



Policy and Resources Committee

Date:	Wednesday, 8 June 2022
Time:	6.00 p.m.
Venue:	Committee Room 1 - Wallasey Town Hall

Contact Officer: Dan Sharples
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Please note that public seating is limited, therefore members of the public are encouraged to arrive in good time.

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

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 - 14)**

To approve the accuracy of the minutes of the meeting held on 16 March 2022.

5. PUBLIC AND MEMBER QUESTIONS

5.1 Public Questions

Notice of question to be given in writing or by email by 12 noon, 1 June 2022 to the Council's Monitoring Officer (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:

[Document Data Protection Protocol for Public Speakers at Committees | Wirral Council](#)

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

5.2 Statements and Petitions

Notice of representations to be given in writing or by email by 12 noon, 1 June 2022 to the Council's Monitoring Officer (committeeservices@wirral.gov.uk) and to be dealt with in accordance with Standing Order 11.1.

Petitions may be presented to the Committee if 10 working days' notice has been given. The person presenting the petition will be allowed to address the meeting briefly (not exceeding three minute) to outline the aims of the petition. The Chair will refer the matter to another appropriate body of the Council within whose terms of reference it falls without discussion, unless a relevant item appears elsewhere on the Agenda.

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

5.3 Questions by Members

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

SECTION A - KEY AND OTHER DECISIONS

6. REPORT OF THE INDEPENDENT ASSURANCE PANEL (Pages 15 - 46)

SECTION B - BUDGET AND PERFORMANCE MANAGEMENT

7. **2021-22 BUDGET MONITORING FOR QUARTER 4 (1 JAN-31 MAR), 2021-22 OUTTURN (Pages 47 - 110)**
8. **CAPITAL OUTTURN REPORT 2021-22 (Pages 111 - 140)**
9. **CAPITAL PROGRAMME - VIREMENTS (Pages 141 - 144)**

SECTION C - WORK PROGRAMME / OVERVIEW AND SCRUTINY

10. **APPOINTMENT TO SUB-COMMITTEES (Pages 145 - 150)**
11. **WORK PROGRAMME (Pages 151 - 160)**

SECTION D - REFERRALS FROM COMMITTEES / COUNCIL

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

The Committee is charged by full Council to:-

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

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POLICY AND RESOURCES COMMITTEE

Wednesday, 16 March 2022

<u>Present:</u>	Councillor	J Williamson (Chair)	
	Councillors	T Anderson	Y Nolan
		P Gilchrist	J Robinson
		P Cleary	P Stuart
		S Hayes	H Cameron
		EA Grey	W Clements
		T Jones	JE Green
		J McManus	L Rennie
<u>In attendance:</u>	Councillors	J Bird	I Lewis

136 **WELCOME AND INTRODUCTION**

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

137 **APOLOGIES**

No apologies for absence were received.

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

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

Councillor Jean Robinson declared a prejudicial interest in agenda item 14 'Property and Land Disposals Wirral Growth Company – Variation to Options Agreement' due to her being a Wirral Growth Company Board member and confirmed that she would leave the meeting whilst the item was being considered.

Councillor Jeff Green declared a prejudicial interest in agenda item 14 'Property and Land Disposals Wirral Growth Company – Variation to Options Agreement' due to him being a Wirral Growth Company Board member and confirmed that he would leave the meeting whilst the item was being considered.

139 **MINUTES**

Resolved – That the minutes of the meeting held on 17 January, 2022 be approved and adopted as a correct record.

140 **PUBLIC AND MEMBER QUESTIONS**

Public and Member engagement as set out in minutes 141-143.

141 **PUBLIC QUESTIONS**

The Chair informed the meeting that seven questions had been received from members of the public, all of whom were in attendance.

The first question was from David Bird in relation to the criteria used by the Committee at its last meeting in relation to the recommended closure of libraries which resulted in two libraries no longer being recommended for closure.

In response, the Chair referred the questioner to the webcast of that meeting where the Director of Resources was of the view that the amendments proposed in relation to those two libraries were financially viable and legal.

The second question was from Keith Marsh in relation to the length of time an asset transfer may take for Brackenwood Golf Club and the consequential impact on its maintenance.

Councillor Helen Cameron responded that at a meeting of Wirral's full Council on 28 February it was agreed that the full, permanent annual budget to operate Brackenwood Golf Course would cease and be removed from 1 April 2022. The service would consequently have no monies for maintenance of the course post 1 April 2022. The service would ensure any statutory and Health & Safety requirements were met through existing budgets. The Director of Resources would present a report at this meeting of the Policy & Resources Committee, recommending the adoption of an updated Community Asset Transfer Policy to be applied if the Council decided to discontinue its use of certain buildings and land. If approved, and subject to the outcomes of any public consultation, community groups or other organisations would be invited to express an interest in taking over assets that were regarded as surplus to the delivery of Council services, which may provide value for the community.

A supplementary question was put asking how the Council would protect the assets in the period between the transfer.

In response Councillor Cameron reiterated that there was no money allocated for this and if it were to be undertaken the funding would need to be taken from another service.

The third question was from Jackie Watts asking the Council to provide resources to protect the greens at Brackenwood Golf Course and to agree for the community to take a lead role in looking after the asset.

In response, Councillor Helen Cameron referred the questioner to her previous response and that whilst the Council would consider what could be done in the interim, there would be a cost for which there was no budget.

A supplementary question was asked in relation to preventing anti-social behaviour and vandalism. In response, Councillor Cameron reaffirmed that any statutory health and safety requirement would still need to be met through the Council's duty of care to the green space.

The fourth question was from Robin Clarke seeking a commitment from the Council to conclude a Community Asset Transfer within 3 months.

The Chair responded to say that it could not yet be accurately determined how long it would take to facilitate a community asset transfer as it would depend upon the quality of the expression of interest and business plan, but that officers would work through any expressions of interest as expediently as possible with their available capacity.

A supplementary question was put seeking commitment to a specific target date. In response, the Chair outlined that the Community Asset Transfer policy was still yet to be agreed.

The fifth question was from Ian Seddon which asked the Committee to investigate the circumstances that had delayed the transfer of the lease of the land at the corner of Trafalgar Road and Lea Road to Liscard and Egremont Action Group.

Councillor Tony Jones responded that this had taken longer than anticipated due to some issues specific to the case, being the surrender of the outgoing lease and the creation of a new lease, rather than a simple assignment. There was also an issue in respect of a leaning wall and tree stump which needed to be explored in terms of safety and responsibility. The Council was now recruiting someone to progress with the issues raised.

The sixth question was put by Councillor Jo Bird, which asked why the Council had not accepted the guidance for longer term leases for Community Asset Transfers.

In response, the Chair outlined that the Policy had not yet been agreed and it was her intention that amendments to the Policy be proposed.

A supplementary question was put seeking assurances that there would be flexibility if the timescale for the transfer fell beyond the end of funding for

libraries. In response, the Chair reiterated that this would be discussed as part of the relevant agenda item.

The seventh question was submitted by Liam Hartzenberg in relation to whether Bromborough Civic Centre would be made available for Community Asset Transfer with the Library as a single asset.

Councillor Helen Cameron responded that all sites would be considered for Community Asset Transfer as part of the policy for consideration at the meeting, with the relevant committee taking the final decision as to which assets would qualify for transfer and to which group.

A supplementary question was put asking whether Bromborough Civic Centre would receive the same funding for a Community Asset Transfer as Woodchurch Leisure Centre. In response, it was reiterated that the policy was still to be agreed and the subsequent decisions would be taken by the relevant Committee.

142 **STATEMENTS AND PETITIONS**

The Chair informed the meeting that notice of one petition had been received in advance of the meeting and asked Mr Keith Marsh to present his petition in respect of Brackenwood Golf Course.

Mr Marsh presented the petition with 3666 signatories which sought the Council to review the provision of golf to remove the subsidy for Wirral residents or commit another operator, preferably a Community Interest Company to run the service.

Resolved – That the petition be noted and referred to the appropriate Chief Officer in accordance with Standing Order 11.2.

143 **QUESTIONS BY MEMBERS**

No questions from Members had been received.

144 **WIRRAL LOCAL PLAN 2021 TO 2037: PUBLICATION OF SUBMISSION DRAFT PLAN (REGULATION 19), AND SUBMISSION TO SECRETARY OF STATE FOR EXAMINATION (REGULATION 22)**

The Director of Regeneration and Place introduced a report which sought approval, by way of a recommendation to Council, to publish the Wirral Local Plan 2021 to 2037- Submission Draft Plan (“the Submission Draft Plan”) for a six-week period to enable representations to be invited on the soundness and legal compliance of the Plan and for the Plan to be subsequently submitted to the Secretary of State for Levelling Up, Housing and Communities (“the Secretary of State”) for Independent Examination, following the conclusion of

the publication period under Regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) (“the Regulations”).

The Submission Draft Plan was the document that the Council, subject to Members’ approval, would submit to the Secretary of State for Independent Examination and which it would wish to adopt subject to the recommendations of a Planning Inspector.

The publication of the Submission Draft Plan (under Regulation 19 of the Regulations) was the final stage of engagement prior to the Submission Draft Plan being submitted for Independent Examination. The purpose of this stage was to enable any person to make representations (under Regulation 20 of the Regulations) about the Submission Draft Plan. The representations must relate to the ‘soundness’ or legal compliance of the Local Plan and would then go forward to be considered by the Planning Inspector who would be appointed by the Secretary of State to undertake the Independent Examination.

In accordance with National Planning Policy the Council must, through the Local Plan, provide a positive planning policy framework that supported and boosted the economy. The Submission Draft Plan was appended to the report in a separate supplement and its accompanying Policies Map could be viewed online via a link at Appendix 2.

In producing the Submission Draft Plan, extensive work and evidence collation had indicated that the needs of the Borough could and should be met within the existing urban areas through an urban intensification approach. Because of this, the ‘exceptional circumstances’ for alterations to be made to Green Belt boundaries did not exist. This approach accords with national planning policy and guidance. The Council’s approved Local Development Scheme (January 2022) identified that the Council intended to submit the Submission Draft Plan for Independent Examination to the Secretary of State between July and September 2022.

At the Independent Examination an Inspector appointed by the Secretary of State would examine the Submission Draft Plan, the evidence supporting it and the representations received under Regulation 20 and would assess whether the Council’s proposed Plan was sound and had met the legal requirements to allow it to be formally adopted. The Inspector might suggest further modifications to the Local Plan.

The proposed publication of the Submission Draft Plan was in accordance with the Council’s adopted Local Development Scheme and Statement of Community Involvement. The recommended process as set out within the report complied with relevant legislative requirements and was necessary before the Wirral Local Plan could be submitted to the Secretary of State for

Independent Examination. The current Wirral Unitary Development Plan (“UDP”) was adopted in 2000 and was in need of replacement.

The proposed Local Plan policies, spatial strategy and site allocations were supported by an extensive range of supporting documents and evidence, including a Sustainability Appraisal, Habitat Regulations Assessment and Infrastructure Delivery Plan.

The continued progression of the Local Plan towards adoption would provide for the future development and infrastructure needs of the Borough in a sustainable and appropriate manner and would provide up to date planning policies to guide and support future development proposals. The Government required all local planning authorities to have an up-to-date Local Plan in place by 2023. The Council was subject to the threat of intervention by the Secretary of State in the event the Local Plan was not prepared in a timely manner.

The Committee discussed the proposed delegated authority to the Director to make the necessary modifications to the Wirral Local Plan during the examination in public process.

It was moved by Councillor Tom Anderson, seconded by Councillor Jeff Green that the officer recommendations be agreed.

Following the proposing of suggested amendments in relation to the delegated authority to the Director, the Chair agreed to adjourn the meeting at 19.16pm for consultation and legal advice on the proposed amendments.

Upon resumption of the meeting at 19.39pm, it was moved by Councillor Jean Robinson as an amendment that the recommendations in the report be agreed, subject to the addition of new paragraph 5 being inserted beneath 4(b), to read “Authorise the Director of Regeneration and Place, in consultation with Chair and Spokespersons of Policy and Resources Committee to:”, and paragraphs 4(c) and 4(d) becoming paragraph 5(a) and 5(b).

This amendment was accepted by Councillor Tom Anderson as the mover of the original motion.

The substantive motion was put and agreed (14:1). It was therefore –

Recommended (14:1) – That Council

- 1. Agree and publish the Wirral Local Plan-Submission Draft and Policies Map (as set out as Appendices 1 and 2 to this report respectively) (“the Wirral Local Plan”) for a period of six weeks as soon as practicable for representations to be invited**

as to soundness and legal compliance in accordance with Regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) (“the Regulations”);

2. Agree the submission of the Wirral Local Plan, along with representations received, to the Secretary of State for Independent Examination under section 20 of the Planning Compulsory Purchase Act 2004 (as amended) ("the 2004 Act"), together with the submission documents prescribed by Regulation 22 of the Regulations, following the conclusion of the Regulation 19 publication period;
3. Note the Sustainability Appraisal, Habitats Regulation Assessment, Equality Impact Assessment, the Local Plan Duty to Co-operate Statement of Compliance, the Regulation 18 Consultation Statement and Local Plan evidence base published alongside Wirral Local Plan;
4. Authorise the Director of Regeneration and Place, in such consultation with the Chair and Spokespersons of Policy and Resources Committee as is practical and appropriate, to:
 - (a) make non-material typographical, formatting, mapping and other minor amendments to the Wirral Local Plan prior to publication and prior to submission of the Local Plan to the Secretary of State;
 - (b) produce and submit any supplementary information and documentation to the Local Plan Inspector(s) as may be required to complete the examination and address any issues relating to soundness and legal compliance including statements of common ground with various organisations;
5. Authorise the Director of Regeneration and Place, in consultation with Chair and Spokesperson to:
 - (a) agree such main and other modifications to the Wirral Local Plan during the examination in public process as may be necessary to make the Wirral Local Plan sound and legally compliant, in accordance with section 20(7C) of the 2004 Act; and
 - (b) write to the Local Plan Inspector(s) appointed to carry out the Independent Examination of the submitted Wirral Local Plan asking them to recommend such main or other modifications to the submitted Wirral Local Plan as may be

necessary to make the Wirral Local Plan sound and legally compliant, in accordance with section 20(7C) of the 2004 Act.

- 6. Endorse the Wirral Local Plan-Submission Draft as a material consideration to be used in the determination of planning applications, with appropriate weight given in accordance with paragraph 48 of the National Planning Policy Framework; and**
- 7. Agree in principle to consider the use of the Council's Compulsory Purchase Order Powers, where required, to assist with the delivery of regeneration projects set out in the Wirral Local Plan**

145 **COMMUNITY ASSET TRANSFER POLICY**

The Director of Resources introduced a report on the proposed adoption of an updated Community Asset Transfer Policy to be applied if the Council decided to discontinue its use of certain buildings and land.

This policy directly supported Wirral's Community Wealth Building Strategy by encouraging the setup of community-based organisations and cooperatives in local communities, and underpinned the Council's ambition to enable communities to become more independent, financially self-sufficient and take ownership of public assets to run them in ways that were beneficial to them.

The proposed updated policy set out criteria for determining:

- (a) which assets were suitable for transfer to community groups;
- (b) how expressions of interest to manage those assets should be dealt with;
- (c) how applications should be evaluated;
- (d) how and on what terms community transfers should be effected.

It was moved by Councillor Jean Robinson, seconded by Councillor Janette Williamson, that the officer recommendations be agreed, subject to the following amendments:

- The use of the terms "tenants, community groups and community organisations" to be replaced with "not-for-profit organisations".
- Removal of lease terms between 3 and 25 years and its replacement with lease terms to be determined based on the quality of each individual business plan.
- Before an asset is transferred, organisation be made fully aware as to the condition of any asset prior to submitting a business case.
- Where a community asset is located within an asset still owned and insured by the Council, the option for that insurance to be retained and

the not-for-profit organisation recharged as opposed to seeking its own insurance be made available.

- The terms of any rent increases be included in lease agreements with not-for-profit organisations.

A discussion ensued on whether it would be possible to expedite a community asset transfer for Brackenwood Golf Club.

It was moved by Councillor Tom Anderson, seconded by Councillor Jeff Green, that the Director of Neighbourhood Services be authorised to undertake a virement of the £262,000 revenue cost granted to Libraries, to Brackenwood Golf Club up to a maximum of £30,000, if necessary, to maintain Brackenwood Golf Course to aid a possible asset transfer.

After assurances were given by the Director of Resources that the virement would be lawful, the motion was put and lost (5:10).

On a motion moved by Councillor Jean Robinson, seconded by Councillor Janette Williamson, it was –

Resolved (14:1) – That the updated Community Asset Transfer Policy be approved, subject to the following amendments:

- **The use of the terms “tenants, community groups and community organisations” to be replaced with “not-for-profit organisations”.**
- **Removal of lease terms between 3 and 25 years and its replacement with lease terms to be determined based on the quality of each individual business plan.**
- **Before an asset is transferred, organisation be made fully aware as to the condition of any asset prior to submitting a business case.**
- **Where a community asset is located within an asset still owned and insured by the Council, the option for that insurance to be retained and the not-for-profit organisation recharged as opposed to seeking its own insurance be made available.**
- **The terms of any rent increases be included in lease agreements with not-for-profit organisations.**

146 **PAY POLICY REPORT 2022-2023**

A report of the Director of Resources on the Council’s Pay Policy Statement was considered, the purpose of which was to provide transparency with regard to the Council’s approach to setting pay by identifying:

- The methods by which salaries of all employees were determined;
- The detail and level of the salary package of its most senior staff;

- The Head of Paid Service’s responsibility for ensuring the provisions set out in this statement were applied consistently throughout the Council and recommending any amendments to Full Council.

The Council was required by Section 38 of The Localism Act 2011 to prepare a Pay Policy Statement for each financial year.

The report highlighted key changes in the 2021/22 Statement, including the new Living Wage rate of £9.90 per hour; variations to pay grade and progression through pay grade.

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

RECOMMENDED – To Council the approval of the Pay Policy Statement for the financial year 2022/23.

147 **USE OF COUNCIL BUILDINGS FOR CIVIC COUNCIL AND COMMITTEE MEETINGS**

The Assistant Director – Strategic Change, introduced a report which provided the Committee with an update and recommendation in respect of proposed arrangements for the safe operation of Council and Committee meetings for the Municipal year 2022/23 giving due consideration to guidance and regulations arising from Covid-19.

The report outlined a proposal, following work to implement solutions to enable the safe operation of Council and Committee meetings, that Wallasey Town Hall Council Chamber re-opened for Council Meetings for the Municipal Year 2022/23 adopting the proposed approach detailed in the report.

Should the Government implement new restrictions during the Municipal Year 2022/23, which meant the Council Chamber could not support the safe operation of meetings, the Council would initially seek to move meetings to the Floral Pavilion as it provided a resilient offer, which was flexible to changes in infection prevention control guidance such as social distancing.

As part of the regeneration programme and activity being progressed to ensure the Council’s operational functions met the needs of Wirral’s communities and supported the delivery of the outcomes identified in the Wirral Plan, a review of Council assets was underway. Given the nature of the Borough’s civic arrangements and the operation of two Town Halls, it was proposed that a report be brought to this Committee to debate the future use of the Town Halls.

Members discussed the practicalities of holding Committee meetings at Birkenhead Town Hall and it was confirmed that further discussions would be had about the most appropriate venue for Committee meetings.

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

Resolved – That

- (1) arrangements for the safe operation of Council and Committee meetings for 2022/23 Municipal Year, as outlined in the report, be agreed;**
- (2) the Assistant Chief Executive provide an options paper as to the future and use of the Borough's Town Halls to a future meeting of the Committee.**

148 **BUDGET MONITORING 2022/23 AND BUDGET SETTING PROCESS 2023/24**

The Interim Director of Finance introduced a report of the Director of Resources which set out how the 2022/23 budget would be monitored through the Committee system, which would facilitate the Policy and Services Committees (the Committees) to take ownership of their specific budgets and present appropriate challenge and scrutiny of Officers on the management and performance of those budgets.

The concurrent activity of budget setting for 2023/24, and how this would be approached, was also set out in the report; incorporated in which were:

- revisions to the approved Medium Term Financial Plan (MTFP) – the formulation of savings proposals and presentation of pressure/growth items;
- the application of the Medium Term Financial Strategy (MTFS) principles that underpinned the budget process and decision-making, with links to the Wirral Plan;
- how savings plans were to be configured;
- considerations of requisite consultation exercises; and
- the role of the Finance Sub-Committee.

In response to a question by members, it was clarified that the Financial Regulations afforded the Chief Executive the ability to invoke virements should it be necessary.

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

Resolved – That

- (1) the process for in-year monitoring of the 2022/23 budget, be approved;**

(2) the 2023/24 budget setting process, be approved.

149 **WORK PROGRAMME 2021-22**

Prior to the consideration of this item, the Chair informed the Committee that three hours had elapsed since the start of the meeting, and that she proposed to suspend Standing Order 9.1 and continue for a further 20 minutes.

The Head of Legal Services introduced a report which set out the Committee's current 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.

On a motion by the Chair, seconded by Councillor Tom Anderson, it was –

Resolved – That the Policy and Resources Committee work programme be noted.

150 **DISPOSAL OF INDUSTRIAL ESTATE AT QUARRYBANK STREET, BIRKENHEAD**

The Head of Legal Services introduced a report on the recommendations of the Economy, Regeneration and Development Committee at its meeting of 26 January 2022, in respect of the Disposal of Quarrybank Industrial Estate at Quarrybank Street, Birkenhead, a Council owned investment asset.

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

Resolved (13:2) – That

- (1) Quarrybank Industrial Estate, Quarrybank Street, Birkenhead be declared surplus to requirements; and**
- (2) Delegated authority be given to the Director of Law and Governance, in consultation with the Director of Regeneration and Place, to arrange for its disposal by auction and subsequent sale on the basis as set out in paragraph 3.3 of the report.**

151 **ACQUISITION OF FORMER CO-OP BUILDING, 100 NEW CHESTER ROAD, NEW FERRY**

The Head of Legal Services introduced a report on the recommendations of the Economy, Regeneration and Development Committee, in relation to the purchase of the former Co-op building in New Ferry as a strategic acquisition to support the delivery of the master plan for the area.

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

Resolved – That the Director of Law and Governance in consultation with the Director of Regeneration and Place, be authorised to acquire the Co-op building in New Ferry at a price of £700,000.

152 **SALE OF FREEHOLD INTEREST IN DOMINICK HOUSE, LISCARD**

The Chair informed the Committee that the report that the item was in relation to was deferred from the agenda of the Economy Regeneration and Development Committee at their meeting on 9 March 2022 and therefore there was no decision referred to Policy and Resources Committee from that Committee to consider. The item was therefore withdrawn.

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

On a motion by the Chair, seconded by Councillor Tom Anderson, 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 item of business on the grounds that it involves the likely disclosure of exempt information as defined by paragraph 3 of Part I of Schedule 12A (as amended) to that Act. The Public Interest test has been applied and favours exclusion.

154 **PROPERTY AND LAND DISPOSALS WIRRAL GROWTH COMPANY – VARIATION TO OPTIONS AGREEMENT**

Councillor Jean Robinson and Councillor Jeff Green left the room and took no part in the consideration of the item.

The Director of Regeneration and Place introduced a report on a proposed variation to legal arrangements in relation to the Wirral Growth Company.

Following a discussion by members, on a motion moved by the Chair and seconded by Councillor Tony Jones, it was –

Resolved – That,

- (1) the Heads of Terms for the amendment of the legal documentation (listed in paragraph 5.4 of the exempt report) entered into between the Council, Muse Developments Limited and Wirral Growth Company LLP, and attached as Appendix 1 to the report, be approved;**

- (2) the Director of Law and Governance, in consultation with the Director of Regeneration and Place, be authorised to finalise the associated legal documentation, on terms that are substantially in accordance with the draft Heads of Terms as set out at Appendix 1 to the report.**



POLICY & RESOURCES COMMITTEE

Wednesday, 8 June 2022

REPORT TITLE:	REPORT OF THE INDEPENDENT ASSURANCE PANEL
REPORT OF:	CHIEF EXECUTIVE

REPORT SUMMARY

This report presents the first update report of Wirral’s Independent Assurance Panel (IAP). The Panel has been set up to oversee the Council’s improvement in response to the external assurance review commissioned by the Department for Levelling Up, Housing and Communities (DLUHC) which was published in November 2021. The External Assurance Review was undertaken as a condition of the Council’s request for exceptional finance support in 2020-21 and 2021-22.

