off categories shown in Appendix 2.
- 3.10.5 The collection rate of 94.83% in 2020/21 was achieved despite a climate of economic uncertainty.

**TABLE 31 – Business Rates Statistics comparison**

	2020/21	2019/20
Properties on Valuation List	8,573	8,606
Rateable Value	£188,653,163	£191,488,255
Collection Rate	94.83%	97.53%

#### **Accounts Receivable (Sundry Debts)**

- 3.10.6 Accounts Receivable invoices, often referred to as Sundry Debtors, are issued in respect of a wide and varying range of services, including charges for Adult Social Care. In 2020/21, invoices totalling £96.6m were raised and income of £102.3m collected.

**TABLE 32– Accounts Receivable Collection Statement**

	<b>2020/21</b>	<b>2019/20</b>
	£	£
Balance brought forward	32,073,161	23,066,564
Debits (Invoices Raised)	96,642,280	96,074,729
	128,715,441	119,141,293
Write offs	-391,735	-344,648
	128,323,706	118,796,645
Payments received	-102,368,891	-86,557,083
Adjustments (including credit notes)	1,038,906	-166,401
Balance carried forward at 31/03/2021	26,993,721	32,073,161

- 3.10.7 Irrecoverable Accounts Receivable: The bad debt provision for 2020/21 was £8.45m. During 2020/21 debts totalling £0.283m were approved by the S151 Officer for write off and those written-off comprised of £0.233m of Adult Social Services debtors and a further £50,698 of other Directorate debts. The write off categories are shown in Appendix 2.

### **Housing Benefit Overpayment Debts**

- 3.10.8 The total Bad Debt provision for Housing Benefit overpayments was £8.965m 2020/21 (including preceptors). During the year a total of £0.068m in Housing Benefit overpayments was approved for write off by the Section 151 Officer. The write off categories are shown in Appendix 2.

### **FINANCIAL IMPLICATIONS**

- 4.1 This is the year-end financial monitoring report that provides information on the draft outturn for the Council for 2020/21; this will go forward to the external audit for completion. The Council has robust methods for reporting and forecasting budgets in place and alongside formal reporting to Policy & Resources Committee, the financial position is routinely reported at Directorate Management Team meetings and corporately at the Strategic Leadership Team (SLT). In the event of any early warning highlighting pressures and potential overspends, the SLT take collective responsibility to identify solutions to resolve these matters.
- 4.2 Debts written off as irrecoverable are charged against the Council's provisions for bad debts which are reviewed annually in accordance with the requirements of accounting practice. At 31 March 2021 the provision for Council Tax stood at £20.365m, Business Rates £3.983m, Sundry Debts £8.452m and Housing Benefit £8.965m.

### **5.0 LEGAL IMPLICATIONS**

- 5.1 The Council must set the budget in accordance with the provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a

statutory responsibility of the Council. Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget. These provisions require the Council to make prudent allowance for the risk and uncertainties in its budget and regularly monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.

- 5.2 Members must bear in mind their fiduciary duty to the council taxpayers of Wirral. Members must have adequate evidence on which to base their decisions on the level of quality at which services should be provided.
- 5.3 Where a service is provided pursuant to a statutory duty, it would not be lawful to fail to discharge it properly or abandon it, and where there is discretion as to how it is to be discharged, that discretion should be exercised reasonably.
- 5.4 The report sets out the relevant considerations for Members to consider during their deliberations and Members are reminded of the need to ignore irrelevant considerations. Members have a duty to seek to ensure that the Council acts lawfully. Members must not come to a decision which no reasonable authority could come to; balancing the nature, quality and level of services which they consider should be provided, against the costs of providing such services.
- 5.5 There is a particular requirement to take into consideration the Council's fiduciary duty and the public sector equality duty in coming to its decision.
- 5.6 The public sector equality duty is that a public authority must, in the exercise of its functions, have due regard to the need to: (1) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; (2) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and (3) foster good relations between persons who share a relevant protected characteristic and persons who do not share it
- 5.7 Any decision made in the exercise of any function is potentially open to challenge if the duty has been disregarded. The duty applies both to Full Council when setting the budget and to Committees when considering particular decisions.
- 5.8 Once a budget is in place, Council has delegated responsibility to the Policy and Services Committees to implement it. The Committees may not act contrary to the Budget without consent of Council other than in accordance with the Procedure Rules set out at Part 4(3) of the Constitution.
- 5.9 It is essential, as a matter of prudence that the financial position continues to be closely monitored. In particular, Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings.

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

6.1 There are no 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.

## **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 a retrospective monitoring report on financial performance.

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## **APPENDICES**

Appendix 1 – Exceptional Financial Support

Appendix 2 – Collection Summary

## **BACKGROUND PAPERS**

[Wirral Capitalisation Direction Mar 2021.pdf \(publishing.service.gov.uk\)](#)

[Councillor workbook: local government finance](#)

Small Business Grant Fund (SBGF) Guidance

Retail, Hospitality and Leisure Grant Fund (RHLGF) Guidance

Local Authority Discretionary Grant Funding Guidance

MHCLG - Local Restriction Support Grants Guidance

BEIS - LRSG Christmas Support Payment (Wet-led Pubs) Guidance

Business Improvement District Funding Guidance

Section 31 Grants - Business Rates Relief Guidance  
Council Tax Hardship Fund Guidance  
LCR CA - LCR Hospitality & Leisure Support Grant Guidance  
DWP - Covid Winter Grant Scheme Guidance  
Lateral Flow Device (LFD) Testing in Adult Social Care Guidance  
DHSC - Workforce Capacity Fund (Care Home Staff) Guidance  
Care Home Infection Control Fund Round 2 Guidance  
Sales, Fees & Charges Compensation Guidance  
DHSC - Test & Trace Contain Outbreak Management Fund Local Covid Alert Level Surge Funding Grant Guidance  
Community testing Guidance  
Lower Tier Services grant Guidance  
MHCLG - Clinically Extremely Vulnerable (CEV) grant Guidance  
BEIS - New Burdens: Local Authority Discretionary Grant Funding (LADGF) Guidance  
MHCLG - New Burdens (Council Tax Hardship Fund & Business Rate Reliefs) Guidance  
Emergency Fund for Rough Sleepers Guidance

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Budget Council</b>	<b>2 March 2020</b>
<b>Policy and Resources Committee</b>	<b>7 October 2020</b>
<b>Policy and Resources Committee</b>	<b>3 November 2020</b>
<b>Policy and Resources Committee</b>	<b>17 February 2021</b>
<b>Budget Council</b>	<b>4 March 2021</b>

## **APPENDIX 1**

### **Exceptional Financial Support**

In March, the Ministry for Housing, Communities and Local Government (MHCLG) made an offer of £10.7m to the Council for exceptional financial support, sometimes called a capitalisation direction or capitalisation directive. This means that MHCLG approved the Council, in principle, to borrow £10.7m of funds to help ensure a balanced budget could be agreed by Full Council on 1 March. Borrowing to fund revenue (day to day) expenditure is not normally allowed under law, but on this occasion, a special case was put to HM Treasury and approved.

The Council had not been able to identify sufficient savings to balance the budget, due to additional financial pressures present as a result the outcome of Covid-19. Such pressures include Adults and Children's Social Care increases, SEN transport increases and Homelessness increases. Ordinarily, a Council would use its reserves and balances to help balance its budget in times of crisis and would not have to apply for exceptional financial support, however the Council does not have the level of reserves and balances to be able to do this.

The borrowing has to be paid back over a 20 year timeframe and costs the Council an additional 1% in interest over and above what it would normally expect to pay, so it is prudent for the Council to identify any further proposals to reduce the level of exceptional financial support that it requires, so that the interest payments can also reduce.

The offer of exceptional finance support from MHCLG came with conditions which included an external assurance review that would review the authority's financial position and its ability to meet any or all of the identified budget gap without any additional borrowing. Therefore, as part of the external assurance review, MHCLG will be looking for areas that the Council can reduce its expenditure so that it may not have to provide all or any of the exceptional financial support offered.

This means that a further £10.7m proposals could be recommended to be implemented in year. If the Council fails to comply with MHCLG recommendations, the exceptional financial support may not be provided and a balanced budget could not be forecast to the end of the year.

In this circumstance, the Section 151 Officer would have to issue a Section 114 notice which states that the Council's expenditure exceeds its funding and this would be reported to Full Council. The outcome of this would result in Government intervention and Commissioners appointed to manage the financial affairs of the Council. During the period of issuing a Section 114 notice, only statutory and contracted expenditure is allowed to take place, all other expenditure must stop.

## **Appendix 2 – Collection Summary**

### **Irrecoverable Council Tax**

Recovery of Council Tax is maximised wherever possible and year on year collection continues to be high. In some circumstances, however, cases need to be put forward for write off, for example where the liable person is deceased with no estate or the person cannot be traced. The total Bad Debt provision for 2020/21 was £20.36m (including preceptor's provision). During the year a total of £1,213,704 in Council Tax debt was approved for write off by the Section 151 Officer. The write off categories were as follows:

<b>Category</b>	<b>2020/21</b>	<b>2019/20</b>
	£	£
Deceased	100,093	105,533
Insolvency	406,050	255,945
Care Leavers	0	(74)
Non Traceable	165,058	45,359
Uncollectable	542,503	1,111,554
<b>Total</b>	<b>1,213,704</b>	<b>1,518,317</b>

### **Irrecoverable Business Rates**

The total Bad Debt provision for Business Rates was £3.983m in 2020/21 (including preceptors). During the year, a total of £475,430 in Business Rates was approved for write off by the Section 151 Officer. The write off categories are as follows:

<b>Category</b>	<b>2020/21</b>	<b>2019/20</b>
	£	£
Absconded	79,356	52,195
Insolvency	160,145	192,505
Irrecoverable (including deceased)	235,929	6,204
<b>Total</b>	<b>475,430</b>	<b>250,904</b>

Sums over the limit of delegation £10,000 require Member approval and for each case over £10,000 explanations are provided to Members as follows.

<b>Category</b>	<b>2020/21</b>
	£
Absconded	312,937
Insolvency	211,444
Irrecoverable (incl deceased)	210,100
<b>Total</b>	<b>734,481</b>

## **Irrecoverable Accounts Receivable**

The bad debt provision for 2020/21 was £8.45m. During 2020/21 debts totalling £283,382 were approved by the S151 Officer for write off and those written-off comprised £232,684 of Adult Social Services debtors and a further £50,698 of other Directorate debts. The write off categories were as follows.

