



## Policy and Resources Committee

**Date:** Wednesday, 1 September 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, seating is limited therefore please contact us in advance of the meeting if you would like to reserve a seat. 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.

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

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## AGENDA

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

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

4. MINUTES (Pages 1 - 10)

To approve the accuracy of the minutes of the meeting held on 28 July 2021.

5. PUBLIC AND MEMBER QUESTIONS

## **5.1 Public Questions**

Notice of question to be given in writing or by email by 12 noon, Thursday, 26 August, 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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## **5.2 Statements and Petitions**

Notice of representations to be given in writing or by email by 12 noon, Thursday, 26 August, 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.

## **5.3 Questions by Members**

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

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

**6. BUDGET MONITORING 2021/22 QUARTER 1 (Pages 11 - 50)**

**7. CAPITAL MONITORING QUARTER 1 2021/22 (Pages 51 - 80)**

## **SECTION B - WORK PROGRAMME / OVERVIEW AND SCRUTINY**

**8. WORK PROGRAMME UPDATE (Pages 81 - 92)**

## **SECTION C - REFERRALS FROM COMMITTEES / COUNCIL**

**9. REFERRAL FROM ECONOMY, REGENERATION AND DEVELOPMENT COMMITTEE - WIRRAL GROWTH COMPANY - GOVERNANCE ARRANGEMENTS (Pages 93 - 102)**

## **POLICY AND RESOURCES COMMITTEE**

Wednesday, 28 July 2021

Present: Councillor J Williamson (Chair)

Councillors	T Anderson	T Jones
	H Cameron	Y Nolan
	P Cleary	L Rennie
	JE Green	J Robinson
	EA Grey	P Stuart
	S Hayes	

Deputies: Councillors C Carubia (In place of P Gilchrist)  
K Greaney (In place of J McManus)  
M Jordan (In place of W Clements)

### 29 **WELCOME AND INTRODUCTION**

The Chair welcomed everyone to the meeting and those watching the webcast.

### 30 **APOLOGIES**

The Chair confirmed the apologies of Councillors Wendy Clements, Phil Gilchrist and Julie McManus, with Councillors Mary Jordan, Chris Carubia and Karl Greaney deputising for them respectively.

### 31 **MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST**

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

Councillor Tony Jones declared a prejudicial interest in agenda items 11 and 15, 'Wirral Growth Company: Birkenhead Phase 1 Site Development Plan', by virtue of him being a member of the Wirral Joint Venture Board and confirmed that he would leave the meeting whilst the items were under discussion.

### 32 **MINUTES**

**Resolved – That the minutes of the meeting held on 30 June, 2021, be approved and adopted as a correct record.**

33 **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.

34 **THE WIRRAL PLAN 2021-2026**

Carly Brown, Assistant Director – Strategy and Partnerships, introduced a report on The Wirral Plan 2021-26. The Wirral Plan was a key policy document for the Borough, which drove the high level priorities, ambition, and key deliverables for the organisation over a 5-year period from 2021 to 2026. The Plan reflected what people had told the Council was important to them and would be used to help all staff understand their role in helping to deliver the Council's corporate priorities.

The refreshed Plan 2021-26 had been developed to build on the five thematic priorities from the previous Plan whilst also taking account of the changed social, economic, and political landscape brought about by COVID-19 which was having a significant impact on Wirral residents and businesses.

There was a need for a series of delivery plans against each of the Council plan priorities. Delivery plans were being developed which would define how the in-year priorities would be achieved. Delivery plans would need to align with the achievement of in-year budget efficiencies and be cognisant of emerging budget planning for 2022/23. It was proposed that draft delivery plans were reviewed by policy and service committees through dedicated sessions and budget workshops during the summer.

A Member commented upon the Plan being a document to be fine tuned throughout the year and welcomed the opportunity for Policy and Service Committees to review the delivery plans aligned with the Plan, whilst expressing some concern with some changes in respect of environment and transport, as the themes of biodiversity and active travel were critical in the original plan.

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

**A. RECOMMENDED –**

**(1) That the Wirral Plan, as set out in Appendix 1 to the report, be referred to Council in September.**

**B. Resolved – That,**

- (2) further engagement and discussion with relevant Committees takes place to shape the underpinning delivery plans and work programmes required to implement the Wirral Plan; and**
- (3) the approach for the development of delivery planning and corporate change programme to support implementation, be approved.**

## 35 COMMUNITY BONDS

Shaer Halewood, Director of Resources, introduced a report which provided an overview of community bonds and their uses, and how Warrington and West Berkshire Councils had used them to fund capital spend. The report assessed their use in Wirral and possible next steps.

Community Bonds/Community Municipal Investments were a form of debt/loan-based crowdfunding. Community Bonds were issued by a council corporate body, with residents and general public investors providing capital on the basis of receiving a financial return. The majority of community bonds were typically linked in some form to environmental or social criteria and provided tangible benefit to the local community beyond just financial.

Community Bond issues were generally related to a specific project. In 2020, West Berkshire and Warrington Councils issued Community Bonds to fund solar projects in their Boroughs. They each issued bonds to the value of £1m and worked with the crowdfunding platform Abundance to administer the bonds.

Community Bonds would support the inclusive economy strand of the Wirral Plan. Ordinarily, the interest that the Council paid on borrowing would be paid back to the lenders, typically outside of the borough. Community Bonds opened up the opportunity for local residents to become investors in the Council, keeping both the investment capital and the interest payments in the local area.

There was also the potential to support the sustainable environment strand of the Wirral Plan if the Council decided to use community bonds to fund a project that tackled the climate emergency, as Warrington and West Berkshire had done.

Community bonds had a higher social value than mainstream borrowing. Social value could be in the form of increased community engagement, as well as directing the cost of borrowing (interest payments) back into the local area. The report noted that Community Bonds were a more expensive means of borrowing, and at the moment, the social value attached to the bonds did not justify the extra costs. This was unsupported by Councillor Pat Cleary as there was no evidence available of this.

Shaer Halewood responded to a number of comments from Members and suggested that it could be an administratively heavy scheme to implement at the start and that more work could be undertaken to develop some guidance on it with some information gained from Warrington and West Berkshire Councils, with a view to a possible start on 1 April, 2022, if the Committee wished for it to go ahead.

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

**Resolved – That,**

- (1) it be agreed that guidance is developed to help assess if Community Municipal Bonds are a suitable funding stream for future capital bid projects, and;**
- (2) before a recommendation is made to Council that Community Bonds be added to the Treasury Management Strategy as an alternative form of debt financing, a further report be brought before this Committee once officers have had the opportunity to fully scope the risks and issues involved.**

36 **TREASURY MANAGEMENT ANNUAL REPORT 2020/21**

Shaer Halewood, Director of Resources, introduced a report on the Authority's treasury management activity which was underpinned by CIPFA's Code of Practice on Treasury Management ("the Code"), which required the Authority to approve treasury management semi-annual and annual reports.

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

As projected in the Treasury Management Mid-Year Report, there was an overspend on Treasury activities which was attributable to 2020/21 budget savings that were not achieved due to implementation delays emanating from COVID response activity and significant changes in interest rates on investments. This overspend was incorporated into the Revenue Outturn report.

The level of Capital Financing debt held on the balance sheet, including the Merseyside Residuary Body debt managed by the Council on behalf of the constituent authorities, was £166 million at 31 March 2021. This was a reduction of £3 million since 1 April 2020 and reflected policies to minimise and delay borrowing costs which adversely impacted upon the revenue budget.

The Council had complied with the Treasury Management Indicators as set out in the agreed Treasury Management Strategy for 2020/21.

In response to Members' comments, Pete Molyneux, Senior Finance Manager, gave an explanation as to those 'unrated' components of the Council's investment portfolio. Shaer Halewood, agreed to provide more detail in respect of the investment portfolio and the names of organisations and sums involved.

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

**RECOMMENDED - To Council, that the Treasury Management Annual Report for 2020/21 be agreed.**

37 **WORK PROGRAMME UPDATE**

Philip McCourt, Director of Law and Governance, 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 was 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.

A Member suggested that with regard to a number of assets to be disposed of over the next 12 months, a report could be brought back to the Committee on a possible percentage of the capital receipts being reinvested in to some form of community fund to benefit the wards where assets were disposed of.

In response to a Member's comment on the One Wirral Change Programme, Shaer Halewood, Director of Resources, stated that the Delivery Plan for the Wirral Plan would merge into one Change Programme.

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, be agreed, with the addition of a report on Asset Disposals as above.**

38 **REFERRAL FROM CHILDREN, YOUNG PEOPLE AND EDUCATION COMMITTEE - PREVENTION POLICY**

Simone White, Director of Children's Services, introduced a report on the Children, Young People and Education Committee's recommendations, from its meeting on 15 June, 2021 in respect of prevention approach.

Prevention was a cross-cutting theme of significance in Children's Services, Adult Social Care and Health, and Public Health. It was therefore essential that there was cross-Council agreement to prioritise preventative activity and to outline the expectations and delivery methodology for preventative approaches.

The report to the Children, Young People and Education Committee had provided an overview of the prevention approach recommended for adoption by the Council, including a Prevention Policy Statement and Prevention Framework. In addition, the report detailed the Breaking the Cycle programme, which sought to demonstrate how a collaboration of preventative activity could maximise opportunity and lead to better outcomes for people, services, and organisations.

The matter was being referred to the Policy and Resources as it was a cross-cutting policy that impacted on Adult Social Care and Public Health as well as Children, Young People and Education.

Simone White responded to a number of comments from Members and stated that with regard to support for children's mental health and wellbeing, her department and partner organisations were working on the creation of a single point of contact for such services.

The Chair and Members commended the detailed report and policy documents and expressed thanks to Elizabeth Hartley, Assistant Director, Early Help and Prevention.

A suggestion was made to receive regular updates on the policy.

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

**Resolved – That,**

**(1) the Prevention Policy Statement and Prevention Framework, be approved;**

**(2) the Breaking the Cycle programme approach, be approved.**

39 **REFERRAL FROM ECONOMY REGENERATION AND DEVELOPMENT COMMITTEE - WIRRAL GROWTH COMPANY: BIRKENHEAD PHASE 1 FINAL SITE DEVELOPMENT PLAN**

Having previously declared a prejudicial interest, Councillor Tony Jones vacated the room during consideration of this item (minute 31 refers).

Sally Shah, Assistant Director- Chief Regeneration Officer, introduced a report on the Economy Regeneration and Development Committee's recommendations, from its meeting on 26 July, 2021 in respect of Wirral Growth Company: Birkenhead Phase 1: Final Site Development Plan (SDP). A supplement to the agenda had been circulated with the minute of the Economy and Regeneration Committee.

The implementation of the SDP would directly support the regeneration of Birkenhead which had been a long-term priority for the Council. It supported the Council's ambitions around sustainable development and the generation of a prosperous inclusive economy where people could get good jobs and achieve their aspirations regardless of their background or where they lived.

Specifically, the delivery of Phase 1 of the plan would result in the construction of circa 150,000 sq.ft (13,900 sq.m) of Grade 'A' office accommodation in two buildings referred to as A1 and A2 with associated quality public realm. The larger of the two buildings A1 measuring 89,591 sq.ft (8,323 sq.m) would be occupied by Council employees while the second building A2 measuring 58,176 sq.ft (5,405 sq.m) would be let on the open market to commercial occupiers.

Through taking the head lease on the first two office buildings and relocating up to 800 administrative staff into the Birkenhead Commercial District the Council would intervene to unlock and drive forward the regeneration of Birkenhead Town Centre.

This matter was being referred to Policy and Resources Committee because in accordance with the Council's Constitution any issue regarding land and property including major acquisition and disposals, which included reserved decision making concerning any purchase, sale or transfer of a value in excess of, or likely to exceed, £100,000; was reserved to the Policy and Resources Committee.

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

**Resolved – That the Formal Site Development Plan for Birkenhead Commercial District Phase 1, be approved.**

#### 40 **MINUTES OF THE SHAREHOLDER BOARD**

On a motion by the Chair, seconded by Councillor Jeff Green, it was -

**Resolved – That the minutes of the Shareholder Board held on 1 July, 2021, be noted.**

41 **MINUTES OF THE SENIOR OFFICER AND APPOINTMENTS STAFFING SUB-COMMITTEE**

On a motion by the Chair, seconded by Councillor Tony Jones, it was -

**Resolved – That the minutes of the Senior Officer and Appointments Staffing Sub-Committee meeting held on of 13 July, 2021, be noted.**

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

On a motion by Councillor Janette Williamson, seconded by Councillor Yvonne Nolan, it was -

**Resolved – That, under section 100 (A) (4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information as defined by paragraphs 3 and 5 of Part I of Schedule 12A (as amended) to that Act. The Public Interest test has been applied and favours exclusion.**

43 **WIRRAL GROWTH COMPANY: BIRKENHEAD PHASE 1 FINAL SITE DEVELOPMENT PLAN - EXEMPT APPENDICES**

Having previously declared a prejudicial interest, Councillor Tony Jones vacated the room during consideration of this item (minute 31 refers).

**Resolved – That the exempt appendices to the Wirral Growth Company: Birkenhead Phase 1 Final Site Development Plan, be noted.**

44 **HOYLAKE GOLF RESORT DEVELOPMENT AGREEMENT - URGENT ITEM**

The Chair had agreed to consideration of a referral item from the Economy, Regeneration and Development Committee of 26 July, 2021, as a matter of urgent business to enable this Committee to make a decision on the report of the Director of Law and Governance in relation to the Hoylake Golf Resort Development Agreement.

Philip McCourt, Director of Law and Governance, introduced a report on the matter, which also provided commentary from the Economy, Regeneration and Development Committee.

Following a lengthy and considered debate, and after an adjournment of 20 minutes, it was then, on a motion by the Chair, seconded by Councillor Yvonne Nolan,

**Resolved (8:7) – That the recommendations within the report be approved.**

Councillor Tom Anderson then proposed that a vote be taken on removing this matter from the Committee's delegation, in accordance with Article 7.3 of the Constitution.

Philip McCourt confirmed that removal from delegation would require 40% of those Members present and voting to vote in favour of such removal, in this case being 6 Members. The matter would then be referred to a meeting of the full Council for consideration, if successful.

With six Members voting in favour of removal, the matter then became a referral to Council for a decision, the resolution above having in effect been rescinded.

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## POLICY AND RESOURCES COMMITTEE

Wednesday, 1 September 2021

<b>REPORT TITLE:</b>	<b>2021-22 BUDGET MONITORING FOR QUARTER ONE (1 APR – 30 JUN)</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF RESOURCES</b>

### REPORT SUMMARY

This report sets out the financial monitoring information for the Council as at quarter 1 (Apr-Jun) of 2021-22. The report provides Members with an overview of budget performance to enable the Committee to take ownership of the budgets and provide robust challenge and scrutiny to Officers on the performance of those budgets.

The Committee is aware that the Ministry for Housing, Local Government and Communities have 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 is that the Council will need to provide evidence from the assurance review of the authority's financial position and its ability to meet any or all the identified budget gap without any additional borrowing. The review has concluded and the report is awaited.

Therefore, it is vitally important that the Council has robust processes in place to manage and monitor the in-year financial position, to ensure it delivers a balanced position at the end of the year.

The projected year-end revenue outturn, recorded as part of Quarter 1 financial monitoring activity, represents an adverse variance against revenue budget of £0.963m; This variance relates largely (£0.7m) to the delays in implementing of the revised car parking charges.

This budget position includes the full utilisation of the Government's Exceptional Financial Support (EFS).

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

### RECOMMENDATION/S

That Policy and Resources committee:

1. Note the adverse forecast position presented at Quarter 1
2. Approve the budget virement proposals detailed within each Directorate Area of the report.

3. Note the impact of funding and expenditure as a direct consequence of Covid-19, including the additional funding sources which have been identified, but as yet, not received.

## **SUPPORTING INFORMATION**

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

- 1.1 It is vitally important that the Council has robust processes in place to manage and monitor the in-year financial position, to ensure it delivers a forecast balanced position at the end of the year
- 1.2 Regular monitoring and reporting of the revenue budgets and savings achievements enables decisions to be taken in a timely manner, which may produce revenue benefits and will improve financial control of Wirral Council.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 The Committee could choose to not engage in the budget monitoring process for 2021/22 which could result in an overspend position being reported.
- 2.2 The Committee can decide to establish their own process for monitoring the 2021/22 in-year budget. This would need to be agreed at the next Policy and Resources Committee which reduces the time available to implement mitigating actions, where an adverse 2021/22 forecast maybe found.

### **3.0 BACKGROUND INFORMATION**

- 3.1 It is vitally important that the Council has robust processes in place to manage and monitor the in-year financial position, to ensure it is reporting a forecast balanced position to the end of the year.
  - 3.1.1 To enable committees to manage and monitor budgets effectively in year, a suite of detailed information will be provided on a quarterly basis:
    - Full revenue budget monitoring report for the preceding quarter
    - Full list of budget savings proposals and the progress for their achievement
    - Full list of reserves for future one-off commitments
    - Full capital budget monitoring report for the preceding quarter (this information is contained within a separate 'Capital Monitoring report' elsewhere on the Committee Agenda).
  - 3.1.2 The projected year-end revenue outturn, recorded as part of Quarter 1 financial monitoring activity, represents an adverse variance against revenue budget of £0.963m.

**TABLE 1 2021/22 REVENUE BUDGET & FORECAST**

	Budget £000	Forecast Outturn £000	Variance (+ Fav / - Adv)		Adverse/ Favourable
			£000	%	
Adult Care & Health	113,582	112,970	612	1%	Favourable
Chief Executive Office	1,821	1,900	-79	-4%	Adverse
Children, Families & Education	86,592	86,592	0	0%	
Law & Governance	6,017	5,933	84	1%	Favourable
Neighbourhoods Services	54,110	55,150	-1,040	-2%	Adverse
Regeneration and Place	33,779	33,726	53	0%	Favourable
Resources	33,449	34,042	-593	-2%	Adverse
<b>Total Surplus / (Deficit)</b>	<b>329,350</b>	<b>330,313</b>	<b>-963</b>	<b>0%</b>	<b>Adverse</b>
For Information: Included as part of budget funding: <b>Exceptional Financial Support</b>	<b>-10,700</b>	<b>-10,700</b>	<b>0</b>	<b>0%</b>	

3.1.3 Details of savings and progress to date are listed under each individual Directorate area below.

3.1.4 The expenditure on direct Covid-19 activity, which represents a separate source of funding, is projecting a balanced position.

3.1.5 It is imperative that the Council can report a balanced position at the end of the year and where possible, reduce the value of the exceptional financial support offered by MHCLG. Therefore, Officers will work with the relevant Policy and Services Committees to ensure a plan can be developed and implemented so that a balanced budget position can be forecast at the next reporting period.

## Directorate Summaries

### 3.2 Adult Care and Health

3.2.1 As at the end of June 2021 (Quarter 1), the financial forecast year end position for Adult Care and Public Health is a small favourable variance of £0.612m against a budget of £113.6m.

3.2.2 The current forecast assumes full achievement of the £4.5m savings target and continued uptake by community care providers of the Real Living Wage fee rates as agreed at Committee on 7<sup>th</sup> June 2021.