The report, included as Appendix 1, provides an independent assessment of the Council’s progress against the recommendations from the external assurance review. Specifically, it refers to progress under the headings of: finance, governance and decision-making, regeneration, improvement plan and quality of relationships. Also included as Appendix 2 to this report is a dashboard that provides a commentary and RAG rating against each of the DLUHC recommendations. Appendix 3 also provides an update on latest developments in relation to the recent Corporate Peer Challenge process. Further engagement with elected members will take place in the coming weeks to consider the findings from the Peer Challenge and help inform the Council’s Improvement Plan response to the external assurance review.

The report is a requirement in line with the terms of reference of the IAP. The report will also be submitted to DLUHC to provide an independent assessment on Wirral’s improvement progress over the last 6 months.

The report is not a key decision.

RECOMMENDATION/S

The Policy & Resources Committee is recommended to:

- 1) note the contents of the report of the Independent Assurance Panel and the dashboard against the recommendations arising from the Department for Levelling Up, Housing and Communities external assurance review and refer them to full Council for further consideration.

- 2) Note the update in respect to the Corporate Peer Challenge and request that a detailed report be submitted to the next meeting of the Policy and Resources Committee.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 For the Policy and Resources committee to understand the Independent Assurance Panel's external assessment of the Council improvement progress and compliance with the external assurance review recommendations.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 No other options have been considered as the Panel report is a requirement in line with its Terms of Reference.

3.0 BACKGROUND INFORMATION

- 3.1 Following Wirral's request to government for exceptional financial support, DLUHC commissioned an external assurance review in summer 2021 as part of the conditions for granting a capitalisation directive. The review was split into governance and finance and led to the publication of two reports in November 2021.
- 3.2 One of the key recommendations from the governance review involved the Council setting up an Independent Assurance Panel to oversee the Council's improvement and compliance with the recommendations arising from the review. In December 2021 the Chief Executive, with support from the Local Government Association (LGA), appointed the Independent Assurance Panel which is made up of senior leaders from local government with expertise in local government finance, law and assets. The Panel also includes two peer members from other local authorities that work on behalf of the LGA in supporting local government improvement.
- 3.3 Following an introductory meeting in December 2021 and a series of informal meetings with senior officers of the Council, the Panel has been meeting formally once a month since January 2022.
- 3.4 The terms of reference of the Panel specify the requirement to report to the Secretary of State and Council every six months on progress implementing against an agreed Improvement Plan. The Improvement Plan is currently in draft and following engagement with Members in finalising its content, will be reported to this committee.
- 3.5 The draft Improvement Plan will also be informed by the findings of the LGA Corporate Peer Challenge (CPC) which took place in Wirral 21st – 24th March 2022. At the conclusion of the visit, a summary of the initial feedback and findings were shared with elected members and other participants, and a final report is to be agreed and circulated imminently. Further engagement with elected members will take place in the coming weeks to consider the CPC findings and agree how they can help inform the emerging Improvement Plan.
- 3.6 The Independent Assurance Panel report highlights the significant progress the Council has made since publication of the external assurance review in November 2021. It also notes those areas where there remain risks and a need for improvement is still required. To evidence the progress being made against the

recommendations from the external review, the Council has maintained a dashboard providing a RAG rating and commentary. This is included as Appendix 2.

4.0 FINANCIAL IMPLICATIONS

4.1 A small budget has been allocated to support the costs of the independent panel. To date costs have been kept to a minimum through the use of on-line meetings.

5.0 LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising from this report.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 There are no staffing, ICT or asset implications arising from this report.

7.0 RELEVANT RISKS

7.1 There are no specific risks arising from this report.

8.0 ENGAGEMENT/CONSULTATION

8.1 The Independent Assurance Panel has been appointed to act in an advisory capacity and also has an assurance role that Wirral Council is making good progress. As well as formal monthly meetings, there have been a number of separate informal meetings between Panel members and Council officers to provide guidance and support.

9.0 EQUALITY IMPLICATIONS

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

9.2 There are no direct equality implications arising from this report.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 The Panel have where possible continued to meet remotely to reduce unnecessary travel.

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 There are no direct community wealth implications arising from this report.

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APPENDICES

Appendix 1 – Independent Assurance Panel Report
Appendix 2 – DLUHC Recommendations Monitoring Dashboard
Appendix 3 – Update on Corporate Peer Challenge

BACKGROUND PAPERS

Independent Assurance Panel Terms of Reference
Department for Levelling Up, Housing and Communities External Assurance Review
Governance

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Policy & Resources Committee	30 Nov 2021

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Draft Wirral Report

1. Background

- 1.1. Following Wirral Metropolitan Borough Council's application for exceptional financial support in 2021, the Department for Levelling Up, Housing and Communities (DLUHC) commissioned two external assurance reports. These reports called for the Council to establish an Independent Assurance Panel which was accordingly put in place and commenced its role on 21 December 2021. The panel chair has a responsibility to report to the Council twice a year, on performance and progress against the agreed improvement plan.
- 1.2. Its Terms of Reference are attached at Appendix 1.0.
- 1.3. Attached at Appendix 2.0 is an outline of all the external reports and LGA Lead support to the Council over the past two years.
- 1.4. The Independent Assurance Panel for Wirral council was established by the council in December 2021. Its membership is as follows:

Panel Member	Role	Background
Carolyn Downs	Independent Chair	Chief Executive – London Borough of Brent
Richard Paver	Independent External Member (Finance)	Former Treasurer Manchester City Council and Greater Manchester Combined Authority
Quentin Baker	Independent External Member (Governance)	Director of Law and Governance – Hertfordshire County Council
Sean Hanson	Independent External Member (Assets, Contracts, and Companies)	Chief Executive – Local Partnerships
Claire Hogan	Local Government Association Regional Improvement Lead	Principal Advisor (North West) – Local Government Association
Cllr Shaun Davies	Local Government Association Peer (Labour)	LGA Peer Member (Labour), Leader of Telford and Wrekin Council
Cllr Mike Wilcox	Local Government Association Peer	LGA Peer Member (Conservative), Lichfield District Council

	(Conservative)	
Cllr Janette Williamson	Leader of the Council	Leader of Wirral Council (Labour)
Cllr Tom Anderson	Leader of the Opposition	Leader of the Conservative Group Wirral Council
Paul Satoor	Chief Executive	CEO Wirral Council

1.5. Additional meetings of Panel Members as follows:

- Chair meetings with Wirral Leader and Leader of the Opposition
- Chair and Peer Member meetings with Wirral's political groups
- A number of budget scrutiny meetings with Richard Paver and Wirral Section 151 Officer
- Meetings to review Audit Committee role and development
- Quentin Baker attendance at Members' Governance Working Group to oversee review of the Committee System
- Monthly meetings of Panel Chair, Wirral CEO and DLUHC
- Sean Hanson monthly meetings and calls with Director of Regeneration and Place
- Regular meetings between LGA peer members and group leaders, political groups and elected members

1.6. In line with the recommendation from the External Assurance Review – Governance which was completed by Ada Burns in September 2021 (to be referred to in this report as the Ada Burns review) the Panel is required to provide assurance regarding the Council's improvement progress by means of a report to meetings of the Full Council twice a year. The Panel's terms of reference can be accessed here (<http://s03vs-intrcm.core.wcent.wirral.gov.uk/ieDecisionDetails.aspx?ID=4944>). This is the first report of the Panel. To note, the Council representatives on the Improvement Panel have not been involved in the development or clearance of this report.

2. Finance

2.1. The Council is taking many of the right steps to ensure that it resolves longstanding financial problems. It has now approved a balanced budget for 2022/23 which removes a structural deficit of £8m alongside other required reductions amounting to £18m in total. This has been achieved through strong political and officer buy in to an inclusive process whereby senior officers and members of all political parties have been part of a working group to agree proposals.

2.2. This is very positive as members and officers have not collaboratively engaged historically around the budget proposals. More recently there has been a much greater understanding

of the enormous financial task that needs to be addressed and some members have taken a much more active role. The budget will also provide political opportunity but the message here from the panel is that political debate cannot stall what the council needs to deliver in terms of its future budget.

- 2.3. Because of this it is of concern to the Independent Assurance Panel that despite this inclusive process, only the two largest parties voted for the proposals (subject to agreed amendments) at the meeting of the Full Council, with one other group abstaining and the others voting against. We are concerned that this has undermined the collaborative approach taken by the council and could undo much of the positive work undertaken to date. It will be essential for all groups to work together to take responsibility for securing the longer term financial sustainability for Wirral and to agree on a budget for 2023/24 onwards.
- 2.4. Additionally following the May local elections it is clear that cross party working remains very fragile. Though I am reassured by receiving a letter from all group leaders stating their commitment to working collaboratively. It will be important that mutual respect is given by all and to all to ensure this strengthens.
- 2.5. Whilst it is positive that the Council is in line with expectations with regard to the agreement for the 2022/23 budget, there is still much to do on the budget in terms of delivering the savings now agreed and the challenge of taking £18m out of the budget in one year is not to be underestimated, whilst also beginning to prepare the development of the proposals for next year's budget. It is essential that the Council's decision making processes are robust and that individual Committees now take full responsibility for delivering the budget agreed by the Full Council.
- 2.6. It is also positive that monies have been taken out of base budgets so that Committees will not be able to vire monies around to 'unpick' the decisions of Full Council. The Independent Assurance Panel will continue to closely monitor progress against the budget reductions agreed. We are reassured that governance is now in place that will give strong member and senior officer oversight to the reductions process and hold Committee Chairs and Directors to account for delivery. In particular it will be important to ensure that work is undertaken, at pace, to support the possible creation of community asset transfers and if these are not possible for the budget to be balanced regardless.
- 2.7. The work done by the Panel did identify that it was difficult to follow through the published budget figures for 2021/22 projected outturn and 2022/23 to the quoted levels of reserves at the end of both years. On further interrogation the Council have accepted that there are inconsistencies and errors which will need to be reported at final accounts stage. Importantly, however, the level of resources available to mitigate budget risk is higher than included in budget forecasts which offers reassurance if savings are not fully achieved.

- 2.8. The Council now needs, again at pace, to work on its medium-term financial plan which will be in place to support the newly elected council in 2023. This work will be a priority for the Assurance Panel in order to give confidence that the Council has a financially sustainable future.
- 2.9. The Panel's work with Council Finance staff has concluded that a more realistic presentation of the budget gap for 2023/24 is £14m based on a series of mid-range assumptions. However, this figure is likely to vary once the detailed budget work is undertaken not least as there will be inevitable pressures on Council costs flowing from current high levels of inflation, pressures on household budgets and the outcome of the 'Fair Funding' review if implemented by Government next year. Pressures on budgets will not abate after next year so the Council should be planning to explore delivering a greater level of savings even if some are not immediately required but are held as a first tranche for 2024/25.
- 2.10. Additionally, the panel is of the view that in general officers continue to struggle to find the balance between providing too much or not enough information to members and tend to overwhelm members with information which impacts on the quality of discussion. Work is underway to improve officers report writing and members expectations around this issue which is helpful. However, we are compelled to note that officers do not always provide consistent messaging around financial information to members, and in some circumstances provide conflicting information which creates unrealistic expectations and misunderstanding from members. An example of this was seen in the budget setting about the level of contingency required.
- 2.11. Officers need to quickly move away from simple savings proposals for members to consider and move towards a more transformational approach to saving money-in line with the political values and priorities of the Council. This practice would align the Council to the long-established good practice within the sector - recognising and working to save money whilst at the same time transforming the operating model of a service for example.
- 2.12. It is positive that Officers have already started work on the required saving so that post the May 22 elections the council can turn its focus to identifying the required savings of at least £14m. The points made above about inclusiveness apply to this process which will be overseen by the finance working group of the Policy and Resources Committee. (P&R)
- 2.13. The formal agreement of the Council in March 22 to move to all out elections, every four years from May 2023, should provide a more stable and longer-term planning environment. However, as made clear in paragraph 2.3, it will be essential that all politicians of all parties, despite the electoral process, address the seriousness of the 2023/24 budget position and that they learn from the 2022/23 budget process to ensure a balanced budget for 2023/24. Failing to address this would be a serious step back for the Council in all they have achieved to date.

3. Governance & Decision-making

3.1. In this context the key recommendations made in the Ada Burns review in summary, are as follows:

- Implement all out elections every four years.
- Assign authority to the Policy and Resources Committee to exercise leadership in respect of the budget setting process, and
- Review the Committee system to reduce the number of Committees and improve agility of decision making.
- Significantly reduce the related administrative burden arising due to the number of committees and the size of their agendas.
- Amend the scheme of delegation to officers.

3.2. The Council established a governance working group, (GWG) to provide the key forum for Councillors, advised by officers, to review the current structures in the light of the comments of Ada Burns and other sources of information such as a survey of Councillors undertaken by the LGA. The LGA and officer review of the committee system were completed in January 2022 with findings reported to the Governance Working Group. The GWG met on four occasions between December 2021 and March 2022 to discuss and develop draft proposals to be considered by the Constitution and Standards Committee (C&SC) which makes formal recommendations to Full Council regarding constitutional changes. The C&SC met on the 13 April 2022 and approved a variety of changes which collectively are intended to address the issues raised by Ada Burns. The C & SC resolved to recommend to Full Council that it agree the proposed constitutional changes at its meeting in May 2022.

3.3. Although the number of 'Policy' Committees was only reduced by one to six, this was accompanied by fourteen other changes including the removal of the Urgency Committee and the two overview and scrutiny committees (Decision Review Committee and Partnerships Committee). In addition, the existing procedures which provide for re-consideration of controversial decisions have been significantly revised to reduce the potentially disruptive effect on decision-making. It is also proposed to prohibit 'to note' reports from agendas and to distribute them outside of meetings. Proposed extension of the delegated authority to officers will further reduce the volume of matters being referred to committees and other amendments to the P&R committee terms of reference will clarify its lead role in developing and overseeing the budget and policy framework.

3.4. This should improve the speed of decision making, though the Independent Assurance Panel, will also continue to monitor progress in this respect and also of the individual committee's delivery against agreed budget savings. It is clear that most Councillors feel more engaged in the work of the Council through the operation of a committee system and

the peer review confirmed this. However, increased engagement, whilst in itself a good thing, doesn't necessarily deliver better governance and as such it is important that future oversight is given to the work of the committees to ensure that the agreed budget savings are delivered quickly and efficiently. Nevertheless, the panel is satisfied with the progress of the Council in this respect.

4. Regeneration

- 4.1. The Council has a very ambitious regeneration agenda, with multiple funding streams and emerging relationships with external partners like Homes England and Peel Holdings Ltd. There are many risks associated with the scale of the ambition and the Panel has discussed these risks at all of its meetings to date.
- 4.2. The Council has in place good governance to oversee and direct this work and relationships with developers are productive. The main risks are associated with the capacity and capability of the regeneration team and also the support required to facilitate such an ambitious programme, including experienced legal, financial and commercial advice and expertise. The Council has put in place additional internal and external support, and it is essential that the client management of the external resource is a joint endeavour between the regeneration, financial and legal teams and that in this respect the council is genuinely operating as one Council.
- 4.3. The risks related to the regeneration programme are well known to the Council but we are yet to be fully reassured that they are being adequately addressed. Accordingly, we remain concerned at the internal capacity of the Council to deliver on this agenda with sufficient pace to create momentum. The Panel believes that governance and strategic considerations, such as resolutions around the future of the Wirral Growth Company, need to be resolved quickly so the Council starts delivering, building developer, community, and council confidence.
- 4.4. Additionally the Panel did identify that the planned internal resourcing of regeneration work is based on the assumption that a proportion of the teams costs can be capitalised (this relates not only to growth in the team's resources but also circa £1.6m of its current costs). This strategy has not yet been validated by the Council's S151 officer and would need agreement with external audit as it does not represent the commonly understood position with regard to capitalising costs where no Council asset is being provided. If such a strategy is not possible this would unfavourably impact the 2021/22 revenue outturn and future years budgets and arrangements for resourcing growth in regeneration activity.
- 4.5. The Council's future financial strategy also depends on the achievement of income from regeneration schemes and the panel will want reassurance before our next report to Full Council that sufficient progress is being made on the regeneration programme.

5. Overarching Improvement Plan

5.1. An improvement plan has been agreed which is attached at Appendix two, and which has brought together the recommendations for the following reports 1. Ada Burns 2. CIPFA and 3. The LGA peer review. Clearly this will be the focus of the work of the panel as we progress. The dashboard against DLUHC recommendations is also attached as Appendix 3. At present the panel is happy with the progress to develop an improvement plan and is in line with where the Council needs to be at this point in time though this is no time for complacency and 2023/24 as stated above remains a concern.

6. Quality of Relationships

6.1. The observations of Ada Burns and comments arising with members of the Assurance Panel have indicated that the quality of relationships between Councillors and officers hasn't in all cases been one of mutual trust and respect and whilst the behaviours of the majority of Councillors is businesslike and cordial there have been occasions in recent years, and indeed in recent public meetings, when relationships between some Councillors and some officers has become strained. Where this is the case it **may** create an imbalance which adversely impacts upon the ability of officers to confidently advice without fear or favour. This is not conducive to good governance.

6.2. On a positive note, the recent LGA peer review found that both members and officers felt that the quality of their relationships were improving and that there was an increased level of trust compared to the Council's recent history. However, it is recognised that there is further work to do in this area and it is welcome to note that there is a strong appetite for ongoing Councillor and officer development in this respect to enable a more balanced and open dialogue and to learn from good practice in this respect from others in the Local Government sector. The Leader of the Council and the Leader of the Opposition are committed to ensuring that this will continue.

6.3. In 2020 the Council established a Member Support Steering Group, (MSSG), which has been meeting on a quarterly basis since its inception and which amongst other things includes the following elements its terms of reference:-

- *Actively promote, encourage and oversee member culture, development and support.*
- *Explore, research, gather insight, examine and develop and implement new innovative methods, approaches and initiatives to improve member culture, development and support.*

6.4. The MSSG has recently been working with officers on a comprehensive member development programme designed for post the May 22 elections and this is complimented by the existence of a Member induction materials and a Training Portal which enables access to a wide range of courses and materials. The programme contains a wide range of

sessions some of which are mandatory. It will be essential that attendance at mandatory training courses are monitored and reviewed regularly and the Code of Conduct for members should be a part of the mandatory training programme.

6.5. It is important that the three statutory officers (Head of Paid Service, section 151 and Monitoring Officer) work together with the political groups to ensure that the highest standards of behaviour by members and officers are maintained. Without these three officers working together seamlessly the council will not achieve its ambition to have the very best governance. At this point the panel feels that there needs to be improvement in this respect. To be very clear, it is important the lead from the Chief Executive is fully supported by both the Monitoring Officer and S151 Officer.

6.6. The induction for new Councillors includes a session on ethical standards and the Councillor Code of Conduct and although the IAP cannot, at this point, give full assurance in this respect it is intended that this emerging programme will continue to be monitored and feature more fully in the IAP's next report in six months' time. The panel is, however, reassured by the programme now in place.

7. Summary

7.1. In short, the panel applauds the progress made to date on the 2022/23 budget, the local plan, streamlining governance, the move to all out elections, the development of a comprehensive member development programme and some improvement in member and officer relationships. However, much remains to be done as highlighted in this report, on finance, regeneration, transformation and ongoing improvement. The panel will be closely monitoring progress on the items raised in this report and will expect to see significant progress by our next report in November 2022.

Appendix 1.0- Terms of Reference

Wirral Council Independent Assurance Panel

1.0 Terms of Reference

- 1.1 The Secretary of State for Levelling Up, Housing and Communities has requested that Wirral Metropolitan Borough Council (WMBC) establishes an Independent Assurance Panel (IAP) consisting of non-executive advisors that will remain in place for two-years.
- 1.2 The request came in response to a series of recommendations made in the governance and finance reports that were published 02 November 2021, as part of an external assurance review commissioned by the Department for Levelling Up, Housing and Communities (DLUHC).
- 1.3 This Panel will advise and scrutinise the development and implementation of the Council's Improvement Plan; providing assurance that it is both robust and deliverable.
- 1.4 The panel will monitor delivery of the plan and report to Council on performance at least twice a year.
- 1.5 The panel will provide regular updates and reports on progress to the DLUHC

2.0 Purpose

The purpose of the Panel is to:

- 2.1 Provide external advice, challenge, and expertise to WMBC in driving forward the development and delivery of their Improvement Plan.
- 2.2 Provide assurance to the Secretary of State on the development and implementation of the Council's Improvement Plan.
- 2.3 Provide regular updates and progress reports to the Council on the delivery of the Improvement Plan.

The panel will draw on a wide range of expertise to:

- 2.4 Provide regular advice, challenge, and support to the Council on the full range of their improvement activities and specifically on the delivery of the 10 recommendations included in the CIPFA Finance report and 17 recommendations included in the Governance Review.
- 2.5 Ensure financial sustainability of the Council is achieved through a financial recovery plan for years 2022/23 to 2024/25.

2.6 Seek assurance that key decisions are made cognisant of the financial implications and impact on in-year budgets and the long term MTFS.

2.7 Support and monitor progress against the recommendations and identify risks.

3.0 Format and Frequency:

3.1 The Panel will convene for the first time in December 2021 and is expected to conclude in December 2023, subject to the Panel being assured of the Council's ongoing stability.

3.2 It is anticipated The Panel will initially meet monthly (more frequently if required). Meeting frequency will be reviewed at six-months with a view to moving to quarterly, subject to appropriate progress being made.

3.3 Meetings will be held in private, and the minutes to support these meetings will not be published. Instead, the communications of the Panel will be set out through their formal update letters to the Secretary of State. The first response from the Council to the SOS will be the end of January 2022.

3.4 Meetings will be supported by a Secretariat provided by WMBC.

3.5 Meetings of the Independent Panel will be held either in person or online to allow flexibility for meetings to continue should there be limited availability of attendees, or further restrictions introduced due to COVID-19.

3.6 Written updates to the Secretary of State will be shared with all Panel Members prior to submission for issues of factual accuracy. Content will be approved by the independent Chair and will be submitted on a six-monthly basis as set out by the recommendations (indicatively April and October) with the intention of aligning to financial reporting.

4.0 Membership and Alignment:

4.1 The Membership of the IAP will comprise the following, appointed for a two-year term. Importantly, these appointments will not be as 'employees' of WMBC, but rather as independent 'post-holders'.

Panel Member	Role	Background
Carolyn Downs	Independent Chair	Chief Executive – London Borough of Brent
Richard Paver	Independent External Member (Finance)	Former Treasurer Manchester City Council and Greater Manchester Combined Authority
Quentin Baker	Independent External Member (Governance)	Director of Law and Governance – Hertfordshire County Council

Sean Hanson	Independent External Member (Assets, Contracts, and Companies)	Chief Executive – Local Partnerships
Claire Hogan	Local Government Association Regional Improvement Lead	Principal Advisor (North West) – Local Government Association
Cllr Shaun Davies	Local Government Association Peer (Labour)	LGA Peer Member (Labour), Leader of Telford and Wrekin Council
Cllr Mike Wilcox	Local Government Association Peer (Conservative)	LGA Peer Member (Conservative), Lichfield District Council
Cllr Janette Williamson	Leader of the Council	Leader of Wirral Council (Labour)
Cllr Tom Anderson	Leader of the Opposition	Leader of the Conservative Group Wirral Council
Paul Satoor	Chief Executive	CEO Wirral Council

- 4.2 Additional independent external members may be appointed to the panel in the future if required as further progress is made with the Council’s Improvement Journey.
- 4.3 The Independent Assurance Panel will work closely with the existing Committees and Forums of the Council. The relationship between the IAP and these Committees will not be reflected in the Council’s constitution, instead, the IAP will oversee and challenge the existing constituted forums of the Council.
- 4.4 As an Advisory Board, it is not proposed that the IAP would vote on decisions, and instead would provide challenge and advice in the round.

5.0 Costs and Support

- 5.1 Any costs associated with the Independent Assurance Panel will be met by Wirral MBC. This includes the officer time required to support the Panel, and the delivery of the Council’s Improvement Plan.
- 5.2 Panel members will be paid a fee for their work as appropriate; the fee will be paid on a personal basis.

18.05.22

- 5.3 Panel members will need to work flexibly as the demand of the role requires. However, Council may wish to agree in advance the number of days advice to be provided by each panel member over each 12-month period. It should also be recognised that there is likely to be more need for input at the start of this process, and days should be weighted accordingly.
- 5.4 The Panel will be supported by an effective programme office to ensure that the overall programme plan is proactively tracked, kept up to date and that issues and risks are managed on a day-to-day basis through officers.