<b>Category</b>	<b>Adult Social Services</b>	<b>Other Directorates</b>
	£	£
Deceased	173,829	0
Irrecoverable	52,871	1,417
Liquidation	0	1,756
No Trace	0	2,606
Settlement	1,411	0
Small Amount	0	91
Statute Barred	1,714	36,111
Uneconomical	2,859	282
Debt Advise	0	8,435
<b>Total</b>	<b>232,684</b>	<b>50,698</b>

Sums over the limit of delegation £10,000 require Member approval and for each case over £10,000 explanations are provided to Members as follows.

<b>Category</b>	<b>2020/21</b>
	£
Deceased	108,352
<b>Total</b>	<b>108,352</b>

## **HOUSING BENEFIT OVERPAYMENT DEBTS**

The total Bad Debt provision for Housing Benefit overpayments was £8.965m 2020/21 (including preceptors) . During the year a total of £68,270 in Housing Benefit overpayments was approved for write off by the Section 151 Officer. The write off categories are as follows:

<b>Reason</b>	<b>£</b>
Elderly	701
Bankrupt	21,524
Deceased	27,768
Statute Barred	12,478
Small Balance	375
Uneconomic to pursue	294
No Trace	5,130
<b>Total</b>	<b>68,270</b>

Sums over the limit of delegation £10,000 require Member approval and for each case over £10,000 explanations are provided to Members as follows.

<b>Category</b>	<b>2020/21</b>
	<b>£</b>
Statute barred	10,416
<b>Total</b>	<b>10,416</b>



## POLICY AND RESOURCES COMMITTEE

**Wednesday, 30 June 2021**

<b>REPORT TITLE:</b>	CAPITAL OUTTURN FOR FINANCIAL YEAR 2020/21
<b>REPORT OF:</b>	DIRECTOR OF RESOURCES

### REPORT SUMMARY

This Report details the Capital Out-turn for 2020/21, the resources used to fund the Programme and provides a review of the progress of the delivery of the agreed Capital Programme.

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

### RECOMMENDATIONS

The Policy and Resources Committee is recommended to request to Council

- a) that the additional year end re-profiling of £27.4m from 2020/21 to 2021/22 be noted.
- b) that the financing of the Programme for 2020/21 be noted.
- c) the approval of the virements referred to in Appendix 3 in this report.
- d) that the Programme for 2021/22 and beyond be kept under review to ensure it is realistic, deliverable and affordable.

## **SUPPORTING INFORMATION**

### **1.0 REASONS FOR RECOMMENDATIONS**

- 1.1 The Council is required to make a number of formal determinations in respect of its capital expenditure and financing and this report includes those for the 2020/21 financial year.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 No other options were considered for this particular report. There is a legal requirement to publish the capital expenditure and financing at the end of the financial year.

### **3.0 BACKGROUND INFORMATION**

#### **MONITORING 2020/21**

- 3.1 The Capital Programme 2020/21 was considered by Cabinet on 17 February 2020 and approved by Council on 2 March 2020. The Programme is based on the refreshed Wirral Plan 2021-2026 priorities, Government grant announcements and scheme affordability. It was highlighted that the Council's revenue budget position limited the scope for unsupported capital expenditure.
- 3.2 Cabinet received regular updates in respect of capital monitoring throughout the year. The last monitoring report, for Quarter 3, was considered by Policy and Resources Committee on 17 February 2021. Since then, work has been on-going in order to conclude the accounts for the financial year.
- 3.3 During the year the Programme was regularly reviewed which resulted in schemes being deferred to 2021/22 along with the supporting funding. This resulted in reduced Treasury Management costs through a reduced need to borrow in 2020/21.

#### **CAPITAL OUT-TURN**

- 3.4 The capital expenditure for the year was £46.5m compared to the Revised Programme of £86.0m which was reported in February 2021 (Quarter 3). This is summarised in Table 1.
- 3.5 The outturn also includes the Formula Capital schemes delegated to schools.
- 3.6 As a result of the £25.182m borrowed to finance the capital programme in 2020/21, the General Fund will be charged with its first repayment via the Minimum Revenue Provision (MRP) in 2021/22 of £0.815m. This will bring the total MRP charge for 2021/22 to £4.462m for borrowing associated with delivering the Capital programme.

**Table 1: Capital Programme 2020/21 – Position by Directorate**

<b>Programme</b>	<b>Original Budget £m</b>	<b>Q3 Forecast £m</b>	<b>Actual £m</b>	<b>Actual V Original Budget %</b>
Adult Care & Health	7.550	0.991	0.211	3%
Children, Families & Education	5.500	3.614	2.680	49%
Cross Cutting Initiatives	5.500	17.470	7.308	133%
Neighbourhoods	22.625	34.304	18.230	81%
Regeneration & Place	54.354	26.871	16.391	30%
Resources	8.314	2.754	1.645	20%
<b>Total</b>	<b>103.843</b>	<b>86.004</b>	<b>46.465</b>	<b>45%</b>

**Table 2: Capital Programme 2020/21 – Position by Committee**

<b>Programme</b>	<b>Budget £m</b>	<b>Q3 Forecast £m</b>	<b>Actual £m</b>	<b>Actual V Budget %</b>
Adult Social Care & Health	7.550	0.991	0.211	3%
Children, Young People & Education	5.500	3.614	2.680	49%
Economy, Regeneration & Development	60.362	40.972	20.669	34%
Environment, Climate				
Emergency & Transport	21.851	32.805	18.864	86%
Housing	7.806	6.123	3.919	50%
Tourism, Communities, Culture & Leisure	0.774	1.499	0.122	16%
<b>Total</b>	<b>103.843</b>	<b>86.004</b>	<b>46.465</b>	<b>45%</b>

- 3.7 Members have previously approved amendments totalling £17.84m to the originally approved programme budget, as reflected in the position for Quarter 3. 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.

- 3.8 Given the budgetary pressures that the Council faces, which have been exacerbated by the Covid-19 outbreak, a review of the programme continues to try and identify schemes that may no longer be financially viable, essential or deliverable. This review has resulted in scheme reductions totalling £6.07m and the reprofiling of budget into future years of £94.21m. It is anticipated that further reductions and/or deferrals of budget will be made as the review continues. Such deferrals reduced the borrowing costs incurred during 2020/21 (the effects of which are included within the revenue outturn) and also delays the resultant Minimum Revenue Provision (MRP) charges into future years.
- 3.9 Appendix 1 of this report categorises the movement in the forecast programme.
- 3.10 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-19 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.

Those schemes that have encountered significant delays as a result of Covid-19 and/or other operational reasons are included with the items of significant variations, summarised in Appendix 1 of this report. Appendix 2 of this report lists the schemes that have resulted in the re-profiling of expenditure at the end of the 2020/21 financial year.

- 3.11 A summary of progress in the year within the Programme is as follows: -

#### 3.11.1 Adult Social Care & Health

A total of £0.211m was spent in this area in 2020/21. The main areas of expenditure was:

- **Telecare & Telehealth Ecosystem** £0.116m - which are schemes centred around using technology to assist care clients in their home environment.
- Total reprofiling in this area of £8.028m including £5.341m regarding both **Extra Care Housing** – including the ‘Housing 21 Upton Scheme’ and £2.075m in relation to the **Telecare & Telehealth Ecosystem** scheme.

#### 3.11.2 Children, Families & Education

During 2020/21, £2.680m was spent on schemes relating to this area.

Government Grants funded almost 92% of the investment in schools in 2020/21 and is funding subject to future annual announcements. Works

undertaken with schools are mindful of the impact upon the service and are therefore largely arranged for outside of term-times.

- ‘**School Condition & Modernisation**’ works attracted a total spend of £1.638 m across many sites across the Borough.
- ‘**Basic Need**’ costs that focus on ensuring that there are sufficient school places for children within the local area totalled £0.577m, with a further £1.288m being reprofiled into 2021/22.
- Total reprofiling of funding in this area into future years totalled £7.469m.

### 3.11.3 Cross Cutting Initiatives

A total of £7.308m was spent on corporate **Cross Cutting Initiatives**, with £0.853m of budget allocated to the **Capitalisation of Staff Salaries** and £6.525m of spend attributable to the **Capitalisation Directive** permitted by the Ministry of Housing, Communities and Local Government (MHCLG). The directive allows the Council to capitalise the financial impact of the Covid-19 pandemic. This figure is yet to be audited by the MHCLG and any revisions to this amount will be reported in due course.

In 2020/21 the Authority utilised the Capital Receipts flexibilities introduced by the Government that allowed receipts generated to be used to support expenditure that was ‘Transformational’ in nature. The costs incurred relate to the transformation of service delivery to achieve efficiencies in terms of performance or cost. The scheme resulted in £0.784 m being funded from capital receipts.

### 3.11.4 Neighbourhoods Services

During 2020/21 a total of £18.230m was spent in this area, with the main programme schemes being as follows:

- ‘**Highway maintenance**’ – a total of £5.713m was spent with the most significant areas of expenditure being in respect of micro asphalting - (£1.131m) and hot road asphalting (£2.190m) which includes pothole repairs.
- ‘**Street Lighting Column – Replacement or Upgrade**’ – a total of £4.892m was spent, with interest free loans SALIX (funded by the Department for Business, Energy & Industrial Strategy) contributing towards the financing of this spend. SALIX loans are used towards schemes that reduce Carbon emissions, lower energy bills and provide well-lit environments for the community.

- ‘**Tower Road National Productivity Investment Fund**’ - £2.760m was spent in 2020/21 to ease congestion and upgrade local or national road networks.
- ‘**Northbank West Cycle Scheme**’ - £1.043m spent, part grant funded, to enhance the public cycling infrastructure at the Northbank site as part of the Wirral Waters development.
- Schemes that require reprofiling of funding, include those that span across financial years such as ‘**West Kirby Flood Alleviation**’ (£4.568m), ‘**Street Lighting Column – Replacement or Upgrade**’ (£3.703m and ‘**Parks Machinery**’ (£1.323m).

### 3.11.5 Regeneration & Place

A total of £16.387m was spent in this area during the financial year 2020/21.