**TABLE 2 2021/22 Adult Care and Public Health – Service Budget & Forecast**

	Budget	Forecast Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Adult Social Care Central Functions	5,601	5,163	438	8%	Favourable
Older People Services - WCFT	51,693	51,351	342	1%	Favourable
Mental Health & Disability Services - CWP	52,626	52,804	-178	0%	Adverse
Other Care Commissions	-104	-91	-13	13%	Adverse
Public Health	-262	-262	0	0%	Favourable
Wirral Intelligence Service	480	457	23	5%	Favourable
<b>Directorate Surplus / (Deficit)</b>	<b>110,034</b>	<b>109,422</b>	<b>612</b>	<b>1%</b>	Favourable
Support / Admin Building Overhead	3,548	3,548	0	0%	Favourable
<b>Total Surplus / (Deficit)</b>	<b>113,582</b>	<b>112,970</b>	<b>612</b>	<b>1%</b>	<b>Favourable</b>

3.2.3 **Central Functions:** A favourable variance of £0.438m is reported at quarter 1. This variance is as a result of a small number of vacancies, delays in recruitment and some staff not paid at top of scale. This position will continue to be monitored throughout the year.

3.2.4 **Older People Services:** A favourable variance of £0.342m is reported at quarter 1. The variance will reflect some slippage against providers who have yet to sign up to the Real Living Wage approved rates and will therefore be paid at the standard rate. The forecast assumes full achievement of the £2m savings target attributed to Older People services.

3.2.5 **Mental Health & Disability Services:** An adverse variance of £0.178m is reported at quarter 1. This is largely due to a shortfall against expected income although this is an improved position from month 2. The forecast assumes full achievement of the £2.5m savings target attributed to complex care services.

- 3.2.6 **Other Care Commissions:** An adverse variance of £0.013m is reported at quarter 1 due to a number of minor variances from budget.
- 3.2.7 **Public Health:** A balanced position is reported at quarter 1. Public Health is a ringfenced grant with an annual value £30.1m and projected to be fully utilised. £6.7m of this funding supports public health activities delivered by the Council, representing a significant funding stream.
- 3.2.8 **Wirral Intelligence Team:** A favourable variance of £0.023m is reported at quarter 1. The minor forecast surplus within this Service Area is relates to employee budgets.
- 3.2.9 As the Council has a capitalisation offer from HM Treasury of £10.7m this year to offset Covid-19 pressures, any favourable variance that reduces these pressures will result in the equivalent reduction of the capitalisation directive. Pressures arising from Covid-19 associated with this committee are the costs of the Real Living Wage. As the favourable variance relates to staffing vacancies, this does not represent a reduction in Covid-19 pressures within the directorate and therefore will be used to offset the adverse forecast variance reported in other areas.

**TABLE 3 2021/22 Adult Care and Public Health – Subjective Budget & Forecast**

	<b>Budget</b>	<b>Outturn</b>	<b>Variance</b>		<b>Adverse/ Favourable</b>
			<b>(+ Fav / - Adv)</b>		
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>%</b>	
Income	-87,429	-86,758	-671	1%	Adverse
<b>Expenditure</b>					
Employee	6,579	6,131	448	7%	Favourable
Non Pay	56,998	57,046	-48	0%	Adverse
Cost of Care	133,886	133,003	883	1%	Favourable
<b>Total Expenditure</b>	<b>197,463</b>	<b>196,180</b>	<b>1,283</b>	<b>1%</b>	<b>Favourable</b>
<b>Directorate Surplus / (Deficit)</b>	<b>110,034</b>	<b>109,422</b>	<b>612</b>	<b>1%</b>	<b>Favourable</b>
Support / Admin Building Overhead	3,548	3,548	0	0%	Favourable
<b>Total Surplus / (Deficit)</b>	<b>113,582</b>	<b>112,970</b>	<b>612</b>	<b>1%</b>	<b>Favourable</b>

**Budget Saving Achievement Progress**

- 3.2.10 Within each Committee’s revenue budget there are a number of savings proposals that were based on either actual known figures or best estimates available at the time. At any point during the year, these estimated figures could change and need to be monitored closely to ensure, if adverse, mitigating actions can be taken immediately to ensure a balanced forecast budget can be reported to the end of the year.

**TABLE 4: 2021/22 Adult Care and Public Health – Budget Savings**

Saving Title	Agreed Value	Forecast Value	RAG Rating	Comments
Demand Mitigations	£3.8m	£3.8m	<b>Green</b>	On target to be achieved
Change Initiatives	£0.2m	£0.2m	<b>Green</b>	Work commenced with Partners for Change who are supporting this initiative
Wirral Evolutions review of day services for people with Learning Disability	£0.5m	£0.5m	<b>Green</b>	Wirral Evolutions have been requested to report to the Adults Social Care and Public Health Committee in the autumn with their business plan. This will result in a delay in restructure and therefore the savings will be made via other agreed means
<b>TOTAL</b>	<b>£4.5m</b>	<b>£4.5m</b>		

**3.2.11 Demand Mitigations:** As part of the Community Health and Care Efficiency Improvement Programme the Wirral Community Health and Care NHS Foundation Trust (WCHC) and Cheshire & Wirral Partnership Trust (CWP) have been tasked with delivering savings from their delegated responsibilities budget. The Trusts undertake a programme of targeted work each year to deliver savings against the care budget allocation. Activity includes focussed review work to ensure that people receive the right level of support, supporting people to access services that are proportionate to their needs, and working with commissioners on a range of activity to ensure best value and to achieve the best outcomes for people who need care and support.

**3.2.12 Change Initiatives:** Adult Social Care and Health are working with Partners for Change to explore a new way of working with people who ask for care and support or who already use care and support services. This is a cultural change programme, working with staff and with people who use services in “innovation sites”, responding to their needs with a different conversation. Rather than resorting to a traditional range of services to meet needs, staff will have a different conversation with people to identify what really matters to them and how they can find solutions to their needs, with support and with a different approach.

**3.2.13 Wirral Evolutions:** Wirral Evolutions are progressing with a service review, including their staffing arrangements, in order to manage their operating service costs within the agreed service payment and to reduce their costs by £0.5M.

#### **Earmarked Reserves**

**3.2.14 Earmarked reserves** are amounts set aside for a specific purpose or projects.

**TABLE 5: 2021/22 Adult Care and Public Health – Earmarked Reserves**

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Adult Social Care – Safeguarding	181	0	0	181
Public Health Ringfenced Grant	3,682	-2,173	0	1,509
Champs Innovation Fund	2,419	0	0	2,419
Champs Covid-19 Contact Tracing Hub	1,962	0	0	1,962
<b>Total</b>	<b>8,244</b>	<b>-2,173</b>	<b>0</b>	<b>6,071</b>

3.2.15 The Safeguarding reserve within Adult Social Care has a balance of £0.2m. The funding for the combined Board has now ceased. If required, the residual funds will be used to support the Merseyside Safeguarding Adults Board business unit transition period and any residual SARs (Safeguarding Adults Reviews).

3.2.16 The Public Health Ringfenced grant reserve has a balance of £3.7m. The forecast use of £2.2m for 2021/22 supports the spending plans of £32.8m along with the £30.1m grant allocation for the current year.

### 3.3 Chief Executive Office

3.3.1 As at the end of June 2021 (Quarter 1), the forecast year end position for Chief Executive Office is an adverse variance of £0.079m against a budget of £1.821m.

3.3.2 The effects of the Covid-19 pandemic continues to impact the ability of Wirral to generate marketing income.

**TABLE 6: 2021/22 Chief Executive Office – Service Budget & Forecast**

	Budget	Forecast	Variance		Adverse/ Favourable
	£000	Outturn £000	(+ Fav / - Adv) £000	%	
Chief Executive Office	258	217	41	16%	Favourable
Comms & Marketing	777	893	-116	-15%	Adverse
PAs/Exec. Support	629	633	-4	-1%	Adverse
<b>Directorate Surplus / (Deficit)</b>	<b>1,664</b>	<b>1,743</b>	<b>-79</b>	<b>-5%</b>	<b>Adverse</b>
Support/Admin Building Overhead	157	157	0	0%	Favourable
<b>Total Surplus/ (Deficit)</b>	<b>1,821</b>	<b>1,900</b>	<b>-79</b>	<b>-4%</b>	<b>Adverse</b>

3.3.3 **Chief Executive Office:** A minor favourable variance of £0.041m is reported for 2021/22.

3.3.4 **Comms & Marketing:** An adverse forecast variance of £0.116m is reported for 2021/22. Marketing income has not returned to pre Covid-19 levels and there is an anticipated shortfall for this financial year which will be offset in part with reduced costs of providing the service in line with demand.

3.3.5 **Pa's / Exec. Support:** A minor adverse variance of £0.004m is reported for 2021/22.

**TABLE 7: 2021/22 Chief Executive Office – Subjective Budget & Forecast**

	Budget	Outturn	Variance		Adverse/ Favourable
	£000	£000	(+ Fav / - Adv) £000	%	
Income	-321	-153	-168	52%	Adverse
<b>Expenditure</b>					
Employee	1,807	1,846	-39	-2%	Adverse
Non Pay	178	50	128	72%	Favourable
Cost of Care	0	0	0	0%	Favourable
<b>Total Expenditure</b>	<b>1,985</b>	<b>1,896</b>	<b>89</b>	<b>4%</b>	<b>Favourable</b>
<b>Directorate Surplus / (Deficit)</b>	<b>1,664</b>	<b>1,743</b>	<b>-79</b>	<b>-5%</b>	<b>Adverse</b>
Support / Admin Building Overhead	157	157	0	0%	Favourable
<b>Total Surplus / (Deficit)</b>	<b>1,821</b>	<b>1,900</b>	<b>-79</b>	<b>-4%</b>	<b>Adverse</b>

#### **Budget Saving Achievement Progress**

3.3.6 There are no identified budget savings within the Chief Executive Office Directorate.

#### **Earmarked Reserves**

3.3.7 Earmarked reserves are amounts set aside for a specific purpose or projects.

3.3.8 There are no reserves in the Chief Executive Office directorate.

### **3.4 Children, Families and Education**

3.4.1 As at the end of June 2021 (Quarter 1), the forecast year end position for Children, Families and Education shows a balanced position against a £86.592m budget.

3.4.2 The service continues to manage demand with financial pressures being mitigated by in-year cost savings and use of specific related reserves. In-year employee cost savings across the service have mitigated contractual cost pressures and

contributed to the overall balanced position. The forecast position reflects delivery of most of the 2021/22 saving proposals

**TABLE 8: 2021/22 Children, Families and Education – Service Budget & Forecast**

	Budget £000	Forecast Outturn £000	Variance (+ Fav / - Adv)		Adverse/ Favourable
			£000	%	
Children and Families	49,028	49,028	0	0%	Favourable
Early Help and Prevention	12,490	12,453	37	0%	Favourable
Modernisation and Support	5,032	4,846	186	4%	Favourable
Schools - Core	12,718	12,941	-223	-2%	Adverse
<b>Directorate Surplus / (Deficit)</b>	<b>79,268</b>	<b>79,268</b>	<b>0</b>	<b>0%</b>	<b>Favourable</b>
Support / Admin Building Overhead	7,324	7,324	0	0%	Favourable
<b>Total Surplus / (Deficit)</b>	<b>86,592</b>	<b>86,592</b>	<b>0</b>	<b>0%</b>	<b>Favourable</b>

**3.4.3 Children and Families:** A balanced position is forecast for 2021/22. External funding of £0.338m has been secured by officers to support the delivery of specific initiatives that are expected to deliver both financial and service delivery benefits in future years and contribute to managing service pressures.

The budget for this service includes £24.416m of care costs. Care costs reflect the demand led elements of the service which are expected to be managed within the 5% growth allowed in the 2021/22 budget. Additional expenditure to support unaccompanied asylum seekers is forecast as it is likely that the number of unaccompanied asylum seekers needing support will increase. It is expected at this time that grant income will be sufficient to cover the associated costs.

**3.4.4 Early Help & Prevention:** A favourable forecast variance of £0.037m is reported for 2021/22. The favourable variance is mainly due to variations to pay scale points and employer on-costs. The circumstances that drive these variations are subject to change and the staff costs savings are non-recurring.

**3.4.5 Modernisation and Support:** A favourable forecast variance of £0.186m is reported for 2021/22. The £0.186m favourable variance is mainly due to variations to pay scale points and employer on-costs. The circumstances that drive these variations are subject to change and the staff costs savings are non-recurring.

**3.4.6 Schools – core:** An adverse forecast variance of £0.223m is reported for 2021/22. The adverse variance is due to:

- Schools PFI £0.520m adverse forecast variance which is due to the on-going annual costs that are being incurred in relation to the non-operational status of

the Kingsway School building. A request has been submitted to the Department for Education for grant funding until such time as the building is operational and contributions to the costs can resume.

- The adverse forecast variances have been partially mitigated by £0.259m of savings against Teachers historic pensions costs where the actual reduction in on-going commitments is greater than expected. Further general cost savings across the service of £0.032m have resulted in a total operational adverse variance of £0.223m.

**TABLE 9: 2021/22 Children, Families and Education – Subjective Budget & Forecast**

	Budget	Forecast Outturn	Variance		Adverse/ Favourable
	£000	£000	(+ Fav / - Adv) £000	%	
Income	-18,941	-19,421	480	-3%	Favourable
<b>Expenditure:</b>					
Employee	40,241	39,646	595	1%	Favourable
Non Pay	33,552	34,352	-800	-2%	Adverse
Cost of Care	24416	24691	-275	0%	Adverse
<b>Total Expenditure</b>	<b>98,209</b>	<b>98,689</b>	<b>-480</b>	<b>0%</b>	Adverse
<b>Directorate Surplus / (Deficit)</b>	<b>79,268</b>	<b>79,268</b>	<b>0</b>	<b>0%</b>	Favourable
Support/Admin Building Overhead	7,324	7,324	0	0%	Favourable
<b>Total Surplus/ (Deficit)</b>	<b>86,592</b>	<b>86,592</b>	<b>0</b>	<b>0%</b>	Favourable

### **Budget Virements**

- 3.4.7 A total of £0.750m has been transferred from the Resources Directorate to Children's, Families and Education Directorate. This relates to two approved pressure items which had initially been held corporately whilst plans were developed; SEN transport (£0.65m) and Modernisation (£0.1m). As at quarter 1, these budget pressures have now been moved to the Children's Families and Education Directorate budget.

**TABLE 10: 2021/22 Children, Families and Education – Dedicated Schools Grant (DSG)**

	Budget £000	Outturn £000	Variance		Adverse/ Favourable
			(+ Fav, - Adv) £000	%	
Schools Block	117,102	117,102	0	0%	
Schools Block De-delegated	1,560	1,560	0	0%	
Central School Services Block	2,153	2,117	36	2%	Favourable
High Needs	43,874	44,877	-1,003	-2%	Adverse
Early Years	21,644	21,820	-176	-1%	Adverse
<b>Total Gross Surplus / (Deficit)</b>	<b>186,333</b>	<b>187,476</b>	<b>-1,143</b>	<b>-1%</b>	<b>Adverse</b>
DSG Income	-189,016	-189,010	-6	0%	Adverse
Movement in DSG Reserve	2,683	1,534	1,149		
<b>Total Net Surplus / (Deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>		

3.4.8 **Schools Block:** A balanced position is forecast for 2021/22.

Schools Block expenditure is in line with budget as year-end variances against schools' DSG allocations are offset with the schools' ring-fenced balances.

3.4.9 **Schools Block De-delegated:** A balanced position is forecast for 2021/22.

De-delegated funds are a deduction from a school's budget share and are held centrally to fund relevant services. No variances are expected at this time.

3.4.10 **Central Schools Costs:** A favourable forecast variance of £0.036m is reported for 2021/22. Central Schools Costs relate to central functions carried out on behalf of maintained schools and academies e.g., School Admissions. The favourable variance is mainly due to short term staff vacancies.

3.4.11 **High Needs Block:** An adverse forecast variance of £1.003m is reported for 2021/22. The adverse variance is mainly due to an increase in demand and complexity. In particular, SEN additional resources are expected to overspend by £1.542m in line with the increase in requests for EHCP assessments. The cost pressures are partially mitigated by cost savings of £0.449m elsewhere in the High Needs block.

3.4.12 **Early Years:** An adverse forecast variance of £0.176m is reported for 2021/22.

The adverse variance is due to additional expenditure to help providers to make reasonable adjustments in their settings for children with disabilities. The costs have been offset by use of unspent Disability Access Funding from prior years and which has been set-aside in the DSG reserve for this purpose.

3.4.13 **DSG income:** An adverse forecast variance of £0.006m is reported for 2021/22.

The adverse variance relates to an unexpected reduction to the DSG allocation relating to an alternative provision out of borough placement.

3.4.14 **DSG reserve:** A £1.149m reduction in the planned contribution to reserve is reported for 2021/22. The 2021-22 budget includes a planned surplus of £2.683m in the High

Needs Block that is be carried forward into the reserve at the end of the financial year. Due to the forecast adverse variance of £1.143m, the amount available to contribute to reserve will reduce to £1.534m. The opening DSG reserve balance reflects a deficit position of £1.679m and this is expected to be mostly mitigated by the in-year £1.534m contribution to reserve leaving a closing deficit position of £0.145m.

### **Budget Saving Achievement Progress**

3.4.15 Within each Committee's revenue budget there are a number of savings proposals, that were based on either actual known figures or best estimates available at the time. At any point during the year, these estimated figures could change and need to be monitored closely so that, should an adverse position be identified, mitigating actions can be taken immediately to ensure a balanced budget position can be reported to the end of the year.

**TABLE 11: 2021/22 Children, Families and Education – Budget Savings**

<b>Savings Title</b>	<b>Agreed value</b>	<b>Forecast value</b>	<b>RAG Rating</b>	<b>Comments</b>
Semi-independent living	£0.500m	£0.500m	Green	On target to be achieved
Pause Programme	£0.567m	£0.200m	Amber	The benefits of the pause programme are not expected to be fully realised in 2021/22. These have been offset by additional grant income, staff vacancies and pay scale variations.
Modernisation & Social Care efficiencies	£0.102m	£0.102m	Green	On target to be achieved
Childrens containing demand pressure mitigation	£1.000m	£1.000m	Green	On target to be achieved
Explore reduction in Youth Provision	£0.100m	£0.100m	Green	On target to be achieved
YOS	£0.025m	£0.025m	Green	On target to be achieved
<b>Total Savings</b>	<b>£2.294m</b>	<b>£2.027m</b>		

3.4.16 £2.294m of savings have been identified for the budget to break-even in 2021/22. The forecast position at Quarter 1 assumes that £2.027m savings will be achieved. The vast majority of the savings (£2.067m) relate to projects reducing the demand impact on the Social Care system such as the Pause Programme that works with women who have experienced - or are at risk of - repeated pregnancies that result in children needing to be removed from their care. £0.127m relates to departmental efficiencies. A further £0.100m is to achieve sponsorship within the Youth Service.

### **Earmarked Reserves**

3.4.17 Earmarked reserves are amounts set aside for specific purposes or projects.

**TABLE 12: 2021/22 Children, Families and Education – Reserves**

Service	Opening Balance 2021-22 £000	Movement in reserves			Closing Balance £000
		Reserves Increase £000	Reserves Call Out £000	Total Movement £000	
Children, Families & Education	2,457	0	-141	-141	2,316
Schools – DSG	-1,679	1,534	0	1,534	-145
<b>Total</b>	<b>778</b>	<b>1,534</b>	<b>-141</b>	<b>1,393</b>	<b>2,171</b>

3.4.18 Children, Families and Education reserves reflect funds that have been set aside for specific projects and activities. Calls on these reserves for 2021/22 of £0.141m have been identified in relation to a project reducing violence (£0.035m) and School Improvement to fund the enhanced service offer for 2021/22 (£0.106m).