Appendix 2.0 – Previous Findings and Support:

This note provides a prose overview of the support which the LGA has provided to Wirral Council since the publication of their External Assurance Reports (published November 2021) to assist in the production of the Panel’s first progress report as set out above. It is structured to support the introduction to the Panel’s report, with supplementary information below:

In 2020-2021, Wirral Metropolitan Borough Council (WMC) applied for exceptional finance support worth £6.5m, with a further request of £10.7m being made for 2021/22. This application to part capitalise the Council’s budget was made in the context of a revenue budget of £329 million. The Council’s latest forecast has shown that this application has since reduced by £4.3m due to additional grants and in-year underspends.

A consequence of this application was the Department for Levelling Up, Housing and Communities (DLUHC) commissioning two independent assurance reviews of the Council, focusing on issues of Governance and Finance. These reviews were completed by Ada Burns and CIPFA respectively and published in November 2021. These reports included several specific recommendations to the Council, as well as the appointment of an Independent Panel to advise the Council and monitor delivery over a two-year period.

The Council has responded positively to the publication of these reports, establishing the Panel to meet informally in December, and seeking support through the LGA to ensure that Panel members had the appropriate skills, expertise, and capacity to support the Council. The Council has also undertaken a review of their current governance arrangements through working in the Committee System. This work was completed by the LGA, using political peers from across the sector to engage with political groups on potential improvements to the Council’s current arrangements. These five individual focus groups were followed by a cross-party meeting, in which ten recommendations were agreed across the local groups.

The Council has also made demonstrable progress with their Local Plan, with Full Council approving the document to move to Regulation 19 on 21 March 2022. The endorsement of this Local Plan is a central feature for the Council’s improvement given that they have not had one in place since 2000.

Supporting Information: There is further information set-out below to act as reference information, and supporting documents are available on request:

1. Planning Advisory Service Review (report available on request):
2. Establishing the Improvement Panel:
3. Review of Working the Committee System (report available on request):
4. Political Engagement on Budget / Engagement on Draft Improvement Plan:
5. Corporate Peer Challenge (slides available on request):
6. Decision Making Authority Review:

1. Planning Advisory Service Reviews (July 2019 and September 2020):

- The LGA supported the Council in July 2019 by completing a Planning Service Peer Challenge. This was completed as the Council were 'at risk' of intervention from the Secretary of State for not having a Local Plan in Place (they have not had a Local Plan since 2000, and have therefore relied on Unitary Development Plan), this was described as "lamentable" in a letter the Council received from the SOS.
- Planning review highlighted historic under delivery on housing of 470 (2014-2019) against annual target of 800, as well as underperformance in the Planning Team on processing planning applications (60% of Major applications in time).
- The review included a series of recommendations, the most notable included establishing a Place Directorate, developing cross-party support for Local Plan, and develop a narrative on the importance of Growth to the Borough.
- A revisit was completed by the Planning Advisory Service in September 2020 which found significant progress has been made against these recommendations, with there being shared political commitment to a Brownfield first approach on the Local Plan.
- The Local Plan was approved at Full Council on 21 March 2022 to move towards Reg 19 consultation, with cross-party support.

2. Establishing the Improvement Panel (December 2021):

- The Council approached the LGA for support in establishing their improvement panel. This included providing an overview of the Terms of Reference which have been used by similar panels elsewhere in the sector, and dialogue with the Council regarding the skills and experience which would be most beneficial to their improvement.

The LGA also acted as a broker in identifying Peers with the appropriate skills and experience to support the Panel's work

3. Review of working in the Committee System (December 2021):

- The Council requested that the LGA support the Council to consider their Committee Structure, in line with the following recommendation included in their Assurance Reports: Members to work with the Director of Law and Governance to review the Committee system to reduce the number of Committees, assign authority to the Policy and Resources Committee in respect of financial recovery, and significantly reduce the related administrative burden
- The findings from this work were presented to the Council's Constitutional Committee in January 2022.
- This work led to cross-party consensus on a number of issues of proposed changes to the Committee System, which are locally owned by the Council to take forward, these included:
 - A shared commitment to reduce the number of committees to reduce the risk of fragmentation and support 'corporate grip'.

- Agreement for Committees to focus their work programmes and agendas on the issues identified in the External Assurance Reports.
- Empowerment of the Policy and Resources Committee to lead on issues of financial recovery to avoid this being 'undone' in other Committees.
- Agreement to dissolve the Decision Review Committee which acted as a risk to quick decision making and was a 'hangover' of the previous Cabinet model.

4. Political Engagement on the Budget and Draft Improvement Plan (February 2022):

- At the request of the Improvement Panel, there was additional Peer Engagement with political groups of the Council ahead of the 2022/23 Budget setting process. This included engagement with the Conservative and Labour Groups through Panel Members (Cllr Davies and Cllr Wilcox). This engagement took place with the Liberal Democrats through Cllr Lisa Smart (Regional Lead for Improvement) and with the Greens through Cllr Sue Shanks (Green Member for Brighton who has built a relationship with the local groups through her involvement in the work on their Committee System).
- Officers from the LGA (Claire Hogan and Matt Dodd) met with colleagues from WMBC to discuss their draft Strategic Improvement Plan following the Board's January meeting. This included providing copies of other improvement plans developed by Council's historically, and an input on the draft which has been developed to date.

5. Corporate Peer Challenge:

- The Council was scheduled to undertake a Corporate Peer Challenge in January 2022. It was agreed with the LGA that this work would be more appropriate if completed in March 2022 to allow the Council to focus capacity on establishing the Improvement Panel, and to enable the Team to review an approved 2023/24 budget position.
- The CPC was completed 21-24 March, and was led by Jacqui Gedman (CEX Kirklees), and included Sir Steve Houghton, Cllr Mike Wilcox, Carol Culley (S151), Asif Ibrahim (MO), and Sharon Senior (Regeneration Peer).
- The findings from the CPC have been shared with the Council via presentation, and a report is being developed for publication following the pre-election period / Purdah.
- As preparatory work ahead of the CPC, Team Members engaged with their equivalents at the Council, but also the respective Panel Members to support the development of questions and our understanding of the Council.
- As preparatory work ahead of the CPC the LGA undertook an independent evaluation of the Council's 2022/23 budget (as passed), considering the progress made against the CIPFA recommendations.

6. Decision Making Authority:

- At the request of the Council the LGA's workforce team has been asked to consider the structures of the Council through the DMA process. This framework looks at the levels

within a Council that decisions are made to highlight issues of delegation and capacity (the approach does not consider issues of capability within roles).

- Interim findings from this review were shared with the Corporate Peer Challenge Team before arriving onsite to avoid duplication and support alignment and are due to be shared with the Council in early April.
- The DMA review focussed on those areas as which were agreed with the Chief Executive and the AD for HR&OD, notably Assets, Finance and Legal services.
- The key issues highlighted through this work include the following, and rectifying actions have been proposed (including 'Top Team development', strengthening the corporate core, and more focus on performance in culture):
 - The DMA review identified Seven layers of hierarchy in some areas of the organisation, where 5 is good practice for a local authority of this size.
 - This results in frontline staff being too far removed from the Chief Executive role with 4-five layers between them and the Chief Executive.
 - Having 7 direct reports to the Chief Executive is higher than most spans for a Metropolitan Borough Council the size of Wirral and can lead to 'silos' bottlenecks and silos, leading to slower decision-making and reduced efficiency.
 - The Council lacks a strong corporate core, and this is partly due to the 'light' portfolio of the Director of Resources and the Corporate Office sitting within The Neighbourhood Directorate.

18.05.22

Appendix 3 (attached separately)

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WIRRAL COUNCIL RESPONSE TO DLUHC REPORT RECOMMENDATIONS

Ref	Report	Recommendation	RAG	Comment	Officer Lead	SLT Lead	Supporting Evidence
1.1	Ada Burns	Within the next three months (and by the end of Quarter 3) develop a financial recovery plan for the three years 2022/23 to 2024/25: a) the plan to be developed with the active engagement of Members, built from robust data, and following a training programme on local government finance; b) all Group Leaders to engage constructively with the plan and support a dialogue with the public.	Red	An Improvement Plan is in development that will incorporate a dedicated section for the Financial Recovery Plan. The Plan will be reported to Policy & Resources committee as early as possible following the local government elections 5 May. (a) The 2022/23 budget has been developed following Local Government Finance Training for Members and with significant engagement of Group Leaders and weekly Finance Sub-Group meetings. (b) A series of Group Leader planning sessions will be scheduled following the elections to secure support and full buy-in to the Improvement Plan.	Simon Carrigan	Shaer Halewood	Member Training MTFs - 01/12/21 Budget - 17/01/22 Budget - 15/02/22
1.2	Ada Burns	Suspend all work on new initiatives which do not directly contribute to the development or implementation of the plan or are otherwise required to meet statutory obligations.	Green	Work has ceased on the creation of a Community Bank. The PMO has developed a process for scoring and prioritising all non-core (project) activities. Refreshed operational & programme governance arrangements have been developed to maintain grip on Council activity.	Tim Games	Shaer Halewood	Q3 Capital Report PMO - SLT paper
1.3	Ada Burns	Appoint an independent Panel , with appropriate legal and financial expertise, to: (a) advise and scrutinise the plan to provide assurance to the Council that it is robust and deliverable; (b) monitor delivery of the plan and report to the Council on performance against the plan twice a year.	Green	Panel and draft ToR set up December 2021. Informal introduction meeting 21/12/21 plus a number of dedicated sessions on specific issues - finance, regeneration, audit. Regular monthly meetings are now being held.	Mike Callon	Paul Satoor	Panel ToR Panel Membership
1.4	Ada Burns	The Ministry of Housing, Communities and Local Government should consider the Panel's report on progress against the Plan to seek assurance that the Council is moving effectively towards financial sustainability.	Yellow	The Chief Executive and Panel Chair have regular meetings with DLUHC. The first formal report to DLUHC will be provided in May after the election.	Paul Satoor	Paul Satoor	TBC
1.5	Ada Burns	The Wirral Metropolitan Borough Council should move to implement a four year, "all out" electoral cycle at the earliest opportunity.	Green	The Public consultation on the Whole Council Election Scheme ran from 13 December to 20 February. The outcome of the consultation was reported to Council 21 March 2022 and a decision taken on proceeding to the introduction of all out elections from May 2023.	Steve Fox	Phil McCourt	P&R - 30/11/21 Consultation link Council 21/03/21
1.6	Ada Burns	Prioritise income from growth to support the re-building of reserves.	Green	The MTFs/MTFP removes income from growth. The 2022/23 budget increases the Council's general reserve from 3.2% to 4% and the MTFs sets the goal of increasing it to 5% in 2023/24.	Dan Kirwan	Shaer Halewood	P&R - 15/02/21
1.7	Ada Burns	The Director of Resources to ensure that <u>all</u> reports include explicit financial implications.	Green	Report sign-off arrangements for SLT & committees have been refreshed. Financial implications are a key element of this. The S151 officer oversees and signs off on all reports through the reports sign-off system.	Dan Kirwan	Shaer Halewood	Revised SLT template CCOG Meetings
1.8	Ada Burns	The Chief Executive to review the portfolio of the Director of Resources to ensure that she has the capacity and support to develop and manage delivery of the financial recovery plan.	Yellow	Stuart Fair was appointed in November 2021 to support the 2022/23 budget process and development of a Financial Recovery Plan. The LGA has been commissioned to undertake a review of capacity within Resources, Legal Services and Assets. This is due to complete in May 2022 and will inform any required restructuring to ensure there is sufficient capacity in place.	Tony Williams	Paul Satoor	SF - appointment LGA Review
1.9	Ada Burns	Undertake an LGA Corporate Governance Peer Review at an appropriate point to further underpin broader improvement in governance and outcomes.	Green	The LGA Corporate Peer Challenge was undertaken 21 - 24 March 2022. The findings of the CPC have been used to inform the Council's Improvement Plan.	Mike Callon	Paul Satoor	LGA CPC Scope Self-assessment
1.1	Ada Burns	Consider commissioning an LGA Peer Review of its arrangements for regeneration.	Green	The Independent Panel is undertaking a deep dive into the Council's Regeneration Programme and capacity to deliver. Monitoring of progress will be continuous by the Panel.	TBC	TBC	TBC

1.11	Ada Burns	Strengthen its approach to management of corporate risk and ensure better visibility on key risks.		Independent Members were appointed to Audit & Risk Management Committee from January 2022. A Member training session on risk management was delivered to 31 Members on 19 January and recorded to be used as a resource on the Members portal. An SLT focus session was delivered in March to review the corporate risk register . Future risk reporting will be included on P&R Committee agenda and forward plan.	Mark Niblock	Shaer Halewood	ARM January 2022
1.12	Ada Burns	Consider the Annual Audit letter at Policy and Resources Committee.		The Annual Audit Report has been delayed due to thw whole of government accounts. This will be reported at the earliest possible time and is expected to be November 2022.	Dan Kirwan	Shaer Halewood	Committee Report
1.13	Ada Burns	Members to work with the Director of Law and Governance to review the Committee system to reduce the number of Committees, assign authority to the Policy and Resources Committee in respect of financial recovery, and significantly reduce the related administrative burden.		Authority in respect of financial recovery was assigned to P&R committee at the 30 November meeting. The LGA and officer review of the committee system were completed in January with findings reported to the Members Governance Working Group. Proposals in respect of reducing the number of committees and increasing delegation will be recommended to Council by Constitution and Standards committee for adoption at Annual Council in May.	Steve Fox	Phil McCourt	P&R - 30/11/21
2.1	CIPFA	(A) On reserves: Develop a mitigation plan for outturn variances in 2021-22. (i) Carry out a more realistic assessment of the current year savings and the extent to which they will be delivered in the current financial year. (ii) Identify and pursue additional savings, such as in the Neighbourhoods directorate and in staffing efficiencies that, if necessary, can be used to offset current savings that are unlikely to be delivered in the current financial year.		The in-year savings position was assessed in summer 2021 and regular reporting has been maintained to understand where mitigation was required and this was idenfied accordingly. The overall 2021/22 budget position has been closely monitored on a monthly basis by officers reported through Policy and Resources Committee as part of regular financial reporting.	Dan Kirwan	Shaer Halewood	Savings Dashboard
2.2	CIPFA	(B) On Reserves: Develop a plan to rebuild general reserves over the period of the Medium-Term Financial Strategy (i) Undertake a review of financial reserves that considers increased risks in terms of savings delivery and those associated with Council's companies (ii) Review the level of earmarked reserves to determine whether they are still required for the purpose that they were established with a view to using any monies that are no longer required to rebuild general reserves to a level that adequately mitigates the risks to longer financial sustainability (iii) Build in an obligation to increase the General Fund reserve in line with the above risks assessment over the period of the MTFs.		(i) A review of financial reserves and risks in terms of saving's delivery has been completed. A further review of reserves and the risks associated with Council companies will be commissioned by 31 March 2022 and reported through Audit and Risk Management Committee later in the New Year. (ii) A detailed review of earmarked reserves has been undertaken as part of the 2022/23 budget process. (iii) The MTFs sets out a clear goal/timetable to build the general reserves position to 5%. The 2022/23 budget seeks to imprve the general reserve position from 3.2% to 4%. It is proposed that in future, all reserves will be held centrally, and a reserves strategy will be brought forward as part of quarter 3 monitoring as a deliverable of the FRP.	Dan Kirwan	Shaer Halewood	Figures for 22/23 reserves increase
2.3	CIPFA	(C) On future sustainability: Prepare a more realistic Medium Term Finance Strategy that better reflects the challenges facing the Council (i) Ensure that the Strategy is explicit about the challenges facing the Council and the tough choices that it will need to make (ii) Adopt a realistic approach to regeneration and prevention measures and the limited impact they may have on the MTFs in the short term. (ii) Seek Member approval either through Council or the Policy and Resources Committee for the updated MTFs at the start of the budget process to set the framework for committees to consider outline spending plans or budget options.		A new MTFs was approved at Policy & Resources Committee 1 December 2021. (i)The new MTFs sets out a more realistic assessment of the Council's financial position and challenges as well as providing a series of principles for prioritisation to inform decision-making. (ii) Regeneration and prevention measures have been reviewed and adjusted accordingly in MTFs/MTFP assumptions. (iii) The MTFs was used to develop the budget envelopes for Directorates for the 2022/23 budget development process. These envelopes were agreed by Finance Sub-Committee and critical to the agreement of the 2022/23 budget proposals.	Dan Kirwan	Shaer Halewood	P&R report 1 Dec 2021 Budget Envelopes

2.4	CIPFA	<p>(D) On future sustainability: Update the Medium-Term Financial Plan so that it provides a realistic assessment of the financial challenge facing the Council.</p> <p>(i) Use a sensitivity model to show the potential range of the funding gap over the period of the MTFP if various key assumptions e.g., inflation/pay/council tax are changed.</p> <p>(ii) Use a risk-based approach to the delivery of savings within the MTFP. Factor in the likelihood that a proportion of savings will not be delivered each year</p> <p>(iii) Revise the MTFP to correct the errors identified in relation to post Covid income</p> <p>(iv) Remove the assumed profit share from the Wirral Growth company as this should not be relied upon for financial planning purposes.</p>	<p>The updated MTFP provides a more realistic assessment of the Council's financial challenges.</p> <p>(i) A sensitivity model was incorporated into the budget preparation report that went to Policy and Resources committee on 25 October 2021.</p> <p>(ii) A risk-based approach for 2022/23 savings proposals has been incorporated with internal and external (CIPFA) validation of all proposals put forward. A £3m reserve has been allocated in year to mitigate non-delivery of any of the £18m savings required.</p> <p>(iii) Errors identified in the CIPFA external assurance report have been corrected in the refreshed MTFP that was reported to P&R in February 2022.</p> <p>(iv) To reflect a more prudent approach, the profit share from the Wirral Growth Company has now been removed from the MTFP and will be held in a regeneration reserve.</p>	Dan Kirwan	Shaer Halewood	P&R Report 25/10/21
2.5	CIPFA	<p>(E) On savings plans: Engage Members at an early stage in identifying savings</p> <p>(i) Task the P&R Committee with specifying the parameters, assessment criteria and targets for the savings required from each Committee as part of the process for agreeing the Medium-Term Financial Strategy at the outset of the budget process.</p> <p>(ii) Set challenging targets to identify additional savings in existing high-spend areas, such as the Neighbourhoods Directorate, for consideration by Members of the P&R Committee.</p> <p>(iii) Set clear financial targets for any service reviews in line with the Medium-Term Financial Strategy. This should include a review of the benefits and costs of discretionary spend. (P&R Committee).</p> <p>(iv) Task the Senior Responsible Officers for each planned saving to develop detailed delivery plans that can be signed off by Members at the relevant Committee. (P&R Committee).</p> <p>(v) Establish a working group of the Executive Team and all Group Leaders to develop a robust Medium Term Financial Strategy and associated plans for a more fundamental reshaping of council budgets and service delivery to achieve a balanced budget.</p> <p>(vi) Task the P&R Committee with regularly reviewing progress with the delivery of savings so that any slippage can be identified and mitigated timeously.</p>	<p>Policy Committees were engaged in the budget setting process from July 2021 onwards. A Finance Sub-Committee was set up in October 2021 to oversee the process and review all savings proposals.</p> <p>(i) The updated MTFS (1 December 2021) provided the framework for developing savings proposals. The creation of the Finance Sub-Committee ensured the required focus and control for approving the budget envelopes and financial targets for Directorates.</p> <p>(ii) The budget envelopes defined the targets for Directorates and were approved by the Finance Sub-Committee in November 2021.</p> <p>(iii) A programme of service reviews is being brought forward aligned to the savings targets set out in the MTFP.</p> <p>(iv) SRO are being appointed for all service reviews to own the associated business for change.</p> <p>(v) Regular Group Leader / SLT meetings have supported the Finance Sub-Committee in developing the MTFS and 2022/23 budget setting process.</p> <p>(vi) The Finance Sub-Committee will follow a star chamber approach to ensure there is effective oversight and monitoring in terms of delivering 2022/23 savings plans, with Committee Chairs and Directors being held to account.</p>	Dan Kirwan	Shaer Halewood	<p>MTFS Budget Envelopes Service Review Prog Role of Fin-Sub</p>
2.6	CIPFA	<p>(F) On commercial practices and borrowing: Maintain oversight over existing level of borrowing</p> <p>(i) Review its capital programme and ensure that it has identified realistic capital programme pressures in 2023-26 so that it can assess the overall impact on Council borrowing.</p> <p>(ii) Consider setting tight limits on the level of future borrowing to ensure that the minimum revenue provision remains prudent.</p> <p>(iii) Dispose of sufficient assets to obviate the longer-term need for borrowing under the capital direction.</p>	<p>(i) A review of the Capital Programme has been conducted and the impact on future pressures factored into the MTFP reported to P&R in February.</p> <p>(ii) The Council employs prudential indicators to maintain limits on future borrowing to ensure the MRP remains prudent. Updates on this are reported to P&R and full council. Given the scale of planned investment in regeneration, an independent external review of the Council's financial risk exposure will be commissioned and reported to P&R / Audit & Risk committees to determine the need to update the risk register and Treasury Management / MRP policies. This will comply with external audit advice to ensure members are aware of our investment risks.</p> <p>(iii) An Asset Management Plan has been drafted and is awaiting sign-off. An accompanying Asset Disposal Strategy will be commissioned for completion by June 2022 to inform a programme of assets disposals that supports payback of the Council's capitalisation directive.</p>	Dan Kirwan	Shaer Halewood	<p>Capital Reporting Draft Asset Strategy</p>

2.7	CIPFA	<p>(G) On assets: The Council should develop a clear asset disposal strategy</p> <p>(i) Review the condition of all Council assets to determine maintenance requirements over the medium term</p> <p>(ii) Engage with Members at an early stage to develop a realistic asset disposal strategy that focusses on the disposal of assets that require significant maintenance and repair</p> <p>(iii) Identify asset disposals to offset the risk of increased council borrowing which could fund the repair and maintenance of existing council assets, the cost of the capitalisation direction and future potential regeneration plans</p>		<p>An asset disposal strategy will be brought forward by July 2022.</p> <p>(i) The Council maintains a continuous process of conditions surveys. This will be aligned with the Asset Disposal Strategy as this is developed by July 2022.</p> <p>(ii) The draft Asset Disposal Strategy will be provided for Members and a dedicated session convened to finalise this in advance of formal approval.</p> <p>(iii) Negotiations have concluded with Muse Ltd to take back assets that has been optioned to Wirral Growth Company. The disposal strategy will set out a programme of work to best realise value from these sites to pay off the borrowing required to support the Council's capitalisation request.</p>	J. Royle	Alan Evans	<p>Draft Asset Strategy</p> <p>Wirral Growth Co P&R report 21/03/22.</p>
2.8	CIPFA	<p>(E) On governance and oversight: Prioritise the work required to build financial resilience</p> <p>(i) Halt those initiatives, such as the development of a Community Bank, that would otherwise divert the focus of the organisation from addressing the Council's finances as well as exposing it to additional financial risk.</p> <p>(ii) Re-assign the non-financial responsibilities of the Section 151 Officer to enable the individual to focus on financial resilience. If the role is re-assigned, the Section 151 Officer should continue to be part of the executive leadership team.</p>		<p>The recommendation of Policy & Resources Committee 30 November 2021 highlighted the prioritisation of financial resilience and planning.</p> <p>(i) The Community Bank project has been halted and a detailed review of other Council initiatives will be subject to prioritisation.</p>	Dan Kirwan	Shaer Halewood	<p>P&R Report 30/11/21</p> <p>P&R Capital Monitoring Report - 17/02/22</p>
				<p>(ii) Additional capacity has been brought in to support the Section 151 Officer to ensure sufficient focus on financial resilience through the appointment of Stuart Fair. An LGA review of capacity in relation to Resources, Legal Services and Assets will be completed in May 2022.</p>	Stuart Fair	Paul Satoor	
2.9	CIPFA	<p>(F) On governance and oversight: Strengthen financial governance</p> <p>(i) Provide a mandatory annual training session for Members on local government finance and their core financial responsibilities as members</p> <p>(ii) Provide briefings on Council financial challenges to all Council managers.</p> <p>(iii) Provide a mandatory briefing to all Members on the key financial challenges facing the Council.</p> <p>(iv) Appoint shareholder representatives and task a senior manager in finance with responsibility for monitoring the resource needs of the Council's companies.</p> <p>(v) Develop quality assurance arrangements, such as a peer-based improvement panel, to ensure written and oral briefings and other materials provided to Members clearly state the financial position and what actions are proposed</p>		<p>(i) A dedicated Training Session on Local Government Finance was delivered to P&R Committee Members 24 November and all Elected Members 30 November.</p> <p>(ii) Regular briefings on the DLUHC reports and the Council's financial challenges have been maintained through regular manager briefing channels (Manager Network / CMT).</p> <p>(iii) An all-Member briefing on the financial challenges facing the Council will provide the starting point for this on 15 November.</p> <p>(iv) Officer responsibilities in relation to monitoring Council companies have been assigned and shareholder representatives reviewed.</p> <p>(v) The Independent Panel has provided the quality assurance to ensure effective reporting of our financial position and the 2022/23 budget recommendation process.</p>	Shaer Halewood	Paul Satoor	<p>Member briefings & training sessions.</p> <p>Officer networks & briefings.</p> <p>Nominated officer for monitoring companies.</p>
2.10	CIPFA	<p>(G) On governance and oversight: Ensure that all key risks are identified.</p> <p>(i) Commission an independent review of the financial position of the Council's companies and other commercial ventures to ensure all potential risks are identified</p> <p>(ii) Ensure that all major Council risks in relation to financial resilience are scored</p> <p>(iii) Include risk management awareness, particularly in relation to financial risks as part of the member awareness training.</p>		<p>(i) An independent review of our risk exposure in relation to all commercial investments will be commissioned by 31 March 2022 and completed later in the year.</p>	Di Grisdale	Shaer Halewood	
				<p>(ii) All Council risks in relation to financial resilience have now been scored.</p>	Mark Niblock	Shaer Halewood	Corporate Risk Register
				<p>(iii) Risk management awareness training was delivered to Elected Members 19 January, commissioned by CIPFA. 31 Members attended this training session which was recorded and made available for those that could not attend and future reference.</p>	Mark Niblock	Shaer Halewood	<p>Corporate Risk Register</p> <p>Risk Training Session</p>

APPENDIX 3: Update on Wirral's LGA Corporate Peer Challenge (CPC)

1.0 SUMMARY

Elected members will be aware that the LGA Corporate Peer Challenge (CPC) took place in Wirral 21st – 24th March 2022. At the conclusion of the visit, a summary of the initial feedback and findings were shared with elected members and other participants, and a final report is to be agreed and circulated imminently.