- £3.148m of grant aid has been provided for the provision of essential ‘**Aids and Adaptations**’ giving disabled people better freedom of movement in and around their homes.
- ‘**Strategic Acquisition Fund**’ costing £4.802m, including the purchase of the former ‘House of Fraser’ retail unit within Birkenhead Town Centre. This scheme is closely linked to the progressing of regeneration initiatives with use intended to fund potential acquisitions
- ‘**Housing Infrastructure Fund Marginal Viability (Northbank)**’ works attracted a total spend of £1.649m. Part of a ‘Homes England’ grant of £6.000 m for infrastructure, land remediation, public realm works and utilities provision at ‘Northbank’ site at Wirral Waters.
- ‘**New Ferry Regeneration Strategic Acquisitions**’ £0.269m was spent on securing the acquisition and demolition of properties in New Ferry Town Centre with the aim of assembling viable redevelopment sites to assist in regeneration. The Council is in the process of seeking compulsory purchase powers which will speed up expenditure should these be granted.
- ‘**Town Fund - Birkenhead**’ £0.885 m of grant funded expenditure to transform the town centre as part of the wider regeneration plan for Birkenhead.
- Schemes that require reprofiling of funding, include those that span across financial years such as ‘**Strategic Acquisition Fund**’ (£4.834m), ‘**Health & Safety Condition Surveys**’ (£4.356m) and ‘**Aids, Adaptations & Disabled Facilities Grants**’ (£7.782m).

### **3.11.6 Resources**

By the end of March 2021 £1.645m had been spent on Resources schemes in total.

- £0.736m was spent on the '**Customer Experience Improvements Project**' that will improve not only the I.T system experience for internal users but also the functionality and capability for customers.
- £0.558m was spent on the initial stages of the development of the '**Enterprise Resource Planning (ERP)**' system. A full competitive tender process was concluded to appoint the contractor to the project that will deliver a system that will increase efficiency, functionality and security for the Council and Wirral residents.
- Total reprofiling relating to Resource schemes was £3.598m in 20/21, with £1.793m regarding the '**ERP**' system and £1.476m associated with the '**Customer Experience Improvements Project**'.

### **3.12 Grant Funded Schemes**

The Authority has been successful in its application for grant funding to either enable the following schemes to take place, or to further the funding available for existing schemes within the programme. There is no request for new Council funding to be considered as part of these schemes. In the event of any notable grant awards being achieved in the future, the relevant schemes will be introduced into the capital programme via the regular monitoring reports.

- **Flood Sax Grant - £0.020m** sandless sandbags to hold back floodwater to protect homes and businesses.
- **Sustainable Urban Development - £0.612m** delivering footway/cycleway and bus stops.
- **Active Travel Tranche 2 - £0.681m** schemes to support cycling and walking within the Liverpool City Region.
- **Housing Infrastructure (Enabling Infrastructure) - £0.90m** Birkenhead Regeneration Framework.

### **3.13 Virements**

Appendix 3 of this report lists the budget virements that 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.

## CAPITAL FINANCING

- 3.14 Table 3 details the resources used to finance the Capital Programme.

**Table 3: Capital Financing 2020/21**

Source of Financing	Original Programme £m	Revised Programme £m	Actual Outturn £m
Borrowing	55.617	49.153	25.182
Grants	28.425	31.635	20.311
Capital Receipts	4.500	1.200	0.784
Revenue/Reserves	0.021	0.189	0.188
Enterprise Zone NNDR Uplift	15.280	0.000	0.000
<b>Total</b>	<b>103.843</b>	<b>82.177</b>	<b>46.465</b>

- 3.15 The re-profiling referred to earlier has seen the schemes and associated funding deferred until 2021/22.
- 3.16 A revised programme, including the final reprofiling from 2020/21 is included in Appendix 4.

## CAPITAL RECEIPTS

- 3.17 Table 4 shows the movements in the Capital Receipts Reserve during 2020/21. Receipts for the year totalled £1.819m with £1.548m available at 31 March 2021.
- 3.18 In accordance with the Capital Receipts flexibilities introduced by the Government capital receipts generated between 1 April 2016 and 31 March 2025 can be used to support transformation of services that results in efficiencies. This has been reflected in the Capital Programme for 2020/21 onwards.

**Table 4: Capital Receipts Reserve**

	£000
<b>Balance as at 1 April 2020</b>	<b>513</b>
Add: Receipts during the year	1,819
Less: Flexible use of receipts to fund transformation schemes	-784
<b>Balance as at 31 March 2021</b>	<b>1,548</b>

- 3.19 The Capital Receipts Reserve contains the proceeds of fixed asset sales that are available to meet future capital investment. Not all receipts can be applied

to fund any Transformational activity however, as some may be ringfenced to apply for example to educational schemes.

## **COMPLIANCE WITH PRUDENTIAL INDICATORS**

- 3.20 The Authority confirms that it has complied with its Prudential Indicators for 2020/21, which were originally approved on 17 February 2020 as part of the Capital Strategy 2020/21 and revised on 17 February 2021 as part of the Capital Strategy 2021/22. Details can be found in the Appendix A.

## **4.0 FINANCIAL IMPLICATIONS**

- 4.1 The capital expenditure for the year amounted to £46.465m. This was funded from borrowing of £25.182m, Capital Grants of £20.311m, capital receipts of £0.784 m and other revenue/reserve contributions of £0.188m.
- 4.2 As a result of the £25.182m borrowed to finance the capital programme in 2020/21, the General Fund will be charged with its first repayment via the Minimum Revenue Provision (MRP) in 2021/22 of £0.815m. This will bring the total MRP charge for 2021/22 to £4.462m for borrowing associated with delivering the Capital programme.
- 4.3 The re-profiling of schemes from 2020/21 to 2021/22 has seen the funding similarly re-profiled. This includes the planned borrowing which has been deferred and has contributed towards the cost reductions in Treasury Management activities within the revenue budget. A permanent saving only occurs if schemes cease, otherwise the full budget will be required in 2021/22 when the re-profiled expenditure is incurred.
- 4.4 Chief Officers involved in procurement activity must comply with the Council's Contract Procedure Rules, Financial Regulations, and the Council's Employees Code of Conduct. They must also have due regard to any guidance provided by Corporate Procurement.

## **5.0 LEGAL IMPLICATIONS**

- 5.1 The Council must set the budget(of which the Capital Programme is part of) in accordance with the provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a statutory responsibility of the Council. Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget. These provisions require the Council to make prudent allowance for the risk and uncertainties in its budget and regularly monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.
- 5.2 Members must bear in mind their fiduciary duty to the council taxpayers of Wirral. Members must have adequate evidence on which to base their decisions on the level of quality at which services should be provided.

- 5.3 Where a service is provided pursuant to a statutory duty, it would not be lawful to fail to discharge it properly or abandon it, and where there is discretion as to how it is to be discharged, that discretion should be exercised reasonably.
- 5.4 The report sets out the relevant considerations for Members to consider during their deliberations and Members are reminded of the need to ignore irrelevant considerations. Members have a duty to seek to ensure that the Council acts lawfully. Members must not come to a decision which no reasonable authority could come to; balancing the nature, quality and level of services which they consider should be provided, against the costs of providing such services.
- 5.5 There is a particular requirement to take into consideration the Council's fiduciary duty and the public sector equality duty in coming to its decision.
- 5.6 The public sector equality duty is that a public authority must, in the exercise of its functions, have due regard to the need to: (1) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; (2) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and (3) foster good relations between persons who share a relevant protected characteristic and persons who do not share it
- 5.7 Any decision made in the exercise of any function is potentially open to challenge if the duty has been disregarded. The duty applies both to Full Council when setting the budget and to Committees when considering particular decisions.
- 5.8 Once a budget is in place, Council has delegated responsibility to the Policy and Services Committees to implement it. The Committees may not act contrary to the Budget without consent of Council other than in accordance with the Procedure Rules set out at Part 4(3) of the Constitution.
- 5.9 It is essential, as a matter of prudence that the financial position continues to be closely monitored. In particular, Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings.

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

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

## **7.0 RELEVANT RISKS**

- 7.1 There are no direct risks associated with this report. The report provides a summary of the expenditure and financing of the Capital Programme in

2020/21. The Programme has been monitored throughout the year and direct risks are reported to Members.

## **8.0 ENGAGEMENT/CONSULTATION**

- 8.1 This is an end of year report. Consultation takes places as part of considering the capital programme and over the planning and implementation of the specific schemes within the Programme.

## **9.0 EQUALITIES 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. This report provides a summary of activity during the 2020/21 financial year. Equality impacts will be considered at scheme design stage and as projects are considered for approval. .There are no direct equality implications arising from this report

## **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

- 10.1 Capital bids are welcomed that support the Council's Climate Emergency Plan that was compiled following the declaration of a Climate Emergency by the Council in May 2019. Within the existing capital programme there are a series of projects that positively contribute to environmental issues.

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## **APPENDICES**

- Appendix 1 – Movement between previously agreed capital budget and actual position  
Appendix 2 – Significant variations – additional reprofiling at March 2021  
Appendix 3 – Proposed virements  
Appendix 4 – Revised 2021/22 Capital Programme  
Appendix 5 – Prudential Indicators 2020/21

## **BACKGROUND PAPERS**

- Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the UK 2020/21.  
Local Government Act 2003 and subsequent amendments.  
Local Government (Capital Finance and Accounting) Regulations 2008.  
Accounts and Audit (England) Regulations 2015.