3.4.19 Schools DSG reserve reflects a deficit balance which is mainly due to the cumulative effect of cost pressures from previous years. It is expected that a contribution to reserve of £1.534m will be delivered in-year thus reducing the overall deficit to £0.145m.

### **3.5 Law & Governance**

3.5.1 As at the end of June 2021 (Quarter 1), the forecast year end position for Law and Governance is a favourable variance of £0.084m against a budget of £6.017m.

3.5.2 The Law and Governance Directorate is experiencing income shortfalls in Licencing and Registrars. This is directly due to the restrictions imposed by the Covid-19 pandemic resulting in a drop in demand. There has, however, been a contribution from the electoral services of the PCC (Police Crime Commissioner) and Combined Mayoral Election that has reduced the impact. The directorate is closely monitoring the position. Sales, Fees and Charges Compensation is available for the first quarter of the financial year.

**TABLE 13: 2021/22 Law & Governance – Service Budget & Forecast**

	Budget	Forecast Outturn	Variance		Adverse/ Favourable
	£000	£000	(+ Fav / - Adv) £000	%	
Law & Governance	2,000	2,000	0	0%	Favourable
Legal and Licensing	1,008	1,243	-235	-23%	Adverse
Democratic & Member Services	4,418	4,380	38	1%	Favourable
Coroner Services	680	680	0	0%	Favourable
Electoral Services	569	136	433	76%	Favourable
Registrar Services	-128	24	-152	119%	Adverse
<b>Directorate Surplus / (Deficit)</b>	<b>8,547</b>	<b>8,463</b>	<b>84</b>	<b>1%</b>	<b>Favourable</b>
Support/Admin Building Overhead	-2,530	-2,530	0	0%	Favourable
<b>Total Surplus/ (Deficit)</b>	<b>6,017</b>	<b>5,933</b>	<b>84</b>	<b>1%</b>	<b>Favourable</b>

3.5.3 **Law & Governance:** A balanced budget is forecast for 2021/22.

3.5.4 **Legal and Licencing:** An adverse forecast variance of £0.235m is reported for 2021/22. There is a projected Licencing income shortfall of £0.189 due to reduced demand as a direct result of Covid-19 which has received sales fees and charges compensation for the first quarter of this financial year.

3.5.5 **Democratic & Member Services:** A minor favourable forecast variance of 0.038m is reported for 2021/22.

3.5.6 **Electoral Services:** A favourable forecast variance of £0.433m is reported for 2021/22. £0.445 has been provided from the electoral services of the PCC (Police Crime Commissioner) and Combined Mayoral Election towards the costs of the joint elections held earlier this year. Due to the delay in the elections as a result of Covid-19 restrictions the costs spanned more than one financial year and some of the related costs were accounted for last year.

3.5.7 **Registrars Services:** An adverse forecast variance of £0.152m is reported for 2021/22. Due to the restrictions imposed by the Covid-19 pandemic the income for the Registrars service has been severely impacted and there is an expected shortfall of £0.209m, which in part has been offset by the Sales Fees and Charges Grant.

3.5.8 **Coroner Services:** A balanced budget is forecast for 2021/22.

**TABLE 14: 2021/22 Law & Governance – Subjective Budget & Forecast**

	Budget	Outturn	Variance		Adverse/ Favourable
	£000	£000	(+ Fav / - Adv) £000	%	
Income	-2,069	-2,066	-3	0%	Adverse
<b>Expenditure</b>					
Employee	4,254	4,409	-155	-4%	Adverse
Non Pay	6,362	6,120	242	4%	Favourable
Cost of Care	0	0	0	0%	Favourable
<b>Total Expenditure</b>	<b>10,616</b>	<b>10,529</b>	<b>87</b>	<b>1%</b>	<b>Favourable</b>
<b>Directorate Surplus / (Deficit)</b>	<b>8,547</b>	<b>8,463</b>	<b>84</b>	<b>1%</b>	<b>Favourable</b>
Support / Admin Building Overhead	-2,530	-2,530	0	0%	Favourable
<b>Total Surplus / (Deficit)</b>	<b>6,017</b>	<b>5,933</b>	<b>84</b>	<b>1%</b>	<b>Favourable</b>

**Budget Saving Achievement Progress**

3.5.9 Within each Committee's revenue budget there are a number of savings proposals, that were based on either actual known figures or best estimates available at the time. At any point during the year, these estimated figures could change and need to be monitored closely to ensure, if adverse, mitigating actions can be taken immediately to ensure a balanced forecast budget can be reported to the end of the year.

**TABLE 15: 2021/22 Law and Governance – Budget Savings**

Saving Title	Agreed Value	Forecast Value	RAG Rating	Comments
Suspension of Individual Ward budgets	£0.184m	£0.184m	Green	Fully achieved
<b>Total</b>	<b>£0.184m</b>	<b>£0.184m</b>		

3.5.10 The savings have been fully achieved.

**Earmarked Reserves**

3.5.11 Earmarked reserves are amounts set aside for a specific purpose or projects.

**TABLE 16: 2021/22 Law and Governance – Earmarked Reserves**

<b>Reserve</b>	<b>Opening Balance £000</b>	<b>Use of Reserve £000</b>	<b>Contribution to Reserve £000</b>	<b>Closing Balance £000</b>
Licensing Reserve	60	0	0	60
Taxi, Marriage & Scrap Metal Licences	103	0	0	103
Constituency Fund Carry forward	15	15	0	0
<b>Total</b>	<b>178</b>	<b>15</b>	<b>0</b>	<b>163</b>

3.5.12 The reserves for Licencing, Taxi, Marriage & Scrap Metal Licences hold prepayments of licences to be brought down into the revenue for the year that they relate to. The Constituency Fund Carry forward reserve is for committed spend from the previous financial year that had not yet been incurred.

### **3.6 Neighbourhood Services**

3.6.1 As at the end of June 21 (Quarter 1), the forecast year end position for Neighbourhoods is an adverse variance of £1.040m against a budget of £54.110m

3.6.2 Included in the Directorate position is the mitigation available from the Sales, Fees and Charges income loss compensation scheme. At present this is available until the end of Quarter 1 and the service will be able to claim 75p in the pound for eligible planned income. This is currently estimated to be £1.948m.

3.6.3 The focus for the Directorate will be on recovery in 2021/22 with the gradual reintroduction of services. However, income generating opportunities have not yet returned to pre-pandemic levels due to phased and partial reopening of some services and because some customers have sought alternative arrangements. In addition, some Leisure and Library sites are still being utilised for COVID-19 purposes which restricts income generating opportunities.

3.6.4 As case rates within the Borough remain high, localised decisions have been taken based on Public Health advice which means some restrictions have remained in place up to the government road map date 19th July. There are risks associated with this and this decision could have an adverse effect on projected income targets and some 2021/22 savings targets. This will be kept under review throughout the year and Directorate will aim to mitigate these if necessary.

**TABLE 17: 2021/22 Neighbourhoods – Service Budget & Forecast**

	Budget	Forecast	Variance		Adverse/ Favourable
	£000	Outturn £000	(+ Fav / - Adv) £000	%	
Director of Neighbourhoods	-6,412	-6,412	0	0%	Favourable
Community Safety and Transport	3,687	3,877	-190	-5%	Adverse
Highways and Infrastructure	5,060	5,910	-850	-17%	Adverse
Leisure, Libraries and Customer Engagement	13,005	13,005	0	0%	Favourable
Parks and Environment	35,286	35,286	0	0%	Favourable
<b>Directorate Surplus / (Deficit)</b>	<b>50,626</b>	<b>51,666</b>	<b>-1,040</b>	<b>-2%</b>	<b>Adverse</b>
Support/Admin Building Overhead	3,484	3,484	0	0%	Favourable
<b>Total Surplus/ (Deficit)</b>	<b>54,110</b>	<b>55,150</b>	<b>-1,040</b>	<b>-2%</b>	<b>Adverse</b>

3.6.5 **Director of Neighbourhoods:** A balanced position is forecast for 2021-22.

This area comprises Neighbourhoods management costs, Public Health Recharges and savings associated with the overall Directorate. A balanced position is forecast at this point in the year.

3.6.6 **Community Safety and Transport:** An adverse variance of £0.190m is reported for 2021-22. This is due to a shortfall in expected income within Community Patrol following the loss of several contracts in previous years. The service has been able to secure some income through arranging new contracts, however there is insufficient demand from external clients to enable the service to address the whole shortfall. Work is currently being carried out to mitigate the adverse variance through a review of the Community Patrol service and through a review of the Neighbourhoods Directorate overall. Any increase in demands for the service directly relating to COVID-19 are expected to be mitigated through additional funding secured to meet the projected costs associated with the Summer Plan 2021.

3.6.7 **Highways and Infrastructure:** An adverse forecast variance of £0.850m is reported for 2021-22. Charging for car parking has now resumed, however as footfall is initially expected to be at 75% of the pre-pandemic levels this has adversely impacted income; income is available from the sales, fees and charges income loss compensation scheme for Quarter 1. The 2021/22 saving associated with Car Parking will not be fully achieved this year due to delays in implementation. The full year impact of the saving equates to £1.0m and consists of £0.5m relating to standardisation of fees and £0.5m relating to charges at new sites. In August 2021 the Decision Review Committee agreed to implement the savings. The standardisation of fees will be implemented from mid-August, however as this has been delayed by four and a half months this results in a forecast pressure of £0.2m. The remaining saving relating to charges at new sites will take longer to implement as it will be necessary to carry out capital works. Therefore, this element of the

saving is unlikely to be realised before the end of the year. This will result in an additional forecast pressure of £0.5m. Overall pressures from car parking in 2021/22 equate to £0.7m, although it is expected that the saving will be fully achieved in 2022/23.

- 3.6.8 The remaining element of adverse variance is due to under recovery of income with the Design Team which equates to £0.150m as some staff are not directly chargeable to capital schemes. Income opportunities within this area are being explored in order to mitigate this.
- 3.6.9 A restructure of the of the service is also currently underway, this will assist in mitigating the overall adverse variance within the service.
- 3.6.10 **Leisure, Libraries and Customer Engagement:** A balanced position is reported for 2021-22. This area covers Leisure Centres, Golf Courses, Libraries, Museums and the Floral Pavilion. This includes the income available from the Sales, Fees and Charges income loss compensation scheme. Based on income losses in the first 3 months, it is currently projected that the income shortfall for this area will be £1.886m net of the Quarter 1 compensation from the sales, fees and charges income loss compensation scheme. The compensation figure for this area will be £1.948m, with the gross losses projected at £3.834m. There are plans to mitigate the overall income shortfall from COVID-19 funding, which will result in a balanced position.
- 3.6.11 Services within this area have, in almost all cases, only partially reopened in line with the key dates outlined in the Government's Road Map. In 2021/22 the focus will be on recovery with the aim of gradually bringing income back to pre-pandemic levels. It has been recognised that recovery will take time and will be largely dependent on national guidance and local COVID 19 conditions as to when restrictions will be lifted. Therefore, a total of £4.078m was temporarily removed from the income targets within this area to enable the service to carry out work to regain customers and explore additional income generation opportunities. This figure was based on information available at the time and assumptions were made as to when footfall would start to increase. However, at the time it was not clear how long restrictions would remain in place and there was uncertainty around the impact this would have on footfall. As at Quarter 1 it is anticipated that services will take longer to recover due to the government's delay in implementing the final stage of the roadmap which is likely to impact income projections.
- 3.6.12 Sports and Recreation is currently projecting an adverse variance of £0.339m net of the Quarter 1 income loss compensation. This is based on income received in the first 3 months of the year. Assumptions have been made as to how much income can recovered throughout the year with income levels expected to increase steadily each Quarter. Services have not fully reopened in line with when restrictions were lifted, however many customers have sought alternative arrangements during the past 16 months meaning overall demand for the service has reduced. The service has frozen approximately 10,000 direct debits associated with Invigor8 memberships, which accounts for most of the income loss in the first quarter. When these are reinstated later in the year there is a risk customers could cancel which may result in further income losses.

- 3.6.13 These figures assume that there will be no further restrictions imposed on the service throughout 2021/22. The service is attempting to mitigate the loss by improving income through marketing campaigns, a reduction in expenditure and by exploring further cost efficiencies through the Leisure Review. Sports and Recreation figures will be kept under review in Quarter 2 as there are several risks associated with retaining restrictions after 19<sup>th</sup> July and it is unclear what impact this will have on income.
- 3.6.14 Floral Pavilion is currently projecting an adverse variance of £1.333m. This is due projected income losses in the first 3 months, which have been partially mitigated through a reduction in payments to Suppliers. This service has been unable to return to business as usual yet due to the postponement of the final stage of the Government's Road Map and the extension of local conditions. This has severely limited any income generating opportunities in this area. The figures are based on income gradually recovering each quarter. However, any projections are largely dependent on when the service can return to full capacity. The service is attempting to mitigate these losses through maximising income from the facilities it is currently able to operate. The site is currently being used for corporate activities such as Committees which impacts normal operations.
- 3.6.15 Small income losses are expected within the Libraries and Museums services. A limited number of sites relating to both these services have now reopened, with plans to reopen the remaining sites later in the year. This will help to improve income generation, whilst the losses are expected to be mitigated through savings against Supplies and Premises costs. A restructure is currently underway within the Museum service and a Libraries review has commenced this year, which will assist in mitigating any projected losses.
- 3.6.16 **Parks & Environment:** A balanced position is forecast for 2021-22. Income streams relating to Garden Waste Subscriptions and Parks Income were impacted by COVID-19 in 2020/21. Garden Waste is not expected to be impacted in 2021/22 as the service has returned to normal and 2021/22 charges to subscribers reflect this. The service is expected to achieve at least 40,000 subscribers this year, however the direct debit system was implemented in 2020/21 and the impact of this on subscriber numbers will become apparent at the end of Quarter 2.
- 3.6.17 As at Quarter 1 income from Parks is expected to be impacted by COVID-19. Services relating to pitch hire have resumed, however income in relation to events has been affected which has resulted in a shortfall in income. This is mitigated by income from the sales, fees and charges income loss compensation scheme and favourable variances against expenditure. However, this depends on there being no further restrictions later in the year. This will be reviewed during the year, and losses will be mitigated through a reduction in expenditure within other areas of Waste and Environment.

**TABLE 18: 2021/22 Neighbourhoods – Subjective Budget & Forecast**

	Budget	Forecast Outturn	Variance		Adverse/ Favourable
	£000	£000	(+ Fav / - Adv) £000	%	
Income	-33,695	-32,655	-1,040	3%	Adverse
<b>Expenditure:</b>					
Employee	32,286	31,448	838	3%	Favourable
Non Pay	52,035	52,873	-838	-2%	Adverse
Cost of Care	0	0	0	0%	Favourable
<b>Total Expenditure</b>	<b>84,321</b>	<b>84,321</b>	<b>0</b>	<b>0%</b>	Favourable
<b>Directorate Surplus / (Deficit)</b>	<b>50,626</b>	<b>51,666</b>	<b>-1,040</b>	<b>-2%</b>	Adverse
Support/Admin Building Overhead	3,484	3,484	0	0%	Favourable
<b>Total Surplus/ (Deficit)</b>	<b>54,110</b>	<b>55,150</b>	<b>-1,040</b>	<b>-2%</b>	Adverse

**Budget Virements**

3.6.18 A total of £1.090m has been transferred from Resources to Neighbourhoods. This relates to £0.9m to cover LED street lighting. The roll out of phase 2 of the scheme is expected to be completed by October 2021 which will deliver an overall saving. However, it was necessary to reprofile the original saving to incorporate commitments for loan repayments. The remaining £0.190m virement relates to Library Book fund, which was necessary to ensure that there is an adequate funding in place to assist in recovery following the temporary closure of the service for most of last financial year due to COVID-19

**Budget Saving Achievement Progress**

3.6.19 Within each Committee's revenue budget there are a number of savings proposals, that were based on either actual known figures or best estimates available at the time. At any point during the year, these estimated figures could change and need to be monitored closely to ensure, if adverse, mitigating actions can be taken immediately to ensure a balanced forecast budget can be reported to the end of the year.

**TABLE 19: 2021/22 Neighbourhoods Directorate – Budget Savings**

Saving Title	Agreed Value	Forecast Value	RAG Rating	Comments
LED savings	£0.4m	£0.4m	<b>Green</b>	The 21/22 saving originated from the business case for LED replacement in 2018/19 and was the anticipated achievable saving at the time.

Additional and increased car parking charges	£1.0m	£0.3m	<b>Amber</b>	The options paper to determine how the saving was be made presented to June Committee and this was subsequently called in twice. This has resulted in a part year delay. The saving will be fully achieved in 2022/23
Targeted and Discretionary Environmental Enforcement	£0.15m	£0.150m	<b>Green</b>	The options paper to determine how the saving will be made was presented to June Committee, resulting in a part year delay. Any shortfall this year will be mitigated from in year savings resulting from additional EVRs
Royden Park Commercial Development	£0.08m	£0.08m	<b>Green</b>	Saving will not be achieved this year due to the requirement for consultation. Any shortfall this year will be mitigated from in year savings resulting from additional EVRs
Reduction in grass cutting and maintenance of verges	£0.25m	£0.25m	<b>Green</b>	The options paper to determine how the saving will be made was presented to June Committee, resulting in a part year delay. Any shortfall this year will be mitigated from in year savings resulting from additional EVRs
Amenity space maintenance cessation	£0.1m	£0.1m	<b>Green</b>	The options paper to determine how the saving will be made was presented to June Committee, resulting in a part year delay. Any shortfall this year will be mitigated from in year savings resulting from additional EVRs
Review of the Neighbourhood Services Directorate	£0.35m	£0.35m	<b>Green</b>	On target to be achieved
Contract efficiency	£0.075m	£0.075m	<b>Green</b>	On target to be achieved

savings with BIFFA				
Ongoing Covid-19 temporary Library Closure	£0.1m	£0.1m	<b>Green</b>	On target to be fully achieved
Ongoing Covid-19 temporary Leisure Centre Closure	£0.1m	£0.1m	<b>Green</b>	On target to be fully achieved
Temporary closure of Europa Fun pool due to Covid-19 restrictions	£0.25m	£0.25m	<b>Green</b>	On target to be fully achieved
Review of Museums Service	£0.090m	£0.090m	<b>Green</b>	On target to be fully achieved
Pause re-opening of Woodchurch Leisure Centre	£0.322m	£0.322m	<b>Green</b>	On target to be fully achieved
Income from West Kirby catering offer	£0.035m	£0.035m	<b>Green</b>	On target to be fully achieved
<b>Total</b>	<b>£3.30m</b>	<b>£2.60m</b>		

3.6.20 Most savings are on track to be achieved as at Quarter 1. Car Parking is rated Amber due to delays in implementing the charges. Current projections are based on flat rate charges being implemented from mid-August following the outcome of the Decision Review Committee. Introduction of charges at new sites will be delayed until 2022/23 as it will take time to purchase and install the ticket machines.