This note sets out an update on latest developments and next steps of the Peer Challenge process. Further engagement with elected members will take place in the coming weeks to consider the findings and agree how they can help inform the emerging Improvement Plan.

2.0 THE PEER CHALLENGE APPROACH

The LGA offer an extensive national programme of peer review to local councils as a key tool in supporting sector-led improvement, and to complement and add value to a Council's own performance and improvement thinking. The Corporate Peer Challenge approach aims to allow information, experience and expertise to be shared across the sector through a two-way process. The CPC draws on the experience of relevant peers, who face similar challenges and can share their experiences. The Peer Team who led Wirral's recent review comprised:

- Jacqui Gedman – Chief Executive (Kirklees Council)
- Cllr Sir Steven Houghton – Leader (Barnsley Council)
- Cllr Mike Wilcox - Conservative Peer (Staffordshire County Council)
- Carol Culley – Deputy Chief Executive and City Treasurer (Manchester City Council)
- Sharon Strutt – Head of Regeneration (London Borough of Redbridge)
- Asif Ibrahim – Monitoring Officer (Rochdale Council)
- James Millington – Local Government Advisor (LGA)
- Peer Challenge Manager – Matt Dodd (LGA)

2.1 SCOPE OF THE PEER CHALLENGE

Careful preparation and planning took place ahead of the visit to Wirral to ensure that the scope would add value and not duplicate any of the recent DLUHC external reviews. The scope was designed to inform and enhance the emerging Improvement Plan so the Team:

- Reviewed a range of information to ensure they were familiar with the Council, the place, the opportunities, the challenges, and our plans for the future.
- Considered reviews which have gone before (DLUHC), and engaged with the Independent Improvement Board as a point of triangulation.
- Undertook an independent review of finance and performance before arriving onsite

The Peer Team visited Wirral 21st – 24th March, and during their visit they:

- Collectively spent c. 280 hours to determine their findings
- Spoke to over 154 Councillors, Officers, and Partners
- Watched over 20 hours of public meetings and previous forums and Committees
- Visited some of our regeneration sites to better understand our ambitions.

The Team explored the five core components which are looked at by all Corporate Peer Challenges ie:

- Local priorities and outcomes
- Organisational and place leadership
- Governance and culture
- Financial planning and management
- Capacity for improvement

The Council also asked for some additional focus to be placed on delivering the Borough's ambitions for regeneration.

2.2 PEER CHALLENGE FEEDBACK

General Comments

The Peer Team made the following initial comments:

- We have met with many talented and impressive Members and staff, who are committed to delivering better outcomes for the residents of Wirral
- The Council has a huge level of ambition, particularly on issues of regeneration, and appreciates the opportunities that exist within the Borough
- There is a strong appetite across the Council for improvement, and this is recognised as a priority for the organisation
- There is a clear sense amongst Officers and Councillors that things are getting better, and that improvements have been made to address some historic issues
- The Council has made some progress through their work with the Independent Improvement Panel, but appreciates there is more to-do

Budget and Financial Planning

- The passing of the Council's 2022-2023 budget is an important milestone in responding to external reports. However, the organisation needs to ensure that there is 100% commitment and prioritisation to deliver the agreed proposals.
- There is a critical need for the progress made with the 2022-2023 budget to be maintained for 2023-2024, particularly within the context of all-out elections. There is no 'breathing space'.

Regeneration Vision

- There is a need to be able to tell 'the story' of Wirral, bringing together the Vision for the borough, to create a clear narrative for how regeneration benefits both people

and place. This will ensure that as the Council transforms opportunities are maximised for local residents “Regeneration of buildings is pointless without the regeneration of people”.

- Regeneration is not the solution to your base budget issues, it will bring as many challenges as opportunities.
- The delivery of the Council’s regeneration ambitions will require careful management, including the necessary revenue investment to support capacity, management of risk and corporate ‘wrap around’.

Governance and Leadership

- Whilst the Governance arrangements of the Council are improving, there is a need for further capacity to support and manage the wider political processes of the organisation, including support to the Leader and Chief Executive.
- There is a need for the Council to consider how information is used to support timely and effective decision making, including the use of performance information, informal engagement with Committees, and the structure, length and clarity of official reports.
- There is a need to consider how Corporate services are best aligned and work together to effectively support Council priorities and manage organisational risk.
- The structuring of agendas can be used to support more focused debate on decisions.

Culture, Learning and Development

- Whilst there has been some improvement in Member behaviours, there is more work needed to ensure that these are constructive and appropriate in all forums, and the impact that they have on the organisation is recognised.
- There is a strong appetite for ongoing member and officer development to support on these issues in the spirit of “one council, one voice”.

Concluding Comments

- You need to stop looking back and look ahead and be clear about your vision.
- There is strong recognition of the role the Chief Executive has played in improving the culture and morale of the organisation.
- The Leader has engaged positively with members across the Council.
- Members generally feel the Committee system has been more engaging.
- Within the Council you have committed, talented and loyal staff who are dedicated to improving Wirral. Their health and wellbeing is paramount to the work that the Council needs to do.
- There is still much left to be done, however, early progress has been made, and there are exciting opportunities ahead if this continues.
- The Council needs to demonstrate that the improvements can continue beyond the oversight of the improvement board.

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POLICY AND RESOURCES COMMITTEE

Wednesday, 8 June 2022

REPORT TITLE:	2021-22 BUDGET MONITORING FOR QUARTER FOUR (1 JAN – 31 MAR), 2021-22 OUTTURN
REPORT OF:	DIRECTOR OF RESOURCES

REPORT SUMMARY

This report provides a summary of the year-end revenue position for the 2021/22 financial year as at the end of March 2021. 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 Department for Levelling Up, Housing and Communities (DLUHC) 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 provides 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. An Independent Panel has been appointed to monitor the progress of the implementation of the recommendations of the review.

On 17 February 2022, Wirral Officers wrote to the Department to confirm that they were reducing the request for a capitalisation direction in 2021/22, from £10.700m to £6.360m. The main reasons for this reduction are additional grant support provided by Government, and Council underspends over the course of the financial year 2021/22. Confirmation has now been received that Ministers are content to approve a total capitalisation direction to fund revenue expenditure not exceeding £6.360m, subject to conditions. A copy of the letter from the Minister is included as an appendix and the Committee is asked to formally accept the offer at a reduced amount, subject to final sign-off of the 2021/22 accounts by the Council's external auditors.

The year-end revenue outturn for 2021/22, represents a favourable variance against revenue budget of £1.854m, which is £0.5m more favourable than the quarter 3 forecast.

As any favourable variance must contribute to the reduction in the value of the Exceptional Financial Support for 2021/22, the outturn year end position is a balanced budget.

This budget position included the utilisation of the Government's Exceptional Financial Support (EFS). The outturn position, subject to external audit, now means that the full amount will not be required.

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

RECOMMENDATION/S

The Policy and Resources committee is recommended to:

1. Note that the draft, unaudited outturn variance for 2021/22 is a balanced position, after utilising exceptional financing support.
2. Note the requirement to utilise £5.846m of exceptional financial support, in line with the relevant guidance (see Appendix 2), subject to external audit.
3. Authorise the Director of Resources to accept the revised offer of exceptional financial support from the Department of Levelling Up, Housing and Communities as referred to in Section 3.11 of this report.
4. Note the impact of funding and expenditure as a direct consequence of Covid-19, including the additional funding sources which have been identified, as referred to in section 3.10 of this report.
5. Agree transfers to earmarked Reserves, as detailed in the report.

SUPPORTING INFORMATION

1.0 REASONS FOR RECOMMENDATIONS

- 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 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.
- 1.3 This report presents timely information on the full year financial position for 2021/22, prior to final audit engagement.

2.0 OTHER OPTIONS CONSIDERED

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

3.0 BACKGROUND INFORMATION

- 3.1 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 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 has been 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 year-end revenue outturn represents a favourable variance against Directorate revenue budgets of £1.854m, noting the opening budget position includes provision for Exceptional Financial Support of £10.7m. As any favourable variance must contribute to the reduction in the value of the Exceptional Financial Support for 2021/22, the outturn year end position is a balanced budget.

TABLE 1 2021/22 REVENUE BUDGET & OUTTURN

	Budget	Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Adult Care & Health	113,651	112,592	1,059	1%	Favourable
Chief Executive Office	1,977	2,000	-23	-1%	Adverse
Children, Families & Education	87,318	86,678	640	1%	Favourable
Law & Governance	3,903	3,904	-1	0%	Adverse
Neighbourhoods Services	54,532	54,443	89	0%	Favourable
Regeneration and Place	34,278	34,407	-129	0%	Adverse
Resources	33,692	33,473	219	1%	Favourable
Total Surplus / (Deficit)	329,351	327,497	1,854	1%	Favourable
Additional value to offset EFS			3,000		Favourable
For Information:					
Included as part of budget funding:					
Exceptional Financial Support	-10,700	-5,846	-4,854	45%	

3.1.3 The reduction in COVID pressures, previously reported, remains the same. The value of exceptional financial support has reduced by £3m due to additional grant funding being received after submission of the Council's EFS request. The EFS requirement has then further reduced as a result of favourable year end outturn across the Council.

3.1.4 The year end outturn is more favourable than the quarter 3 forecast by £0.5m. As such, the EFS requirement in 2021-22 will be £5.846m.

3.1.5 It was imperative that the Council reported at least a supported balanced position at the end of the year and where possible, further reduce the value of the exceptional financial support offered by DLUHC.

3.1.6 Details on the delivery of 2021-22 savings is listed under each individual Directorate area below.

Directorate Summaries

3.2 Adult Care and Health

- 3.2.1 As at the end of March 2022 (Quarter 4), the year-end position for Adult Care and Public Health is a favourable variance of £1.059m against a budget of £113.651m.
- 3.2.2 The outturn reflects some slippage against providers yet to sign up to the Real Living Wage fee rates agreed at Committee on 7th June 2021 and £4.3m achievement of the £4.5m saving target against community care. There is a favourable position against employees as the service has managed vacancies throughout the year. The Better Care Fund (BCF) also reflected a favourable position at year end – this is split 50/50 with Wirral CCG as detailed within the S75 agreement.
- 3.2.3 Government funding for hospital discharge was extended to March 2022. For the period April to March 2022 funds of £1.6m have been received and are reflected in the outturn figures.

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

	Budget	Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Adult Social Care Central Functions	5,658	4,538	1,120	20%	Favourable
Older People Services - WCFT	51,693	51,756	-63	0%	Adverse
Mental Health & Disability Services - CWP	52,626	52,832	-206	0%	Adverse
Other Care Commissions	-101	-235	134	133%	Favourable
Public Health	-262	-262	0	0%	
Wirral Intelligence Service	489	415	74	15%	Favourable
Directorate Surplus / (Deficit)	110,103	109,044	1,059	1%	Favourable
Support / Admin Building Overhead	3,548	3,548	0	0%	
Total Surplus / (Deficit)	113,651	112,592	1,059	1%	Favourable

3.2.4 **Central Functions:** A favourable variance of £1.120m is reported at quarter 4. This variance is as a result of efficient management of vacancies, capitalisation of salaries and maximising the use of grant funding.

3.2.5 **Older People Services:** A minor adverse variance of £0.063m is reported at quarter 4. The outturn reflects full achievement of the £2m savings target attributed to Older People services. Continued uptake by providers of the Real Living Wage approved rates has reduced the expected outturn from quarter 3.

- 3.2.6 **Mental Health & Disability Services:** An adverse variance of £0.206m is reported at quarter 4. This is in part due to a shortfall against client income. The outturn reflects achievement of £2.3m against the original £2.5m savings target attributed to complex care services. This is an improved position from quarter 3 due to an increase of joint funded income.
- 3.2.7 **Other Care Commissions:** A favourable variance of £0.134m is reported at quarter 4. A 50% share of the favourable outturn against the BCF is reflected here along with several minor variances from budget.
- 3.2.8 **Public Health:** A balanced outturn is reported at quarter 4. Public Health is a ringfenced grant with an annual value £30.1m. A balance of £2.837m will transfer to reserves to meet future year contractual commitments. £6.7m of this funding supports public health activities delivered by the Council, representing a significant funding stream.
- 3.2.9 **Wirral Intelligence Team:** A favourable variance of £0.074m is reported at quarter 4. The minor surplus within this Service Area relates to employee budgets.

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

	Budget	Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Income	-87,334	-92,051	4,717	-5%	Favourable
Expenditure					
Employee	6,647	5,555	1,092	16%	Favourable
Non Pay	58,582	63,209	-4,627	-8%	Adverse
Cost of Care	132,208	132,331	-123	0%	Adverse
Total Expenditure	197,437	201,095	-3,658	-2%	Adverse
Directorate Surplus / (Deficit)	110,103	109,044	1,059	1%	Favourable
Support / Admin Building Overhead	3,548	3,548	0	0%	
Total Surplus / (Deficit)	113,651	112,592	1,059	1%	Favourable

Budget Virements

- 3.2.10 Following the recently agreed pay award, a budget virement to cover the cost of the agreed 1.75% pay uplift has been processed during Quarter 4 increasing the budget by £0.069m.

Budget Saving Achievement Progress

3.2.11 Within each Directorate'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 have changed and needed to be monitored closely to ensure, if adverse, mitigating actions could be taken immediately to ensure a balanced budget is reported to the end of the year.

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

Saving Title	Agreed Value	Outturn Value	RAG Rating	Comments
Demand Mitigations	£3.8m	£3.6m	Green	Slippage against complex care has been mitigated in year.
Change Initiatives	£0.2m	£0.2m	Green	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	Green	The contract price set for 2021-22 has been met
TOTAL	£4.5m	£4.3m		

3.2.12 **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) were 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.

3.2.13 **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.

3.2.14 **Wirral Evolutions:** Wirral Evolutions have managed their operating service costs within the agreed service payment and reduced their costs by £0.5m.

Earmarked Reserves

3.2.15 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	-75	0	106
Public Health Ringfenced Grant	3,682	0	2,912	6,594
Champs Innovation Fund	2,419	0	745	3,164
Champs Covid-19 Contact Tracing Hub	1,962	0	1931	3,893
Project ADDER (Addiction, Diversion, Disruption, Enforcement, Recovery)	0	0	871	871
Better Care Fund	0	0	236	236
Total	8,244	-75	6,695	14,864

3.2.16 The Safeguarding reserve within Adult Social Care has an opening balance of £0.181m. The funding for the combined Board has now ceased. The residual funds have been used to support the Merseyside Safeguarding Adults Board business unit transition period and any residual SARs (Safeguarding Adults Reviews). A small amount of costs remains outstanding which will be offset against the balance of the reserve during 2022-23.

Public Health Grant

3.2.17 Since the 2013 transfer of the Public Health function in 2013 from the NHS to the Council has been supported by the allocation of a ring-fenced grant from the Department of Health and Social Care. The current allocation for the Public Health grant is based on applying a weight per head (reflecting public health need) to each council's projected populations from the Office for National Statistics. The principal indicator that quantifies need is the standardised mortality ratio (SMR) for those aged under 75 years; SMR<75 aims to show whether an area has had more or fewer deaths compared to the national average. A higher SMR<75 number indicates that an area has had a higher relative number of early deaths. The formula reflects that Wirral has a high proportion of areas with a higher rate of deaths under 75 which is the core funding principle of the grant. The grant is allocated on a yearly basis, has set criteria against which spend can occur and is subject to national audit.

3.2.18 The grant must be used only for meeting eligible expenditure incurred or to be incurred by local authorities for the purposes of their public health functions as specified in section 73B(2) of the National Health Service Act 2006 ("the 2006 Act"). The public health grant will only be paid to local authorities to support eligible expenditure. Grant carried over to the following year is governed by the grant conditions.

3.2.19 In 2021/22 the Public Health grant was £30.1m which was an increase of £0.4m on the previous year. The use of the grant is modelled over a 5 year period to enable the implementation of a medium-term prevention strategy to reduce health inequalities as described in the Wirral Plan. The grant is allocated nationally on a yearly basis but we need to plan for our commitments to our longer term contracts

many of which run for 5 years plus to ensure value of money, continuity of service to residents and job security for staff. The future of the grant is uncertain with speculation that the ring-fencing will be removed at some point and that the funding will be combined with the Council's general top-up grant funding. This poses two major challenges to the 5 year strategy in that the grant may be subject to top-up grant formula and therefore may reduce and that the removal of the ring fence may result in funding being diverted to other council activities. Since 2020, the Council has received significant additional funding from Government to fund Covid-19 Outbreak Management activities, some of this funding has been used to fund public health activities in support of the council's response to the pandemic, some of which were part of the 5 year strategy. As a result, a proportion of the 2021/22 Public Health grant remains unspent at the end of the year and will be carried forward in the ring-fenced Public Health reserve

- 3.2.20 This will be available to mitigate any reductions in the public health grant going forward and ensure that the 5 year strategy can continue to be delivered. The 5 year strategy contributes to the Council's key priority to reduce inequalities and is key to achieving the council's long term objectives. The funding also supports the employment of key public health posts within the Council.
- 3.2.21 The activities funded by the public health grant are required to be reported to the Department of Health and Social Care on an annual basis signed by the Director of Public Health and S151 Officer and therefore the funding must be kept separate and identifiable from all other reserves. There is a risk that where the public health grant is not spent during the year and is carried forward, the Department of Health and Social Care may reduce the following years grant allocation. However, given the ongoing pandemic and the requirement for continuing support, it is assumed that under these circumstances the risk of an adjustment in future years grant will be minimal. The council has a clear rationale for carrying unspent funding forward. The five year strategy is protecting the council's future financial sustainability from any unforeseen detrimental impact to council budgets from a reduction in the public health grant.
- 3.2.22 Wirral has been awarded £2.8m as part of the ADDER/Accelerator programme for a two-year period covering 2021-2023. This is one-off funding supporting the national drug treatment and recover programme. The reserve is set up to carry unused funds received in 2021-22 forward into the new financial year.
- 3.2.23 The Better Care Fund forms part of the S75 agreement in place between the LA and Wirral CCG and allows for unspent funds to be carried forward for use in the following financial year. The reserve will support the continued hospital discharge process for the first quarter of the 2022-23 financial year.

3.3 Chief Executive Office

3.3.1 At the end of 2021/22, the year-end position for Chief Executive Office is an adverse variance of £0.023m against a budget of £1.977m.

3.3.2 The effects of the Covid-19 pandemic impacted the ability of Wirral to generate marketing income. The loss relating to Quarter 1 was not eligible for the Sales, Fees, and Charges income loss compensation scheme as it was due to advertising, which has resulted in an overall adverse variance. Focus has been on recovery from Quarter 2 onwards and the service has maximised income generating opportunities with the aim of reducing the overall adverse position.

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

	Budget £000	Outturn £000	Variance		Adverse/ Favourable
			(+ Fav / - Adv) £000	%	
Chief Executive Office	262	268	-6	-2%	Adverse
Comms & Marketing	918	945	-27	-3%	Adverse
PAs/Exec. Support	640	630	10	2%	Favourable
Directorate Surplus / (Deficit)	1,820	1,843	-23	-1%	Adverse
Support/Admin Building Overhead	157	157	0	0%	
Total Surplus/ (Deficit)	1,977	2,000	-23	-1%	Adverse

3.3.3 **Chief Executive Office:** A minor favourable variance of £0.006m is reported for 2021/22.

3.3.4 **Comms & Marketing:** A minor adverse variance of £0.027m is reported for 2021/22. Marketing income in relation to advertising has not yet returned to pre Covid-19 levels. The shortfall for this financial year was mitigated in part by utilising COVID-19 funding for employees working on the COVID-19 response and with a reduction in costs in providing the service in line with demand. Quarter 1 losses were not eligible for the Sales, Fees, and Charges income loss compensation scheme which has resulted in an overall adverse position.

3.3.5 **PAs/ Exec. Support:** A minor adverse variance of £0.010m is reported for 2021/22.

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

	Budget	Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Income	-321	-128	-193	60%	Adverse
Expenditure					
Employee	1,984	1,868	116	6%	Favourable
Non Pay	157	103	54	34%	Favourable
Total Expenditure	2,141	1,971	170	8%	Favourable
Directorate Surplus / (Deficit)	1,820	1,843	-23	-1%	Adverse
Support / Admin Building Overhead	157	157	0	0%	
Total Surplus / (Deficit)	1,977	2,000	-23	-1%	Adverse

Budget Virements

3.3.6 Following the recently agreed pay award, a budget virement to cover the cost of the agreed 1.75% pay uplift has been processed during Quarter 4.

Budget Saving Achievement Progress

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

Earmarked Reserves

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

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

3.4 Children, Families and Education

3.4.1 At the end of 2021/22, the year-end position for Children, Families and Education is a favourable variance of £0.640m against a budget of £87.318m.

3.4.2 The service managed demand with financial pressures being mitigated by in-year cost savings. In-year employee cost savings across the service have contributed to mitigating cost of care costs. The service has also maximised income/grant receipts achieving £25.628m compared to budget of £19.330m. Exceeding the income target by 32.5% has allowed for investment in services whilst managing service cost pressures and demand that have arisen during the year and have contributed to the reported position. The outturn position reflects delivery of most of the 2021/22 saving proposals.

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

	Budget £000	Outturn £000	Variance (+ Fav / - Adv)		Adverse/ Favourable
			£000	%	
Children and Families	50,922	51,076	-154	0%	Adverse
Early Help and Prevention	11,118	10,759	359	3%	Favourable
Modernisation and Support	5,106	4,658	448	9%	Favourable
Schools - Core	12,734	12,747	-13	0%	Adverse
Directorate Surplus / (Deficit)	79,880	79,240	640	1%	Favourable
Support / Admin Building Overhead	7,438	7,438	0	0%	
Total Surplus / (Deficit)	87,318	86,678	640	1%	Favourable

3.4.3 **Children and Families:** An adverse variance of £0.154m is reported for 2021/22. This was 0.3% of the budget. External funding of £0.338m was 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 contributed to managing service pressures.