## **SUBJECT HISTORY**

<b>Council Meeting</b>	<b>Date</b>
<b>Budget Council – 2020/21 Capital Programme</b>	<b>2<sup>nd</sup> March 2020</b>
<b>2020/21 Quarter 1 Capital Financial Monitoring</b>	<b>27th July 2020</b>
<b>2020/21 Quarter 2 Capital Financial Monitoring</b>	<b>11th November 2020</b>
<b>2020/21 Quarter 3 Capital Financial Monitoring</b>	<b>17 February 2021</b>

## Appendix 1

### Movement between previously approved Capital Budget and Actual Position

<u>Programme</u>	Budget £m	Reprofiling from 19-20 £m	Additional Grant £m	Funding Adjustments £m	New Bids £m	Scheme Reduction £m	Reprofiling to Future Yrs £m	Actual £m
Adult Care & Health	7.550	1.391	-	0.066	-	-0.768	-8.028	0.211
Children, Families & Education	5.500	1.870	1.389	1.152	0.241	-0.003	-7.469	2.680
Cross Cutting Initiatives	5.500	0.000	-	11.118	-	-8.662	-0.647	7.308
Neighbourhoods	22.925	8.181	9.445	0.072	0.591	-0.032	-22.952	18.230
Regeneration & Place	54.054	6.853	5.964	0.088	0.943		-51.512	16.390
Resources	8.314	1.033	-	0.749	-	-4.853	-3.598	1.645
<b>Total</b>	<b>103.843</b>	<b>19.328</b>	<b>16.798</b>	<b>13.245</b>	<b>1.775</b>	<b>-14.318</b>	<b>-94.206</b>	<b>46.465</b>

## APPENDIX 2

### Significant variations – Additional Re-profiling at 31 March 2021

<b>Scheme</b>	<b>£'000</b>
<b>Adult Care and Health</b>	
Extra Care Housing	110
Telecare Ecosystem	684
Other Schemes with reprofiling below £0.100 million	52
	<b>794</b>
<b>Children, Families &amp; Education</b>	
Children's System Development	241
Family Support	157
School Place Planning	577
Basic Needs	388
School Condition/Modernisation	1,251
Other Schemes with reprofiling below £0.100 million	84
	<b>2,699</b>
<b>Cost Cutting Initiatives</b>	
Capitalisation of Salaries	647
	<b>647</b>
<b>Neighbourhoods</b>	
Bridges	251
Connecting Wirral Waters: Detailed Design	305
Dock Bridges replacement	517
Green Travel Corridors Sustainable Urban Development	612
Highway Maintenance	773
Highways Asset Management System	133
Key Route Network (LGF3)	361
Lyndale Ave Parking & Safety Measures	150
Onstreet Residential Chargepoint Scheme	102
Sustainable Transport Enhancement Programme	400
Street Lighting -Illuminated Lighting and Signage	364
Street Lighting Column - Replacement or Upgrade	203
Tower Road National Productivity Investment Fund	134

<u>Scheme</u>	<u>£'000</u>
<b>Neighbourhoods (continued)</b>	
Town Link Viaduct	332
Combined Authority Transport Plan (CATP)	909
Active Travel Tranche 1	188
Active Travel Tranche 2	681
Future Golf - Project 1.1	470
New Brighton Gym Equipment	162
New Ferry Rangers Community Clubhouse	222
Solar Campus 3G	375
Studio refurbishment Les Mills classes	138
Urban Tree Challenge Fund	525
Other Schemes with reprofiling below £0.100 million	742
	<b>9,047</b>
<b>Regeneration &amp; Place</b>	
West Kirby Marine Lake/Sailing Centre – accommodation	229
Central Park Compound	180
Leasowe Castle Depot	25
Aids, Adaptations and Disabled Facility Grants	1,920
Clearance	240
Birkenhead Regeneration Framework	496
Business Investment Fund	955
Community Bank	500
Future High Streets - Birkenhead	150
Town Fund B'head	115
Housing Infrastructure Fund Marginal Viability (Northbank)	3,788
Strategic Acquisition Fund	2,234
Major Infrastructure Development & Strategic Transport	462
Wirral Waters Investment Fund	400
Other Schemes with reprofiling below £0.100 million	578
	<b>12,272</b>
<b>Resources</b>	
Customer Experience Improvements Project	477
Enterprise Resource Planning	1,053
Other Schemes with reprofiling below £0.100 million	330
	<b>1,859</b>
<b>Total Additional Reprofiling as at 31 March 2021</b>	<b>27,371</b>

## APPENDIX 3

### Proposed Virements

Area	Scheme	Proposed Virement £m	Proposed Reallocation
Neighbourhoods	North Wirral Coastal Park	0.040	Washdown Facilities
Neighbourhoods	Future Golf - Project 1.1	0.010	Arrowe Park Sports Village Feasibility Study
Neighbourhoods	Parks Machinery	0.048	Landican Chapels
Children, Families & Education	School Place Planning	0.010	Rock Ferry Children's Centre
Regeneration & Place	Energy Efficient Buildings	0.100	West Kirby Sailing Centre
Regeneration & Place	Health & Safety - Condition Surveys	0.200	West Kirby Sailing Centre
Regeneration & Place	Leasowe Leisure Centre/Evolutions	0.200	West Kirby Sailing Centre
Regeneration & Place	Restore Empty Homes	0.190	Clearance

## APPENDIX 4

### REVISED 2021/22 CAPITAL PROGRAMME

	<b>Revised 21/22 Programme £'000</b>	<b>Borrowing £'000</b>	<b>Grants £'000</b>	<b>Other £'000</b>	<b>Total Funding £'000</b>
<b>Adult Care and Health</b>					
Citizen and Provider Portal/Integrated I.T.	112	52	60	-	112
Community Intermediate Care	500	500	-	-	500
Extra Care Housing	2,874	1,119	1,755	-	2,874
Telecare & Telehealth Ecosystem	3,075	3,075	-	-	3,075
<b>Total Adult Care and Health</b>	<b>6,561</b>	<b>4,746</b>	<b>1,815</b>	-	<b>6,561</b>
<b>Children, Families &amp; Education</b>					
Children's System Development	423	423	-	-	423
Family support	157	157	-	-	157
Healthy Pupils Capital Fund	18	-	18	-	18
PFI	85	85	-	-	85
School Place Planning	937	937	-	-	937
Special Educational Needs and Disabilities	33	-	33	-	33
Basic Needs	1,288	-	1,288	-	1,288
School Condition/modernisation	6,363	-	6,363	-	6,363
<b>Total Children, Families &amp; Education</b>	<b>9,304</b>	<b>1,602</b>	<b>7,702</b>	-	<b>9,304</b>
<b>Cross Cutting Initiatives</b>					
Capitalisation of Salaries	647	647	-	-	647
MHCLG Capitalisation Directive	10,680	10,680	-	-	10,680
<b>Total Cross Cutting Initiatives</b>	<b>11,327</b>	<b>11,327</b>	-	-	<b>11,327</b>

	<b>Revised 21/22 Programme £'000</b>	<b>Borrowing £'000</b>	<b>Grants £'000</b>	<b>Other £'000</b>	<b>Total Funding £'000</b>
<b>Neighbourhoods</b>					
Aids to navigation	40	40	-	-	40
Bridges-Network rail	401	301	100	-	401
Bridges-Lingham Lane Bridge	350	350	-	-	350
Quick Win Levy	45	-	45	-	45
Connecting Wirral Waters: Detailed Design	610	610	-	-	610
Coronation Park Sustainable Drainage	182	-	182	-	182
Dock Bridges replacement	517	517	-	-	517
Green Travel Corridors Sustainable Urban Development	612	-	612	-	612
Highway Maintenance	773	429	344	-	773
Highways Asset Management System	133	133	-	-	133
Key Route Network	88	88	-	-	88
Key Route Network (LGF3) - Operate Key Roads	361	36	325	-	361
Street Lighting -Illuminated Lighting and Signage	364	364	-	-	364
Street Lighting Column - Replacement or Upgrade	3,703	3,703	-	-	3,703
Lyndale Ave Parking & Safety Measures	150	150	-	-	150
Modernisation of CCTV System	170	170	-	-	170
Monks Ferry Slipway	40	40	-	-	40
Moreton Sandbrook Drainage	440	440	-	-	440
New cycle infrastructure -Year 2	1,000	1,000	-	-	1,000
Onstreet Residential Chargepoint Scheme	102	25	77	-	102
Sustainable Transport Enhancement Plan	625	114	511	-	625
Surface Water Management Scheme	90	-	90	-	90

	Revised 21/22 Programme £'000	Borrowing £'000	Grants £'000	Other £'000	Total Funding £'000
<b>Neighbourhoods (Continued)</b>					
Thermal mapping	10	10	-	-	10
Tower Road National Productivity Investment Fund	134	134	-	-	134
Town Link Viaduct	332	332	-	-	332
Combined Authority Transport Plan	1,509	1,372	137	-	1,509
SUD - Leasowe to Seacombe Corridor	529	-	529	-	529
Active Travel Tranche 1	188	-	188	-	188
Active Travel Tranche 2	681	-	681	-	681
West Kirby Flood alleviation	5,139	2,397	2,742	-	5,139
Woodchurch Rd Drainage	80	80	-	-	80
Arrowe Park Sports Village Redevelopment Feasibility Study	15	15	-	-	15
Fitness Equipment	4	4	-	-	4
Future Golf - Project 1.1	470	470	-	-	470
New Brighton Gym Equipment	162	162	-	-	162
New Ferry Rangers Community Clubhouse	872	622	250	-	872
People's Pool Feasibility Study	72	72	-	-	72
Solar Campus 3G	375	375	-	-	375
Studio refurbishment Les Mills classes	138	138	-	-	138
Studio refurbishment Les Mills classes new bid	88	88	-	-	88
Williamson Art Gallery Catalogue	73	73	-	-	73
Allotment Sites Expansion	127	127	-	-	127
Beach Cleaning - Replacement of equipment	122	122	-	-	122

	<b>Revised 21/22 Programme £'000</b>	<b>Borrowing £'000</b>	<b>Grants £'000</b>	<b>Other £'000</b>	<b>Total Funding £'000</b>
<b>Neighbourhoods (Continued)</b>					
Birkenhead Park World Heritage Project Team	85	85	-	-	85
Cemetery Extension & Improvements (Frankby)	171	171	-	-	171
Mersey PK & Ilchester Parks improvements	4	-	4	-	4
North Wirral Coastal Park	40	40	-	-	40
Parks Machinery	1,383	1,383	-	-	1,383
Parks Vehicles	571	571	-	-	571
Play Area Improvements	467	467	-	-	467
Plymyard Playing Field	147	-	-	147	147
Tree Strategy	115	115	-	-	115
Urban Tree Challenge Fund	525	225	300	-	525
Wirral Country Park Car Park Surfacing	210	210	-	-	210
Wirral Way Widening	134	134	-	-	134
<b>Total Neighbourhoods</b>	<b>25,768</b>	<b>18,504</b>	<b>7,117</b>	<b>147</b>	<b>25,768</b>
<b>Regeneration &amp; Place</b>					
65 The Village	164	164	-	-	164
Bebington Oval Facility Upgrade	701	701	-	-	701
Birkenhead Park Event Infrastructure	164	164	-	-	164
Castleway & Leasowe Early Years	1,200	1,200	-	-	1,200
Concerto Asset Management System	38	38	-	-	38
Eastham Library	40	40	-	-	40
Energy efficient buildings	900	900	-	-	900
Floral Pavilion	175	175	-	-	175