### **Earmarked Reserves**

3.6.21 Earmarked reserves are amounts set aside for a specific purpose or projects.

**TABLE 20: 2021/22 Neighbourhoods– Earmarked Reserves**

<b>Reserve</b>	<b>Opening Balance £000</b>	<b>Use of Reserve £000</b>	<b>Contribution to Reserve £000</b>	<b>Closing Balance £000</b>
Community Safety Initiatives	-555	12		-543
Health & Safety Flood Prevention	-455			-455
Parks Tree Maintenance	-374	374		0
Environmental Health	-300			-300
Anti Social Behaviour	-112			-112
Climate Emergency	-100			-100
Les Mills Classes	-100			-100
Litter Enforcement - development of initiatives	-49			-49
Weed Spraying : Mitigate against additional costs	-41			-41

Birkenhead Park World Heritage Site Lottery Bid	-40	37		-3
Coastal Protection	-35			-35
Sports Development Reserve	-30			-30
Environmental Health F.S.A. Backlog	-28			-28
Trading Standards	-25			-25
Hilbre Island - Legacy	-21			-21
Health & Safety Armed Forces Welfare Pathway	-14			-14
BikeSafe	-10			-10
Repairs & Maintenance upgrades on Public Conveniences	-8			-8
LAMPS to Concerto system replacement	-2			-2
Library Donations	-1			-1
<b>Total</b>	<b>-2,300</b>	<b>423</b>	<b>0</b>	<b>-1,877</b>

3.6.22 The opening reserves balance mainly relates to items which will support the Neighbourhoods Directorate in 2021/22 in implementing an overall review of the service. Recovery plans are also in place with the aim of reinstating services which were severely impacted by COVID-19 in 2020/21 and some of these reserves will be utilised to support this. The balance also consists of the Community Safety Partnership reserve which is ringfenced to support Partnership activities. At Quarter 1 reserves for Parks and Environment are expected to be fully utilised in 2021/22 in relation to funding for Tree Maintenance works that are projected in addition to the revenue budget available. There are also plans to utilise the Heritage Lottery reserve to fund the costs of the team until the outcome of the Birkenhead Park lottery bid is confirmed later in the year. Smaller reserve movements are forecast to fund projects within Community Safety.

### 3.7 Regeneration & Place

3.7.1 As at the end of June 2021, the forecast year-end position for Regeneration & Place is a favourable variance of £0.053m against a budget of £33.8m.

**TABLE 21: 2021/22 Regeneration and Place – Service Budget & Forecast**

	Budget	Forecast Outturn	Variance		Adverse/ Favourable
	£000	£000	(+ Fav / - Adv) £000	%	
Regeneration	24,205	24,243	-38	0%	Adverse
Housing	6,701	6,546	155	2%	Favourable
Asset Management & Investment	-826	-841	15	-2%	Favourable
Planning	857	929	-72	-8%	Adverse
Special Projects	107	114	-7	-7%	Adverse
Local Plan	400	400	0	0%	Favourable
<b>Directorate Surplus / (Deficit)</b>	<b>31,444</b>	<b>31,391</b>	<b>53</b>	<b>0%</b>	<b>Favourable</b>
Support / Admin Building Overhead	2,335	2,335	0	0%	Favourable
<b>Total Surplus / (Deficit)</b>	<b>33,779</b>	<b>33,726</b>	<b>53</b>	<b>0%</b>	<b>Favourable</b>

3.7.2 **Regeneration:** An adverse variance of £0.038m is reported for 2021-22. Whilst the new staffing structure that will help deliver the major regeneration projects is being recruited to, temporary interim staff are helping to ensure grant funding bids are achieved and that projects continue to be delivered.

3.7.3 **Housing:** A favourable variance of £0.155m is reported for 2021-22. Whilst grant support for Housing has helped present a favourable position, further work is currently underway to establish eligible expenditure forecast against the available grant funding, the outcome of this review will be reported in quarter 2.

3.7.4 **Asset Management & Investment:** A favourable variance of £0.015m is reported for 2021-22. This position is only possible if the £0.240m saving for the Birkenhead Market can be mitigated through capitalisation plans.

3.7.5 **Planning:** An adverse variance of £0.072m relates to the Merseyside Environmental Advisory Service (MEAS). MEAS provide statutory advice to Development Management on archaeology, waste, and ecology. Work is ongoing to identify a realistic and sustainable budget for this service and to manage costs going forward. This work will take several months but, in the meantime, resources are being identified within the directorate to meet the budget variance and discussions are ongoing with MEAS to manage the costs.

3.7.6 **Special Projects:** A break-even position is reported for 2021-22.

3.7.7 **Local Plan:** A break-even position is reported for 2021-22, with the planned utilisation of available reserves of 729k in support of developing the local plan.

**TABLE 22: 2021/22 Regeneration and Place – Subjective Budget & Forecast**

	Budget	Forecast	Variance		Adverse/ Favourable
	£000	Outturn £000	(+ Fav / - Adv) £000	%	
Income	-11,896	-12,851	955	-8%	Favourable
<b>Expenditure:</b>					
Employee	12,573	12,777	-204	-2%	Adverse
Non Pay	30,767	31,465	-698	-2%	Adverse
Cost of Care	0	0	0	0%	Favourable
<b>Total Expenditure</b>	<b>43,340</b>	<b>44,242</b>	<b>-902</b>	<b>-2%</b>	Adverse
<b>Directorate Surplus / (Deficit)</b>	<b>31,444</b>	<b>31,391</b>	<b>53</b>	<b>0%</b>	Favourable
Support/Admin Building Overhead	2,335	2,335	0	0%	Favourable
<b>Total Surplus/ (Deficit)</b>	<b>33,779</b>	<b>33,726</b>	<b>53</b>	<b>0%</b>	Favourable

#### **Budget Saving Achievement Progress**

3.7.8 Within each Committee's revenue budget there are a number of savings proposals, that were based on either actual known figures or best estimates available at the time. At any point during the year, these estimated figures could change and need to be monitored closely to ensure, if adverse, mitigating actions can be taken immediately to ensure a balanced forecast budget can be reported to the end of the year.

**TABLE 23: 2021/22 Regeneration and Place – Budget Savings**

Saving Title	Agreed Value	Forecast Value	RAG Rating	Comments
Culture and Visitor Economy	£0.62m	£0.62m	<b>Amber</b>	Staff consultations underway, with mitigation measures identified to deliver savings target.
Birkenhead Market Restructure	£0.24m	£0.24m	<b>Amber</b>	On target to be achieved but not all via a restructure – some will be achieved via capitalising costs
Community Alarms	£0.2m	£0.2m	<b>Amber</b>	Saving will be delivered through mitigation whilst a review of the Community Alarms service is undertaken.
Pre-application Fee	£0.02m	£0.02m	<b>Green</b>	On target to be achieved

Increase and PPAs				
Budget Allocation for DDA	£0.2m	£0.2m	<b>Green</b>	On target to be achieved
Sales, Fees and Charges Compensation – Planning	£0.05m	£0.05m	<b>Green</b>	On target to be achieved
Wirral Growth Company Joint Venture income	£1.38m	£1.38m	<b>Amber</b>	On target to be achieved, including income from capital receipts
<b>Total</b>	<b>£2.51m</b>	<b>£2.51m</b>		

### Earmarked Reserves

3.7.9 Earmarked reserves are amounts set aside for a specific purpose or projects.

**TABLE 24: 2021/22 Regeneration and Place – Earmarked Reserves**

<b>Reserve</b>	<b>Opening Balance £000</b>	<b>Use of Reserve £000</b>	<b>Contribution to Reserve £000</b>	<b>Closing Balance £000</b>
Regeneration and Place	3,001	0	0	3,001
<b>Total</b>	<b>3,001</b>	<b>0</b>	<b>0</b>	<b>3,001</b>

### 3.8 Resources

3.8.1 As at the end of June 2021 (Quarter 1), the forecast year end position for Resources is an adverse variance of £0.593m against a budget of £34.448m.

**TABLE 25: 2021/22 Resources– Service Budget & Forecast**

	Budget	Forecast Outturn	Variance		Adverse/ Favourable
	£000	£000	(+ Fav / - Adv) £000	%	
Finance & Investment	18,385	18,447	-62	0%	Adverse
HR & OD and Payroll	3,931	3,833	98	2%	Favourable
Digital & Improvement	5,512	5,850	-338	-6%	Adverse
Revenues & Benefits	3,616	3,926	-310	-9%	Adverse
Audit, Risk & Business Continuity	554	553	1	0%	Favourable
Strategic Change	4,168	4,150	18	0%	Favourable
Corporate Pressures	4,170	4,170	0	0%	Favourable
<b>Directorate Surplus / (Deficit)</b>	<b>40,336</b>	<b>40,929</b>	<b>-593</b>	<b>-1%</b>	<b>Adverse</b>
Support / Admin Building Overhead	-6,888	-6,888	0	0%	Favourable
<b>Total Surplus / (Deficit)</b>	<b>33,448</b>	<b>34,041</b>	<b>-593</b>	<b>-2%</b>	<b>Adverse</b>

3.8.2 **Finance & Investment:** A minor adverse forecast variance of £0.062m is reported for 2021/22. Interest receivable shortfalls from Treasury Management activity show as an adverse variance in income. However, this is offset by a favourable variance in interest payable for borrowing due to rephasing of capital projects reducing the current borrowing requirement.

3.8.3 **HR & OD:** A minor favourable forecast variance of £0.098m is reported for 2021/22.

3.8.4 **Digital & Improvement:** An adverse forecast variance of £0.338m is reported for 2021/22. Schools ICT is reporting an adverse variance relating to continued loss of schools SLA income and the digitalisation of council processes. The affect is seen in reduced income and reduced non-pay spend. The team is actively working with schools to maximise uptake with a further update available for Quarter 2. The income shortfall is reduced with staff being deployed on capital projects reducing the income shortfall pressure.

3.8.5 **Revenue's & Benefits:** An adverse forecast variance of £0.310m is reported for 2021-22. Whilst there has been a small improvement in the income received from court summons compared to at this point in the last financial year, there is still a downturn from pre Covid-19 expectations. Court summons and court activity has recently commenced again and will be closely monitored during the financial year. The reduction in Housing Benefit Administration Grant is offset with Department of Work and Pension New Burdens funding which leaves a shortfall in income received

from grant. Service remodelling is resulting in the service holding post vacancies pending restructure which is reducing the impact of the income shortfall and showing as a favourable variance within Employees.

3.8.6 **Audit, Risk and Business Continuity:** A minor favourable forecast variance of £0.001m is reported for 2021/22.

3.8.7 **Strategic Change:** A favourable forecast variance of £0.018m is reported for 2021/22. The £0.018m under spend currently forecast is as a result of some staff being deployed on projects that are funded by capital.

3.8.8 **Corporate Pressures:** Included within the budget for this year were estimated pressures for potential increased demand within homelessness and social care as a result of Covid-19 activity which will be released as and when pressures arise. These estimated pressures will be reassessed mid-year to review the appropriateness of the estimation and whether there is an opportunity to reduce the requirement to access the full £10.7m of Exceptional Financial Support.

**TABLE 26: 2021/22 Resources – Subjective Budget & Forecast**

	Budget	Forecast Outturn	Variance		Adverse/ Favourable
	£000	£000	(+ Fav / - Adv) £000	%	
Income	115,948	-113,290	-2,658	2%	Adverse
<b>Expenditure</b>					
Employee	28,997	28,263	734	3%	Favourable
Non Pay	127,287	125,956	1,331	1%	Favourable
<b>Total Expenditure</b>	<b>156,284</b>	<b>154,219</b>	<b>2,065</b>	<b>1%</b>	<b>Favourable</b>
<b>Directorate Surplus / (Deficit)</b>	<b>40,336</b>	<b>40,929</b>	<b>-593</b>	<b>-1%</b>	<b>Adverse</b>
Support / Admin Building Overhead	-6,888	-6,888	0	0%	Favourable
<b>Total Surplus / (Deficit)</b>	<b>33,448</b>	<b>34,041</b>	<b>-593</b>	<b>-2%</b>	<b>Adverse</b>

### **Budget Virements**

3.8.9 As part of robust financial management practices, budget for expected pressures were built into the approved budget position. This budget will only be released into Directorate specific budgets if and when demand arises from the predicted pressures and plans are developed.

A total of £1.090m has been transferred from Resources to Neighbourhoods. This relates to £0.9m to cover LED street lighting; The roll out of phase 2 of the scheme is expected to be completed by October 2021 which will deliver an overall saving. However, it was necessary to reprofile the original saving to incorporate

commitments for loan repayments. The remaining £0.190m virement relates to Library Book fund, which was necessary to ensure that there is an adequate funding in place to assist in recovery following the temporary closure of the service for most of last financial year due to COVID-19

A total of £0.750m has been transferred from the Resources Directorate to Children's, Families and Education Directorate. This relates to two approved pressure items which had initially been held corporately whilst plans were developed; SEN transport (£0.65m) and Modernisation (£0.1m). As at quarter 1, these budget pressures have now been moved to the Children's Families and Education Directorate budget.

### Budget Saving Achievement Progress

3.8.10 Within each Committee's revenue budget there are a number of savings proposals, that were based on either actual known figures or best estimates available at the time. At any point during the year, these estimated figures could change and need to be monitored closely to ensure, if adverse, mitigating actions can be taken immediately to ensure a balanced forecast budget can be reported to the end of the year.

**TABLE 27: 2021/22 Resources – Budget Savings**

Saving Title	Agreed Value	Forecast Value	RAG Rating	Comments
Business Change Service Reduction	-£0.67	-£0.67	<b>Green</b>	On target to be achieved
Review of Traded Services	-£0.27	-£0.27	<b>Green</b>	On target to be achieved
Alternative funding for PFI	-£0.25	-£0	<b>Red</b>	It is not expected that the DfE will be forthcoming with additional financial support towards the costs for the closed Kingsway site. Use of the site for educational purposes is currently in development with a view to it being operational by September 2022.
Bad debt write-off reduction	-£1.00	-£1.00	<b>Green</b>	On target to be achieved
New staffing structure in IT Services	-£0.62	-£0.62	<b>Green</b>	The saving will be achieved but not fully by the original means. The Digital Strategy requires posts to be kept in the service for the next 12 months so the saving will be achieved by charging some staff to the capital programme and other projects.
Business Support Unit	-£0.24	-£0.24	<b>Green</b>	The saving will be achieved

Staffing Reduction				but not necessarily with a full reduction of staff but with a reduction of posts, some of which are vacant.
Wide Area Network savings	-£0.24	-£0.24	<b>Green</b>	On target to be achieved
Restructure of Revenues & Benefits	-£0.15	-£0.15	<b>Green</b>	Achieved 21/22
Centralised Print Process	-£0.16	-£0.16	<b>Green</b>	On target to be achieved
Workforce remodelling	-£0.39	-£0.39	<b>Green</b>	On target to be achieved
Continuation of agile working	-£0.50	-£0.50	<b>Green</b>	On target to be achieved
Apprenticeships First Strategy	-£0.15	-£0.15	<b>Green</b>	On target to be achieved
One Stop Shop Service Reduction	-£0.10	-£0.10	<b>Green</b>	On target to be achieved
Continue Temporary Building Closures	-£0.75	-£0.75	<b>Green</b>	On target to be achieved
Zero Based Budgeting	-£0.17	-£0.17	<b>Green</b>	The ZBB review is in progress with committee workshops and it is anticipated that the full saving can be made.
Contract Management & Commissioning	-£0.35	-£0.35	<b>Green</b>	On target to be achieved
Local Welfare Assistance Temporary Saving	-£0.20	-£0.20	<b>Green</b>	Achieved 21/22
Use of Brexit Reserve	-£0.10	-£0.10	<b>Green</b>	On target to be achieved
Additional Capital Receipts	-£0.39	-£0.39	<b>Green</b>	On target to be achieved
<b>Total</b>	<b>£6.70M</b>	<b>£6.45M</b>		

3.8.11 The majority of the savings within Resources are on target to be met as noted above. The saving for the continued temporary building closures is a reduced saving due to capacity and the requirement for one building to reopen for the Home Education Service. However, there could be potential for savings to be made in other building that are partially open, not included in the original list to make saving but this has not yet been costed. The Alternative Funding for PFI is likely to be unachievable as it is not expected that the DfE will be forthcoming with additional financial support towards the costs for the closed Kingsway site. Use of the site for educational purposes is currently in development with a view to it being operational by September 2022.

### **Earmarked Reserves**

3.8.12 Earmarked reserves are amounts set aside for a specific purpose or projects.

**TABLE 28: 2021/22 Resources – Earmarked Reserves**

<b>Reserve</b>	<b>Opening Balance £000</b>	<b>Use of Reserve £000</b>	<b>Contribution to Reserve £000</b>	<b>Closing Balance £000</b>
Commercial Management	225	0	0	225
Discretionary Housing Payments	185	0	0	185
HR/OD Talent Management	50	0	0	50
HR Reserve – Schools	41	0	0	41
Transformation Challenge Award	4	0	0	4
Asset Consolidation Staff Relocation Contingency	110	0	0	110
ICT Records Management	288	0	0	288
Business Rates Equalisation Reserve (100%) rates retention pilot)	4,664	0	0	4664
Enterprise Zone Investment	482	0	0	482
Enterprise Zone Contingency Fund	29	0	0	29
Financial Resilience Reserve	2,600	2,240	0	360
Financial Instrument Equalisation Reserve	2,126	0	0	2126
Year 2 of EVR/VS Termination Payments	1,000	1,000	0	0
<b>Total</b>	<b>11,804</b>	<b>1,240</b>	<b>0</b>	<b>10,564</b>

3.8.13 The reserves held in Resources relate to either specific purposes or service demand and therefore are unavailable for one off use, such as Business Rates Equalisation Reserve, Enterprise Zone Investment, Enterprise Zone Contingency Fund, Financial Resilience Reserve and Financial Instrument Equalisation Reserve. The Year 2 of EVR/VS Termination Payments will be fully utilised during the year. In the Chancellors autumn statement it was announced that there would be a pausing of public sector pay with the exception of a £250 payment for all staff on £24k and under. The National Employers Association have offered a 1.75% pay increase which is currently in negotiation with the Trade Unions. This will be funded from the financial resilience reserve. It is still unclear how much that this will equate to but from the current offer it could be around £2m. The total value will be impacted by the level of EVRs during the year as the fewer posts there are in the structure, the lower establishment cost will be. The three local government unions (UNISON, GMB and Unite) have confirmed that their respective consultation ballots on the National Employers' final pay offer (including the Craft final offer) will run through to late Sep / early Oct. All three unions will be recommending that the pay offer[s] be rejected. We will provide a further update once the consultation process has run its course and the unions have notified us of the outcome, which is likely to be early to mid Oct.

### 3.9 Covid Funding

**TABLE 29 2020/21 Covid Funding Changes from Mar 21 to Jun 21**

	<i>Increase/ (decrease)</i>
	<b>£</b>
<b>FULLY PASSPORTED FUNDING:</b>	
Restart Grant	14,064,813
Hospitality & Leisure Support/Additional Restrictions Grant	3,562,685
Additional Restrictions Grant	1,612,133
<b>FULLY PASSPORTED FUNDING INCREASE</b>	<b>19,239,631</b>
<b>PARTIALLY PASSPORTED FUNDING:</b>	
ASC Infection Control Fund Round 3	1,505,446
Rapid Testing in Care Homes	998,287
COVID Local Support Grant	288,145
<b>PARTIALLY PASSPORTED FUNDING INCREASE:</b>	<b>2,791,878</b>
<b>FUNDING FOR COUNCIL USE:</b>	
Re-opening High Streets Safely Fund *	27,141
Contain Outbreak Management Fund	2,582,258
Local Authority Practical Support for those Self-isolating	249,832
Clinically Extremely Vulnerable (CEV) grant	382,851
Local Elections Funding – May 2021	85,292
New Burdens (LADGF)	290,800
<b>FUNDING FOR COUNCIL USE INCREASE:</b>	<b>3,618,174</b>
<b>TOTAL COVID FUNDING INCREASE SINCE 31 MARCH 2021</b>	<b>25,649,683</b>
<b>Financial Year 2021/22</b>	

\* Total funding available under the Re-opening High Streets Safely Fund remains at £286,292, however, this funding is subject to costs being incurred and a claim being submitted in 21/22 once lockdown is eased. For Q1 reporting, it has been assumed that funding is only received to the level of costs actually incurred as at 30 Jun 2021 (£70,093).