The expenditure for this service included £26.180m on care costs. This reflected the main demand led elements of the service and while it was significant, it was managed within the 2021/22 budget. Overall, performance data indicates that the CLA rate having been stable for a few years has started to decline slightly. This is as expected and feeds into forward planning for the next year (see tables below). However, it should be noted that whilst the overall number of children in care is reducing, the nature of CLA costs especially the mix across the range of placement settings can vary and future demand requirements, could lead to further budgetary pressures. A young person in a residential placement could cost more 20 times more than fostering. So, if the service experiences an increase in residential

placement there could be a pressure in costs despite a Wirral having a reduction in overall numbers of children in care. This service also includes expenditure to support unaccompanied asylum seekers with grant income covering the associated costs.

	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Number of Children in Care	822	825	823	825	821	819	814	795	786

	19/20	20/21	Sep-21	Dec-21	Mar-22	National (19/20)	North West (19/20)	Statistical Neighbours (19/20)
Children Looked After rate per 10,000 population	120	121.6	120.6	117.8	116.7	67	97	101

3.4.4 Early Help & Prevention: A favourable variance of £0.359m is reported for 2021/22.

The favourable variance is mainly due to efficient use of grant funding and staff vacancies arising during the year, as well as the youth offer review being implemented later than planned. 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 variance of £0.448m is reported for 2021/22. The favourable variance is mainly due to staff vacancies that have arisen during the year. 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 variance of £0.013m against a budget of £11.6m is reported for 2021/22. The adverse variance is due to:

- The Schools core service budget includes Private Financing Initiative (PFI) which overspent by £0.122m against a budget of £1.57m which is due to the ‘closed’ status of Kingsway School. The Council must meet the annual PFI costs whilst the building is non- operational, however this year’s PFI position includes the continuation of the annual grant of £1.015m from Department of Education and £0.375m of refunds from the PFI company as “mothball” credit. Under advice from the Council’s auditors, the full value of the potential liability which was accounted in 20/21 is carried forward with the additional amount of £0.09m totalling to 1.375m.
- The PFI overspend has been off-set by underspends on both staff related and project based activities. Staff related underspends include historic pensions/retirement commitments where the reduction in the number of recipients was greater than expected (£0.290m).
- The ‘Wirral Ways to Work’ programme which supports eligible young people to move into education, employment and training has underspent by £0.223m due to the slippage of activities. In addition, funding of £0.375m that had been set aside in the budget to carry out SEND Action Plans.
- Schools Traded services is reporting an adverse variance of £0.050m

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

	Budget	Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Income	-19,330	-25,628	6,298	-33%	Favourable
Expenditure:					
Employee	41,214	39,749	1,465	4%	Favourable
Non Pay	33,217	38,939	-5,722	-17%	Adverse
Cost of Care	24,779	26,180	-1,401	0%	Adverse
Total Expenditure	99,210	104,868	-5,658	-6%	Adverse
Directorate Surplus / (Deficit)	79,880	79,240	640	1%	Favourable
Support/Admin Building Overhead	7,438	7,438	0	0%	
Total Surplus/ (Deficit)	87,318	86,678	640	1%	Favourable

Budget Virements

3.4.7 Following the recently agreed pay award, a budget virement to cover the cost of the agreed 1.75% pay uplift has been processed during Quarter 4.

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

	Budget	Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
DSG Expenditure:					
Schools Block	117,102	117,102	0	0%	
Schools Block De-delegated	1,560	1,694	-134	-9%	Adverse
Central School Services Block	2,153	2,099	54	3%	Favourable
High Needs	43,874	45,946	-2,072	-5%	Adverse
Early Years	21,644	21,008	636	3%	Favourable
Total Gross Surplus / (Deficit)	186,333	187,849	-1,516	-1%	Adverse
DSG Income:	-189,016	-187,838	-1,178	1%	Adverse
Movement in DSG Reserve	2,683	-11	2,694	100%	Favourable
Total Net Surplus / (Deficit)	0	0	0	0%	

3.4.8 **Schools Block:** Individual school balances have been carried forward to 2022/23 in the designated schools reserve thus delivering an in-year balanced position. The cumulative schools' reserves brought forward were £13.5m and increased by £2.8m to £16.3m by the end of the financial year.

3.4.9 **Schools Block De-delegated:** De-delegated funds are a deduction from a school's budget share and are held centrally to fund relevant services. £0.134m adverse variance relates to teachers' maternity costs which were higher than anticipated. This issue has been addressed for 22/23 budget where the de-delegated funds from the school are agreed to increase for the Special Staff Costs.

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

3.4.11 **High Needs Block:** An adverse variance of £2.072m for 2021/22 is mainly due to an increase in demand and complexity. In particular,

- Specialist/individual educational needs exceeded budget by £2.2m due to an increase in demand.
- Top-ups to school budgets for post-16 SEN pupils is overspent by £0.154m
- £0.504m due to an increase in school places.
- Exceptional needs support has a small favourable variance of £0.097m
- The cost of independent school places has exceeded budget by £0.668m due to the increased demand. As the high demand was anticipated for 2021/22, the relevant 2022/23 budgets have been increased to reflect this

Adverse variances are partially offset by special school places where the additional places had not been fully allocated in 2021/22 (£0.305m) and Home Tuition Service with the improved income (£0.189m). In addition, savings due to staff vacancies and additional recharges/contributions from other budgets led to an underspend by £0.178m.

3.4.12 **Early Years:** The budget is used to provide Early Education to young children who are entitled to receive it free of charge. The 21/22 underspend mainly reflects the reduction in attendance due to COVID-19 and the underspend is offset with the shortfall of DSG income.

3.4.13 **DSG income:** Shortfall due to adjustment to the grant for Early Years and High Need Block. The final grant income will be confirmed in July.

3.4.14 **DSG reserve:** The planned transfer to reserve of £2.683m reflected the expected underspend on High Needs. The actual outcome reflects a total net overspend of £0.011m requiring a use of reserves rather than a contribution to reserves. The opening DSG reserve balance reflected a deficit of £1.679m which, after including the in-year deficit of £0.011m, gives a closing deficit position of £1.690m.

Budget Saving Achievement Progress

3.4.15 Within each Directorate'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 have changed and needed to be monitored closely to ensure, if adverse, mitigating actions could be taken immediately to ensure a balanced budget is reported to the end of the year.

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

Savings Title	Agreed value	Outturn value	RAG Rating	Comments
Semi-independent living	£0.500m	£0.500m	Green	Achieved
Pause Programme	£0.567m	£0.567m	Amber, (Green with mitigations applied)	The benefits of the pause programme have not been 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	Achieved
Childrens containing demand pressure mitigation	£1.000m	£1.000m	Green	Achieved
Explore reduction in Youth Provision	£0.100m	£0.100m	Green	Achieved
YOS	£0.025m	£0.025m	Green	Achieved
Total Savings	£2.294m	£2.294m		

3.4.16 £2.294m of savings have been identified for the budget to break-even in 2021/22. The £2.294m savings were achieved. The vast majority of the savings (£2.067m) relate to projects reducing the demand impact on the Social Care system. £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 – Earmarked Reserves

	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Intensive Family Intervention Project	505	0	0	505
School Improvement -	723	0	371	1094
Schools Causing Concern	500	0	0	500
SEND OFSTED Inspection Improvement Action Plan	105	0	946	1051
Children’s Centre – Outdoor Play	100	-8	0	92
Help for Young People	36	0	0	36
Looked After Children Education Services	107	0	104	211
Local Safeguarding Children’s Board	23	0	0	23
SEND - High Needs	248	0	0	248
YOS - Remand & Mobile Youth Centre	0	0	157	157
Early Help & Play Development	0	0	123	123
DRIVE Safelives & Domestic Abuse Hub	0	0	50	50
Children’s Transformation	0	0	32	32
Children IT data system	0	0	127	127
Mersey & Cheshire ICS Pilot	0	0	20	20
Care Leaver Accommodation Development	0	0	358	358
Wirral Apprentice Programme	0	0	53	53
Looked after Children Placement Reserve	0	0	470	470
Schools – DSG	-1679	-11	0	-1690
Total	668	-19	2,811	3,460

3.4.18 Children, Families and Education reserves reflect funds that have been set aside for specific projects and activities. There are reserves for SEND, school improvement, looked after children and early help activities some of the main reserves are highlighted below. In most cases the expenditure relating to these reserves was forecast to be fully spent during the year, as reflected in the quarterly budget monitoring reports. However, due to delays in project and actions progressing in year, the expenditure is requested to be carried forward to meet commitments in 2022/23. This is critical to supporting the ongoing financial sustainability of the Council and to ensure that one-off expenditure that occurs in 2022/23 does not have an adverse impact on next year’s budget.

3.4.19 School Improvement £1.093m is to be used to deliver improvement programme and an enhanced offer to schools to ‘catch-up’ with the statutory requirements.

- 3.4.20 The funding set aside for SEND Improvement / action plan following the recent OFSTED inspection have been increased by £0.946m to allow for full transformation of SEND services with partners across the borough. The main milestones will be delivered during 2022/23
- 3.4.21 £0.211m reserve for Look After Children Education Services is to support education oversight for the most vulnerable children on Wirral.
- 3.4.22 Youth offending Service (YOS) £0.157m reserve relates to purchase and fitting out of a vehicle for use as a mobile youth centre and for any increases in number of young people in remand that are not covered by the YOS remand grant. The grant will be based on recent activity which is significantly below pre-pandemic activity.
- 3.4.23 Early Help £0.123m reserve for projects to address reduced access and awareness of early years services during the covid/lockdown. This should assist in returning access, referrals and take up to pre-pandemic levels.
- 3.4.24 Reserve of £0.127m has been set aside to contribute towards the implementation of replacement of the system for recording and monitoring early years, education and SEND activity.
- 3.4.25 Reserve of £0.358m has been set aside to deliver the new accommodation approach for care leavers.
- 3.4.26 Children in care placements £0.470m reserve. There is a national shortage of residential placements and it is anticipated that during the year there will be some placements that will be priced significantly above the average and what has been funded in the budgets
- 3.4.27 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 balance will now increase by £.0011m and increasing the overall deficit to £1.690m.

3.5 Law & Governance

3.5.1 As at the end of March 2022, the outturn position for Law and Governance is a small adverse variance of £0.001m against a budget of £3.904m.

3.5.2 The Law and Governance Directorate continues to experience difficulties in recruiting to posts in Legal Services and the cost of external legal services. The impact is reduced overall by vacancies in Democratic Services and a Grant received towards the shared costs of the Elections held earlier this year.

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

	Budget	Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Law & Governance (Corporate)	425	425	0	0%	
Legal Services	2,714	3,011	-297	-11%	Adverse
Democratic & Member Services	1,806	1,642	164	9%	Favourable
Coroner Services	680	757	-77	-11%	Adverse
Electoral Services	573	511	62	11%	Favourable
Registrar Services	-121	-220	99	-82%	Favourable
Licensing	-71	-119	48	-68%	Favourable
Directorate Surplus / (Deficit)	6,006	6,007	-1	0%	Adverse
Support/Admin Building Overhead	-2,103	-2,103	0	0%	
Total Surplus/ (Deficit)	3,903	3,904	-1	0%	Adverse

3.5.3 **Law & Governance:** A breakeven position is reported for the Financial Year 2021/22.

3.5.4 **Legal Services:** An adverse variance of £0.297m is reported for the Financial Year 2021/22. There are still a number of posts to fill permanently that are being partially covered by locum staff which increases the staffing costs and costs of external legal services.

3.5.5 **Democratic & Member Services:** A favourable variance of £0.164m is reported for the Financial Year 2021/22. The service is currently carrying vacancies due to difficulties in recruitment.

3.5.6 **Coroner Services:** An adverse variance of £0.077m is reported for the Financial Year 2021/22.

3.5.7 **Electoral Services:** A favourable variance of £0.062m is reported for the Financial Year 2021/22. A new reserve has been set up to smooth the effect of the four yearly elections and by-elections as described in the business case for permanent budget removal in 2022/23.

3.5.8 **Registrars Services:** A favourable variance of £0.099m is reported for 2021/22.

3.5.9 **Licensing:** A favourable variance of £0.048m is reported for the Financial Year 2021/22. During the final Quarter of the Financial Year funding was received for staff who were working on the enforcement of Covid-19 regulations. Sales, Fees and Charges Funding and income from licence fees were more favourable than originally expected.

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

	Budget £000	Outturn £000	Variance (+ Fav / - Adv)		Adverse/ Favourable
			£000	%	
Income	-2,071	-1,789	-282	14%	Adverse
Expenditure					
Employee	4,341	4,044	297	7%	Favourable
Non Pay	3,736	3,752	-16	0%	Adverse
Total Expenditure	8,077	7,796	281	3%	Favourable
Directorate Surplus / (Deficit)	6,006	6,007	-1	0%	Adverse
Support / Admin Building Overhead	-2,103	-2,103	0	0%	
Total Surplus / (Deficit)	3,903	3,904	-1	0%	Adverse

Budget Virements

3.5.10 Following the recently agreed pay award, a budget virement to cover the cost of the agreed 1.75% pay uplift has been processed during Quarter 4.

Budget Saving Achievement Progress

3.5.11 Within each Directorate'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 have changed and needed to be monitored closely to ensure, if adverse, mitigating actions could be taken immediately to ensure a balanced budget is reported to the end of the year.

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

Saving Title	Agreed Value	Outturn Value	RAG Rating	Comments
Suspension of Individual Ward budgets	£0.184m	£0.184m	Green	Achieved
Total	£0.184m	£0.184m		

3.5.12 The savings have been fully achieved.

Earmarked Reserves

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

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

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Licensing Reserve	60	0	0	60
Taxi, Marriage & Scrap Metal Licences	103	0	42	145
Constituency Fund Carry forward	15	-15	0	0
Electoral Reserve	0	0	150	150
Total	178	-15	192	355

3.5.14 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. A new reserve has been set up to smooth the effect of 4 yearly elections and by-elections as agreed by Full Council as part of the 2022/23 budget.

3.6 Neighbourhood Services

- 3.6.1 At the end of 2021/22, the year-end position for Neighbourhoods is a favourable variance of £0.089m against a budget of £54.532m. The Directorate delivered all 2021/22 savings, with the inclusion of mitigating items.
- 3.6.2 Included in the Directorate position is the mitigation available from the Sales, Fees, and Charges income loss compensation scheme. This was available until the end of Quarter 1 and the service has claimed 75p in the pound for eligible planned income which equates to £2.028m.
- 3.6.3 The focus for the Directorate has been on recovery in 2021/22 with services being gradually reintroduced throughout the year. However, income generating opportunities have not yet returned to pre-pandemic levels due to phased and partial reopening of some services during the year. Most sites reopened and returned to full capacity before the end of the year. However, some Leisure and Library sites were utilised for COVID-19 purposes during the year which restricted income generating opportunities.
- 3.6.4 As case rates within the Borough remained high, localised decisions were taken in Quarters 1 and 2 based on Public Health advice, which means some restrictions remained in place after the government road map date of 19th July. Income continued to recover in Quarter 3 and Quarter 4 and although it was below 2019/20 levels, it was better than anticipated in the final two quarters. This resulted in an overall favourable variance. However, income levels were significantly less than in 2019/20 and the area would have reported an adverse variance overall if income budget targets had not been temporarily reduced in 2021/22.

TABLE 17: 2021/22 Neighbourhoods – Service Budget & Outturn

	Budget	Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Neighbourhoods Management Team	-6,404	-6,037	-367	6%	Adverse
Community Safety and Transport	3,789	3,840	-51	-1%	Adverse
Highways and Infrastructure	5,167	6,669	-1,502	-29%	Adverse
Leisure, Libraries and Customer Engagement	13,031	11,528	1,503	12%	Favourable
Parks and Environment	36,072	35,566	506	1%	Favourable
Directorate Surplus / (Deficit)	51,655	51,566	89	0%	Favourable
Support/Admin Building Overhead	2,877	2,877	0	0%	
Total Surplus/ (Deficit)	54,532	54,443	89	0%	Favourable

- 3.6.5 **Neighbourhoods Management Team:** An adverse variance of £0.367m is reported for 2021-22. This relates to additional employee costs in relation to staff acting up into posts to cover sickness within the Directorate. There are corresponding favourable variances in relation to substantive posts within other areas of the Directorate.
- 3.6.6 **Community Safety and Transport:** An adverse variance of £0.051m is reported for 2021-22 due to underachievement of income in relation to Community Patrol. This was mitigated in part through Government grants which were utilised to fund employees currently working on the COVID-19 response. In addition, increases in demands within Community Patrol and SEND Transport directly relating to COVID-19 have been mitigated through funding secured to meet the projected costs associated with this.
- 3.6.7 **Highways and Infrastructure:** An adverse variance of £1.502m is reported for 2021-22. Charging for car parking resumed at the beginning of the year, however as ticket sales throughout the year has been between 60% and 75% of the pre-pandemic levels this has adversely impacted income. This was mitigated in part in Quarter 1 through income from the Sales, Fees, and Charges income loss compensation scheme. The 2021/22 saving associated with Car Parking has not been 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 on new sites and to report back to the Environment, Climate Emergency and Transport Committee with the outcome of the consultation on Traffic Regulation Orders. The overall position deteriorated from what was reported in Quarter 3 due to increases in energy costs, increases in winter gritting costs and a slight reduction in ticket sales in car parks due to increases in case rates and uncertainty surrounding the omicron variant.
- 3.6.8 The standardisation of car parking charges was implemented from September, however as this was delayed by five months it has resulted in a pressure of £0.237m. 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 has not been realised this year. This has resulted in an additional pressure of £0.5m. The overall adverse variance relating to car parking in 2021/22 equates to £0.737m. However, it is expected that the saving will be fully achieved in 2022/23. A report will be taken to Environment, Climate Emergency and Transport Committee in June 2022, which will provide feedback on Traffic Regulation Order processes and recommendations for Committee to consider. Favourable variances from across Neighbourhoods have assisted in mitigating this area in 2021/22.
- 3.6.9 Additional adverse variances relating to Highways Management total £0.460m. This is due to increases in demand for maintenance and remedial work. Improvements have been made against Quarter 2 and 3 by exploring other sources of funding and capitalisation opportunities to mitigate increased costs.
- 3.6.10 The remaining part of the adverse variance is due to under recovery of income within the Design Team which equates to £0.110m as the service is not fully resourced. Street Lighting is reporting an adverse variance of £0.260m due to an increase in

energy bills from October 2021. The Authority has invested in replacement LED lighting and if this had not taken place energy bills would have been 60% higher and the adverse variance would have been £1.08m. Winter gritting is also reporting an adverse variance of £0.307m. These adverse variances are mitigated in part by favourable variances within the remainder of Highways and Infrastructure.

- 3.6.11 **Leisure, Libraries and Customer Engagement:** A favourable variance of £1.503m is reported for 2021/22. This area covers Leisure Centres, Golf Courses, Libraries, One Stop Shops, Museums, Theatre, Catering & Hospitality Services. This includes the income available from the Sales, Fees and Charges income loss compensation scheme, the compensation figure for this area was £1.485m. This has improved from a balanced position in Quarter 3 as income projections for the final quarter were conservative and based on limited footfall. At the time it was unclear what impact the omicron variant would have on figures and projections were adjusted accordingly. However, income figures rose steadily from January to March which resulted in a favourable position.
- 3.6.12 In 2021/22 the focus has been 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. 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. Although footfall is below 2019/20 levels, figures were better than what was expected once the direct debits were reintroduced. The 2021/22 budget was set based on estimates and information available at the time. Figures for Quarters 1 and 2 were in line with original estimates. However, as income improved in Quarter 4 this has resulted in a favourable variance and a change from the balanced position reported at Quarter 3.
- 3.6.13 Sports and Recreation is reporting a favourable variance of £1.482m net of the income loss compensation. When Quarter 3 was reported there was uncertainty surrounding the new COVID-19 variant and the impact on income, meaning a balanced position was reported. However, as no further restrictions were introduced income and footfall steadily improved in Quarter 4. Although income generation has improved, many customers have sought alternative arrangements during the past two years meaning overall demand for the service has reduced. Direct debits were reinstated in Quarter 3 and are currently at 10,000 (typically these would be between 13,000-14,000).
- 3.6.14 Although footfall is approximately 75% of what it was in 2019/20, this is comparable with figures for leisure centres nationally. The service has attempted to mitigate the loss this year by improving income through marketing campaigns, reducing expenditure and by exploring further cost efficiencies through the Leisure Review.
- 3.6.15 Floral Pavilion is reporting an adverse variance of £0.123m. This is due income losses in Quarters 1 and 2, which have been mitigated in part through a reduction in payments to Suppliers and through the Sales, Fees and Charges income loss compensation scheme. This service returned to business as usual from October following the extension of local conditions. This severely limited any income generating opportunities in this area in the first half of the year. Income has been recovering steadily and was better than expected in Quarter 3 and Quarter 4 now the

service is operating at full capacity. The site was used for committee meetings throughout the year which impacted normal operations and may have compromised income. The catering services located at the Theatre and Sail Loft have been generating sufficient income to cover their costs since restrictions were lifted, enabling them to operate at full capacity.

- 3.6.16 Small income losses are reported within the Libraries and Museums services. This has been mitigated in part through the Sales, Fees, and Charges income loss compensation scheme and through a reduction in premises and supplies costs. Library sites have now reopened and are offering many of their pre-pandemic services. Museums operated at restricted capacity for most of the year due to outstanding requirements to install a new ventilation system at the Williamson Art Gallery and Museum.
- 3.6.17 **Parks & Environment:** A favourable variance of £0.506m is reported for 2021-22. Garden Waste was not impacted in 2021/22 as charges for the service returned to pre pandemic levels. The service has achieved 42,000 subscribers this year which is the largest since the scheme commenced. The direct debit system was implemented in 2020/21 and this has assisted in retaining existing subscribers.
- 3.6.18 Parks and Tree Management is reporting a favourable variance of £0.227m. Income from Parks was impacted by COVID-19 in Quarter 1, which was mitigated in part by the Sales, Fees, and Charges income loss compensation scheme. Services relating to pitch hire and some events resumed from Quarter 2 and performed better than anticipated. When Quarter 3 was reported, there was uncertainty surrounding the new COVID-19 variant and the impact potential further restrictions would have on income. Therefore, conservative assumptions were made around income generation in the final quarter. However, as no further restrictions were imposed income generation was better than anticipated in Quarter 4, resulting in a favourable variance.
- 3.6.19 Regulatory Services is reporting a favourable variance of £0.278m. This is due to employees, as the service has faced challenges in recruiting and retaining staff due to current market demand because of COVID-19. There are plans to address this in the future.

TABLE 18: 2021/22 Neighbourhoods – Subjective Budget & Outturn

	Budget	Outturn	Variance		Adverse/ Favourable
	£000	£000	£000	% (+ Fav / - Adv)	
Income	-32,732	-36,832	4,100	-13%	Favourable
Expenditure:					
Employee	32,660	32,003	657	2%	Favourable
Non Pay	51,727	56,395	-4,668	-9%	Adverse
Total Expenditure	84,387	88,398	-4,011	-5%	Adverse
Directorate Surplus / (Deficit)	51,655	51,566	89	0%	Favourable
Support/Admin Building Overhead	2,877	2,877	0	0%	
Total Surplus/ (Deficit)	54,532	54,443	89	0%	Favourable

Budget Virements

3.6.20 Following the recently agreed pay award, a budget virement to cover the cost of the agreed 1.75% pay uplift has been processed during Quarter 4.

Budget Saving Achievement Progress

3.6.21 Within each Directorate'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 have changed and needed to be monitored closely to ensure, if adverse, mitigating actions could be taken immediately to ensure a balanced budget is reported to the end of the year.