	Revised 21/22				Total Funding £'000
	Programme £'000	Borrowing £'000	Grants £'000	Other £'000	
<b>Regeneration &amp; Place (Continued)</b>					
Health & Safety - Condition Surveys	3,856	3,856	-	-	3,856
Heswall Day Centre (part only)	127	127	-	-	127
Leasowe Leisure Centre/Evolutions	1,720	1,720	-	-	1,720
Legislative Compliance	44	44	-	-	44
Leisure Health & Safety Compliance	842	842	-	-	842
Lever Sports Pavilion	80	80	-	-	80
Moreton Youth Club & Library	1,000	1,000	-	-	1,000
Pool Covers	72	72	-	-	72
Seacombe Library	66	66	-	-	66
Soft Play Areas Leisure Centres	410	410	-	-	410
Wallasey Central Library	176	176	-	-	176
Wallasey Village Library	8	8	-	-	8
West Kirby Concourse/Guinea Gap Reception upgrade / improve	351	351	-	-	351
West Kirby Marine Lake/Sailing Centre – accommodation	229	229	-	-	229
Wirral Tennis Centre - Facility Upgrade	766	766	-	-	766
Arrowe Country Park - New Machine Shed & Wash Bay	186	186	-	-	186
Arrowe Country Park Depot: Re-Surfacing, Material Bays & Barrier	40	40	-	-	40
Birkenhead Park Depot Resurfacing	30	30	-	-	30
Central Park Compound	180	180	-	-	180
Hoylake Golf works depot demolish and replace	104	104	-	-	104
Landican Chapels	71	71	-	-	71

	<b>Revised 21/22 Programme £'000</b>	<b>Borrowing £'000</b>	<b>Grants £'000</b>	<b>Other £'000</b>	<b>Total Funding £'000</b>
<b>Regeneration &amp; Place (Continued)</b>					
Leasowe Castle Depot	25	25	-	-	25
Parks and Countryside DDA	455	455	-	-	455
Plymyard Cemetery Welfare & Storage	75	75	-	-	75
Washdown Facilities	57	57	-	-	57
Aids, Adaptations and Disabled Facility Grants	7,782	-	7,782	-	7,782
Clearance	390	200	190	-	390
Empty Property Grant Scheme	310	310	-	-	310
Birkenhead Market Development	50	50	-	-	50
Birkenhead Regeneration Delivery Fund	2,599	2,599	-	-	2,599
Birkenhead Regeneration Framework	667	667	-	-	667
Business Investment Fund	955	955	-	-	955
Community Bank	2,750	2,750	-	-	2,750
Eureka	100	100	-	-	100
Future High Streets - Birkenhead	12,022	-	12,022	-	12,022
Housing Infrastructure Fund (Enabling Infrastructure)	21	21	-	-	21
Housing Infrastructure Fund Marginal Viability (Northbank)	3,788	-	3,788	-	3,788
Major Infrastructure Development & Strategic Transport	462	462	-	-	462

	<b>Revised 21/22 Programme £'000</b>	<b>Borrowing £'000</b>	<b>Grants £'000</b>	<b>Other £'000</b>	<b>Total Funding £'000</b>
<b>Regeneration &amp; Place (Continued)</b>					
New Ferry Regeneration Strategic Acquisitions	718	718	-	-	718
Office Quarter Building Fit-Out	196	196	-	-	196
Strategic Acquisition Fund	4,834	4,834	-	-	4,834
TAG Bus Case-A41 Corridor North	265	-	265	-	265
TAG Bus Case-Wirral Waters outline	131	-	131	-	131
Town Centre scheme - Liscard	296	-	275	21	296
Town Centre scheme - New Ferry	177	-	177	-	177
Town Fund B'head	115	-	115	-	115
Wirral Waters Investment Fund	4,100	4,100	-	-	4,100
<b>Total Regeneration &amp; Place</b>	<b>57,080</b>	<b>32,314</b>	<b>24,745</b>	<b>21</b>	<b>57,080</b>
<b>Resources</b>					
Access Wirral	51	51	-	-	51
Creative & Digital Team - specialist software and hardware	15	15	-	-	15
Customer Experience Improvements Project	1,477	1,477	-	-	1,477
Digital Corporate Storage - upgrade & refresh technologies	66	66	-	-	66
ERP	4,653	4,653	-	-	4,653
Windows 10 Rollout	88	88	-	-	88
Worksmart I.T.	88	88	-	-	88
HR e-Recruitment Solution	21	21	-	-	21
<b>Total Resources</b>	<b>6,459</b>	<b>6,459</b>	<b>-</b>	<b>-</b>	<b>6,459</b>
<b>Total Revised Programme 2021/22</b>	<b>116,499</b>	<b>74,952</b>	<b>41,379</b>	<b>168</b>	<b>116,499</b>



## **APPENDIX 5**

### **PRUDENTIAL INDICATORS 2020/21**

#### **(a) Adoption of the CIPFA Treasury Management Code**

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

The Council has previously approved the adoption of the revised CIPFA Treasury Management Code 2017 Edition.

#### **(b) Capital Expenditure**

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

Expenditure	31/03/2021	31/03/2022	31/03/2023
	Actual	Estimate	Estimate
	£'000	£'000	£'000
General Fund	46,465	116,499	34,424

Capital expenditure has or will be funded as follows:

Capital Financing	31/03/2021	31/03/2022	31/03/2023
	Actual	Estimate	Estimate
	£'000	£'000	£'000
Capital receipts	784	-	-
Grants and Contributions	20,311	41,379	8,587
Revenue and Reserves	188	168	-
Unsupported borrowing	25,182	74,952	25,837
<b>Total Funding</b>	<b>46,465</b>	<b>116,499</b>	<b>34,424</b>

#### **(c) Capital Financing Requirement (CFR)**

Estimates of the Authority's cumulative maximum external borrowing requirement for 2020/21 to 2022/23 are shown in the table below:

Capital Financing Requirement	31/03/2021	31/03/2022	31/03/2023
	Actual	Estimate	Estimate
	£m	£m	£m
General Fund	362.519	425.312	435.952

#### **(d) Gross Debt and the Capital Financing Requirement:**

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

indicator of prudence.

<b>Debt</b>	<b>31/03/2021</b>	<b>31/03/2022</b>	<b>31/03/2023</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Borrowing	254.857	324.809	347.011
PFI liabilities	36.912	34.447	31.258
<b>Total Debt</b>	<b>291.769</b>	<b>359.256</b>	<b>378.269</b>
<b>Borrowing in excess of CFR?</b>	<b>No</b>	<b>No</b>	<b>No</b>

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

**(e) Authorised Limit and Operational Boundary for External Debt**

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

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

There were no breaches to the Authorised Limit and the Operational Boundary during 2020/21.

	<b>Operational Boundary (Approved) 31/03/2021</b>	<b>Authorised Limit (Approved) 31/03/2021</b>	<b>Actual External Debt 31/03/2021</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Borrowing	443.000	453.000	254.857
Other Long-term Liabilities	58.000	63.000	36.912
<b>Total</b>	<b>501.000</b>	<b>516.000</b>	<b>291.769</b>

**(f) Ratio of financing costs to net revenue stream**

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The ratio is based on costs net of investment income.

<b>Ratio of Finance Costs to Net Revenue Stream</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Ratio	5.506	5.731	6.568



## POLICY AND RESOURCES COMMITTEE

Wednesday, 30 June 2021

<b>REPORT TITLE:</b>	<b>WORK PROGRAMME UPDATE</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF LAW AND GOVERNANCE</b>

### 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

The Policy & Resources Committee are invited to comment on and note the proposed Policy and Resources Committee work programme for the remainder of the 2021/22 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, co-ordinate spend, and maintain a strategic overview of outcomes, performance, risk management and budgets may be compromised if it does not have the opportunity to plan and regularly review its work across the municipal year.

## **8.0 ENGAGEMENT/CONSULTATION**

- 8.1** Not applicable

## **9.0 EQUALITY IMPLICATIONS**

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

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

## **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

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

**REPORT AUTHOR:** **Steve Fox, Head of Democratic and Member Services**  
telephone: 0151 691 8145  
email: [stevefox@wirral.gov.uk](mailto:stevefox@wirral.gov.uk)

## **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)

<b>Council Meeting</b>	<b>Date</b>
Policy and Resources Committee	7 October 2020
Policy and Resources Committee	11 November 2020
Policy and Resources Committee	21 December 2020
Policy and Resources Committee	20 January 2021
Policy and Resources Committee	17 February 2021
Policy and Resources Committee	17 March 2021
Policy and Resources Committee	9 June 2021

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# POLICY AND RESOURCES COMMITTEE

## WORK PROGRAMME 2020/21

30 June 2021

**Contact Officer/s:** Andrew Mossop / Bryn Griffiths

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## PROPOSED AGENDA FOR POLICY AND RESOURCES COMMITTEE – 30 June 2021

Item	Key Decision Yes/No	Lead Departmental Officer	Wirral Plan Priority
Wirral Plan 2021 - 2026	Yes	Rosemary Boylan / Carly Brown	All
Homeworking Allowance	No	Tony Williams	Inclusive Economy
Appointment to Mersey Forest Steering Group	No	Phil McCourt	Sustainable Environment
Revenue Monitoring Quarter 4 Outturn	Yes	Shaer Halewood	Inclusive Economy
Capital Outturn for Financial Year 2020/21	Yes	Shaer Halewood	Inclusive Economy
Referred from Economy Regeneration and Development Committee: Active Travel Funding – Tranche 1, Tranche 2 and Local Authority Capability Funding	Yes	Alan Evans	Sustainable Environment

<b>Deadline for SLT</b>	<b>Deadline for Cleared Reports</b>	<b>Agenda Published</b>
07.06.2021	16.06.2021	22.06.2021

## UPCOMING KEY DECISIONS

<b>Item</b>	<b>Brief Description</b>	<b>Approximate timescale</b>	<b>Lead Departmental Officer</b>
Liverpool City Region Enabling Powers and Associated Issues <b>Key</b>	Various matters which may require the consent of this Authority as one of the constituent authorities of the Liverpool City Region Combined Authority	Between July 2021 and October 2021	Director of Law and Governance, Phil McCourt
Strategic Asset Acquisitions <b>Key</b>	Approval to acquire key assets as part of the Council's growth strategy	Between July 2021 and October 2021	Director of Regeneration and Place, Alan Evans
Liscard Neighbourhood Framework / Integrated Masterplan <b>Key</b>	Approval of the Neighbourhood Framework / Integrated Masterplan for Liscard Town and confirmation of next steps	Between July 2021 and October 2021	Director of Regeneration and Place, Alan Evans
Wirral Local Plan: 'Local Green Space - Assessment of Applications for Designations' <b>Key</b>	TBC	Between July 2021 and October 2021	Director of Regeneration and Place, Alan Evans
Budget 2020/21 Update <b>Key</b>	This report will provide an update on the 2020/21 budget position	Between July 2021 and October 2021	Director of Resources, Shaer Halewood
Loan / Loan Facility Application <b>Key</b>	To agree a business loan application relating to a local business	Between July 2021 and October 2021	Director of Resources, Shaer Halewood