#### 3.9.1 Fully passported funding increase (£19.2m)

##### Key components of the increase in fully passported funding:

**Restart Grant (£14.0m)** Funding has been made available to support businesses as the restrictions are lifting to prepare to re-open in a safe and secure way to the public.

**Additional Restrictions Grant (£3.6m & £1.6m)** further funding has been made available via the Liverpool City Region Combined Authority will provide additional support for businesses as the restrictions are lifting.

#### 3.9.2 Partially passported funding increase (£2.8m)

**Infection Control Fund Round 3 (£1.5m)** Further funding provided to continue the work from the previous two rounds of funding.

**Rapid Testing in Care Homes Round 2 (£1.0m)** Further funding of 1.0M provided to continue the work from the previous round of funding.

**Local Support Grant Scheme (£0.3m)** is the continuation of the Covid Winter Grant Scheme covering Apr 21 to Jun 21 to provide direct assistance to vulnerable households and families with children particularly affected by the pandemic.

### 3.9.3 Increase in funding for Council use (£3.6m)

**Contain Outbreak Management Fund (COMF) increase (£2.6m):** The Contain Outbreak Management Fund has been increased since December following the continuance of local and national lockdown periods. This funding is ring-fenced for Public Health and is being utilised to fund activities such as Test & Trace, Enforcement and support for the Clinically Extremely Vulnerable.

The COMF provides funding to local authorities in England, to support public health activities directly related to the COVID-19 response. The scope of the grant and the funding formula for COMF has evolved with the changing landscape.

COMF was subject to review earlier this year, and in March 2021 government confirmed the funding would continue for the financial year 21/22, to enable Local Authorities to plan the continued public health response work, aligned to the national COVID-19 Contain Framework, and continued delivery of Local Outbreak Management Plans

The total COMF allocation for public health activities for Wirral from June 2020 until March 2022, is £14.784m which is expected to cover the period until March 2022;

We are currently undertaking a review of the commitments within the Tranche funding as some of the expenditure allocated to the Tranche funding meets the criteria for COMF and had been included within that forecast before the additional COMF was provided. Therefore, there is a rationale to transfer eligible commitments from the Tranche funding to the COMF, thereby releasing Tranche funding to reduce the value of exceptional financial support. This is currently being investigated and will be reported at a future meeting.

**Local Elections Funding May 21 (£0.08m)** provided to the council to assist and enable safe and secure measure for the local elections.

**LA Practical Support for those Self-Isolating (£0.25m):** Additional funding to LA's to provide practical support for those who are Self-Isolating.

**Clinically Extremely Vulnerable (£0.38m):** Additional round of funding to help, support and assist the needs of people within the Wirral Community.

**New Burdens LADGF (£0.29m):** Additional funding to cover costs associated with administering of the Local authority Discretionary Fund.

### **3.10 Exceptional Financial Support (EFS)**

3.10.1 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.

3.10.2 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.

3.10.3 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. This review has been completed and we are awaiting the report from MHCLG on the outcome.

3.10.5 This means that proposals could be recommended as part of the review 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.

3.10.6 Included within the budget for this year were estimated pressures for potential increased demand within homelessness and social care as a result of Covid-19 activity. These estimated pressures will be reassessed mid-year to review the appropriateness of the estimation and whether there is an opportunity to reduce the requirement to access the full £10.7m of Exceptional Financial Support.

3.10.7 As required as part of the conditions of the capitalisation offer for this year, other areas to reduce the value of the capitalisation directive are being explored. Additional funding has been received from the Contain Outbreak Management Fund (COMF) that was not anticipated or known when the budget was set and the criteria is currently being analysed to see whether any commitments against the tranche funding could be transferred to the COMF that ay also release some Covid-19 related pressures.

3.10.8 Other areas being explored are whether any asset sales could be brought forward into this year to reduce the value of Covid-19 pressures. Work is ongoing in both these areas and current Covid-19 pressures are being assessed.

3.10.9 When the budget was set the value of these pressures could only be estimated as the longer-term impact of Covid-19 could not be known. It was expected at this time, that the value of these pressures would inevitably change as the year progressed

and more accurate data became available. This will be monitored during the year and reported to the Committee on a quarterly basis.

### **3.11 Medium Term Financial Plan**

A Medium Term Financial Plan outlining forecast savings and pressures up to 2025/26 was presented to Committee in June 2021. This is currently being reviewed and updated with revised savings and pressures for each Directorate following the outcomes from Committee workshops. The latest position will be presented in the pre-budget report to the Committee in October

## **4.0 FINANCIAL IMPLICATIONS**

4.1 This is the Quarter 1 budget monitoring report that provides information on the forecast outturn for the Council for 2021/22. The Council has robust methods for reporting and forecasting budgets in place and alongside formal Quarterly reporting to Policy & Resources Committee, the financial position is routinely reported at Directorate Management Team meetings and corporately at the Strategic Leadership Team (SLT). In the event of any early warning highlighting pressures and potential overspends, the SLT take collective responsibility to identify solutions to resolve these to ensure a balanced budget can be reported at the end of the year.

## **5.0 LEGAL IMPLICATIONS**

- 5.1 The role of the Policy and Resources Committee, in consultation with the respective Policy and Service Committees, has been charged by Council to formulate a draft Medium Term Financial Plan (MTFP) and budget to recommend to the Council.
- 5.2 The Council must set the budget in accordance with the provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a statutory responsibility of the Council. Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget. These provisions require the Council to make prudent allowance for the risk and uncertainties in its budget and regularly monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.
- 5.3 Section 30(6) of the Local Government Finance Act 1992 provides that the Council has to set its budget before 11<sup>th</sup> March in the financial year preceding the one in respect of which the budget is set.
- 5.4 The provisions of section 25, Local Government Act 2003 require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the chief finance (s.151) officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves.
- 5.5 Consultation must take place in accordance with the Council's duties under section 65 of the Local Government Finance Act 1992. The detailed summary of responses provided are attached in the appendix to this report. It must be borne in mind that this is consultation on the budget proposals, not on the decision to take whatever decision is implied by the adoption of that budget. The consultation process,

including the Council's consideration of the responses, is required to comply with the following overarching obligations (unless detailed statutory rules supplant these):

- (a) Consultation must be at a time when proposals are at a formative stage.
- (b) The proposer must give sufficient reasons for its proposals to allow consultees to understand them and respond to them properly.
- (c) Consulters must give sufficient time for responses to be made and considered.
- (d) Responses must be conscientiously taken into account in finalising the decision. This is the same whether or not a public body was required to consult or chooses to do so. This is because all of those rules are aspects of an overriding requirement for 'fairness'. The process must be substantively fair and have the appearance of fairness. The setting of the budget and council tax by Members involves their consideration of choices.

- 5.6 When considering options, 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.
- 5.7 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.
- 5.8 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.
- 5.9 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.
- 5.10 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
- 5.11 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 the Policy and Services Committees when considering decisions.
- 5.12 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.

- 5.13 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.
- 5.14 Members are also individually reminded that Section 106 of the Local Government Finance Act 1992 applies to this meeting. Members who are two months or more in arrears with their Council Tax must declare this to the meeting and must not vote on budget recommendations, as to do otherwise can be a criminal offence.

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

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

## **7.0 RELEVANT RISKS**

- 7.1 The Council's ability to maintain a balanced budget for 2021/22 is dependent on a static financial position. This is an impossible scenario due to estimated figures being provided in the calculation for the 2021/22 budget, albeit the best estimates that were available at the time, plus any amount of internal and external factors that could impact on the budget position in year. Examples of which are new legislation, increased demand, loss of income, increased funding, decreased funding, inability to recruit to posts, ongoing impact of the pandemic etc
- 7.2 A robust monitoring and management process for the 2021/22 budget is in place. If at any time during the year an adverse position is forecast, remedial action must be agreed and implemented immediately to ensure the budget can be brought back to balanced position.
- 7.3 The risk of this not being able to be achieved could mean that the Council does not have enough funding to offset its expenditure commitments for the year and therefore not be able report a balanced budget at the end of the year. This could result in the Section 151 Officer issuing a Section 114 notice.
- 7.4 The budget agreed by full Council on 1 March 2021 for 2021/22 was underpinned by an offer of a maximum of £10.7m exceptional financial support provided by MHCLG. This offer was conditional and is described in paragraph 3.21. If the Council does not accept recommendations made from the external assurance review, this may put the offer of the exceptional financial support at risk. If the Council is not able to report a balanced budget without some or all of the exceptional financial support, this may also result in the Section 151 Officer issuing a Section 114 notice in year.
- 7.5 A key risk to the Council's financial plans is that funding and demand assumptions in particular can change as more information becomes available. As such, the MTFP is regularly reviewed and updated as part of routine financial management.

- 7.6 Under the system of retained Business Rates, Authorities benefit from a share of any increased revenues but are liable for at least a share of any falls in income (subject to safety net triggers) and any non-collection. This includes reductions arising from appeals relating to past years which partially fall on the Authority. These risks are mitigated through a combination of the operation of the Collection Fund, General Fund Balances and a Business Rates Equalisation Reserve.
- 7.7 The MTFP currently presents a balanced budget over a five-year period. If the committees are not minded to accept the proposals included by officers in the MTFP, especially for the 2022/23 budget, alternative proposals need to be identified and agreed as soon as possible. A delay in agreeing these may put the timetable for setting the 2022/23 at risk and may result in a balanced budget not being identified in time for the deadline of 11 March 2022.
- 7.8 The five-year MTFP is based on current estimated information available. A four-year comprehensive spending review (CSR) is anticipated from Government from 2022/23. Assumptions have been made in the current MTFP for income and funding from business rates and council tax and social care grants as the main sources of funding. If there is an adverse change to these assumptions as a result of the CSR, additional savings proposals or reduced expenditure would need to be identified as soon as possible to ensure a balanced five-year MTFP can be achieved. Committees will be kept updated with any announcements regarding the CSR through the year.

## **8.0 ENGAGEMENT/CONSULTATION**

- 8.1 Consultation has been carried out with the Senior Leadership Team (SLT) in arriving at the governance process for the 2021/22 budget monitoring process and the 2022/23 budget setting process. SLT have compiled the MTFP.
- 8.2 Since the budget was agreed at Full Council on 1 March, some proposals may have been the subject of further consultation with Members, Customer and Residents. The details of these are included within the individual business cases or are the subject of separate reports to the Committee

## **9.0 EQUALITY IMPLICATIONS**

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

## **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

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

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### **APPENDICES**

#### **BACKGROUND PAPERS**

MHCLG Exceptional Financial Support Offer Letter

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

<b>Council Meeting</b>	<b>Date</b>
<b>Policy and Resources Committee</b>	<b>17 March 2021</b>
<b>Full Council</b>	<b>1 March 2021</b>
<b>Policy and Resources Committee</b>	<b>9 June 2021</b>



## POLICY AND RESOURCES COMMITTEE

Wednesday, 1 September 2021

REPORT TITLE:	CAPITAL MONITORING QUARTER 1 2021/22
REPORT OF:	DIRECTOR OF RESOURCES (S151 OFFICER)

### REPORT SUMMARY

This report provides an update on the progress of the Capital Programme 2021/22 at the end of June 2021. It recommends that Committee agree the revised 2021/22 Capital Programme of £79.7 million which takes account of re-profiling, virements, additional funding requirements and grant variations identified since the Capital Programme was formally agreed on 1st March 2021.

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

### RECOMMENDATION/S

The Policy and Resources Committee recommends to Council:

- 1 the approval of additional funding for the schemes referred to in section 3.5 in this report.
- 2 the approval of the revised Capital Programme of £79.7 million for 2021-22, including the virements referred to in Appendix 3 in this report.

Also, that the Policy and Resources Committee agrees that the on-going review and reprofiling of the Capital Programme is reported to members in the next quarterly capital monitoring report.

## SUPPORTING INFORMATION

### 1.0 REASON/S FOR RECOMMENDATION/S

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

### 2.0 OTHER OPTIONS CONSIDERED

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

### 3.0 BACKGROUND INFORMATION

#### 3.1 Capital Programme 2021/22 Position by Directorate

**Table 1: Wirral Council 2021/22 Full Year Capital Budget and Forecast Position**

Programme	Budget £m	Forecast £m	Variance £m	Variance %
Adult Care & Health	6.561	3.494	-3.067	-47%
Children, Families & Education	9.304	5.504	-3.800	-41%
Corporate Schemes	11.327	12.071	0.744	7%
Neighbourhoods	23.046	23.584	0.538	2%
Regeneration & Place	59.872	32.696	-27.176	-45%
Resources	6.459	2.368	-4.091	-63%
<b>Total</b>	<b>116.569</b>	<b>79.717</b>	<b>-36.852</b>	<b>-32%</b>

NB: items of significant scheme variation are included below.

#### Capital Programme 2021/22 Position by Committee

**Table 2: Wirral Council 2021/22 Full Year Capital Budget and Forecast Position**

Programme	Budget £m	Forecast £m	Variance £m	Variance %
Adult Social Care & Health	8.408	3.621	-4.787	-57%
Children, Young People & Education	10.504	5.534	-4.970	-47%
Economy, Regeneration & Development	30.702	17.564	-13.138	-43%
Environment, Climate Emergency & Transport	22.697	23.840	1.143	5%
Housing	8.552	7.976	-0.576	-7%
Policy & Resoures	25.316	15.706	-9.610	-38%
Tourism, Communities, Culture & Leisure	10.390	5.476	-4.914	-47%
<b>Total</b>	<b>116.569</b>	<b>79.717</b>	<b>-36.852</b>	<b>-32%</b>

- 3.1.1 Table 1 provides an update on the 2021/22 capital Programme. A number of significant variations have arisen since the programme was agreed in March 2021. These include the re-profiling of expenditure into and out of the 2021/22 financial year, inclusion of additional grant funded schemes, variations to spend forecasts and

the inclusion of potential new capital schemes that are seeking funding via this report. Further detail is provided below.

3.1.2 Given the budgetary pressures that the Council faces, which have been exacerbated by the COVID-19 outbreak, a review of the programme continues to try and identify schemes that may no longer be financially viable, essential or deliverable. This review has resulted in the reprofiling of budget into future years of £54.371 million. It is anticipated that further reductions and/or deferrals of budget will be made as the review continues. Such deferrals will reduce the borrowing costs incurred during 2021/22 and also delays the resultant Minimum Revenue Provision (MRP) charges into future years.

3.1.3 Appendix 1 of this report categorises the movement in the forecast programme.

## **3.2 Scheme Updates**

3.2.1 Schemes are subject to an ongoing review to ensure that a deliverable Programme is in place, that they are compatible with the Wirral Plan 2021-2026 priorities and to try and identify any savings. Current progress on the more significant schemes is provided in the following sections

### **3.2.2 Adult Social Care & Health**

- **Extra Care Housing** - Poppyfields is due to open in July 21, when it is completed the remaining grant of £0.110 million will be payable. The Housing 21 Upton scheme is not expected to begin on site until planning permission is granted when £2.764 million will be paid.
- **Telecare & Telehealth Ecosystem** – The spend profile of this scheme has varied due to the ability to attract additional funding and other resources that at the time of planning were unknown. These spending plans may change in response to wider care planning in Wirral, with contributions from partners along with plans being developed by Cheshire & Merseyside Integrated Care System and NHSX/NHS Digital to fund remote monitoring activities in the region.

### **3.2.3 Children, Families & Education**

- **School Condition Allocation** - Funding to support condition works.
  - £1.055 million worth of Roofing works are scheduled for this year for a number of school sites.
  - £0.350 million of works on school sites including boiler installation, sites include Mount Primary, St George's, Bidston Village C of E Juniors, Heswall Primary, St Bridget's Primary.
  - A significant contribution towards a proposed total cost of £1.600 million is to be allocated from this funding towards the redevelopment of Riverside Primary School (Phase 1).
  - Regarding fire alarm enhancement, schemes totalling £0.200 million have been identified.

- £5.020 million of reprofiling has been applied due to COVID issues meaning resources are stretched and therefore school Capital projects were on hold/subject to delay.

### 3.2.4 Neighbourhoods

- **Street Lighting Column (Replacement or Upgrade)** - A contract was awarded to SSE Contracting Ltd in September 2019 for a two-year fixed term, to include approximately 28,000 lantern replacements and approximately 6,000 column replacements. The SSE contract works are approximately 75% complete and due to finish in October 2021, with a further bid for £1.5 million to be considered (see 3.5.3 below) to complete the scheme.
- **Highway Maintenance** – works continue to support the delivery of small-scale works in local areas' transport plans and capital maintenance on the local highway network. A further grant allocation has been awarded for 2021/22 (see 3.4.6 below).
- **West Kirby Flood Alleviation** – this scheme looks to bring together public realm improvements with flood risk improvements that will not only enhance the environment of South Parade but also reduce flood risk to 70 properties. £1.800 million is forecast to be spent within this financial year.

### 3.2.5 Regeneration & Place

- **Aids, Adaptations and Disabled Facility Grants** – spend is influenced by several factors including referrals received and the extent/value of the adaptations required, with £6.856 million being forecast for 2021/22. A further grant award has been received for this financial year (See 3.4.8)
- **Housing Infrastructure Fund Marginal Viability (Northbank)** –this was a grant from Homes England (HE) of £6.004 million that the Council received in 2019/20 for remediation and servicing works on land at Northbank of Wirral Waters to support housing delivery on land in the ownership of Peel Land and Property. The money is claimed from HE on a quarterly basis against projected expenditure on the works for the next quarter. The Council once it has claimed the monies pays it over to Peel Land and Property based on their actual expenditure. Peel is anticipating exhausting the remaining £3.748 million this year.
- **Future High Streets (Birkenhead)** – Grant of £12.000 million received in advance from MHCLG in 20/21 as part of the Birkenhead Future High Street programme. Funds were paid as a Section 31 grant and in advance of signing a grant funding agreement. Currently negotiating a project adjustment and revised spend profile with Government. The forecast for 21/22 (£3.318 million) is dependent on a number of solutions being agreed, which includes the temporary Birkenhead Market site.
- **Birkenhead Regeneration Delivery Fund** - Funding allocated to enable the delivery of the 'Brownfield First' development strategy in support of The Local

Plan. This project will be delivered via a number of individual strands, and it is expected that a programme of works will begin in the near future.

- **Wirral Waters Investment Fund** – Current approvals for WWIF grant total £5.850m
  - MEA Park Phase 2 - £1.5 million – awaiting updated programme but construction should commence this financial year. (£0.750 million in for 21/22)
  - Egerton Village – £1.750 million – due to start on site this financial year (£0.9 million for 21/22)
  - Green and Civilised Streets - £0.400 million –infrastructure works to Tower Rd (Forecast to be spent in 21/22)

### 3.2.6 Resources

- **Enterprise Resource Planning (ERP)** - Scheme underway - Anticipated to use full allocation for this year (£1.418 million) with reprofiling of £3.235 million budget commensurate with revised timetable of works. Of this budget being deferred into 2022/23, £1.237 million relates to ‘Smartbusiness’ costs and a contingency amount of £1.736 million for project completion.