TABLE 19: 2021/22 Neighbourhoods Directorate – Budget Savings

Saving Title	Agreed Value	Outturn Value	RAG Rating	Comments
LED savings	£0.400m	£0.400m	Green	The saving has been achieved and the adverse variance reported against the area is due to energy price increases which would have been significantly higher had LED lighting not been rolled out.
Additional and increased car parking charges	£1.00m	£1.00m	Red (Amber with mitigations)	The options paper to determine how the saving was to be made was presented to June Committee and this was

				subsequently called in. This has resulted in a part year delay, although the saving will be fully achieved in 2022/23. Mitigations have been sought for this year. £0.263m of this saving has been achieved through flat rate fee introduction from September. The remainder will be mitigated as follows: £0.195m income from the Sales, Fees, and Charges income loss compensation scheme. £0.542m is available due to waste and environment costs being less than anticipated.
Targeted and Discretionary Environmental Enforcement	£0.150m	£0.150m	Amber (Green with mitigations)	This was not fully achieved in 2021/22 due to delays in commencement. This has been mitigated from favourable variances within Waste and Environment.
Royden Park Commercial Development	£0.080m	£0.080m	Amber (Green with mitigations)	This was not fully achieved in 21/22 due to delays in commencement and will be revisited as part of the Leisure Review. The shortfall has been mitigated from favourable variances within Waste and Environment.
Reduction in grass cutting and maintenance of verges	£0.250m	£0.250m	Green	The options paper to determine how the saving will be made was presented to June Committee, resulting in a part year delay. Shortfalls this year have been mitigated through favourable variances within Waste and Environment.
Amenity space maintenance cessation	£0.100m	£0.100m	Amber (Green with mitigations)	This will be fully achieved in 2022/23 but there is a reported shortfall in

				2021/22 due to some employees leaving the authority after 01/04/21. The shortfall this year will be mitigated through one off in year favourable variances, which have arisen whilst the Parks restructure was implemented.
Review of the Neighbourhood Services Directorate	£0.350m	£0.350m	Green	Achieved
Contract efficiency savings with BIFFA	£0.075m	£0.075m	Green	Achieved
Ongoing Covid-19 temporary Library Closure	£0.100m	£0.100m	Green	Achieved
Ongoing Covid-19 temporary Leisure Centre Closure	£0.100m	£0.100m	Green	Achieved
Temporary closure of Europa Fun pool due to Covid-19 restrictions	£0.250m	£0.250m	Green	Achieved
Review of Museums Service	£0.090m	£0.090m	Green	Achieved
Pause re-opening of Woodchurch Leisure Centre	£0.322m	£0.322m	Green	Achieved
Income from West Kirby catering offer	£0.035m	£0.035m	Green	Achieved
Total	£3.302m	£3.302m		

3.6.22 Most savings were achieved in 2021/22 without mitigations. Car Parking is rated Amber and was not fully achieved due to delays in implementing the charges. Flat rate charges were implemented from September following the outcome of the Decision Review Committee. However, introduction of charges at new sites have been delayed until 2022/23 as it will take time to purchase and install the ticket machines. The shortfall against this saving is mitigated in 2021/22 through one off favourable variances across Neighbourhoods.

Earmarked Reserves

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

TABLE 20: 2021/22 Neighbourhoods– Earmarked Reserves

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Community Safety Initiatives	555	0	246	801
Health & Safety Flood Prevention	455	0	0	455
Parks Tree Maintenance	374	-187	0	187
Environmental Health	300		0	300
Anti-Social Behaviour	112	-112	0	0
Climate Emergency	100	0	0	100
Les Mills Classes	100	-11	0	89
Litter Enforcement - development of initiatives	49	0	0	49
Weed Spraying : Mitigate against additional costs	41	0	0	41
Birkenhead Park World Heritage Site Lottery Bid	40	0	0	40
Coastal Protection	35	0	0	35
Sports Development Reserve	30	-8	0	22
Environmental Health F.S.A. Backlog	28	0	0	28
Trading Standards	25	0	0	25
Hilbre Island - Legacy	21	0	0	21
Health & Safety Armed Forces Welfare Pathway	14	0	0	14
BikeSafe	10	0	0	10
Repairs & Maintenance upgrades on Public Conveniences	8	0	0	8
LAMPS to Concerto system replacement	2	0	0	2
Brexit Preparation Grant	110	-110	0	0
Library Donations	1	0	0	1
Storeton Quarry	0	0	30	30
Total	2,410	-428	276	2,258

3.6.24 In 2021/22 reserves have been utilised in relation to Tree Maintenance, Les Mills Anti-Social Behaviour and Brexit Preparation. The Community Safety Initiatives reserve has increased by £0.279m, this relates to partnership money for the Safer Streets project and this must be utilised to fund partnership projects. A new reserve will be created for £0.030m to fund costs associated with Storeton Quarry works which will be carried out in 2022/23 to ensure the site is still health and safety compliant.

3.7 Regeneration & Place

3.7.1 As at the end of March 2022 (Quarter 4), the year-end position for Regeneration & Place is an adverse variance of £0.132m against a budget of £34.278m.

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

	Budget	Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Regeneration	24,252	25,343	-1,091	-4%	Adverse
Housing	6,763	5,662	1,101	16%	Favourable
Asset Management & Investment	4,157	4,278	-121	-3%	Adverse
Planning	1,019	1,038	-19	-2%	Adverse
Special Projects	109	108	1	1%	Favourable
Local Plan	400	400	0	0%	
Directorate Surplus / (Deficit)	36,700	36,829	-129	0%	Adverse
Support / Admin Building Overhead	-2,422	-2,422	0	0%	
Total Surplus / (Deficit)	34,278	34,407	-129	0%	Adverse

3.7.2 **Regeneration:** An adverse variance of £1.091m is reported for 2021-22. This includes the Wirral Growth Company (WGC) Income savings target (£1.400m) that, as previously reported, would not be achieved and is mitigated by the favourable variance reported for Housing. The Committee will be aware that the arrangements for WGC have now changed and as a result, additional receipts from asset disposals will be available for sole use by the Council from 2022/23 that will replace the Income due from WGC in 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 £1.101m is reported for 2021-22, mainly from Supported Housing where staffing costs have been able to be offset by additional specific funding which has been made available for a temporary period, as well as capitalisation of staff who deliver housing adaptations.

3.7.4 **Asset Management & Investment:** An adverse variance of £0.121m is reported for 2021-22. Included within the outturn is a liability for establishing a provision for a potential claim on construction costs dating back over several years. This liability is being funded from the financial resilience reserve but relates to the Asset Management Service. With the impact of the pandemic on major construction projects, lower than expected income from the Design Consultancy service (£0.460m

shortfall). This was partially offset with lower Property Maintenance costs (£0.300m) also reflecting the occupancy of buildings during the pandemic.

3.7.5 **Planning:** An adverse variance of £0.019m is reported for 2021-22 The Public Inquiry relating to Thornton Manor have impacted on this. Major planning applications have been impacted by the ongoing pandemic and whilst minor/ householder applications have increased significantly this has only partially offset the income due to the low value of each of these planning applications.

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 £0.363m in support of developing the local plan.

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

	Budget	Outturn	Variance		Adverse/ Favourable
	£000	£000	(+ Fav / - Adv) £000	%	
Income	-13,492	-14,104	612	-5%	Favourable
Expenditure:					
Employee	13,111	13,254	-143	-1%	Adverse
Non Pay	37,081	37,679	-598	-2%	Adverse
Total Expenditure	50,192	50,933	-741	-1%	Adverse
Directorate Surplus / (Deficit)	36,700	36,829	-129	0%	Adverse
Support/Admin Building Overhead	-2,422	-2,422	0	0%	
Total Surplus/ (Deficit)	34,278	34,407	-129	0%	Adverse

Budget Virements

3.7.8 Following the recently agreed pay award, a budget virement to cover the cost of the agreed 1.75% pay uplift has been processed during Quarter 4 increasing the budget by £0.221m.

Budget Saving Achievement Progress

3.7.9 Within each Directorate'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 have changed and needed to be monitored closely to ensure, if adverse, mitigating actions could be taken immediately to ensure a balanced budget is reported to the end of the year.

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

Saving Title	Agreed Value	Outturn Value	RAG Rating	Comments
Culture and Visitor Economy	£0.620m	£0.620m	Amber (Green with Mitigation)	Not fully achieved due to delays with staff consultations. Has been mitigated via other means.
Birkenhead Market Restructure	£0.240m	£0.240m	Amber (Green with Mitigation)	Achieved but not all via a restructure – some will be achieved via capitalising costs.
Community Alarms	£0.200m	£0.200m	Amber (Green with Mitigation)	Not achieved. The savings shortfall has been mitigated across Regeneration & Place via capitalisation of allowable costs.
Pre-application Fee Increase and PPAs	£0.020m	£0.020m	Green	Achieved
Budget Allocation for DDA	£0.200m	£0.200m	Green	Achieved
Sales, Fees and Charges Compensation – Planning	£0.050m	£0.050m	Green	Achieved
Wirral Growth Company Joint Venture income	£1.380m	£1.380m	Amber (Green with mitigation)	Not achieved. The savings shortfall has been mitigated across Regeneration & Place
Total	£2.710m	£2.710m		

Earmarked Reserves

3.7.10 Earmarked reserves are amounts set aside for a specific purpose or projects. The majority of reserves relate to ring-fenced grants or ring-fenced licences that cannot be used for any other purposes and are being carried forward to be utilised in 2022/23. Some of the grants received were notified quite late into 2021/22 and as a result did not have the opportunity to be spent in year. Non-ringfenced reserves have been created for committed projects that will take place in 2022/23. To ensure the council can remain on a financially sustainable footing, it will be important that these reserves are agreed to ensure no adverse impact is seen on the 2022/23 budget.

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

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Selective Licensing	538	0	816	1,354
Wirral Ways to Work	273	0	223	496
Regeneration and Inward Investment	763	0	660	1,423
Urban Development Corporation Bid	220	0	190	410
Building Control Fee Earning	354	-75	189	468
HMO Licence Fees	131	0	33	164
Major Infrastructure Project Development	183	0	0	183
Property Repairs rental income	22	0	254	276
DCLG Empty Shops Grant	41	0	0	41
Culture and Visitor Economy	24	-24	0	0
ERDF 4.2 Match Funding	18	0	0	18
Discover Wirral Marketing Campaigns	13	-13	0	0
DDA - Disabled Access	83	-83	0	0
Europa Centre Dilapidations	83	0	0	83
A/M GMT – Community Fund CAT	76	0	0	76
Licence Survey Work	56	0	0	56
Emergency Maintenance and Work in Default	71	0	135	206
Asset Consolidation	45	-45	0	0
Heritage Fund	7	0	5	12
Resettlement Programme Grant	0	0	992	992
Supporting People Programme	0	0	141	141
Homelessness	0	0	180	180
Domestic Abuse Bill Grant	0	0	602	602
Economic Growth	0	0	342	342
Birkenhead Future High Street funding	0	0	57	57
Total	3,001	-240	4,819	7,580

3.7.11 The local plan reserve of £0.363m that is being used this financial year is from the Financial Resilience Reserve held within the Resources directorate.

- 3.7.12 Selecting Licensing Reserve has increased by £0.816m for the ringfenced service; where income is received at the start of a 5 year programme of support and is then drawn down to fund the staffing resource and other running costs of the scheme annually as part of the business plan forecast.
- 3.7.13 Wirral Ways to Work reserve has increased by £0.223m as work was delayed during the pandemic and will be utilised over the length of the contract.
- 3.7.14 Regeneration & Inward Investment has increased by £0.660m to help fund the staff resources required to fully deliver on the ambitious regeneration programme.
- 3.7.15 Urban Development Corporate reserve is increased by £0.190m being the second tranche of funding received to develop the feasibility study exploring potential delivery vehicles for regeneration in Wirral.
- 3.7.16 Building Control Fees have increased by £0.189m, which is part of a ringfenced service and will be re-invested into the service over the following three years.
- 3.7.17 HMO Licence Fee increased by £0.033m, which is a ringfenced service and is re-invested over the following three years.
- 3.7.18 The Property Repairs rental income reserve (previously named Challenge Fund Properties reserve) has increased by £0.227m. This is rental income raised to cover the management and repair of the properties and is to cover costs following the 2021 Stock Condition Survey to ensure repairs, legislative requirements are met ensuring that homes are compliant with decent homes and compliance.
- 3.7.19 The Work In Default reserve increased by £0.135m and is to pay for emergency works to properties with hazardous housing conditions. This expenditure is recoverable and the reserve is topped up when the debt is recovered.
- 3.7.20 The Heritage Fund reserve has been increased by £0.005m as a contribution towards the 175th Anniversary events for Birkenhead Park.
- 3.7.21 The Resettlement Programme Grant is a new reserve for £0.992m and relates to the 5 year funding allocation for the resettlement of refugees as part of the local authority pledge for the UKVS resettlement programme. It is front loaded at the start of the scheme and will be used over the next 5 years for services such as ESOL payments, school uniforms VCS grant assistance, etc.
- 3.7.22 Supporting People Programme is a new reserve for £0.141m, to cover increasing cost pressures on the service where existing contracts have had no inflation uplift over the 3 year contract periods and is impacting on potential viability for providers.
- 3.7.23 Homelessness is a new reserve for £0.180m, to help support the service over 22-23; whilst grant has been awarded in 22-23 demand is expected to be high resulting from delays to evictions and possession hearings with increased notices being issued by landlords and this reserve is to help support our statutory homelessness duty.

- 3.7.24 Domestic Abuse Bill Grant is a new reserve for £0.602m, is a ringfenced grant awarded to support the new burden from the domestic abuse bill and will be spent during 22-23 on services commissioned and/or supporting families and people suffering from Domestic Abuse with both Housing and Childrens Services.
- 3.7.25 Economic Growth is a new reserve of £0.342m. This is funded from a released provision and will be used in 22-23 to cover one off costs relating to an environmental hazard insurance for the Hind Street land recently purchased and other regeneration activity that can't be met from capital.
- 3.7.26 Birkenhead Future High Street Funding is a new reserve of £0.057m created from government funding to support the development of Business Cases for the Birkenhead Future High Street programme of work.

3.8 Resources

3.8.1 As at the end of March 2022 the year end outturn position for Resources is a favourable variance of £0.219m against a budget of £33.692m.

TABLE 25: 2021/22 Resources– Service Budget & Outturn

	Budget £000	Outturn £000	Variance (+ Fav / - Adv)		Adverse/ Favourable
			£000	%	
Finance & Investment	21,612	21,627	-15	0%	Adverse
HR & OD and Payroll	3,374	3,460	-86	-3%	Adverse
Digital & Improvement	5,753	6,398	-645	-11%	Adverse
Revenues & Benefits	3,613	2,933	680	19%	Favourable
Audit, Risk & Business Continuity	595	560	35	6%	Favourable
Strategic Change	4,814	4,564	250	5%	Favourable
Corporate Pressures	3,680	3,680	0	0%	
Directorate Surplus / (Deficit)	43,441	43,222	219	1%	Favourable
Support / Admin Building Overhead	-9,749	-9,749	0	0%	
Total Surplus / (Deficit)	33,692	33,473	219	1%	Favourable

3.8.2 **Finance & Investment:** A small adverse variance of £0.015m is reported for 2021/22 after the transfer to the business rates equalisation reserve. The service had been forecasting throughout the year that this funding would be available to support this reserve and has been possible at the full anticipated level, leaving a small adverse variance.

3.8.3 **HR & OD:** A small adverse variance of £0.086m is reported for the Financial Year 2021/22.

3.8.4 **Digital & Improvement:** An adverse variance of £0.645m is reported for the Financial Year 2021/22. This is due to a number of contracts with schools which have not been renewed, resulting in a loss of income. Work to turn this around will continue, including exploring how the LCR Connect network can be used to provide connectivity into schools. Printing Services continue to lose revenue as the Council moves towards more Digital ways of working. A programme of work has commenced to review the schools traded service and the printing service, both of which are not financially sustainable. This will be reported to the Committee in 2022/23 with options to remove the deficit and mitigate any future years' pressure.

3.8.5 **Revenues & Benefits:** A favourable variance of £0.680m is reported for the Financial Year 2021-22. At the end of the year, the final allocations for the Tax Income Guarantee grant were agreed and the Council received more than was

forecast at the start of the year. The Ministry of Justice (MoJ) have made a repayment of Magistrates Court Fees during the periods April 2014 to July 2018 is due to the Authority in a letter from Local Authority Civil Enforcement Forum (LACEF). During a review conducted by the MoJ it was identified that the court fees were inadvertently set above the cost of the service. The income from Court Summons is recovering and is being closely monitored. Service remodelling is resulting in the service holding post vacancies pending restructure which is showing as a favourable variance within Employees. Further COVID funding has been received to enable employees redeployed to other duties to continue.

- 3.8.6 **Audit, Risk and Business Continuity:** A minor favourable variance of £0.035m is reported for 2021/22.
- 3.8.7 **Strategic Change:** A favourable variance of £0.250m is reported for the Financial Year 2021/22. This is as a result of staff redeployed on Covid duties with funding or working on capital projects where their salaries have been capitalised. Over the past 6 months, the Council has been working with its strategic partner to implement the digital transformation aspect of the Strategic Change Programme, as agreed by the Committee in December 2021. Work to fully progress this has been delayed to ensure the digital transformation fully aligns with the new operating model and the priorities within the Wirral Plan. As a result, the funding earmarked for this has not yet been spent. This will be carried forward and spent into 2022/23 as a digital transformation reserve which will in turn enable significant savings to be made across the whole council. A report will be presented to the committee at later date with a full business case.
- 3.8.8 **Corporate Pressures:** A break-even position is reported for 2021-22. The social care balance has been transferred to a new reserve to protect against any long-term impact of unexpected demand arising from long-covid and the impact of the cost of living crisis on the social care setting.

TABLE 26: 2021/22 Resources – Subjective Budget & Outturn

	Budget	Outturn	Variance		Adverse/ Favourable
			(+ Fav / - Adv)		
	£000	£000	£000	%	
Income	-97,173	-95,115	-2,058	2%	Adverse
Expenditure					
Employee	27,334	25,113	2,221	8%	Favourable
Non Pay	113,280	113,224	56	0%	Favourable
Total Expenditure	140,614	138,337	2,277	2%	Favourable
Directorate Surplus / (Deficit)	43,441	43,222	219	1%	Favourable
Support / Admin Building Overhead	-9,749	-9,749	0	0%	
Total Surplus / (Deficit)	33,692	33,473	219	1%	Favourable

Budget Virements

3.8.9 Following the recently agreed pay award, a budget virement to cover the cost of the agreed 1.75% pay uplift has been processed during Quarter 4.

Budget Saving Achievement Progress

3.8.10 Within each Directorate'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 have changed and needed to be monitored closely to ensure, if adverse, mitigating actions could be taken immediately to ensure a balanced budget is reported to the end of the year.

TABLE 27: 2021/22 Resources – Budget Savings

Saving Title	Agreed Value	Outturn Value	RAG Rating	Comments
Business Change Service Reduction	£0.670m	£0.670m	Green	Achieved
Review of Traded Services	£0.270m	£0.270m	Green	Achieved
Alternative funding for PFI	£0.250m	£0.250m	Green	Achieved
Bad debt write-off reduction	£1.000m	£1.000m	Amber (Green after mitigations)	Not fully achieved. Work is ongoing into the debt process especially in relation to Adult Social Care debt which is being reviewed for 22/23.

New staffing structure in IT Services	£0.620m	£0.620m	Green	Achieved
Business Support Unit Staffing Reduction	£0.240m	£0.240m	Green	Achieved
Wide Area Network savings	£0.240m	£0.240m	Green	Achieved
Restructure of Revenues & Benefits	£0.150m	£0.150m	Green	Achieved
Centralised Print Process	£0.160m	£0.060m	Amber (Green with mitigations)	Not fully achieved due to the request by Members to reinstate some printers
Workforce remodelling	£0.390m	£0.390m	Green	Achieved
Continuation of agile working	£0.500m	£0.500m	Green	Achieved
Apprenticeships First Strategy	£0.150m	£0.150m	Green	Achieved
One Stop Shop Service Reduction	£0.100m	£0.100m	Green	Achieved
Continue Temporary Building Closures	£0.750m	£0.750m	Green	Achieved
Zero Based Budgeting	£0.170m	£0.170m	Amber (Green after mitigations)	A ZBB exercise has been undertaken for Adult, Care and Health which has not generated any savings in 21/22. The full process of ZBB for all other Directorates will continue throughout 22/23 as part of the service review process.
Contract Management & Commissioning	£0.350m	£0.350m	Green	Achieved
Local Welfare Assistance Temporary Saving	£0.200m	£0.200m	Green	Achieved
Use of Brexit Reserve	£0.100m	£0.100m	Green	Achieved
Additional Capital Receipts	£0.390m	£0.390m	Green	Achieved
Total	£6.700m	£6.600m		

3.8.11 The majority of the savings within Resources are on target to be met as noted above.

Earmarked Reserves

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

TABLE 28: 2021/22 Resources – Earmarked Reserves

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Commercial Management	225	-20	0	205
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	2,336	7,000
Enterprise Zone Contingency Fund	29	0	0	29
Financial Resilience Reserve	2,599	-3,612	1,900	887
Financial Instrument Equalisation Reserve	2,126	-3	0	2,123
Year 2 of EVR/VS Termination Payments	1,000	-1,572	2,455	1,883
Social Care Fund	0	0	3,340	3,340
Digital Transformation	0	0	1,566	1,566
Total	11,321	-5,207	11,597	17,711

3.8.13 Business Rates Equalisation Reserve

During the year there have been planned underspends within the Resources Directorate in all areas in anticipation for budget reductions as part of the 2022/23 budget setting process. As part of the expected funding formula review in 2023/24, it is anticipated that the 100% business rates pilot retention that Wirral takes part in with the rest of the Liverpool City Region will cease. When the pilot was established, Wirral benefited from an additional £7m income as part of the pilot and as the pilot is expected to cease, it is anticipated that this benefit will reverse, and the Council will be at a £7m detriment. At the time pilot was established, a business rates equalisation reserve was also established to protect the Council from having to offset the cessation of the pilot and the subsequent detriment in year of termination. Any underspends within the Resources Directorate, where available, have been used to top-up that reserve to a value of the anticipated future detriment of £7m. The planned underspend in 2021/22 will contribute to that reserve to ensure that once the pilot is expected to cease in 2023/24 there will be a one-year protection from any funding reduction in that year.

3.8.14 Financial Resilience Reserve

During the year a credit of £1.9m has been received from Merseyside Pension Fund in respect of a reduction of employers' pension contribution as the fund is fully funded for past service liabilities. This credit has been included within the Financial Resilience Reserve at quarter 4 and has been fully utilised to fund the 2021/22 staff pay award that was not budgeted for in the 2021/22 budget. The reason for this was highlighted in the 2021/22 budget report, approved at full Council and was a result of

the announcement in the Chancellor's 2020 autumn statement that all public sector pay increases would be paused for the following year. Since the statement was made however, the National Employers Association and Trade Unions have subsequently agreed a 1.75% pay award would be paid.

3.8.15 EVR Reserve

At the start of the year the EVR reserve was set at £1m. This reserve is used to fund the exit costs of staff leaving the authority on Voluntary Redundancy which encompass redundancy payments and pension strain payments. There is an option to fund pension strain payments over 5 year via the Merseyside Pension Fund but to alleviate future years costs and a medium-term debt, the council policy is the all exit costs are funded in full in the year of exit. The existing Government Flexible Use of Capital Receipts guidance, up to the end of 2021/22 allows redundancy payments to be funded from income from asset disposals, however this is not a policy that the Council has previously followed. This has proven to be a beneficial approach as from 2022/23 the Government has changed the guidance, and this is now not allowed. Due to the nature of the savings requirement for 2022/23, it was anticipated that significant costs could be realised from voluntary redundancy exit and potential compulsory redundancy exit and as a result, £2.5m additional funding was earmarked to increase this reserve from the Financial Resilience Reserve and the Transformation budget. As part of the 22/23 savings implementation, not all staff left the council by 31 March 2022 with some due to leave in 2022/23. Therefore, the reserve will be carried forward into next year to mitigate the cost of staff exit in 2022/23 and will be renamed the Exit Costs Reserve.

3.8.16 Social Care Reserve

During 2021/22 budget setting, the Social Care grant increase was earmarked to offset any additional demand within Children and Adult Social Care functions. The grant is ringfenced to social care functions and cannot be used for any other purpose. Demand had increased as planned during the year and continued to be impacted by Covid-19. As a result, the social care grant increase was attributed to the increase in demand. However, during the year additional funding has been received that was not anticipated to support continuing Covid-19 activities and as a result not all available funding for social care has been utilised. It is expected that the impact of Covid-19 will continue to be a strain on both adult and children's social care with the longer-term impact of Covid still unknown. Therefore, it is planned to carry the forward the social care funding into 2022/23 to be ring-fenced to any unplanned an unforeseen demand increases in that year and to ensure that sufficient contingency funding is available so as not to impact on core budgets and put the council at risk of future overspends.