<b>Birkenhead One Stop Shop Key</b>	Proposal for the relocation of the Birkenhead One Stop Shop and implementation of new service model	Between June 2021 and September 2021	Director of Regeneration and Place, Alan Evans
<b>Northwest Community Bank Key</b>	Update and decisions on Community Bank	Between July 2021 and October 2021	Director of Resources, Shaer Halewood
<b>Edsential Update and Finance Key</b>	Update and decisions on Edsential	Between July 2021 and October 2021	Director of Resources, Share Halewood
<b>Real Living Wage Foundation Accreditation Key</b>	Report on accreditation being sought from the Real Living Wage Foundation following a report to Cabinet on 27 July, 2020	July 2021	Director of Resources, Shaer Halewood
<b>Financial Monitoring Outturn Key</b>	Financial Monitoring: 1. Outturn 2. Capital 3. Collection Fund	July 2021	Director of Resources, Shaer Halewood
<b>Treasury Management Monitoring 2020/21 (Year-end report) Key</b>	Year-end report on treasury and cash management activities and the Prudential Indicators.	July 2021	Director of Resources, Shaer Halewood
<b>Customer Experience Key</b>	This report will provide an overview of current customer service arrangements, opportunities for improvement and how Members and residents will be engaged in delivering a new offer	Between July 2021 and October 2021	Director of Resources, Shaer Halewood
<b>One Wirral Change Programme Key</b>	This report provides an overview of the Council's emerging change programme.	July 2021	Director of Resources, Shaer Halewood

## **ADDITIONAL AGENDA ITEMS – WAITING TO BE SCHEDULED**

<b>Item</b>	<b>Brief Description</b>	<b>Approximate timescale</b>	<b>Lead Departmental Officer</b>
Application for National Non Domestic Rate Relief	From time to time an organisation or body that may qualify for Discretionary Rates Relief to reduce their liability for paying Rates will apply to the Council for such support which requires a formal decision.	Between July 2021 and October 2021	Director of Resources, Shaer Halewood
Community Investment Bonds	Update on Community Investment Bonds	Between July 2021 and October 2021	Director of Resources, Shaer Halewood
Income Generation	Added at request of P&R Committee	Between July 2021 and October 2021	Director of Resources, Shaer Halewood
Refugees and Asylum Seekers	Referred from Council on 22 March 2021	Between July 2021 and October 2021	Director of Regeneration and Place, Alan Evans
Prevention	Referred from Children, Young People & Education Committee on 15 June 2021	July 2021	Director of Children, Young People & Education, Simone White

## **STANDING ITEMS AND MONITORING REPORTS**

<b>Item</b>	<b>Reporting Frequency</b>	<b>Lead Departmental Officer</b>
Performance Monitoring	TBC	Carly Brown
Financial Monitoring	TBC	Shaer Halewood
Work Programme Update	Every Meeting	Phil McCourt

## WORK PROGRAMME ACTIVITIES OUTSIDE COMMITTEE

Item	Format	Timescale	Lead Officer	Progress
<b>Working Groups/ Sub Committees</b>				
<b>Task and Finish work</b>				
<b>Spotlight sessions / workshops</b>				
<b>Corporate scrutiny / Other</b>				

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## POLICY AND RESOURCES COMMITTEE

**Wednesday 30<sup>th</sup> June 2021**

<b>REPORT TITLE:</b>	<b>ACTIVE TRAVEL FUNDING – TRANCHE 1, TRANCHE 2 AND LOCAL AUTHORITY CAPABILITY FUNDING</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF LAW AND GOVERNANCE</b>

### REPORT SUMMARY

The report provides for consideration of the recommendations of the Economy, Regeneration and Development Committee in respect of Active Travel Funding – Tranche 1, Tranche 2 and Local Authority Capability Funding.

The full minute of the Economy Regeneration and Development Committee dated 8 June 2021 and associated Report of the Director of Regeneration and Place is attached.

### RECOMMENDATION/S

The Policy & Resources Committee is requested to consider the request from the Economy, Regeneration and Development Committee to approve the following

- (1) Authorise the Director of Regeneration and Place to accept the grant funding allocated to Wirral Council by Liverpool City Region Combined Authority for the Active Travel Fund Tranche 1 and 2 Programmes and the Local Authority Active Travel Capability Fund Programme.
- (2) Approve the proposed Active Travel Fund Tranche 1 and 2 Programmes and the Active Travel Capability Fund Programme as set out as appendices to this report
- (3) Authorise the Director of Regeneration and Place, in consultation with the Combined Authority and the Chair and Spokespersons of the Economy, Regeneration and Place Committee to amend the programmes if required having regard due any issues that may arise during design or consultation stages of projects.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION/S**

- 1.1 To ensure that the Council achieves development and delivery of active travel schemes within the Borough as part of a Liverpool City Region (LCR) wide programme of schemes and interventions.
- 1.2 To ensure that the Council supports schemes which will deliver increased levels of sustainable travel as set out in the emerging Local Plan and to support actions required to address the Climate Emergency and the target in the Cool2 Strategy to ‘a complete transition to fossil fuel free local travel by around 2030’.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 Other options have been considered as reported within the minutes of the Economy, Regeneration and Development Committee and appended report.

### **3.0 BACKGROUND INFORMATION**

- 3.1 On the 9 May 2020 the Secretary of State Grant Shapps announced a £250 million Emergency Active Travel Fund. For Tranche 1 of the funding, and in line with DfT guidance, the LCRCA identified the need to develop a programme of measures to reduce the dependency on car-based journeys and through segregation provide increased confidence to people wishing to cycle.
- 3.2 This matter is being referred to Policy & Resources Committee because in accordance with the Council’s Constitution any amendment to the Capital Programme requested by a Committee or officer in excess of £100,000; is reserved to Policy & Resources Committee.
- 3.3 The Economy Regeneration and Development Committee is recommending authorisation of the Director of Regeneration and Place in consultation with the Director of Resources, to and approve the grant funding allocated to Wirral Council by Liverpool City Region Combined Authority for the Active Travel Fund Tranche 1 and 2 Programmes and the Local Authority Active Travel Capability Fund Programme.

### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 All schemes detailed in Appendix A are funded from the Combined Authority grant allocation for Active Travel Fund Tranche 1 and Tranche 2. This is as per table 1 below:

**Table 1: Wirral Active Travel Fund Allocations (£)**

	Capital	Revenue	Total
Tranche 1	308,450	0	308,450
Tranche 2	680,606	149,394	830,000
Total	989,506	149,394	1,138,450

- 4.2. Projects detailed in Appendix B are proposed to be funded from an indicative Active Travel Capability Fund revenue allocation of £286,000. We await confirmation of this allocation from the Combined Authority.
- 4.3 In accordance with the Council's Constitution any amendment to the Capital Programme requested by a Committee or officer in excess of £100,000; is reserved to Policy & Resources Committee

## **5.0 LEGAL IMPLICATIONS**

- 5.1 In accordance with the Part 3B of Constitution (Committee Terms of Reference), the Policy and Resources Committee has two main areas of responsibility, which is to provide strategic direction to the operation of the Council, including making decisions on policies and co-ordinating spend not reserved to full Council, and to maintain a strategic overview of outcomes, performance, risk management and budgets.
- 5.2 The Policy & Resources Committee is charged by full Council to provide a co-ordinating role across all other service committees and retain a 'whole-council' view of performance, budget monitoring and risk management. In particular, this includes specific responsibility for a decision on any amendment to the Capital Programme requested by a Committee or officer in excess of £100,000;

As part of the matter of business that was the subject of the report to Economy, Regeneration and Development Committee falls under that responsibility reserved to the Policy and Resources Committee, the Economy, Regeneration and Development Committee Committee's resolution is presented as a recommendation.

- 5.3 As the decision in this matter is the subject of a recommendation from another Committee, the Policy and Resources Committee must take into account the resolution of that Committee and give due regard to the guidance and comments made by its members. The Policy and Resources Committee must not, however, consider itself bound by that Committee's recommendations or otherwise fetter its discretion; its Members must come to their own decision. In doing so, the Committee must satisfy itself that it has been provided with all relevant information or a suitable précis to enable it to comply with its duties and make a lawful decision.
- 5.3 Other legal considerations are as set out in the annexed report(s).

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

- 6.1 This report is for information only and does not contain any direct resource implications.

## **7.0 RELEVANT RISKS**

- 7.1 The risks were covered in the original report submitted to the Committee.

## **8.0 ENGAGEMENT/CONSULTATION**

8.1 Engagement and Consultation were covered in the original report submitted to the Committee.

## **9.0 OTHER IMPLICATIONS (EQUALITY, ENVIRONMENT & CLIMATE)**

9.1 Other implications arising from the subject matter were considered as set out in the annexed report(s) and meeting minute.

## **APPENDICES**

Appendix 1 Minute extract

Appendix 2 Active Travel Funding Report

## **BACKGROUND PAPERS**

**Gear Change Plan for Cycling and Walking – Department for Transport July 2020**

<https://www.gov.uk/government/publications/cycling-and-walking-plan-for-england>

**Cycling Infrastructure Design Local Transport Note 1/20**

<https://www.gov.uk/government/publications/cycle-infrastructure-design-ltn-120>

**Department for Transport Cycling and Walking Investment Strategy 2017**

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/918442/cycling-walking-investment-strategy.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/918442/cycling-walking-investment-strategy.pdf)

**Sustrans Bike Life Report Liverpool City Region**

<https://www.sustrans.org.uk/bike-life/bike-life-liverpool-city-region/>

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
ECONOMY, REGENERATION AND DEVELOPMENT COMMITTEE	Tuesday, 8 June 2021
ENVIRONMENT, CLIMATE EMERGENCY AND TRANSPORT COMMITTEE	Tuesday, 16 March 2021
'GEAR CHANGE' DEPARTMENT FOR TRANSPORT PLAN FOR CYCLING AND WALKING	
ECONOMY REGENERATION & DEVELOPMENT COMMITTEE	Thursday, 4 March 2021
PROPOSAL TO ESTABLISH AN ACTIVE TRAVEL MEMBER WORKING GROUP	



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**Minute Extract from Economy, Regeneration and Development Committee held on 8 June 2021:**

**ACTIVE TRAVEL FUNDING**

This report sought approval for the Active Travel Fund Tranche 1 and 2 and Capability Fund Programmes for 2021/22 and to allocate the funds to priorities and projects as outlined in the report.