## 3.3 Reprofiling of expenditure

- 3.3.1 Since the approval of the Capital Programme a number of schemes have had reprofiled budget into 2021/22 from 2020/21.
- 3.3.2 Regular meetings are held with officers who are responsible for capital projects contained within the programme. During these meetings assessments are made regarding the deliverability of the schemes and their budgetary requirement for the year. These assessments are reflected in the forecast outturn provided through the quarterly update reports to members. Should it be assessed that a scheme will continue into the next financial year, or beyond, budget is reprofiled as deemed appropriate at that time.
- 3.3.2 A major influence on the programme has been the impact of the COVID-19 pandemic with schemes being delayed or deferred due to resource constraint and workload reassessment. In light of the financial pressures the Authority finds itself facing as a result of the COVID response, a review of the Capital Programme is ongoing to identify which schemes can either be delayed, deferred or even withdrawn to reduce the ongoing financial commitments that result from the programme.
- 3.3.3 Those schemes that have encountered significant delays as a result of COVID and/or other operational reasons are included with the items of significant variations, summarised in Appendix 2 of this report. A review of the profiling of expenditure within the Capital Programme is continuing and is likely to lead to a further reduction in anticipated spend for the year.
- 3.3.4 There has been one addition made to the year-end profiling reported as part of the Capital Outturn report for 2020/21. £0.070 million has been included in respect of the

Empty Property Grant Scheme, which had previously been accounted for as budget no longer required. Final additional year-end slippage totalled £27.440 million.

### **3.4 Grant Funded Schemes**

3.4.1 Since the original 2021/26 Capital programme was approved in March 2021, the Authority has been successful in its application for grant funding to either enable the following schemes to take place or be continued. There is no request for new Council funding to be considered as part of these schemes. In the event of any notable grant awards being achieved in the future, the relevant schemes will be introduced into the capital programme via the regular monitoring reports.

#### **3.4.2 Transforming Care - Therapeutic Short Breaks- £0.866 million**

Allocated to Wirral Council by NHS England to enable the purchase by the Authority of a property to be used for the purpose of providing a facility for children and young people with Learning Difficulties, Autism and presenting mental health difficulties along with the delivery of suitable services to such occupants.

#### **3.4.3 High needs Provision Capital - £1.047 million**

Issued to the Council by the Department for Education, the funding is allocated to Local Authorities to support the provision of places for pupils with special educational needs and disabilities (SEND) and those pupils requiring alternative provision (AP).

#### **3.4.4 School Condition Allocation - £3.721 million**

Awarded to the Authority by the Education & Skills Funding Agency to help maintain and improve the condition of school buildings and grounds.

#### **3.4.5 Combined Authority Transport Plan - £1.150 million**

Allocated to Wirral Council by Liverpool City Region Combined Authority to support the delivery of the Combined Authority Transport Plan Programme in 2021/22. The programme is a package of schemes designed to support increased numbers of journeys to be undertaken by sustainable active modes reducing resident's reliance on the private car and reducing carbon emissions.

#### **3.4.6 Highways Maintenance - £3.504 million**

Issued to the Authority by Merseytravel to support maintenance of the network in 2021/22. The programme of investment in our highway assets will support improvements to roads/footways/bridges and lighting.

#### **3.4.7 Key Route Network 2021/22 - £0.537 million**

Awarded to Wirral Council by Merseytravel to fund general maintenance for carriageway on principal routes for the borough.

#### **3.4.8 Disabled Facilities Grant (DFG) Funding - £4.724 million**

Allocated to the Council by the Ministry of Housing, Communities and Local Government to provide grants for people with a permanent disability of any sort – including physical and learning disabilities, sensory impairments and mental illness. The grants are to help towards making changes or adaptations to a home to allow the person to continue living there

#### **3.4.9 Hind Street Movement Strategy Project 2021/22 - £0.123 million**

An award issued to Wirral Council from Merseytravel, via Liverpool City Region Combined Authority. Pre-development funding for a new link road from Rock Retail Park to St Werburgh's roundabout to mitigate the impact of flyover demolition and facilitate the Hind Street Regeneration programme.

#### **3.4.10 Town Investment Plan - Birkenhead – Offer of £25.000 million**

The Ministry of Housing, Communities & Local Government (MHCLG) have offered a grant to part fund the Council's economic regeneration and development strategic developments for Birkenhead with the ambition of creating jobs and building a stronger and more local economies and communities. At this stage the grant has not been accepted and is subject to a review period. The original bid was for funding of £45 million meaning projects will be reviewed to agree which are the priorities to take forward and identifying projects that could be funded by other means.

### **3.5 Recommendations to Full Council: Approval for Funding**

#### **3.5.1 Liquidlogic - Early Intervention & Prevention (£0.250m over a two-year period)**

The recent white paper for the Department of Health and Social Care's legislative proposals for a Health and Care Bill cover the requirement for integration and innovation. At the heart of the changes being taken forward by the NHS and its partners, and at the heart of the legislative proposals, is the goal of joined up care for everyone in England. Instead of working independently every part of the NHS, public health and social care system should continue to seek out ways to connect, communicate and collaborate so that the health and care needs of people are met.

The NHS and local authorities will be given a duty to collaborate with each other, bringing forward measures for statutory integrated care systems (ICSs). This includes the development of a data strategy for health and social care, which will capture and build on the lessons of our COVID response and set the direction for data in a post-pandemic system, ensuring that the power of data, used properly, is able to support the transformation of care; financial arrangements to support integration and improvements to public health services.

The project will cover the development and implementation of the Liquidlogic Early Intervention & Prevention Module within the Liquidlogic Adult Social Care system. The functionality will support the ability to locally configure data source imports, for key identified data sources, data items, event occurrences and analysis across health and social care. The data source imports will also utilise locally defined indicators to support identification, risk indicators and risk stratification to trigger early intervention.

#### **3.5.2 Removal of Remaining Analogue CCTV Circuits (£0.180m)**

This scheme proposes that the Council migrates the remaining analogue CCTV circuits to internet based transmission. An upgrade of the organisations remaining analogue CCTV circuits will see the replacement of infrastructure which will result in longer term savings due to reduced rental costs, significantly minimising the risk of costly maintenance to ageing systems.

The current analogue transmission equipment is end of life and no longer supported by the manufacturer resulting in increasing repair costs, decreasing availability of spare components, and increased down time. The analogue service providers are withdrawing all analogue products including direct fibre rental with a completion date of 2025. The remaining analogue CCTV direct fibre circuits will need to be replaced or ceased by 2025 as they will no longer be available. Migration to digital WAN circuits provides a cost effective and future proof solution.

These works are crucial as the risk of not coordinating this project has the potential for severe consequences for the organisation in terms of the impact on crime and disorder, safeguarding and general community safety.

The total cost for this scheme is £0.233 million, with £0.053 million being funded from external grants. It is anticipated that these works will result in annual savings in the region of £0.042 million per year which, in part, will be used to fund the capital financing costs of the project.

### **3.5.3 Street Lighting Infrastructure (£1.500m)**

This request is for an additional £1.5m of Council Capital to be provided to the ongoing 'Street Lighting Infrastructure' scheme as early as possible in 2021/22 to meet the Council's current contractual obligations and to finance committed accruals for additional lighting infrastructure which has already been provided or ordered, on a risk-based assessment of need by the service. This request is therefore made on a safety-related business case.

A contract was awarded to Scottish and Southern Electricity Contracting Ltd in September 2019 for a two-year fixed term, to include approximately 28,000 lantern replacements and approximately 6,000 column replacements. There will be a saving from LED Lighting as a consequence of reduced energy costs, but it will not be realised until the roll out is complete, potentially from 2023/24 onwards.

### **3.5.4 Legal Case Management System (£0.060m – funded via existing Digital Resources budget)**

There are currently approximately 1,500 live cases within the existing legal case management system. This bid is for the procurement of a new, more efficient, system to manage these and future cases.

There will be increased automation and use of workflows ensuring timescales are met.

The current system requires increasing level of support from Digital Services due to its age and increasing instability, particularly in relation to remote working. The new system will replace a server-based application with cloud-based application freeing up server space.

It has been agreed by the I.T management that this scheme can be financed from existing approved Capital budget already within the programme. A virement will be made to cover the costs of this project, see Appendix 3.

### 3.6 Other Scheme Matters

3.6.1 **Maritime Knowledge Hub (MKH)** – The Policy & Resources Committee of 17<sup>th</sup> March 2021 resolved that the full business case for the MKH be approved and that *“the Director of Law and Governance in consultation with the Director of Regeneration and Place and the Director of Resources, be authorised to finalise agreements for the Council to enter into a conditional Forward Funding Agreement, Agreement for Lease and Lease, based on the finalised heads of terms, with Peel Land and Property (Intermediate) Ltd”*.

3.6.2 The report presented on 17<sup>th</sup> March 2021 contained as an appendix, the Economy, Regeneration & Development Committee report of 4<sup>th</sup> March 2021 from which the following extracts are taken:

*3.8 The site is in the ownership of the Peel group, and it is proposed that the delivery of the MKH will be carried out by Peel Land and Property Investments (Intermediate) Ltd (Peel) acting as developer. This will be based on a Forward Funding model, with the Council’s role being that of Forward Funder (effectively a capital purchase).*

*4.3 The finances of this project have been structured on the Council using its ability to finance the capital costs through borrowing. The rents secured through onward letting of the property would be used to fund the borrowing costs.*

3.6.3 Consequently, this scheme has now been included in the Capital programme, with funding allocations of £11.950 million of Council funding, £2.200 million funding from the Wirral Waters Investment Fund (WWIF) and £8.850 million of potential grant funding from the Liverpool City Region Combined Authority’s ‘Strategic Investment Fund’ (SIF).

3.6.4 The Council is still awaiting final approval of the SIF grant award along with certain scheme conditions being met by Peel. Should either of these elements not be achieved then the entire scheme would be deferred. Members will be updated in due course.

3.6.5 **West Kirby Catering Provision** - On 1<sup>st</sup> March 2021 Council approved the 2021/22 Revenue Budget, included within was a revised proposal to provide additional catering across multi-sites and a new in-house catering offering at West Kirby. The allocated capital budget for this offering to be established at West Kirby is £0.095 million and is to be funded via the income generated by the service. This scheme has now been included within the 2021/22 Capital programme.

### 3.7 MHCLG Capitalisation Directive

The Council applied to the MHCLG for a capitalisation directive known also as ‘Exceptional Financial Support.’ This would allow the Council to charge to capital additional COVID-19 related costs. Under normal accounting convention such costs would be a revenue item, but the exceptional COVID-19 circumstances have required us to seek capitalisation.

On 30 June 2021, The Policy and Resources Committee resolved that £6.53m of such Exceptional Financial Support be capitalised in relation to the 2020/21 financial outturn.

The Ministry have indicated that they are content to offer a capitalisation direction up to a maximum value of £10.68m for 2021/22, subject to conditions.

### 3.8 Virements

Appendix 3 of this report lists the budget virements have been proposed where schemes have been identified as not requiring the full budget allocation as originally expected. It is proposed that this resource be reallocated to schemes that require additional resource to fully complete the works.

### 3.9 Capital Funding Requirements

Table 3: Financing the Capital Programme 2021/22

Source of Financing	Programme 1 Apr 2021 £m	Programme 30 Jun 2021 £m	Variance £m
Borrowing	74.952	46.442	-28.510
Grants/Contributions	42.573	32.510	-10.063
Capital Receipts	0.000	0.744	0.744
Revenue/Reserves	0.021	0.021	0.000
<b>Total</b>	<b>117.546</b>	<b>79.717</b>	<b>-37.829</b>

3.9.1 Any re-profiling that reduces borrowing will produce one-off revenue savings. A permanent saving only occurs if schemes cease, otherwise the full budget will be required in 2022/23 when the re-profiled expenditure is incurred.

3.9.2 A number of restrictions remain in place upon Local Authorities in regard to applying to the Public Works Loan Board (PWLB) for new loan agreements. These would prevent or limit access to PWLB borrowing in any year where the council seeks to use capital expenditure for any scheme with a primarily yield/return objective.

#### Capital Receipts

3.9.3 In accordance with the original Capital Receipts flexibilities introduced by the Government capital receipts generated between 1 April 2016 and 31 March 2022 can be used to support expenditure that is 'Transformational' in nature. In a press release published on 10<sup>th</sup> February 2021, the MHCLG announced that there is to be a 3-year extension period to this flexibility from 2022-23 onwards.

3.9.4 Within the Capital Programme for 2021/22 is the scope for use of up to £0.744 million of capital receipts to fund expenditure that meets the conditions of the flexible receipts allowance. The costs are being managed through revenue monitoring as this is more appropriate for operational reasons but will be reported as capital at year end.

3.9.5 Application of receipts to fund such expenditure is predicated on the realisation of the receipts within this financial year. If the anticipated receipts do not come to fruition, this will cause a subsequent pressure in the revenue budget as the costs will need to remain within the revenue budget for funding, rather than via capital receipts.

#### 4.0 FINANCIAL IMPLICATIONS

4.1 This is the Quarter 1 budget monitoring report that provides information on the forecast outturn and progress against the capital programme. The Council has systems for reporting and forecasting budgets in place and alongside formal Quarterly reporting to Cabinet, the financial position is reported monthly at each Directorate Management Team and corporately at the Strategic Leadership Team (SLT). In the event of any early warning highlighting pressures and potential overspends, the SLT take collective responsibility to identify solutions to resolve these to ensure a balanced budget can be reported at the end of the year.

4.2 The revenue impact of the additional borrowing required to fund all new bids is:

**Table 4: Additional financing costs to fund new bids**

	2022/23 £m	2023/24 £m	2023/24 £m	2024/25 £m
Additional revenue cost	0.057	0.075	0.076	0.078

4.3 It is estimated that these costs will peak in 2028/29 at £0.082 million reflecting the fact that the principal repayment associated with debt (the Minimum Revenue Provision) increases over the expected life of the asset funded from borrowing.

#### 5.0 LEGAL IMPLICATIONS

5.1 The 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: STAFFING, ICT AND ASSETS**

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

## **7.0 RELEVANT RISKS**

- 7.1 The possibility of failure to deliver the Capital Programme will be mitigated by the monthly review by a senior group of officers, charged with improving performance.
- 7.2 The possible failure to deliver the Revenue Budget is being mitigated by:
- (i) Senior Leadership / Directorate Teams regularly reviewing the financial position.
  - (ii) Availability of General Fund Balances.
  - (iii) Where possible, reprofiling of 2021/22 projected Capital expenditure
- 7.3 In terms of individual scheme specific risks, these are identified as part of the original business case application and any potential risks to deliverability should be flagged as part of the ongoing scheme review process.
- 7.4 A risk register for Capital activity is currently under development with Internal Audit &

Risk.

## **8.0 ENGAGEMENT/CONSULTATION**

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

## **9.0 EQUALITY IMPLICATIONS**

9.1 There are no equality implications directly from this report.

## **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

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

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## **APPENDICES**

- Appendix 1 Movement between previously approved Capital Budget and Forecast Position
- Appendix 2 Summary of Significant Programme Variations in Quarter 1
- Appendix 3 Proposed Virements
- Appendix 4 Revised Capital Programme 2021/22

## **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>Meeting</b>	<b>Date</b>
<b>Budget Council – 2021/26 Capital Programme</b>	<b>1<sup>st</sup> March 2021</b>
<b>Budget Council - 2021/22 Capital Financing Strategy</b>	<b>1<sup>st</sup> March 2021</b>
<b>P&amp;R Committee - 2020/21 Capital Outturn Report</b>	<b>30<sup>th</sup> June 2021</b>

## Appendix 1

### Movement Between Originally Approved Capital Budget and Forecast Position

<b>Programme</b>	<b>Approved Budget 01.03.21 £m</b>	<b>Net Q4 20/21 Adjustments £m</b>	<b>EOY Reprofiling from 20-21 £m</b>	<b>Additional Grant £m</b>	<b>Funding Adjustments £m</b>	<b>New Bids £m</b>	<b>Scheme Reduction £m</b>	<b>Reprofiling to Future Yrs £m</b>	<b>Forecast £m</b>
Adult Care & Health	5.715	-	0.846	-	-	0.125	-	-3.192	3.494
Children, Families & Education	8.091	-1.485	2.698	3.134	-	-	-	-6.934	5.504
Corporate Schemes	10.680	-	0.647	-	0.744	-	-	-	12.071
Neighbourhoods	8.555	7.332	7.159	5.191	-0.038	1.828	-	-6.443	23.584
Regeneration & Place	46.206	-0.565	14.231	4.847	0.038	1.700	-0.050	-33.711	32.696
Resources	4.600	-	1.859	-	-	0.060	-0.060	-4.091	2.368
<b>Total</b>	<b>83.847</b>	<b>5.282</b>	<b>27.440</b>	<b>13.172</b>	<b>0.744</b>	<b>3.713</b>	<b>-0.110</b>	<b>-54.371</b>	<b>79.717</b>

## Appendix 2

### Summary of Significant Programme Variations in Quarter 1

Area	Scheme	Programme 1 Apr 2021 £m	Forecast Q1 £m	Variance from Q2 £m	Comment
Adult Care and Health	Community Intermediate Care	0.500	0.000	-0.500	Budget under review, scheme may be withdrawn from the programme. To update in Q2.
	Telecare & Telehealth Ecosystem	3.075	0.383	-2.692	Variance to the programme is due to the ability to attract additional funding and other resources that at the time of planning were unknown. These spending plans may change in response to wider care planning in Wirral, with contributions from partners along with plans being developed by Cheshire & Merseyside Integrated Care System and NHSX/NHS Digital to fund remote monitoring activities in the region. Remaining budget deferred to future years.
Children, Families & Education	Basic Needs	1.288	0.600	-0.688	COVID related issues continue, therefore programme is extensively delayed and spending reprofiled into future years .
	High Needs Provision Capital	0.000	0.500	0.500	Please refer to point 3.4.3 of this report.
	School Condition Allocation (SCA)	6.363	2.564	-3.799	Additional grant awarded (see 3.4.4 of this report) £5.020m reprofiling to future years due to COVID issues meaning resources are stretched and therefore school Capital projects are on

Area	Scheme	Programme	Forecast	Variance	Comment
		1 Apr 2021	Q1	from Q2	
		£m	£m	£m	
Children, Families & Education	School remodelling and additional classrooms (School Place Planning)	0.937	0.500	-0.437	COVID issues related continue therefore programme is extensively delayed. Budget deferred to future years.
	Transforming Care - Therapeutic Short Breaks	0.000	0.866	0.866	Please refer to point 3.4.2 of this report.
Corporate Schemes	Transformational Capitalisation	0.000	0.744	0.744	Please refer to point 3.9.4 of this report.
Neighbourhoods	Highway Maintenance	0.773	4.277	3.504	Please refer to point 3.4.6 of this report.
	New cycle infrastructure	1.000	0.000	-1.000	This funding was originally intended to be allocated to support the development of a liveable neighbourhoods scheme however this was delayed due to the pandemic as it required significant face to face community engagement. Funding to develop Liveable Neighbourhoods has now been offered to Wirral from Sustrans and a report will be going to ERD Committee later this year regarding that project. It is now proposed that the New Cycle Infrastructure funding will now be used to further enhance the cycle schemes proposed to be delivered under the Active Travel Tranche 2 programme. Budget deferred to future years.