3.8.17 Digital Transformation Reserve

In December 2021, the Policy and Resources Committee approved the Strategic Change Programme. This programme included a series of service reviews that would take place over a rolling period that will work within the principles of the Councils new operating model to ensure all services are contributing to the objectives in the Wirral plan and generating beneficial outcomes that can demonstrate value for money. Part of this change programme is an inter-linked digital transformation programme. Work has been ongoing with the Councils preferred supplier as to the implementation of the digital transformation for some time and this work was due to start in 2021/22. However, following a refresh to the

Wirral Plan and a requirement to ensure that the digital transformation programme was aligned to the improvement plans arising from the DLUHC review and the Corporate Peer Challenge, the digital transformation programme is now planned to commence during 2022/23. As a result, the programme funding is unspent and is planned to be carried forward into 2022/23 to enable this work to take place to support the change programme to ensure the council can remain on a sound financial footing and maintain future financial sustainability.

3.9 Earmarked Reserves and General Fund Balances

Earmarked Reserves

- 3.9.1 The earmarked Directorate reserves year-end total has increased by £20m from the start of the year. This is for a number of reasons:
- Late notification and receipt of grant funding that was unable to be spent
 - Increased partnership funding that Wirral is the host for
 - Proactive reductions in expenditure to fund priority actions
 - Slippage on projects due to delays in completion
 - Reserves agreed for utilisation as part of the budget process
- 3.9.2 Of the total earmarked reserves contributions, £13.6m (52%) relates to ring-fenced grants with specific conditions and other ring-fenced activities that can only be used for the purpose it was established e.g., by law, contributions from partners etc. The majority of the reserves held will be spent in 2022/23 on the activities for which they were established. There will be cases however where some of the reserves will be committed over a longer period and have been set aside now to support the council's financial sustainability and have little or limited impact on future years budgets
- 3.9.3 Appendix 1 provides the full list of all earmarked reserves and includes a further narrative on the reserves that have increased by over £100k in year.

General Fund Balances

- 3.9.4 The purpose of a general fund balance (general reserve) is to minimise the possible financial impacts to the Authority from:
- Emergencies
 - In-year emerging financial issues
 - Reacting to investment opportunities
- 3.9.5 The Finance Procedure Rules set the parameters for the use of general reserves. The in-year use of general reserves requires Council approval and must not be used for any level of recurring spending unless that spending will be included in revenue budgets in the following financial year or a suitable payback period is agreed in advance. In all cases the use of reserves should be approved by the Section 151 Officer.
- 3.9.6 The 2021/22 Budget anticipated that the Council would hold general reserves of £10.68m (3.2% of net revenue budget).
- 3.9.7 Following a review of the risk assessed minimum level requirement, general reserves will remain at £10.68m at 31st March 2022. It is anticipated that the Council will hold general reserves at a minimum between of £10.68m and £17.41m by 2027. This is based on achieving a general fund balance of between 3.2% and 5% of net revenue budget by 2027 and will be completed as part of the financial recovery plan.
- 3.9.8 In 2021, as part of the external audit, the auditors qualified the Value For Money (VFM) opinion due to what is seen as an insufficiency of reserves, and this approach seeks to remedy this.

3.10 Covid Funding

3.10.1 Covid funding received, or expected to be received, as at Quarter 4 of 2021-22 totals £61.648m of which £34.186m is fully passported, £18.204m is partially passported, £7.230m is for use by the Council and £2.028m is for the Sales, Fees & Charges compensation claim.

TABLE 29: 2021/22 Covid Grant Funding Apr 21 to Mar 22

COVID-19 FUNDING – FY21-22 YTD	£
FULLY PASSPORTED FUNDING:	
Restart Grant	14,064,813
Hospitality & Leisure/Additional Restrictions/Trading On Scheme	5,249,373
Section 31 Grants - Business Rates Relief	12,800,232
Omicron Hospitality & Leisure Grant	1,668,096
Omicron Additional Restrictions Grant	403,382
TOTAL FUNDING - FULLY PASSPORTED	34,185,896
PARTIALLY PASSPORTED FUNDING:	
ASC Infection Control Fund	5,414,742
Rapid Testing in Care Homes	1,796,261
Workforce Recruitment & Retention Fund	3,469,462
ASC - Omicron Support Fund	450,092
COVID Local Support Grant	1,440,726
Household Support Fund	3,049,345
Test & Trace Support £500 Payment Scheme	2,584,151
TOTAL FUNDING - PARTIALLY PASSPORTED	18,204,779
FUNDING FOR COUNCIL USE:	
Re-Opening High Streets Safely Fund/Welcome Back Fund	617,633
Contain Outbreak Management Fund	2,582,258
Local Authority Practical Support for those Self-isolating	760,479
Clinically Extremely Vulnerable (CEV) grant	382,851
Local Elections Funding – May 2021	85,292
New Burdens	470,108
Community Testing	2,331,187
TOTAL FUNDING - COUNCIL USE	7,229,808
Sales, Fees and Charges Compensation Scheme	2,027,899
TOTAL COVID FUNDING – FY21-22 YTD	61,648,381

TABLE 30 2021/22: Covid Grant Funding Changes Q3 to Q4 2021/22

TABLE 30 2021/22: Covid Grant Funding Changes Q3 to Q4 2021/22

Increase or (Decrease) in Funding	£
FULLY PASSPORTED FUNDING:	
Omicron Hospitality & Leisure Grant	1,668,096
Omicron Additional Restrictions Grant	403,382
TOTAL FULLY PASSPORTED FUNDING INCREASE	2,071,478
PARTIALLY PASSPORTED FUNDING:	
Workforce Recruitment & Retention Fund	2,250,462
Test & Trace Support £500 Payment Scheme	1,745,047
ASC - Omicron Support Fund	450,092
PARTIALLY PASSPORTED FUNDING INCREASE:	4,445,601
FUNDING FOR COUNCIL USE:	
Re-Opening High Streets Safely Fund/Welcome Back Fund	(-11,998)
Local Authority Practical Support for those Self-isolating	156,596
New Burdens	53,588
Community Testing	1,837,832
FUNDING FOR COUNCIL USE INCREASE:	2,036,018
Sales, Fees and Charges Compensation Scheme	(-387,271)
TOTAL COVID FUNDING INCREASE SINCE QUARTER 4 2021	8,165,825

3.10.2 Fully Passported Funding - Increase £2.071m

Omicron Funding

Additional funding received to support those businesses severely impacted by the rise of the Omicron variant

3.10.3 Partially Passported Funding - Increase £4.446m

Workforce Recruitment & Retention Fund: £2.250m

Additional funding to support the adult social care sector to recruit and retain staff.

Test and Trace £500 Payment Support Scheme: £1.745m

Further allocation to reflect final claim made for the Test and Trace payment support scheme.

Adult Social Care Omicron support: £0.450m

Grant for the adult social care sector to meet the increased pressure on existing funding sources caused by the Omicron variant.

3.10.4 Funding for Council use – Increase £2.036m

Re-Opening High Streets Safely Fund/Welcome Back Fund: Decrease (£0.012m)

Previous estimated figure adjusted down to meet value of final claim for measures supporting the public's return to the high street and public venues.

Local Authority Practical Support for those Self-Isolating: £0.157m

Final funding to Local Authorities to provide practical support for those who are Self-Isolating due to COVID-19.

New Burdens Business Grants: £0.054m

Additional funding to LAs to continue to administer and support COVID-19 business grants.

Community Testing – DHSC: £1.838m

Funding from the Department of Health to meet the costs of delivering Wirral's Community Testing response.

3.10.5 Sales, Fees and Charges – Decrease £0.387m

Adjustment from previous estimated figure to reflect final claim made to The Department for Levelling Up, Housing and Communities

3.10.6 Reserves

There has been one increase for a reserve value attributable to Covid funding received in 2021-2022. This is for the Clinically Extremely Vulnerable (CEV) grant which will be fully utilised in 2022-2023 as it is earmarked to meet the additional care costs vulnerable people within adult social care.

3.10.7 Covid-19 Tranche Funding

One strand of the funding received from Government to support Covid-19 was Tranche funding. This was paid in 5 separate tranches and totalled £39.912m. This funding was not specifically ring-fenced but had to be spent on activities to support the impact felt by Covid-19. There has not been any indication from Government that any unspent funding will be clawed back.

Since 2020/21 the tranche funding has supported cells that were established under the emergency Covid-19 delegations and all requests for funding were accompanied by a Joint Emergency Service Interoperable Procedure (JESIP) form that was either approved by the Tactical Support Group (TCG) or the Strategic Recovery Group (SRG). £8.5m of this funding remains unspent but is committed under approved JESIP forms and will be carried forward in reserve into 2022/23 to support these

commitments to offset the continuing impact of Covid-19. In 2022/23 the fund will be allocated to individual reserves and will be managed through the Council's Reserve Strategy. In the event the reserves are no longer required, in line with the tranche funding guidance that the funds must only be used to support Covid-19 activities, the funds will be used to repay the capitalisation loan early as the reason for this loan arose from the impact of Covid-19 on the Council's budget.

Children, Families & Education £1.500m – to support the impact upon children who have suffered abuse at home during lockdown that takes times to recognise and understand.

Adult, Care & Health £0.560m – to meet the demand and cost pressures required to support people discharged from hospital. Pressures that have been increased with the cessation of the Hospital Discharge fund in March 2022.

Neighbourhoods –£2.200m- Waste service pressures linked to the additional footfall at coastal areas, supporting Community Safety response plus anticipated continuing reduction in income due to ongoing public nervousness and reluctance to return to leisure activities at the level pre Covid-19 etc

Recovery £1.100m – Ventilation costs to ensure buildings are fit for purpose, funding required to support staff returning to buildings and short-term service demand needs.

Revenues and Benefits £0.300m – Allocation to meet Local Welfare Assistance demands for residents.

Strategic renewal, community engagement and support £2.9m – Continuation of mental health, digital inclusion, debt management and employment support.

3.11 Exceptional Financial Support (EFS)

- 3.11.1 In March, the Ministry for Housing, Communities and Local Government (MHCLG) (now the Department for Levelling Up, Housing and Communities (DLUHC) 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.
- 3.11.2 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.
- 3.11.3 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 on 12 May the Council received written confirmation from DLUHC that, "Ministers are content to approve a total capitalisation direction to fund revenue expenditure not exceeding £6.36 million, subject to conditions". (see Appendix 1)
- 3.11.4 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 were reassessed to review the appropriateness of the estimation and provided an opportunity to reduce the requirement to access the full £10.7m of Exceptional Financial Support (EFS).
- 3.11.5 A corporate pressure of £1.000m held for Homelessness was earmarked to reduce the requirement to access EFS at quarter 2, as the service has received almost the equivalent value in grants that were not known about at the time of setting the budget and applying for the EFS.
- 3.11.6 A further £2.000m from the Contain Outbreak Management Fund (COMF) was identified for use as since the budget was set and the EFS was applied for, significant additional funding has been received for COMF. This funding is eligible to be used to offset Covid pressures that were originally contributing to the position that required a request for EFS. These covid pressures included a grants programme for social sector venues enabling them to safely remobilise, resources to support strategic recovery and additional staffing required to support the Covid response.
- 3.11.7 The favourable variance of £1.854m within this Outturn report will be used to offset the need to access EFS.
- 3.11.8 Using these monies will reduce the Council's requirement to access Exceptional Financial Support by £4.854m, from £10.700m down to £5.846m.

3.11.9 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.

3.12 Medium Term Financial Plan

A Medium-Term Financial Plan outlining forecast savings and pressures up to 2025/26 was presented to Committee in February 2022. Directorates have been working on early proposals for budget workshops and these will contribute to a revised MTFP.

4.0 FINANCIAL IMPLICATIONS

4.1 This is the Quarter 4 budget monitoring report that provides information on the 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 Council must set the budget in accordance with the provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a statutory responsibility of the Council. Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget. These provisions require the Council to make prudent allowance for the risk and uncertainties in its budget and regularly monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.

5.2 The provisions of section 25, Local Government Act 2003 require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the chief finance (s.151) officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves.

5.3 It is essential, as a matter of prudence that the financial position continues to be closely monitored. In particular, Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

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

7.0 RELEVANT RISKS

- 7.1 The Council's ability to maintain a balanced budget for 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 3.11.1. 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 One of the recommendations of the External Assurance Review was to appoint an independent assurance panel as an advisory body with the necessary expertise to provide external scrutiny and support to the Council and assurance to DLUHC that progress is being made in achieving the required improvements. With support from the Local Government Association, the Council has now established this Panel which met for the first time in January and will continue to meet on a regular basis to ensure that the Council responds positively to the recommendations and achieves the required outcomes.
- 7.7 Whilst balancing this year and future year budgets requires some difficult decisions to be made, it provides an opportunity to stabilise and re-balance the Council's

finances. This will enable the Council to be in a position to better afford to invest in modernising and improving its service offer for the future.

- 7.8 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.

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

11.0 COMMUNITY WEALTH IMPLICATIONS

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

- **Progressive Procurement and Social Value**
How we commission and procure goods and services. Encouraging contractors to deliver more benefits for the local area, such as good jobs, apprenticeship, training & skills opportunities, real living wage, minimising their environmental impact, and greater wellbeing.
- **More local & community ownership of the economy**
Supporting more cooperatives and community businesses.
Enabling greater opportunities for local businesses.
Building on the experience of partnership working with voluntary, community and faith groups during the pandemic to further develop this sector.
- **Decent and Fair Employment**
Paying all employees a fair and reasonable wage.
- **Making wealth work for local places**

REPORT AUTHOR: **Mark Goulding**
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APPENDICES

APPENDIX 1 – Earmarked Reserves

APPENDIX 2 - Exceptional Financial Support Letter from DLUHC dates 12 May 2022

BACKGROUND PAPERS

MHCLG Exceptional Financial Support Offer Letter

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Policy and Resources Committee	17 March 2021
Full Council	1 March 2021
Policy and Resources Committee	9 June 2021
Policy and Resources Committee	10 November 2021
Policy and Resources Committee	15 February 2022

APPENDIX 1 – Earmarked Reserves

Adult Care and Public Health

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Adult Social Care – Safeguarding	181	-75	0	106
Public Health Ringfenced Grant	3,682	0	2,912	6,594
Champs Innovation Fund	2,419	0	745	3,164
Champs Covid-19 Contact Tracing Hub	1,962	0	1931	3,893
Project ADDER (Addiction, Diversion, Disruption, Enforcement, Recovery)	0	0	871	871
Better Care Fund	0	0	236	236
Total	8,244	-75	6,695	14,864

Notes on significant contributions to reserves:

Public Health Ringfenced Grant

Significant additional funding received from Government to support public health activities as a result of Covid-19. Public Health grant is historically always reported as fully spend with the assumption that any underspends will be added to the reserve. A 5 year plan is in place to spend the full reserves which were originally established to mitigate the risk of a grant cut and un-ringfencing to ensure a phased approach to reducing expenditure.

Champs Innovation Fund

This is partnership funding and dependent on decisions made by all partners. It is not always possible to determine how much will be spent at the end of the year.

Champs Covid-19 Contact Tracing Hub

This is part of Cheshire and Merseyside partnership funding for which Wirral holds all the funds. Spend is agreed collectively by the partnership.

Project ADDER (Addiction, Diversion, Disruption, Enforcement, Recovery)

Grant notification was received very late into 2021/22 meaning that a plan for spend was not possible in year. Report to be presented to Committee in June to agree how the funding will be spent.

Better Care Fund

Expenditure is agreed in partnership with Clinical Commissioning Group (CCG). Late agreement from Health to fund hospital discharges meant that the full funding wasn't required. Agreement with CCG to fully spend in 22/23.

Children, Families and Education

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Intensive Family Intervention Project	505	0	0	505
School Improvement -	723	0	371	1094
Schools Causing Concern	500	0	0	500
SEND OFSTED Inspection Improvement Action Plan	105	0	946	1051
Children's Centre – Outdoor Play	100	-8	0	92
Help for Young People	36	0	0	36
Looked After Children Education Services	107	0	104	211
Local Safeguarding Children's Board	23	0	0	23
SEND - High Needs	248	0	0	248
YOS - Remand & Mobile Youth Centre	0	0	157	157
Early Help & Play Development	0	0	123	123
DRIVE Safelives & Domestic Abuse Hub	0	0	50	50
Children's Transformation	0	0	32	32
Children IT data system	0	0	127	127
Mersey & Cheshire ICS Pilot	0	0	20	20
Care Leaver Accommodation Development	0	0	358	358
Wirral Apprentice Programme	0	0	53	53
Looked after Children Placement Reserve	0	0	470	470
Schools – DSG	-1679	-11	0	-1690
Total	668	-19	2,811	3,460

Notes on significant contributions to reserves:

School Improvement

Originally forecast to be fully spent but following DfE announcement that funding could be carried forward on 7 March 2022. Agreed to review the projects for best outcomes as more time is available.

SEND OFSTED Inspection Improvement Action Plan

Following OFSTED Inspection, a decision was taken to reduce spend in Directorate just after Q3 to ensure sufficient funds were available to support the Improvement Action Plan. Late notice of a refund for PFI also contributed to this reserve.

Looked After Children Education Services

Grant funding that was intended to be spent in-year but issues with recruitment meant that slippage occurred. Allowable to be carried forward under the grant conditions.

YOS – Remand & Mobile Youth Centre

Review of the grant conditions took place at month 11 when it was envisaged that it would be fully spent. Flexibility was found within the grant conditions and the project reviewed to ensure the most beneficial outcomes to avoid clawback

Early Help & Play Development

This reserve is made up of expenditure on various one-off projects which individually are immaterial.

Children IT data system

Slippage on implementation of the new system at the last quarter in the year.

Care Leaver Accommodation Development

These funds have been moved from another reserve that is no longer needed (LSC Grant - clawback period expired) and will be used to support 16-19 Care Leavers new initiative.

Looked after Children Placement Reserve

Prudent forecast at Q3 to mitigate against any new Children in Care cases occurred in the last quarter. As no additional significant cases were presented, the reserve is being established to mitigate against partial non-achievement of savings in 22/23 and to establish a contingency for unknown additional demand presenting in-year.

Law and Governance

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Licensing Reserve	60	0	0	60
Taxi, Marriage & Scrap Metal Licences	103	0	42	145
Constituency Fund Carry forward	15	-15	0	0
Electoral Reserve	0	0	150	150
Total	178	-15	192	355

Notes on significant contributions to reserves:

Electoral Reserve

Established as part of the 22/23 budget setting process for elections on a four-year cycle.

Neighbourhoods

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Community Safety Initiatives	555	0	246	801
Health & Safety Flood Prevention	455	0	0	455
Parks Tree Maintenance	374	-187	0	187
Environmental Health	300	0	0	300
Anti-Social Behaviour	112	-112	0	0
Climate Emergency	100	0	0	100
Les Mills Classes	100	-11	0	89
Litter Enforcement - development of initiatives	49	0	0	49
Weed Spraying : Mitigate against additional costs	41	0	0	41
Birkenhead Park World Heritage Site Lottery Bid	40	0	0	40
Coastal Protection	35	0	0	35
Sports Development Reserve	30	-8	0	22
Environmental Health F.S.A. Backlog	28	0	0	28
Trading Standards	25	0	0	25
Hilbre Island - Legacy	21	0	0	21
Health & Safety Armed Forces Welfare Pathway	14	0	0	14
BikeSafe	10	0	0	10
Repairs & Maintenance upgrades on Public Conveniences	8	0	0	8
LAMPS to Concerto system replacement	2	0	0	2
Brexit Preparation Grant	110	-110	0	0
Library Donations	1	0	0	1
Storeton Quarry	0	0	30	30
Total	2,410	-428	276	2,258

Notes on significant contributions to reserves:

Community Safety Initiatives

This is partnership funding and is dependent on decisions made by all partners. It is not always possible to determine how much will be spent at the end of the year.

Regeneration and Place

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Selective Licensing	538	0	816	1,354
Wirral Ways to Work	273	0	223	496
Regeneration and Inward Investment	763	0	660	1,423
Urban Development Corporation Bid	220	0	190	410
Building Control Fee Earning	354	-75	189	468
HMO Licence Fees	131	0	33	164
Major Infrastructure Project Development	183	0	0	183
Property Repairs rental income	22	0	254	276
DCLG Empty Shops Grant	41	0	0	41
Culture and Visitor Economy	24	-24	0	0
ERDF 4.2 Match Funding	18	0	0	18
Discover Wirral Marketing Campaigns	13	-13	0	0
DDA - Disabled Access	83	-83	0	0
Europa Centre Dilapidations	83	0	0	83
A/M GMT – Community Fund CAT	76	0	0	76
Licence Survey Work	56	0	0	56
Emergency Maintenance and Work in Default	71	0	135	206
Asset Consolidation	45	-45	0	0
Heritage Fund	7	0	5	12
Resettlement Programme Grant	0	0	992	992
Supporting People Programme	0	0	141	141
Homelessness	0	0	180	180
Domestic Abuse Bill Grant	0	0	602	602
Economic Growth	0	0	342	342
Birkenhead Future High Street funding	0	0	57	57
Total	3,001	-240	4,819	7,580

Notes on significant contributions to reserves:

Selective Licensing

Funding received to cover the operation of the selective licencing scheme to 2025.

Wirral Ways to Work

Match funding with the European Social Fund to support salaries for officers working on the programme which will continue in 2022/23

Regeneration and Inward Investment

Funding salaries of officers working on the Council's Regeneration Programme many of which are currently being recruited to and covered by Interims.

Urban Development Corporation Bid

Government awarded funding to determine the feasibility for the establishment of a UDC. Work in progress with Deloitte as the appointed consultants.

Building Control Fee Earning

This contribution is dependent on the demand for the service and the level of fees received. It is used to cover staffing costs and to mitigate when demand is lower and fees do not cover the full cost of the team.

Property Repairs rental income

Income from occupants which was forecast at Q3 and could have been reported but value not fully known at the time.

Emergency Maintenance and Work in Default

Covers emergency works to properties with hazardous housing conditions in exceptional health & safety risk circumstances and is recoverable in most but not all cases hence the establishment of the reserve.

Resettlement Programme Grant

Grant notified late from government.

Supporting People Programme

Additional homeless grant received meant that core funding was available to be carried forward and used when grant funding is exhausted.

Homelessness

Additional homeless grant received meant that core funding was available to be carried forward and used when grant funding is exhausted.

Domestic Abuse Bill Grant

Grant notified late from government.

Economic Growth

Required for Environmental Hazard Insurance on recently acquired land at Hind Street as part of the Council's Regeneration Programme.

Resources

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Commercial Management	225	-20	0	205
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	111	0	0	111
ICT Records Management	288	0	0	288
Business Rates Equalisation Reserve (100%) rates retention pilot)	4,664	0	2,336	7,000
Enterprise Zone Contingency Fund	29	0	0	29
Financial Resilience Reserve	2,599	-3,612	1,900	887
Financial Instrument Equalisation Reserve	2,126	-3	0	2,123
Year 2 of EVR/VS Termination Payments	1,000	-1,572	2,455	1,883
Social Care Fund	0	0	3,340	3,340
Digital Transformation	0	0	1,566	1,566
Total	11,322	-5,207	11,597	17,712

Notes on significant contributions to reserves:

Business Rates Equalisation Reserve (100%) rates retention pilot)

Established as part of the 23/24 budget setting process to mitigate against the cessation of the 100% business rates pilot which resulted in a £7m benefit on commencement.

Financial Resilience Reserve

Funding in from a pensions credit from Merseyside Pension Fund as a result of being 100% funded. This funding is recurrent and is included as part of the 22/23 budget process. Funding out is the cost of the 21/22 pay award that was not budgeted and earmarked funding to support the Local Plan.

Year 2 of EVR/VS Termination Payments

Funding in from the Strategic Change Service that supports transformational activity across the council to support budget savings. Funding out is the cost of exit on early voluntary retirement or voluntary severance.

Social Care Fund

Mitigates against future unknown spikes in social care cost and demand, so as to not impact on the in-year budget. Reported as Corporate Budget throughout 2021/22 in the quarterly budget monitoring.

Digital Transformation

Part of the Council's Strategic Change programme agreed at P&R in December 2021 to realise future savings from digital transformation. Report to be presented to P&R Committee in July 2022.