Chief Regeneration Officer Sally Shah presented the report and highlighted that delegated authority was requested as there was no finalised programme to date and formal consultation had not yet taken place. She explained that Tranche 1 funding was awarded as part of the Covid response and two schemes had progressed but difficulties in supply of building materials had developed and a delay had been required. Tranche 2 was in the form of a proposed programme and consultation was to take place with Members in the relevant Wards and then with the public. The initial list of proposed schemes was attached to the report and had been informed by the criteria for the funding and by previous consultations with Wirral.

Members discussed the consultation methods and were concerned at some schemes appearing on the list in the report and suggested that two of these - the Crescent and proposed cycle way through Wallasey and New Brighton – be formally deferred until consultation took place.

**Resolved (by assent) – That Policy and Resources Committee:**

- (1) Authorise the Director of Regeneration and Place to accept the grant funding of £1,153,380 allocated to Wirral Council by Liverpool City Region Combined Authority for the Active Travel Fund Tranche 1 and 2 Programmes and accept the Local Authority Active Travel Capability Fund Programme indicative allocation of £286,000
- (2) Approve the proposed Active Travel Fund Tranche 1 and 2 Programmes and the Active Travel Capability Fund Programme (“the Programmes”) as set out in Appendices 1, 2 and 3 of this report.
- (3) Authorise the Director of Regeneration and Place, in consultation with the Liverpool City Region Combined Authority and the Chair and Spokespersons of the Economy, Regeneration and Development Committee to amend the Programmes if required having due regard to any issues that may arise during design or consultation stages of projects.
- (4) Note that the above authority and approvals are subject to the schemes at the Crescent and proposed cycle way through Wallasey and New Brighton being deferred until a consultation process has taken place.

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## ECONOMY REGENERATION AND DEVELOPMENT COMMITTEE

8 JUNE 2021

<b>REPORT TITLE:</b>	<b>ACTIVE TRAVEL FUNDING – TRANCHE 1, TRANCHE 2 AND LOCAL AUTHORITY CAPABILITY FUNDING</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF REGENERATION AND PLACE</b>

### REPORT SUMMARY

This report seeks approval for the Active Travel Fund Tranche 1 and 2 and Capability Fund Programmes for 2021/22 and to allocate the funds to priorities and projects as outlined in the report.

The Wirral Plan 2025 sets out the Council's vision to secure the best possible future for our residents, defined by the community prosperity we create and supported by our excellent people and services. This proposal directly supports the following key themes within that plan:

- A cleaner, greener borough which celebrates, protects and improves; our environment and urgently tackles the environmental emergency
- A prosperous inclusive economy where local people can get good jobs and achieve their aspirations; and
- Safe, vibrant communities where people want to live and raise their families

This matter affects all Wards within the Borough.

This matter is a Key Decision.

### RECOMMENDATIONS

The Economy, Regeneration & Development Committee are requested to make a recommendation to Policy and Resources Committee to:

- (1) Authorise the Director of Regeneration and Place to accept the grant funding of £1,153,380 allocated to Wirral Council by Liverpool City Region Combined Authority for the Active Travel Fund Tranche 1 and 2 Programmes and accept the Local Authority Active Travel Capability Fund Programme indicative allocation of £286,000.

- (2) Approve the proposed Active Travel Fund Tranche 1 and 2 Programmes and the Active Travel Capability Fund Programme (“the Programmes”) as set out in Appendices 1, 2 and 3 of this report.
- (3) Authorise the Director of Regeneration and Place, in consultation with the Liverpool City Region Combined Authority and the Chair and Spokespersons of the Economy, Regeneration and Development Committee to amend the Programmes if required having due regard to any issues that may arise during design or consultation stages of projects.

## **SUPPORTING INFORMATION**

### **1.0 REASONS FOR RECOMMENDATIONS**

- 1.1 To ensure that the Council achieves development and delivery of active travel schemes within the Borough as part of a Liverpool City Region (LCR) wide programme of schemes and interventions.
- 1.2 To ensure that the Council supports schemes which will deliver increased levels of sustainable travel as set out in the emerging Local Plan and to support actions required to address the Climate Emergency and the target in the Cool2 Strategy to ‘a complete transition to fossil fuel free local travel by around 2030’.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 The Council could not accept the funding. This is not considered to be an appropriate option given that supporting active travel is in line with our commitment to addressing the climate emergency, improving the health of our residents and encouraging alternative modes of transport to the private car.
- 2.2 The funding could be used for other purposes. This is not considered an appropriate option as it would not meet the terms of the grant award which has been specifically provided to deliver infrastructure or develop projects that will enable active travel. Schemes and projects have been developed in line with guidance provided by the Liverpool City Region Combined Authority (LCRCA) and in line with the criteria of the individual funding stream. Feedback from the Liveable Streets Commonplace consultation undertaken during Summer 2020 was also taken into account to support scheme identification.

### **3.0 BACKGROUND INFORMATION**

#### **Tranche 1 Emergency Active Travel Fund**

- 3.1 On the 9 May 2020 the Secretary of State for Transport announced a £250 million Emergency Active Travel Fund. For Tranche 1 of the funding. In line with Department for Transport guidance, the LCRCA identified the need to develop a programme of measures to reduce the dependency on car-based journeys and through segregation provide increased confidence to people wishing to cycle. As part of Tranche 1 the LCRCA received £1.97 million and from this Wirral Council received £308,380 to implement light segregation measures to improve existing on road cycle facilities on New Chester Road (between Bebington Road, New Ferry and St Paul's Road, Rock Ferry) and to create a new on carriageway cycle lane on Fender Lane (from Hoylake Rd, Moreton to Hoylake Rd, Bidston) and £15,000 to install cycle parking. (see Appendix 1).
- 3.2 The Department for Transport intended that Tranche 1 was delivered at a rapid pace to address the COVID emergency. Wirral, along with many other authorities, has faced challenges in obtaining appropriate segregation equipment from suppliers who have been inundated with authorities across the country placing orders at the same time. Supply chain issues have resulted in schemes not being delivered as quickly

as originally anticipated. Government and the LCRCA have been understanding of these challenges and have extended the timescales for delivery of the Tranche 1 schemes.

- 3.3. Following consultation held last year, the majority of the scheme on New Chester Road is now completed with the remainder expected to be completed shortly. Ward members have been consulted regarding the Fender Lane scheme and following this member engagement, a consultation has taken place with affected residents. The results of this are currently being reviewed in line with our statutory consultation procedures.

### **Tranche 2 Active Travel Fund**

- 3.4. The Tranche 2 schemes have been developed by officers in line with guidance provided by the LCRCA which required schemes to focus on either linking to key employment sites, improving existing on road cycle lanes with light segregation or linking residential areas to key transport hubs or high streets.
- 3.5. In November 2020 the LCRCA were notified they had been awarded £7,716,000. Wirral has been awarded £830,000 of this (£680,606 capital and £149,394 revenue).
- 3.6. The proposed programme, set out in Appendix 2 of this report, includes light segregation of cycle lanes on Duke Street (Bidston and St James ward); Arrowe Park Road (Pensby and Thingwall Ward); Harrison Drive, (Wallasey Ward); Leasowe Road (Leasowe and Moreton East Ward/Wallasey Ward).and a pilot road closure on The Crescent, West Kirby (Hoylake and Meols Ward) The LCR wide bid also included funding for 3 School Streets projects at Liscard Primary (Liscard), Greenleas Primary (Wallasey) and Christ Church Primary (Moreton).
- 3.7. Although it was intended that Tranche 1 Emergency Active Travel Fund was delivered at a rapid pace to address the COVID emergency, Tranche 2 has less of an emphasis on social distancing and providing relief to public transport capacity. Tranche 2 has more of an emphasis on increasing cycling and walking in the longer term in line with Government objectives set out in 'Gear Change', the Department of Transport (DfT) strategy and policy document for active travel released in July 2020. The 'Gear Change' strategy sets out the DfT's vision for cycling and walking setting out plans to 'revolutionise active travel'. The objective of Tranche 2 funding is to cement the benefits and legacy of change over the past 12 months during periods of lockdown, and to reflect this 'Emergency' has been removed from the grant title, which is now 'Active Travel Fund'.
- 3.8. The DfT have stated that they would like schemes to be delivered as soon as 'reasonably practicable' and as far as possible, schemes will be expected to be delivered by 31 March 2022.
- 3.9. The relevant ward members are in the process of being engaged regarding the proposed tranche 2 schemes within their area. Members views regarding the suitability of the schemes and proposals will be used to further develop and refine or amend the proposed programme. Following consultation with ward members regarding the draft programme design work can be commenced prior to public

consultation on the detail of the individual schemes. Further discussions will also commence on the school streets schemes, the locations of these have previously been the subject of consultation with ward members.

### **Active Travel Capability Fund**

- 3.10 On 3 March 2021 the DfT notified all Combined and Local transport authorities of their indicative revenue funding allocations for 2021/22 under a new one year Local Authority Capability Fund. The 2021/22 Capability Fund is designed to support behaviour change activities and the development of Local Cycling and Walking Infrastructure Plans.
- 3.11 The Local Authority Capability Fund replaces the Access Fund, previously offered to a subset of authorities. It supports the commitment made in Gear Change to increase the capabilities of local authorities to plan good active travel infrastructure, including building more expertise and undertaking more evidence-based planning.
- 3.12 The total amount of revenue funding that will be provided in 2021/22 is £30 million across England. The amount of funding for each authority has been calculated according to a formula which takes account of value for money and the Government's key objectives to level up the economy and to support jobs and skills to help the economy recover from Covid-19. This takes into account population, the Index of Multiple Deprivation (IMD) and propensity for walking and cycling.
- 3.13 Wirral Council have indicatively been awarded £286,000 from the Local Authority Capability Fund and as part of a LCRCA submission to the DfT have submitted a provisional programme as per Appendix 3.