Area	Scheme	Programme 1 Apr 2021 £m	Forecast Q1 £m	Variance from Q2 £m	Comment
Neighbourhoods	Parks Machinery	1.383	0.552	-0.831	Delays in the project due to COVID related factors. Budget deferred into future years pending review by Parks & Environment.
	Parks Vehicles	0.571	0.250	-0.321	Delays in the project due to COVID related factors. Budget deferred into future years pending review by Parks & Environment.
	Street Lighting Column - Replacement or Upgrade	3.703	5.203	1.500	Please refer to point 3.5.3 of this report
	West Kirby Flood alleviation	5.139	1.800	-3.339	Budget reprofiled into future years as determined by revised planning of works.
Regeneration & Place	Aids, Adaptations and Disabled Facility Grants	7.782	6.856	-0.926	See 3.4.8 regarding new grant allocation. Budget relating to Adults area reprofiled into 22/23 pending spending review.
	Bebington Oval Facility Upgrade	0.701	0.000	-0.701	Scheme deferred to 22/23 pending the independent leisure survey. NHS will continue to use the facility for vaccination centre until at least April 22.
	Castleway & Leasowe Early Years	1.200	0.030	-1.170	Scheme deferred to 22/23 pending the School Places Review. £30K to remain in year for possible feasibility study.
	Community Bank	2.750	0.185	-2.565	Technical research and due diligence are continuing on this scheme, with a separate update to members planned in the near future. Majority of scheme budget deferred into 22/23.

Area	Scheme	Programme Forecast		Variance	Comment
		1 Apr 2021 £m	Q1 £m	from Q2 £m	
Regeneration & Place	Energy efficient buildings	0.900	0.450	-0.450	Budget deferred in future years. Scheme of works to be confirmed after Asset Consolidation & Staff Relocation review concluded.
	Future High Streets - Birkenhead	12.022	3.318	-8.704	Grant of £12 million received in advance from MHCLG in 20/21 as part of the Birkenhead Future High Street programme. Funds were paid as a Section 31 grant and in advance of signing a grant funding agreement. Currently negotiating a project adjustment and revised spend profile with Government. The forecast for 21/22 is dependent on a number of solutions being agreed, which includes the temporary Birkenhead Market site.
	Health & Safety - Condition Surveys	3.856	1.000	-2.856	Budget deferred in future years. Scheme of works to be confirmed after Asset Consolidation & Staff Relocation review concluded.
	Home Improvements	0.000	0.350	0.350	Funding allocated via Disabled Facilities Grant
	Leisure Health & Safety Compliance	0.842	0.000	-0.842	Scheme deferred to 22/23 pending the independent leisure survey. NHS will continue to use the facilities for vaccination purposes until at least April 22.
	Leasowe Leisure Centre /Evolutions	1.720	0.000	-1.720	Scheme deferred to 22/23 pending the outcome of Committee review on future service structure/Wirral Evolutions consultation.
	Maritime Knowledge hub	0.000	1.700	1.700	Please refer to point 3.6.1 of this report
	Moreton Youth Club & Library	1.000	0.500	-0.500	Work to begin on site 21/22, part budget deferred into 22/23.

Area	Scheme	Programme	Forecast	Variance	Comment
		1 Apr 2021	Q1	from Q2	
		£m	£m	£m	
Regeneration & Place	New Ferry Regeneration Strategic Acquisitions	0.718	0.280	-0.438	Three properties/land currently in conveyancing, where sale and compensation have already been agreed. Remaining allocation deferred into future years.
	Parks and Countryside DDA	0.455	0.025	-0.430	Majority of funding deferred to 22/23 pending the independent leisure survey.
	Soft Play Areas Leisure Centres	0.410	0.000	-0.410	Scheme deferred to 22/23 pending the independent leisure survey.
	Strategic Acquisition Fund	4.834	1.200	-3.634	A multi-year allocation that continues to be available for the purchase of key strategic assets, the most recent being the purchase of the former House of Fraser site in Birkenhead and for which the Authority has now received a contribution of £2.0 million from LCRCA. £1.2 million is retained for 21/22 for Birkenhead Market costs and additional building acquisition in New Ferry.
	West Kirby Concourse/ Guinea Gap Reception upgrade / improve	0.351	0.000	-0.351	Scheme deferred to 22/23 pending the independent leisure survey.

Area	Scheme	Programme	Forecast	Variance	Comment
		1 Apr 2021	Q1	from Q2	
		£m	£m	£m	
Regeneration & Place	Wirral Tennis Centre - Facility Upgrade	0.766	0.000	-0.766	Scheme deferred to 22/23 pending the independent leisure survey.
	Wirral Waters Investment Fund	4.100	2.005	-2.095	Current approvals for WWIF grant total £5.85m. Budget retained within 21/22 consists of allocations assigned to MEA Park Phase 2, Egerton Village, and Green and Civilised Streets. Remaining budget reprofiled into future years.
Resources	Customer Experience Improvements Project	1.477	0.561	-0.916	Scheme is underway, budget reprofiled according to revised timetable of works.
	ERP	4.653	1.418	-3.235	Scheme is underway, budget reprofiled according to revised timetable of works.

## Appendix 3

### Proposed Virements

Directorate	Scheme	Proposed Virement £'m	Proposed Reallocation	Reason
Regeneration & Place	Health & Safety - Condition Surveys	0.050	New Ferry Rangers Community Clubhouse	An element of the works required to the clubhouse are related to health and safety requirements - Approved by ODN 15.07.21
Regeneration & Place	Eastham Library	0.040	Consolidated Library Works Fund	Consolidation of several Library scheme budgets - Library Review/Consultation underway
Regeneration & Place	Seacombe Library	0.066	Consolidated Library Works Fund	
Regeneration & Place	Wallasey Central Library	0.176	Consolidated Library Works Fund	
Regeneration & Place	Wallasey Village Library	0.008	Consolidated Library Works Fund	
Regeneration & Place	Empty Property Grant Scheme	0.070	Property Pooled Plus I.T System	Unused budget from 20/21 repurposed to support the purchase of an allocations IT system for the PPP Housing allocation - Approved by ODN 23.10.20
Resources	Windows 10 Rollout	0.088	Worksmart I.T.	Unused budget from 20/21 repurposed for purchasing of IT equipment to support the continuation of agile working.
Resources	Customer Experience Improvements Project	0.060	Legal Case Management System	Allocation identified from within existing approved budget to finance the procurement of a new, more efficient system to manage legal cases

## Appendix 4

### Revised Capital Programme at Quarter 1 2021/22

Scheme	2021/22			2022/23	2023/24	2024/25
	Budget at 01.04.21 £000	Forecast Outturn £000	Variance £000	Budget £000	Budget £000	Budget £000
	<b>Adult Care and Health</b>					
Citizen and Provider Portal/Integrated I.T.	112	112	0	0	0	0
Community Intermediate Care	500	0	-500	500	0	0
Extra Care Housing	2,874	2,874	0	2,467	0	0
Liquidlogic - Early Intervention & Prevention	0	125	125	125	0	0
Telecare & Telehealth Ecosystem	3,075	383	-2,692	1,200	1,492	0
<b>Total Adult Care and Health</b>	<b>6,561</b>	<b>3,494</b>	<b>-3,067</b>	<b>4,292</b>	<b>1,492</b>	<b>0</b>
<b>Children, Families &amp; Education</b>						
Basic Needs	1,288	600	-688	688	0	0
Children's System Development	423	423	0	403	0	0
School Condition Allocation (SCA)	6,363	2,564	-3,799	7,520	2,500	2,500
Family support	157	0	-157	157	0	0
Healthy Pupils Capital Fund	18	18	0	0	0	0
High Needs Provision Capital	0	500	500	547	0	0
PFI	85	0	-85	85	0	0
School remodelling and additional classrooms (School Place Planning)	937	500	-437	437	0	0
Special Educational Needs and Disabilities	33	33	0	796	0	0
Transforming Care - Therapeutic Short Breaks	0	866	866	0	0	0
<b>Total Children, Families &amp; Education</b>	<b>9,304</b>	<b>5,504</b>	<b>-3,800</b>	<b>10,633</b>	<b>2,500</b>	<b>2,500</b>

Scheme	2021/22			2022/23	2023/24	2024/25
	Budget at 01.04.21 £000	Forecast Outturn £000	Variance £000	Budget £000	Budget £000	Budget £000
<b>Corporate Schemes</b>						
Capitalisation of Salaries	647	647	0	0	0	0
MHCLG Capitalisation Directive	10,680	10,680	0	0	0	0
Transformational Capitalisation	0	744	744	0	0	0
<b>Total Corporate Schemes</b>	<b>11,327</b>	<b>12,071</b>	<b>744</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Neighbourhoods</b>						
Aids to Navigation	40	40	0	0	0	0
Allotment Sites Expansion	127	127	0	0	0	0
Arrowe Park Sports Village Redevelopment Feasibility Study	15	25	10	0	0	0
Beach Cleaning - Replacement of equipment	122	122	0	0	0	0
Birkenhead Park World Heritage Project Team	85	85	0	0	0	0
Bridges-Lingham Lane Bridge	350	350	0	0	0	0
Bridges-Network rail	401	401	0	0	0	0
Catering Provision, West Kirby Sailing Centre-Leisure 21-22	0	95	95	0	0	0
Cemetery Extension & Improvements (Frankby)	171	171	0	0	0	0
Combined Authority Transport Plan (CATP)	1,509	1,659	150	1,000	0	0
Coronation Park Sustainable Drainage	182	182	0	0	0	0
Dock Bridges replacement	517	517	0	0	0	0
Fitness Equipment	4	4	0	0	0	0
Food Waste				0	3,200	0
Future Golf - Project 1.1	470	460	-10	0	0	0
Highway Maintenance	773	4,277	3,504	0	0	0
Highways Asset Management System	133	133	0	0	0	0

Scheme	2021/22			2022/23	2023/24	2024/25
	Budget at 01.04.21 £000	Forecast Outturn £000	Variance £000	Budget £000	Budget £000	Budget £000
	<b>Neighbourhoods (Continued)</b>					
Key Route Network	88	88	0	0	0	0
Key Route Network (LGF3) - Operate Key Roads / Routes Efficiently	361	361	0	0	0	0
Key Route Network 21/22	0	537	537	0	0	0
Lyndale Ave Parking & Safety Measures	150	150	0	0	0	0
Mersey Park & Ilchester Parks improvements	4	4	0	0	0	0
Modernisation of CCTV System	170	170	0	0	0	0
Monks Ferry Slipway	40	40	0	0	0	0
Moreton Sandbrook Drainage	440	440	0	0	0	0
New Brighton Gym Equipment	162	162	0	0	0	0
New cycle infrastructure	1,000	0	-1,000	1,000	0	0
New Ferry Rangers Community Clubhouse	872	922	50	0	0	0
North Wirral Coastal Park	40	0	-40	0	0	0
Northbank West Cycle Scheme	0	0	0			
Parks Machinery	1,383	552	-831	2,083	0	0
Parks Vehicles	571	250	-321	821	0	0
People's Pool Feasibility Study	72	72	0	0	0	0
Play Area Improvements	467	467	0	0	0	0
Plymyard Playing Field	147	147	0	0	0	0
Quick Win Levy	45	45	0	0	0	0
Removal of remaining analogue CCTV circuits	0	233	233	0	0	0
Solar Campus 3G	375	375	0	0	0	0
Sustainable Transport Enhancement Package	625	625	0	0	0	0
Street Lighting Column - Replacement or Upgrade	3,703	5,203	1,500	0	0	0

Scheme	2021/22			2022/23	2023/24	2024/25
	Budget at 01.04.21	Forecast Outturn	Variance	Budget	Budget	Budget
	£000	£000	£000	£000	£000	£000
<b>Neighbourhoods (Continued)</b>						
Street Lighting -Illuminated Lighting and Signage	364	364	0	0	0	0
Studio refurbishment Les Mills classes	138	138	0	0	0	0
Studio refurbishment Les Mills classes new bid	88	88	0	0	0	0
Surface Water Management Scheme	90	90	0	0	0	0
Thermal mapping	10	10	0	0	0	0
Tower Road National Productivity Investment Fund (NPIF) networks	134	134	0	0	0	0
Town Link Viaduct	332	332	0	0	0	0
Tree Strategy	115	115	0	57	34	0
Urban Tree Challenge Fund	525	525	0	0	0	0
West Kirby Flood alleviation	5,139	1,800	-3,339	3,339	0	0
West Kirby Marine Lake Study	0	0	0	0	0	0
Wheelie Bin Purchase	0	0	0	0	0	0
Williamson Art Gallery Catalogue	73	73	0	0	0	0
Wirral Country Park Car Park Surfacing	210	210	0	0	0	0
Wirral Way Widening	134	134	0	0	0	0
Woodchurch Rd Drainage	80	80	0	0	0	0
<b>Total Neighbourhoods</b>	<b>23,046</b>	<b>23,584</b>	<b>538</b>	<b>8,300</b>	<b>3,234</b>	<b>0</b>
<b>Regeneration &amp; Place</b>						
65 The Village	164	164	0	0	0	0
Active Travel Tranche 1	188	188	0	0	0	0
Active Travel Tranche 2	681	681	0	0	0	0
Aids, Adaptations and Disabled Facility Grants	7,782	6,856	-926	5,300	0	0

Scheme	2021/22			2022/23	2023/24	2024/25
	Budget at 01.04.21	Forecast Outturn	Variance	Budget	Budget	Budget
	£000	£000	£000	£000	£000	£000
<b>Regeneration &amp; Place (Continued)</b>						
Arrowe Country Park - New Machine Shed & Wash Bay	186	186	0	0	0	0
Arrowe Country Park Depot: Re-Surfacing, Material Bays & Barrier	40	40	0	0	0	0
Bebington Oval Facility Upgrade	701	0	-701	701	0	0
Birkenhead Market Development	50	0	-50	0	0	0
Birkenhead Park Depot Resurfacing	30	30	0	0	0	0
Birkenhead Park Event Infrastructure	164	0	-164	164	0	0
Birkenhead Regeneration Delivery Fund	2,599	2,599	0	1,350	0	0
Birkenhead Regeneration Framework	667	667	0	85	0	0
Business Investment Fund	955	955	0	0	0	0
Castleway & Leasowe Early Years	1,200	30	-1,170	1,170	0	0
Central Park Compound	180	0	-180	180	0	0
Clearance Schemes	390	390	0	0	0	0
Community Bank	2,750	185	-2,565	575	4,240	0
Concerto Asset Management System	38	38	0	0	0	0
Connecting Wirral Waters: Detailed Design	610	610	0	0	0	0
Consolidated Library Works Fund	0	100	100	190	0	0
Eastham Library	40	0	-40	0	0	0
Empty Property Grant Scheme	380	310	-70	310	310	310
Energy efficient buildings	900	450	-450	450	0	0
Eureka	100	100	0	0	0	0
Floral Pavilion	175	0	-175	175	0	0
Future High Streets - Birkenhead	12,022	3,318	-8,704	7,133	14,130	0
Green Travel Corridors Sustainable Urban Development	612	612	0	0	0	0

Scheme	2021/22			2022/23	2023/24	2024/25
	Budget at 01.04.21 £000	Forecast Outturn £000	Variance £000	Budget £000	Budget £000	Budget £000
	<b>Regeneration &amp; Place (Continued)</b>					
Health & Safety - Condition Surveys	3,856	1,000	-2,856	2,806	2,500	2,500
Heswall Day Centre (part only)	127	127	0	0	0	0
Hind Street Movement Strategy Project 21-22	0	123	123	0	0	0
Home Improvements	0	350	350	0	0	0
Housing Infrastructure Fund (Enabling Infrastructure)	21	21	0	0	0	0
Housing Infrastructure Fund Marginal Viability (Northbank)	3,788	3,748	-40	40	0	0
Hoylake Golf works depot demolish and replace	104	104	0	0	0	0
Landican Chapels	71	119	48	0	0	0
Leasowe Castle Depot	25	25	0	0	0	0
Leasowe Leisure Centre/Evolutions	1,720	0	-1,720	1,720	0	0
Legislative Compliance	44	44	0	0	0	0
Leisure Health & Safety Compliance	842	0	-842	842	0	0
Lever Sports Pavilion	80	0	-80	80	0	0
Major Infrastructure Development & Strategic Transport Forward Plan	462	462	0	0	0	0
Maritime Knowledge hub	0	1,700	1,700	10,650	10,650	0
Moreton Youth Club & Library	1,000	500	-500	500	0	0
New Ferry Regeneration Strategic Acquisitions	718	280	-438	320	118	0
Office Quarter Building Fit-Out	196	196	0	660	4,613	0
Onstreet Residential Chargepoint Scheme	102	102	0	0	0	0
Parks and Countryside DDA	455	25	-430	430	0	0
Plymyard Cemetery Welfare & Storage	75	75	0	0	0	0
Pool Covers	72	72	0	0	0	0
Property Pooled Plus I.T System	0	70	70	0	0	0

Scheme	2021/22			2022/23	2023/24	2024/25
	Budget at 01.04.21	Forecast Outturn	Variance	Budget	Budget	Budget
	£000	£000	£000	£000	£000	£000
<b>Regeneration &amp; Place (Continued)</b>						
Restore Empty Homes	0	0	0	0	0	0
Seacombe Library	66	0	-66	0	0	0
Soft Play Areas Leisure Centres	410	0	-410	410	0	0
Strategic Acquisition Fund	4,834	1,200	-3,634	1,834	1,800	0
Sustainable Urban Development - Leasowe to Seacombe Corridor	529	529	0	0	0	0
Transport Advisory Group Business Case-A41 Corridor North	265	265	0	0	0	0
Transport Advisory Group Business Case-Wirral Waters outline	131	131	0	0	0	0
Town Centre scheme - Liscard	296	296	0	0	0	0
Town Centre scheme - New Ferry	177	177	0	0	0	0
Town Fund Birkenhead	115	115	0	0	0	0
Wallasey Central Library	176	0	-176	0	0	0
Wallasey Village Library	8	0	-8	0	0	0
Washdown Facilities	57	97	40	0	0	0
West Kirby Concourse/Guinea Gap Reception upgrade / improve	351	0	-351	351	0	0
West Kirby Marine Lake/Sailing Centre – accommodation	229	229	0	0	0	0
Wirral Tennis Centre - Facility Upgrade	766	0	-766	766	0	0
Wirral Waters Investment Fund	4,100	2,005	-2,095	1,645	5,205	4,500
<b>Total Regeneration &amp; Place</b>	<b>59,872</b>	<b>32,696</b>	<b>-27,176</b>	<b>40,837</b>	<b>43,566</b>	<b>7,310</b>

Scheme	2021/22			2022/23	2023/24	2024/25
	Budget at 01.04.21 £000	Forecast Outturn £000	Variance £000	Budget £000	Budget £000	Budget £000
<b>Resources</b>						
Access Wirral	51	51	0	0	0	0
Creative & Digital Team - specialist software and hardware	15	15	0	0	0	0
Customer Experience Improvements Project	1,477	561	-916	856	0	0
Digital Corporate Storage - upgrade & refresh technologies	66	66	0	0	0	0
Enterprise Resource Planning	4,653	1,418	-3,235	3,235	0	0
HR e-Recruitment Solution	21	21	0	0	0	0
Legal Case Management System	0	60	60	0	0	0
Windows 10 Rollout	88	0	-88	0	0	0
Worksmart I.T.	88	176	88	0	0	0
<b>Total Resources</b>	<b>6,459</b>	<b>2,368</b>	<b>-4,091</b>	<b>4,091</b>	<b>0</b>	<b>0</b>
<b>Total Capital Budget</b>	<b>116,569</b>	<b>79,717</b>	<b>-36,852</b>	<b>68,153</b>	<b>50,792</b>	<b>9,810</b>

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## POLICY AND RESOURCES COMMITTEE

Wednesday, 1 September 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**  
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## **APPENDICES**

Appendix 1: Policy and Resources Committee Work Plan

## **BACKGROUND PAPERS**

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

Subject History (last three years)

<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
Policy and Resources Committee	30 June 2021
Policy and Resources Committee	28 July 2021

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# POLICY AND RESOURCES COMMITTEE

## WORK PROGRAMME 2020/21

01 September 2021

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

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## PROPOSED AGENDA FOR POLICY AND RESOURCES COMMITTEE – 01 September 2021

Item	Key Decision Yes/No	Lead Departmental Officer	Wirral Plan Priority
Budget Monitoring 2021/22 Quarter 1	No	Director of Resources: Shaer Halewood	Inclusive Economy
Capital Monitoring 2021/22	Yes	Director of Resources: Shaer Halewood	Inclusive Economy
Referral from Economy, Regeneration and Development Committee: Wirral Growth Company – Governance Arrangements	No	Director of Regeneration and Place: Alan Evans	Inclusive Economy / Sustainable Environment

Deadline for SLT	Deadline for Cleared Reports	Agenda Published
6 August 2021	16 August 2021	23 August 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 September 2021 and December 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 September 2021 and December 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 September 2021 and December 2021	Director of Regeneration and Place, Alan Evans
Wirral Local Plan: 'Local Green Space - Assessment of Applications for Designations' <b>Key</b>	TBC	Between September 2021 and December 2021	Director of Regeneration and Place, Alan Evans
Loan / Loan Facility Application <b>Key</b>	To agree a business loan application relating to a local business	Between September 2021 and December 2021	Director of Resources, Shaer Halewood
Northwest Community Bank <b>Key</b>	Update and decisions on Community Bank	Between September 2021 and December 2021	Director of Resources, Shaer Halewood
Edsential Update and Finance <b>Key</b>	Update and decisions on Edsential	Between September 2021 and December 2021	Director of Resources, Share Halewood
Real Living Wage Foundation Accreditation <b>Key</b>	Report on accreditation being sought from the Real Living Wage Foundation following a report to Cabinet on 27	Between September 2021 and December 2021	Director of Resources, Shaer Halewood

APPENDIX 1

	July, 2020		
Treasury Management Monitoring 2020/21 (Year-end Report) <b>Key</b>	Year-end report on treasury and cash management activities and the Prudential Indicators.	September 2021	Director of Resources, Shaer Halewood
Financial Monitoring Quarter 1 <b>Key</b>	TBC	Between September 2021 and December 2021	Director of Resources, Shaer Halewood
One Wirral Change Programme <b>Key</b>	This report provides an overview of the Council's emerging change programme.	Between September 2021 and December 2021	Director of Resources, Shaer Halewood
Wirral Plan 2021-2026 <b>Key</b>	Refresh of the Wirral Plan 2025	September 2021	Chief Executive, Paul Satoor
Council Tax 2022/23 (Tax Base, Discounts and Exemptions and Local Council Tax Reduction Scheme) <b>Key</b>	Agree the Council Tax Base for Council and precepting authorities (including discounts and exemptions and Local Council Tax Reduction Scheme).	Between September 2021 and November 2021	Director of Resources, Shaer Halewood
Medium Term Financial Strategy <b>Key</b>	TBC	Between September 2021 and November 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	Between September 2021 and October 2021	Director of Resources, Shaer Halewood

APPENDIX 1

	Relief to reduce their liability for paying Rates will apply to the Council for such support which requires a formal decision.		
Community Investment Bonds	Update on Community Investment Bonds	Between September 2021 and October 2021	Director of Resources, Shaer Halewood
Income Generation	Added at request of P&R Committee	Between September 2021 and October 2021	Director of Resources, Shaer Halewood
Refugees and Asylum Seekers	Referred from Council on 22 March 2021	Between September 2021 and October 2021	Director of Regeneration and Place, Alan Evans
Sale of Land at Cross Lane, Wallasey	To be discussed and referred at Economy Regeneration and Development Committee	October 2021	Director of Regeneration and Place, Alan Evans
Property and Land Disposals	To be discussed and referred at Economy Regeneration and Development Committee	October 2021	Director of Regeneration and Place, Alan Evans

**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

1 September 2021

<b>REPORT TITLE:</b>	<b>WIRRAL GROWTH COMPANY - GOVERNANCE ARRANGEMENTS</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF LAW AND GOVERNANCE</b>

### REPORT SUMMARY

1. The purpose of this report is to recommend the arrangements by which the Council is represented on the Board of the Wirral Growth Company Limited Liability Partnership and the means by which the relationship between those representatives and the Council are governed. In particular, members are requested to give consideration to the matter of whether members should be appointed to the Board.
2. The matter affects all Wards within the Borough and is not a Key Decision.

### RECOMMENDATIONS

That Policy and Resources Committee:

- (1) approve that the officers holding the post for the time being of Assistant Director Finance and Investment and the Director of Children Families and Education continue to be the Council's officer appointments to the Board of the Wirral Growth Company Limited Liability Partnership and that those persons (and their successors) remain so appointed until they resign, are removed by subsequent decision or until they cease to hold such post as officer of the Council
- (2) gives consideration to the appointment of Council nominee Board Members to fill the remaining 2 vacancies on the Board of the Wirral Growth Company Limited Liability Partnership
- (3) makes appropriate recommendations to Council:
  - (a) having regard to the alternative options for decision making arrangements relating to the Council's function as corporate shareholder of the Wirral Growth Company as referred to at paragraph 3.11 of this report.
  - (b) as regards the size of the decision-making sub committees having regard to the considerations set out in paragraph 3.14 of this report.

## **SUPPORTING INFORMATION**

### **1.0 REASON FOR RECOMMENDATIONS**

- 1.1 To ensure that the business of the Wirral Growth Company Limited Liability Partnership (Wirral Growth Company) and its relationship with the Council be established on a proper footing so that its business can be despatched expeditiously but in accordance with the Council's Constitution.
- 1.2 To ensure that appropriate corporate oversight is given to the plans, strategies and proposals of the Wirral Growth Company.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 The options in terms of decision-making arrangements relating to the Council's function as corporate shareholder of the Wirral Growth Company are set out at paragraph 3.10 of this report.
- 2.2 The Council has the option of appointing 2 officers or 2 members to fill the remaining Council nominee vacancies on the Board of the Wirral Growth Company. Either option would be permitted by the Shareholder Agreement. Not appointing members to the Board would avoid the scope for conflicts of interests arising from Councillors being members of the Wirral Growth Company Board.

### **3.0 BACKGROUND INFORMATION**

- 3.1 On 19th June 2017 the Cabinet agreed to establish a joint venture company to lead the regeneration of key sites within the Borough.
- 3.2 On 28th February 2018 the Cabinet decided to award a works concession to Muse Development Ltd (Muse) after the conclusion of a competitive dialogue tendering process. The decision included the formation of a joint venture in the form of a limited liability partnership with Muse, which is a separate legal entity from both the Council and Muse, the business of which is governed by a partnership agreement. The Wirral Growth Company Limited is a joint venture controlled in equal parts by the Council and by its private sector partner, Muse.
- 3.3 The board of the Wirral Growth Company is responsible for the day-to-day management of the limited liability partnership in accordance with the business plans to be approved by the Council and Muse. The Wirral Growth Company Board comprises of four representatives of the Council (currently 2 officers, 1 member and one vacancy) and four representatives of Muse Councillor. Councillor Tony Jones is the current sole Council Member representative on the Board of the Wirral Growth Company and given his position as Chair of this Committee there is an inherent potential for a conflict of interest in terms of both roles. The current officer appointees on the Board comprise the Council's Assistant Director Finance and Investment and the Director of Children Families and Education.
- 3.4 It was always the intention that there would be a Partnership Shareholder Board (or Sub-Committee) which would mirror that of the Companies Shareholder Board but containing differing membership and access as is more appropriate to the LLP's

affairs and business of regeneration and development. This was reflected in a decision of the Leader of the Council of 20 March 2019 which provided amongst other matters that a Partnership Shareholder Board be established as a separate decision-making body to the Companies Shareholder Board, with suitably amended terms of reference and membership, at decisions on matters pertaining to the Wirral Growth Company, including onward recommendations.

- 3.5 The role of Partnership Shareholder Board is distinct from the role of decision making and holding the Wirral Growth Company to account in respect of the commitment of Council assets, approval of Site Development Plans and the inputs and outputs of each project which are all a matter for the full Committee.
- 3.6 The development of a Partnership Shareholder Board was interrupted by the need to concentrate on the Council's response to the Covid 19 pandemic and the requirement to revise the constitution so as to move to a Committee system. This has meant that there has been no such board or sub-committee meeting dedicated to:
- performance against the agreed business plan;
  - the LLP's state of financial health;
  - or the social and financial return the LLP provides on the Council's investment; or
  - undertaking governance decisions relating to Corporate Matters reserved to the Council under the Partnership Agreement.
- 3.7 The accounts of the Wirral Growth Company have not been presented to a Member body of the Council. Work to return the Council's relationship with the Wirral Growth Company in this regard has now begun again, not least in being addressed through this report.
- 3.8 Under the new Constitution which came into force in September 2020 there was provision made for a Shareholder Board, being a Sub-Committee of three (3) or more members of the Policy and Resources Committee, subject to politically balance, with delegated authority to exercise responsibility for the Council's functions as corporate shareholder of a company, or group of companies, or a limited liability partnership. The Sub-Committee will be organised, and will also meet as a working group, alongside officers and advisors in accordance with the Council's adopted Code of Practice for the Governance of Council Interests in Companies at Part 5(7) of this Constitution.
- 3.9 It is acknowledged that the constitution which was adopted in September 2020 did not include provision for a mirror Shareholder Board with this being in effect a matter of unfinished business.
- 3.10 On 26 July 2021 Economy Regeneration and Development Committee considered a report of the Director of Law and Governance, which recommended the arrangements by which the Council was represented on the Board of the Wirral Growth Company. The resolved that Policy and Resources Committee be requested to:

(1) approve that the officers holding the post for the time being of Assistant Director Finance and Investment and the Director of Children Families and Education continue to be the Council's officer appointments to the Board of the Wirral Growth Company Limited Liability Partnership and that those persons (and their successors) remain so appointed until they resign, are removed by subsequent decision or until they cease to hold such post as officer of the Council; and

(2) consider whether Members should be appointed to the Board and discussions take place in the meantime within the political groups and with group leaders.

3.11 This Committee has a choice of:

(a) Retaining the current position as set out in the constitution which would lead to the Shareholder Board being retained, with responsibility for all the Council's companies and the Wirral Growth Company.

(b) Creating a Wirral Growth Company Sub-Committee of the Economy Regeneration and Development Committee, subject to political balance, with delegated authority to exercise responsibility for the Council's functions as a member of the Wirral Growth Company. As with the current Shareholder Board the Wirral Growth Company Sub Committee could also meet as a working group, alongside officers and advisors. This would be in accordance with the Leader decision of 20 March 2019 and would need to be a recommendation to Council along with an adjustment to the Terms of Reference of the Shareholder Board so that it makes no reference to LLPs;

(c) Creating a Wirral Growth Company Sub-Committee of Policy and Resources Committee, subject to political balance, with delegated authority to exercise responsibility for the Council's functions as a member of the Wirral Growth Company. As with the current Shareholder Board the Wirral Growth Company Sub Committee could also meet as a working group, alongside officers and advisors. This would also be in accordance with the Leader decision of 20 March 2019 and would need to be a recommendation to Council along with an adjustment to the Terms of Reference of the Shareholder Board so that it makes no reference to LLPs.

3.12 In looking at the governance of the Wirral Growth Company regard should be had to the Council's Code of Corporate Governance on Council Interests in Companies, set out in Part 5(8) of the Constitution, which has a number of parallels with, and refers to, the ownership of Limited Liability Partnerships ("LLPs"). The Code suggests that a joint venture LLP will be run by its board members, who will participate directly in the activities of the LLP which will then be answerable to the partners in accordance with a partnership agreement. This level of operation and relationship and the accompanying conflict of interests that may arise means that officers are better placed to fulfil this role. It is suggested that the role of elected Members as members of the Wirral Growth Company should therefore be reviewed in the light of the move to the committee system and what that means for both the Council and the Wirral Growth Company.

3.13 This Committee is requested to endorse the current officer appointees on the Board of the Wirral Growth Company who comprise the Council's Assistant Director Finance and Investment and the Director of Children Families and Education.

Committee is also requested to consider the matter of who should be appointed to also serve as the Board alongside the current officer appointees.

- 3.14 The Shareholder Board's size is set at 3 members for the current municipal year. In order to provide for more cross party membership of both the Shareholder Board and any mirror Sub Committee that members may wish to create to pursuant to the options set out at paragraphs 3.11(b) and (c) of this report, the Sub Committee is recommended to consider increasing the size of such Sub Committees to either 5 or 7. 5 members would result in 3 Labour Members, 2 Conservative Members and 1 Liberal Democrat member; 7 members would result in 3 Labour Members, 2 Conservative Members, 1 Liberal Democrat member and 1 Green Member.

#### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 There are no significant financial implications arising from the proposals set out within this report.

#### **5.0 LEGAL IMPLICATIONS**

- 5.1 A Limited Liability Partnership (LLP) is a separate corporate entity which, in this case, is made up of two corporate members namely Muse and the Council. The corporate members then appoint Representatives to form the Board. The duties owed by the Representatives are governed by the Partnership Agreement between the LLP's members but are similar to those duties owed by company directors. Because of the degree of control the Representatives are able to exercise over the conduct of the LLP's business, they owe fiduciary duties to the LLP which override the duties owed by those representatives to their appointing corporate member.
- 5.2 Wirral Growth Company Joint Venture (JV) Agreement provides that a Representative shall owe a duty to the LLP to act in the way they consider, in good faith, would be most likely to promote the success of the LLP for the benefit of the JV Partners as a whole and in furtherance of the Partnership JV Objectives, the Business Plans and this Agreement. Duties of Representatives are exclusively to the LLP but they must withdraw from Board Meetings if a decision has to be made that may conflict with the interests of those of the Partner that appointed them. This creates a potential conflict of interest which will need to be monitored, with advice from the Director of Law and Governance.
- 5.3 All decisions by Council representatives at meetings with Muse must be in accordance with the Council's budget and comply with the Council's legal duties to carry out any necessary prior consultation with representatives of any service users and local tax payers to obtain value for money and to comply with the Public Sector Equality Duty.
- 5.4 As a partnership, the Wirral Growth Company is not bound by the rules pertaining to local authority ownership of a company. Conversely, it does not have the benefit of the financial and legal freedoms of a local authority interest company and must, instead, abide by the full set of limitations imposed by local government law on its powers and functions, including that it may not operate for a commercial purpose.

- 5.5 The name of Wirral Growth Company is not an accurate one given that it is in fact a Limited Liability Partnership. The Committee may wish to give thought to whether an alternative name would reflect its true nature and function. The concept was, and remains, to bring together Council assets and community planning with the development and financing expertise of a private sector body as a partnership established to create economic generation and new and sustainable homes and businesses focussed purely on and for Wirral.
- 5.6 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.
- 5.7 The Policy and 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 regarding companies or limited liability partnerships including acquisition and disposals. As part of the matter of business that was the subject of the report to Economy, Development and Regeneration Committee falls under that responsibility reserved to the Policy and Resources Committee, the Economy, Development and Regeneration Committee's resolution is presented as a recommendation.
- 5.8 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 and 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."

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

- 6.1 The need for Council appointees to serve on the Board of the Wirral Growth Company and attend joint meetings with Muse creates a demand for staff resources particularly in terms of officers with financial, economic and legal expertise and in terms of the need for the Council to advise and support the councillor appointees

## **7.0 RELEVANT RISKS**

- 7.1 A balance has to be struck between the need for the Council to act in a commercial and expeditious fashion in relation to the business of the Wirral Growth Company and for the decision making to be transparent with democratic accountability. The proposals within this report aid in striking that balance and will enable the Council to comply with its duty to follow good governance processes.

## **8.0 ENGAGEMENT/CONSULTATION**

8.1 Consultation has taken place with the Chair and Spokespersons of this Committee.

## **9.0 EQUALITY IMPLICATIONS**

9.1 The Council is not aware of any significant equality and diversity implications arising from the proposals set out within this report.

## **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

10.1 There are no significant environment or climate change implications arising from the proposals within this report.

## **11.0 COMMUNITY WEALTH IMPLICATIONS**

11.1 The recommendations contained within this report are expected to have no impact in terms of Community Wealth.

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## **APPENDICES**

Appendix 1: Minute extract from Economy, Regeneration and Development Committee held on 26 July 2021.

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

<b>Council Meeting</b>	<b>Date</b>
<b>Cabinet -Draft BCD Business Case and Staff Relocation</b>	<b>26/11/18</b>
<b>Leader Decision -Wirral Growth Company LLP Proposed Governance Arrangements</b>	<b>19/03/19</b>
<b>Leader Decision -Wirral Growth Company</b>	<b>3/09/19</b>
<b>Leader Decision -Directorship of Wirral Growth Company</b>	<b>9/01/20</b>

<b>Cabinet - Wirral Growth Company</b>	<b>24/02/20</b>
<b>Cabinet – Lease for New Offices in BCD</b>	<b>27/07/20</b>
<b>Economy Regeneration and Development Committee</b>	<b>26/07/21</b>

## **APPENDIX 1: MINUTE 18 OF ECONOMY REGENERATION AND DEVELOPMENT COMMITTEE HELD ON 26 JULY 2021**

### **18 WIRRAL GROWTH COMPANY - GOVERNANCE ARRANGEMENTS**

Councillor Tony Jones, having declared a pecuniary interest in this item, remained outside of the meeting.

Councillor Andrew Hodson, as Vice-Chair, took the position of Chair.

Phil McCourt, the Director of Law and Governance, introduced this report which recommended the arrangements by which the Council was represented on the Policy Board of the Wirral Growth Company Limited Liability Partnership. There were four appointments to be made to the Policy Board, two of which had been occupied by officers, those being the Director of Children's Services and the Director of Resources.

Member debated the implications of having four officer appointments so that all Members could be involved in discussion rather than having to declare an interest and leaving a meeting during any such discussion. This would allow Members to fully scrutinise decisions made. Members felt that it was a decision which should be passed to the Policy and Resources Committee to make whilst discussions took place within groups and with Political Group Leaders.

**Resolved –**

**That Policy and Resources Committee are requested to:**

- (1) approve that the officers holding the post for the time being of Assistant Director Finance and Investment and the Director of Children Families and Education continue to be the Council's officer appointments to the Board of the Wirral Growth Company Limited Liability Partnership and that those persons (and their successors) remain so appointed until they resign, are removed by subsequent decision or until they cease to hold such post as officer of the Council; and**
- (2) consider whether Members should be appointed to the Board and discussions take place in the meantime within the political groups and with group leaders.**

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