## **4.0 FINANCIAL IMPLICATIONS**

- 4.1 All schemes detailed in Appendices 1 and 2 are funded from the LCRCA grant allocation for Active Travel Fund Tranche 1 and Tranche 2 respectively. This is as per table 1 below:

**Table 1: Wirral Active Travel Fund Allocations (£)**

	Capital	Revenue	Total
Tranche 1	308,380	0	308,380
Tranche 1 Cycle Parking	15,000	0	15,000
Tranche 2	680,606	149,394	830,000
<b>Total</b>	<b>1,003,986</b>	<b>149,394</b>	<b>1,153,380</b>

- 4.2 Projects detailed in Appendix 3 are proposed to be funded from an indicative Active Travel Capability Fund revenue allocation of £286,000. Confirmation of this allocation is awaited from the LCRCA.

## **5.0    LEGAL IMPLICATIONS**

- 5.1 The Council has statutory duties as defined by the Highways Act 1980, Road Traffic Regulations Act 1984, Road Traffic Act 1988, Local Government Act 1972 and the Traffic Management Act 2004.
- 5.2 If successful in securing funding the Council will be required to enter into a grant funding agreement with the LCRCA. Advice will be required from Legal Services prior to entering into such an agreement.
- 5.3 Following scheme delivery the Section 151 Officer will be required to sign a declaration confirming that the funding was defrayed in accordance with the grant conditions.
- 5.4 In accordance with the Council's Constitution any amendment to the Capital Programme requested by a Committee or officer in excess of £100,000 is reserved to Policy & Resources Committee.

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

- 6.1 All capital schemes are funded from Tranche 1 and Tranche 2 allocations and will be added to the Council's Capital Programme. Existing staff resources will be used for the detailed investigation, design and supervision of these schemes, supplemented by external support where required. Future revenue maintenance costs will be met from the Highway Maintenance Revenue Budget.

## **7.0    RELEVANT RISKS**

- 7.1 Failure to undertake the identified programme of works would result in a failure to support the delivery of the priorities of the LCRCA and have reputational impact on Wirral and the LCR. Consequently, this could result in the loss or clawback of funding or impact on future funding decisions and awards.
- 7.2 The list of schemes identified has been prepared with initial estimates, however it should be noted that final schemes will be subject to discussions with ward members and consultations. The costing of detailed designs and further detailed investigations will be required prior to any final scheme being designed. Some of these schemes may also be subject to the requirement of a Traffic Regulation Order(s), and delivery may be dependent on resolving objections to proposals during consultation.
- 7.3 Failure to adhere to the Gear Change strategy and associated technical guidance LTN1/20 may result in the Council failing to meet the standards set by the new Active Travel England body. The soon to be established Active Travel England body will assess Wirral's performance with respect to sustainable travel outcomes, particularly cycling and walking, which will be taken into account when considering funding allocations. The new Active Travel England funding body will enforce the standards with the aim of raising performance.

## **8.0 ENGAGEMENT/CONSULTATION**

- 8.1 Wirral Council has a statutory consultation processes that is required for the undertaking of work on the adopted highway which will require public consultation, objections to which would be considered under the Scheme of Delegation in the Council's Constitution or by the Environment, Climate Emergency and Transport Committee once a level of objections has been reached exceeding the current scheme of Delegation number.
- 8.2 Consultations will be undertaken in accordance with the following guiding principles:
- It should be at a time when proposals are at a formative stage;
  - Must include sufficient reasons for particular proposals to allow those consulted to give intelligent consideration and an intelligent response;
  - Those consulted should be made aware of the factors that are of decisive relevance to the decision;
  - Adequate time should be given for consideration and response;
  - The product of the consultation should be conscientiously taken into account by the decision makers in finalising their statutory proposals/ when the ultimate decision is taken.
- 8.3 The Wirral Active Travel Forum is a formally constituted group which meets quarterly with interested public and private organisations and individuals, to support active travel as a simple, low cost and effective way for people to access life opportunities whilst increasing levels of physical activity in their day to day life. Membership of this group is open to all and the forum will continue to be engaged as these programmes develop.
- 8.4 Members will recall at their meeting on the 4<sup>th</sup> March 2021 it was agreed to establish an Active Travel Working Group to support the work of this committee. The newly formed Active Travel Members Working Group will also be engaged as these programmes develop.
- 8.5 The LCRCA are also required to evidence to the DfT that appropriate consultation has taken place with a wider focus on engagement with the public to gather opinion on cycle lanes in general across with wider sections of the population. The LCRCA proposes to engage with residents across the City Region to gauge opinion on issues such as investment into walking and cycling, reducing congestion, and reallocation of road space. The method of consultation is yet to be confirmed, the LCRCA has previously used the Commonplace web portal for similar consultations.

## **9.0 EQUALITY IMPLICATIONS**

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

actions arising from the delivery may need to assess any equality issues and mitigate any negative impact that may emerge.

- 9.3 The Council has an obligation under the Equality Act 2010 and the Public Sector Equality duty (Sect 149 2011) to show due regard to the duty and show due regard to mitigate any negative impacts that may affect people with protected characteristics under the Act. The Director of Regeneration and Place recognises that this decision may have an impact on those who would wish to access certain locations by motor vehicle and other modes of transport. Where applicable details of any restrictions and alternative routes would be published and an equality impact assessment would be undertaken.

## **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

- 10.1 Increasing cycling and walking will help combat climate change. By encouraging and enabling people to travel more on foot and by cycle instead of private car harmful emissions will be reduced. Promoting active travel can result in reduced emissions of Nitrogen Dioxide (NO<sub>2</sub>), particulate matter (PM) and CO<sub>2</sub> helping to tackle climate change and improve air quality.
- 10.2 Gear Change identifies that mode shift to active transport is one of the most cost effective ways of reducing transport emissions and that meeting the targets to double cycling and increasing walking would lead to savings of £567million annually from air quality alone and prevent 8,300 premature deaths each year in England and provide opportunity to improve green spaces and biodiversity.

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## **APPENDICES**

Appendix 1 Tranche 1 Emergency Active Travel Programme

Appendix 2 Tranche 2 Active Travel Programme

Appendix 3 Active Travel Capability Fund Programme

## **BACKGROUND PAPERS**

**Gear Change Plan for Cycling and Walking** – Department for Transport July 2020  
<https://www.gov.uk/government/publications/cycling-and-walking-plan-for-england>

**Cycling Infrastructure Design Local Transport Note 1/20**  
<https://www.gov.uk/government/publications/cycle-infrastructure-design-ltn-120>

**Department for Transport Cycling and Walking Investment Strategy 2017**  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/918442/cycling-walking-investment-strategy.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/918442/cycling-walking-investment-strategy.pdf)

**Sustrans Bike Life Report Liverpool City Region**  
<https://www.sustrans.org.uk/bike-life/bike-life-liverpool-city-region/>

**Wirral Liveable Streets Consultation Summer 2020**  
<https://wirralliveablestreets.commonplace.is/comments/5ee10851c9dc0f515e52f007>

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
ENVIRONMENT, CLIMATE EMERGENCY AND TRANSPORT COMMITTEE  'GEAR CHANGE' DEPARTMENT FOR TRANSPORT PLAN FOR CYCLING AND WALKING	Tuesday, 16 March 2021
ECONOMY REGENERATION & DEVELOPMENT COMMITTEE  PROPOSAL TO ESTABLISH AN ACTIVE TRAVEL MEMBER WORKING GROUP	Thursday, 4 March 2021

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## APPENDIX 1

### EMERGENCY ACTIVE TRAVEL FUND TRANCHE 1

<b>Scheme name</b>	<b>Description</b>	<b>Capital Budget (£)</b>
<b>New Chester Road</b>  B5136 New Chester Road (between Bebington Road, New Ferry and St Paul's Road, Rock Ferry)	Provision of light segregation units ('Orca's - approx.560 no.) and associated road markings along existing cycle lane on the B5136 New Chester Road (between Bebington Road, New Ferry and St Paul's Road, Rock Ferry)	104,305
<b>Fender Lane</b>  A553 Fender Lane (from Hoylake Rd (Moreton) 20m east of Stavordale Rd to Hoylake Rd (Bidston) - 'Tesco Roundabout'.	Reduction of dual carriageway to single carriageway to provide cycle lane in each direction. Fender Lane has a 40 mph speed limit and the segregation units required for this project will subsequently be substantial in nature and quality. Additional (substantial - hatched) road markings will supplement the light segregation units.	204,075
	<b>Sub Total</b>	<b>308,380</b>
Cycle Parking	Provision of cycle parking	15,000
	<b>Total</b>	<b>323,380</b>

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## APPENDIX 2

### ACTIVE TRAVEL FUND TRANCHE 2

Scheme name	Description	Capital Budget (£)	Revenue Budget (£)
Duke Street (From Park Road North to Duke Street Bridge)	Installation of orca / other light segregation units and associated marking as <i>improvement to existing cycle lane</i>	110,000	
Arrowe Park Road (From Woodchurch Road to Landican Road)	Installation of orca / other light segregation units and associated marking as <i>improvement to existing cycle lane</i>	70,000	
Harrison Drive - Bayswater Road	Installation of orca / other light segregation units and associated marking as improvement to existing cycle lane	70,000	
Leasowe Road (Pasture Road to Cross Lane)	Lane reduction to create of 2-way mandatory cycle lane and associated road markings, light segregation units, minor kerb works.	340,000	
The Crescent West Kirby	Pilot scheme - closure of The Crescent to traffic at certain time periods with planters or alternative modal filter measures	60,000	
Liscard Primary	School Streets Pilot	10,202	20,000
Greenleas Primary	School Streets Pilot	10,202	20,000
Christ Church Primary	School Streets Pilot	10,202	20,000
Contingency			89,394
	<b>Total</b>	<b>680,606</b>	<b>149,394</b>

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### **APPENDIX 3**

### **PROPOSED LOCAL AUTHORITY CAPABILITY FUND PROGRAMME 2021/22**

<b>Project name</b>	<b>Description</b>	<b>Revenue Budget (£)</b>
Adult cycle training	Contribution towards LCR adult cycle training offer	10,000
LCWIP New Brighton to Birkenhead – Surveys	Parking Beat Surveys	27,000
LCWIP New Brighton to Birkenhead – Consultation	Consultation resource	84,000
Active Travel Project Manager	Project Management Support	97,000
Modeshift Stars Subscription	Subscription to the Modeshift STARS online Travel Plan Toolkit	3,000
Sustainable Travel / Road Safety Staff Resource	Post to undertake travel plan support for schools/businesses and support the Modeshift stars work	25,000
Specific behaviour change and active travel marketing linked to BRF 2040 Framework and Metro Active LCR Active Travel Campaign	Wider comms support for walking and cycling schemes within the borough and supporting the BRF / LCWIP	40,000
	<b>Total</b>	<b>286,000</b>

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