Other Corporate

Reserve	Opening Balance £000	Use of Reserve £000	Contribution to Reserve £000	Closing Balance £000
Covid-19	26,196	-12,463	329	14,062
Insurance Fund	9,445	0	327	9,772
NNDR3 S31 grants	33,430	-33,430	11,794	11,794
Enterprise Zone Investment	482		128	610
Local Council Tax Support Grant	0		3,943	3,943
Local Income Tax Guarantee	3,839	-3,567		272
Schools Capital	256	0	0	256
Schools Balances	13,481	-49	2,876	16,308
Total	87,129	-49,509	19,397	57,017

GRAND TOTAL (excluding DSG)	114,631	-55,482	45,787	104,936
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APPENDIX 2 – Exceptional Financial Support Letter from DLUHC dates 12 May 2022



Department for Levelling Up,
Housing & Communities

Kemi Badenoch MP
*Minister of State for Equalities and Levelling
Up Communities*

***Department for Levelling Up,
Housing and Communities***

4th Floor, Fry Building
2 Marsham Street
London SW1P 4DF

Councillor Janette Williamson
Leader, Wirral Council

Email: kemi.badenoch@levellingup.gov.uk

By email

www.gov.uk/dluhc

12 May 2022

Dear Councillor Williamson,

EXCEPTIONAL FINANCIAL SUPPORT FOR WIRRAL COUNCIL

Thank you for your letter of 1 December where you set out your response to the External Assurance Review led by the Chartered Institute for Public Finance and Accountancy (CIPFA). I am writing in response to that letter and to your Council's request for exceptional financial support in respect of 2021/22.

In relation to this request, in February 2021, we wrote to you to confirm that the Secretary of State was minded to approve a capitalisation direction of a total not exceeding £10.7 million for 2021/22. This was subject to the consideration of a number of factors, including providing the Department with evidence of a plan to address the recommendations outlined in your External Assurance Review commissioned by the Department. The review was published on 2 November 2021. You have now provided us with your draft plan for addressing these recommendations, and it is encouraging that the Council has made some positive progress implementing the recommendations set out in the review.

On 17 February 2022, Wirral officers wrote to the Department to confirm that they were reducing the request for a capitalisation direction in 2021/22, from £10.7 million to £6.36 million. The main reasons for this reduction are additional grant support provided by Government, and Council underspends over the course of the financial year 2021/22. Ministers have fully considered your updated capitalisation request for 21/22 and although this does not constitute a capitalisation direction, this letter sets out the current position.

With respect to the financial year of 2021/22, Ministers are content to approve a total capitalisation direction to fund revenue expenditure not exceeding £6.36 million, subject to conditions. The conditions would be set out in the capitalisation direction when issued –

please find the conditions attached to this letter. The Department would be happy to meet with your officers should they wish to discuss the position set out in this letter.

I would be grateful if the Council could consider the Department's position with respect to your request and provide my officials with final confirmation that you wish to proceed with your request for exceptional financial support with the conditions outlined in this letter by 20 May. I would also like to thank you and your officers for your continued cooperation throughout this process.

Yours sincerely,

A handwritten signature in black ink that reads "Kemi Badenoch". The signature is written in a cursive, flowing style.

KEMI BADENOCH MP

**Minister of State for Equalities and
Levelling Up Communities**

Conditions for 2021/22 capitalisation direction

- A. The Council may only capitalise expenditure when it is incurred.
- B. Where the Council's capital financing requirement is increased as a result of the capitalisation of expenditure under this direction:
- i. Any further borrowing from the date of the capitalisation letter up to and including, but not exceeding, the increase in the financing requirement must be obtained from the PWLB (Public Works Loan Board) and must be subject to an additional 1 percentage point premium on the interest rate above the rate the loan would otherwise be subject to. This requirement does not apply to borrowing in relation to your Housing Revenue Account. Where any borrowing to which these conditions initially apply is refinanced, the conditions must continue to apply to the resulting borrowing.
 - ii. The Council shall charge annual Minimum Revenue Provision using the asset life method with a proxy 'asset life' of no more than 20 years, in accordance with the Department's Statutory Guidance on Minimum Revenue Provision issued by the Secretary of State under section 21(1A) of the Local Government Act 2003.
- C. That within three months of this capitalisation direction, the Council develops and shares with the Department a plan for the generation of additional capital receipts (either through asset disposals or changes to its capital programme). To help reduce the Council's future borrowing requirement the plan should, as far as possible, aim to reduce the Council's capital financing requirement by an amount at least equal to the total revenue expenditure treated as capital under this direction (in addition to revenue capitalised under the Council's 2020/21 direction).
- D. The Council develops and shares with the Department a final Improvement Plan and makes good progress towards completing the actions outlined in this plan, as well as the plan required by condition C, as assessed by the Independent Assurance Panel in their regular reports to the Council that will also be provided to the Secretary of State.
- E. It is a further condition that the Council maintains a regular dialogue with the Department and reporting on progress against implementing that plan to the Department every six months. The frequency of progress reporting will be reassessed after two years.

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POLICY AND RESOURCES COMMITTEE

Wednesday, 8 June 2022

REPORT TITLE:	CAPITAL OUTTURN REPORT 2021-22
REPORT OF:	DIRECTOR OF RESOURCES (S151 OFFICER)

REPORT SUMMARY

This Report details the Capital Outturn for 2021/22, the resources used to fund the Programme and provides a review of the progress of the delivery of the agreed Capital Programme.

This matter is a key decision due to the level of expenditure involved and as the capital programme affects all Wards within the Borough.

RECOMMENDATION/S

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

- 1 that the additional year-end re-profiling of £30.4m from 2021/22 to 2022/23 be noted;
- 2 that the financing of the Programme for 2021/22 be noted and
- 3 the approval of the virements referred to in Appendix 3 in this report.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The Council is required to make a number of formal determinations in respect of its capital expenditure and financing and this report includes those for the 2021/22 financial year.

2.0 OTHER OPTIONS CONSIDERED

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

3.0 BACKGROUND INFORMATION

MONITORING 2021/22

- 3.1 The Capital Programme 2021/22 was considered by Policy and Resources Committee on 17 February 2021 and approved by Council on 1 March 2021. The Programme is based on the refreshed Wirral Plan 2021-2026 priorities, Government grant announcements and scheme affordability. It was highlighted that the Council's revenue budget position limited the scope for unsupported capital expenditure.
- 3.2 Policy and Resources Committee received regular updates in respect of capital monitoring throughout the year. The last monitoring report, for Quarter 3, was considered by Policy and Resources Committee on 17 February 2021. Since then, work has been on-going in order to conclude the accounts for the financial year.
- 3.3 During the year the Programme was regularly reviewed which resulted in schemes being deferred to 2022/23 along with the supporting funding. This resulted in reduced Treasury Management costs through a reduced need to borrow in 2021/22.

CAPITAL OUTTURN

- 3.4 The capital expenditure for the year was £45.6m compared to the Revised Programme of £71.9m which was reported in February 2022 (Quarter 3). This is summarised in Table 1.
- 3.5 The outturn also includes the Formula Capital schemes delegated to schools.
- 3.6 As a result of the £23.286m borrowed to finance the capital programme in 2021/22, the General Fund will be charged with its first repayment via the Minimum Revenue Provision (MRP) in 2022/23 of £0.941m. This will bring the total MRP charge for 2022/23 to £5.665m for borrowing associated with delivering the Capital programme.

Table 1: Capital Programme 2021/22 – Position by Directorate

Programme	Original Budget £m	Q3 Forecast £m	Actual £m	Actual V Original Budget %
Adult Care & Health	5.715	1.085	0.788	14%
Children, Families & Education	8.091	5.965	4.760	59%
Corporate Schemes	10.680	9.126	5.846	55%
Neighbourhoods	7.755	19.685	12.683	164%
Regeneration & Place	47.006	33.59	18.934	40%
Resources	4.6	2.473	2.542	55%
Total	83.847	71.924	45.553	54%

Table 2: Capital Programme 2021/22 – Position by Committee

Programme	Original Budget £m	Q3 Forecast £m	21 -22 Actual £m	Actual V Budget %
Adult Social Care & Health	5.715	1.085	0.788	14%
Children, Young People & Education	9.291	5.995	4.770	51%
Economy, Regeneration & Development	22.478	23.718	11.808	53%
Environment, Climate				
Emergency & Transport	10.509	19.744	12.753	121%
Housing	6.432	7.669	5.684	88%
Policy & Resources	24.749	12.160	8.877	36%
Tourism, Communities, Culture & Leisure	4.673	1.553	0.872	19%
Total	83.847	71.924	45.553	54%

- 3.7 Council has previously approved amendments totalling £11.92m to the originally approved programme budget, as reflected in the position for Quarter 3. A number of significant variations have arisen since the programme was agreed in March 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.
- 3.8 Given the budgetary pressures that the Council faces a review of the programme continues to try and identify schemes that may no longer be financially viable, essential or deliverable. This review has resulted in scheme reductions totalling

£8.32m and the reprofiling of budget into future years of £98.33m. It is anticipated that further reductions and/or deferrals of budget will be made as the review continues. Such deferrals reduced the borrowing costs incurred during 2021/22 (the effects of which are included within the revenue outturn) and also delays the resultant Minimum Revenue Provision (MRP) charges into future years.

- 3.9 Appendix 1 of this report categorises the movement in the programme through to 2021/22 outturn.
- 3.10 A review of the Capital Programme is under way to identify which schemes can either be delayed, deferred or even withdrawn to reduce the ongoing financial commitments that result from the programme. Those schemes that have encountered significant delays for operational reasons are included with the items of significant variations, summarised in Appendix 1 of this report. Appendix 2 of this report lists the schemes that have resulted in the re-profiling of expenditure at the end of the 2021/22 financial year.
- 3.11 A summary of progress in the year within the Programme, including any significant year end reprofiling is as follows: -

3.11.1 Adult Social Care & Health

A total of £0.788m was spent in this area in 2021/22. The main areas of expenditure was:

- **Telecare & Telehealth Ecosystem** £0.610m - which are schemes centred around using technology to assist care clients in their home environment.
- Total reprofiling in this area of £5.851m relating to
 - £2.764m regarding **Extra Care Housing**. The Housing 21 Upton scheme is not expected to begin on site until planning permission is granted. This is now not expected to commence until 2022/23 therefore the budget has been reprofiled accordingly.
 - £2.917m in relation to the **Telecare & Telehealth Ecosystem** scheme. Spending plans regarding this project are subject to change in response to wider care planning in Wirral, with contributions from partner also being secured. A total of £0.610m borrowing has been replaced by grant funding in relation to the **Telecare & Telehealth Ecosystem**.

3.11.2 Children, Families & Education

During 2021/22, £4.760m was spent on schemes relating to this area.

Government Grants funded almost 92% of the investment in schools in 2021/22 and is funding subject to future annual announcements. Works undertaken with schools are mindful of the impact upon the service and are therefore largely arranged for outside of term-times.

- **‘School Condition & Modernisation’** works attracted a total spend of £1.640m across many sites across the Borough.
- **‘Basic Need’** costs that focus on ensuring that there are sufficient school places for children within the local area totalled £0.934m, with a further £0.354m being reprofiled into 2022/23.
- Total reprofiling of funding in this area into future years totalled £7.774m. The main source of the reprofiling is the **‘School Condition & Modernisation’** scheme (£5.822m) which has encountered delays due to internal resource capacity, availability of contractors and problems with the building supply chain.

3.11.3 Corporate Schemes

A total of £6.493m was spent on **Corporate Schemes**, with £0.647m of budget allocated to the **Capitalisation of Staff Salaries** (allocated and reported against appropriate Directorate schemes) and £5.846m of spend attributable to the **Capitalisation Directive** permitted by the Department for Levelling Up, Housing & Communities (DLUHC). The directive allows the Council to capitalise the financial impact of the Covid-19 pandemic. This figure is yet to be audited by the DLUHC and any revisions to this amount will be reported in due course.

3.11.4 Neighbourhoods Services

During 2021/22 a total of £12.683m was spent in this area, with the main programme schemes being as follows:

- **‘Highway maintenance’** – a total of £3.831m was spent with the most significant areas of expenditure being in respect of micro asphaltting - (£0.832m) and hot rolled asphaltting (£1.200m) which includes pothole repairs.
- **‘Street Lighting Column – Replacement or Upgrade’** – a total of £4.133m was spent, with interest free loans SALIX (funded by the Department for Business, Energy & Industrial Strategy) contributing towards the financing of this spend. SALIX loans are used towards schemes that reduce Carbon emissions, lower energy bills and provide well-lit environments for the community.
- **‘Combined Authority Transport Plan’** - £1.036m was spent in 2021/22 to address the priorities of the Liverpool City Region Combined Authority Transport Plan, the Wirral 2025 Plan and Climate Emergency Declaration.
- Schemes that require reprofiling of funding, include those that span across financial years such as
 - **‘West Kirby Flood Alleviation’** (£8.802m). The conditions set by Natural England only allow for the majority of the construction works to

take place between April and October to minimise noise and disturbance within the Dee Estuary, hence the profiling of budget in 2022/23.

- **'Parks Machinery'** (£1.335m), due to long lead times in the procurement of equipment and the changes in policy, e.g., grass cutting, a review of the machinery requirement is under way.

3.11.5 Regeneration & Place

A total of £18.934m was spent in this area during the financial year 2021/22.

- £5.479m of grant aid has been provided for the provision of essential **'Aids and Adaptations'** giving disabled people better freedom of movement in and around their homes.
- **'Strategic Acquisition Fund'** costing £4.098m, including the purchase of Hind Street and associated works. This scheme is closely linked to the progressing of regeneration initiatives with use intended to fund potential acquisitions.
- **'Housing Infrastructure Fund Marginal Viability (Northbank)'** works attracted a total spend of £3.789m. Part of a 'Homes England' grant of £6m for infrastructure, land remediation, public realm works and utilities provision at 'Northbank' site at Wirral Waters.
- **'Town Deal Fund - Birkenhead'** £0.807m of grant funded expenditure to transform the town centre as part of the wider regeneration plan for Birkenhead.
- Schemes that require reprofiling of funding, include those that span across financial years such as
 - **'Future High Streets (Birkenhead)'** (£12.023m), currently negotiating a project adjustment and revised spend profile with Government.
 - **'Wirral Waters Investment Fund'** (£3.700m), there are several projects within this scheme which are now estimated to begin on site within 2022/23 therefore the budget has been reprofiled accordingly.
 - **'Strategic Acquisition Fund'** (£3.474m), budget is carried forward until suitable assets or sites become available for the Council to acquire as part of the Regeneration Strategy and the Local Plan and Birkenhead 2040 Framework.
 - **'Health & Safety Condition Surveys'** (£2.487m), due to new ways of working, the original remit for this budget is to be reassessed by Asset Management.

3.11.6 Resources

By the end of March 2022 £2.542m had been spent on Resources schemes in total.

- £0.761m was spent on the '**Customer Experience Improvements Project**' that will improve not only the I.T system experience for internal users but also the functionality and capability for customers.
- £1.498m was spent during 2021/22 on the development of the '**Enterprise Resource Planning (ERP)**' system. The project will deliver a system that will increase efficiency, functionality and security for the Council and Wirral residents.
- Total reprofiling relating to Resource schemes was £4.726m in 21/22:
 - £3.163m regarding the '**ERP**' system, budget has been profiled into 2022/23 to cover 'Smartbusiness' costs and contingency. A capital bid to enable Phase 2 of the implementation will be submitted as part of the 2022/23 Capital Programme report.
 - £1.304m associated with the '**Customer Experience Improvements Project**', the project is currently in the delivery phase and rated 'green' for budget, schedule and risk and budget has been realigned into 2022/23.

3.12 Grant Funded Schemes

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

- **Wallasey Embankment Toe Reinforcement - £1.358m** development of a scheme to arrest erosion at the base of Wallasey Embankment to reduce the risk of flooding to 800 properties in the Leasowe and Moreton areas.
- **Liscard Town Centre Delivery - £0.080m** aims to support the viability and vitality of the town centre through a range of interventions.
- **Birkenhead Regeneration Delivery - £1.461m** to facilitate the implementation of essential pre-development works specifically in relation to the Birkenhead Gateway transport and public realm works.
- **Birkenhead Land Assembly - £0.120m** for predevelopment in relation to assembly of land, required to deliver the Birkenhead 2040 frameworks ambition.
- **Town Deal Fund - Birkenhead (£25.000m)** grant funding, to support a number of interventions that will help the regeneration of Birkenhead, which was approved in March 2022 as part of Original 22-27 Programme. £1.000m of grant received earlier than anticipated in 2021/2022 and spend incurred therefore budget brought forward into 2021/2022.

- **Birkenhead Regeneration Delivery - £0.100m** towards the preparation of the Hind Street delivery framework.
- **Birkenhead Regeneration Delivery - £0.182m** for the development of the Hind Street region.
- **Birkenhead Regeneration Delivery - £19.600m** to deliver the regeneration of Woodside and surrounding area over a number of years.

3.13 Virements

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

CAPITAL FINANCING

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

Table 3: Capital Financing 2021/22

Source of Financing	Original Budget £m	Q3 Forecast £m	21-22 Actual £m
Borrowing	55.841	39.699	23.287
Grants/Contributions	27.985	30.101	22.108
Capital Receipts	-	2.124	-
Revenue/Reserves	0.021	-	0.158
Total	83.847	71.924	45.553

3.15 The re-profiling referred to earlier has seen the schemes and associated funding deferred until 2022/23.

3.16 A revised programme, including the final reprofiling from 2021/22 is included in Appendix 4.

CAPITAL RECEIPTS

3.17 Table 4 shows the movements in the Capital Receipts Reserve during 2021/22. Receipts for the year totalled £1.634m (excluding receipts relating to debt repayments and earmarked receipts) with £2.824m available at 31 March 2022.

3.18 In accordance with the Capital Receipts flexibilities introduced by the Government capital receipts generated between 1 April 2016 and 31 March 2025 can be used to support transformation of services that results in efficiencies. This has been reflected in the Capital Programme for 2021/22 onwards.

Table 4: Capital Receipts Reserve

	£000
Balance as at 1 April 2021	1,190
Add: Receipts during the year (Excluding loan repayments and earmarked receipts)	1,634
Less: Flexible use of receipts to fund transformation schemes	-
Balance as at 31 March 2022	2,824

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

COMPLIANCE WITH PRUDENTIAL INDICATORS

- 3.20 The Authority confirms that it has complied with its Prudential Indicators for 2021/22, which were originally approved on 17 February 2021 as part of the Capital Strategy 2021/22 and revised on 15 February 2022 as part of the Capital Strategy 2022/23. Details can be found in the Appendix A.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The capital expenditure for the year amounted to £45.553m. This was funded from borrowing of £23.287m, Capital Grants of £22.108m and other revenue/reserve contributions of £0.158m.
- 4.2 As a result of the £23.287m borrowed to finance the capital programme in 2021/22, the General Fund will be charged with its first repayment via the Minimum Revenue Provision (MRP) in 2022/23 of £0.941m. This will bring the total MRP charge for 2022/23 to £5.665m for borrowing associated with delivering the Capital programme.
- 4.3 The re-profiling of schemes from 2021/22 to 2022/23 has seen the funding similarly re-profiled. This includes the planned borrowing which has been deferred and has contributed towards the cost reductions in Treasury Management activities within the revenue budget. A permanent saving only occurs if schemes cease, otherwise the full budget will be required in 2022/23 when the re-profiled expenditure is incurred.
- 4.4 Chief Officers involved in procurement activity must comply with the Council's Contract Procedure Rules, Financial Regulations, and the Council's Employees Code of Conduct. They must also have due regard to any guidance provided by Corporate Procurement.

5.0 LEGAL IMPLICATIONS

- 5.1 The Council must set the budget (of which the Capital Programme is part of) in accordance with the provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a statutory responsibility of the Council. Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget. These provisions require the Council to make prudent allowance for the risk and uncertainties in its budget and regularly

monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.

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

6.0 RESOURCE IMPLICATIONS: 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 was mitigated by the monthly review by a senior group of officers, charged with improving performance. The Capital & Assets Group has been disbanded; however, the Investment & Change Board receive a monthly report on the Capital programme and associated issues for review.
- 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 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 has been completed and reviewed by Internal Audit & Risk.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 This is an end of 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 Wirral Council has a legal requirement to make sure its policies, and the way it conducts its work, do not discriminate against anyone. This report provides a summary of activity during the 2021/22 financial year. Equality impacts will be considered at scheme design stage and as projects are considered for approval. There are no direct equality implications arising from this report

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

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

11.0 COMMUNITY WEALTH IMPLICATIONS

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

Building implications are reported for each scheme separately to the relevant policy and service committee

- 11.2 The programme also includes projects that focus on environmental initiatives such as energy efficient buildings, sustainable and green travel infrastructure, energy efficient street lighting, urban tree planting etc.

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APPENDICES

- Appendix 1 – Movement between original capital budget and actual position
- Appendix 2 – Significant variations – additional reprofiling at March 2022
- Appendix 3 – Proposed virements
- Appendix 4 – Revised 2022/23 Capital Programme
- Appendix 5 – Prudential Indicators 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

Council Meeting	Date
Budget Council – 2021/22 Capital Programme	Council - 17 th February 2021
2021/22 Quarter 1 Capital Financial Monitoring	Council - 1 st September 2021
2021/22 Quarter 2 Capital Financial Monitoring	Council - 10 th November 2021
2021/22 Quarter 3 Capital Financial Monitoring	Council - 15 February 2022

Appendix 1

Movement between Original Capital Budget and Actual Position

Programme	Approved Budget 01.03.21 £m	Net Q4 20/21 Adjustments £m	EOY Reprofiling from 20-21 £m	Additional Grant £m	Funding Adjustments £m	New Bids £m	Scheme Reduction £m	Reprofiling to Future Yrs £m	21-22 Actual £m
Adult Care & Health	5.715	0.000	0.846	0.000	3.527	0.125	-3.575	-5.850	0.788
Children, Families & Education	8.091	-1.485	2.698	3.237	-0.007	0.000	0.000	-7.774	4.760
Corporate Schemes	10.680	0.000	0.647	0.000	1.477	0.000	-4.834	-2.124	5.846
Neighbourhoods	7.755	7.132	7.087	10.520	0.652	1.895	0.000	-23.358	11.683
Regeneration & Place	47.006	-0.365	14.303	11.055	-4.271	7.076	-0.335	-54.535	19.934
Resources	4.600	0.000	1.859	0.000	0.647	0.201	-0.081	-4.684	2.542
Total	83.847	5.282	27.440	24.812	2.025	9.297	-8.316	-98.325	45.553

Appendix 2

Significant variations – Additional Re-profiling at 31 March 2022

Scheme	Year End Slippage to 22/23
Adult Care and Health	
Citizen and Provider Portal/Integrated I.T.	-76
Extra Care Housing	-264
Liquidlogic - Early Intervention & Prevention	-94
Telecare & Telehealth Ecosystem	-1
	-435
Children, Families & Education	
Children's System Development	-11
Transforming Care - Therapeutic Short Breaks	-598
School Place Planning	-74
School Condition/Modernisation	-802
	-1485
Corporate Schemes	
Transformational Capitalisation	-2124
	-2124
Neighbourhoods	
Aids to Navigation	-40
Allotment Sites Expansion	-125
Arrowe Park Sports Village Redevelopment Feasibility Study	-1
Bridges excluding Dock Bridge	-437
Cemetery Extension & Improvements (Frankby)	-42
Coastal Defence - Meols Feasibility Study	-30
Combined Authority Transport Plan	-529
Coronation Park Sustainable Drainage	-32
Defibrillators	-67
Dock Bridges replacement	-300
Future Golf - Project 1.1	-80
Highway Maintenance	-482
Highways Asset Management System	-1
Key Route Network (LGF3) - Operate Key Roads / Routes Efficiently	-166
Lyndale Ave Parking & Safety Measures	-125
Modernisation of CCTV System	-120
Moreton Sandbrook Drainage	-18

Scheme	Year End Slippage to 22/23
Neighbourhoods (Continued)	
New Brighton Gym Equipment	-59
Northbank West Cycle Scheme	-1
Play Area Improvements	-94
Quick Win Levy	-45
Removal of remaining analogue CCTV circuits-21-22	-79
Solar Campus 3G	-30
Sustainable Transport Enhancement Programme	-16
Street Lighting Column - Replacement or Upgrade	-1,070
Street Lighting -Illuminated Lighting and Signage	-112
Studio refurbishment Les Mills classes	-138
Studio refurbishment Les Mills classes - stage 2	-30
Surface Water Management Scheme	-83
Tower Road National Productivity Investment Fund	-393
Town Link Viaduct	-332
Tree Strategy	-64
Urban Tree Challenge Fund	-198
Wallasey Embankment Toe Reinforcement	-100
West Kirby Flood alleviation	-1,628
Williamson Art Gallery Catalogue	-35
Williamson Art Gallery Ventilation 21-22	-288
Wirral Country Park Car Park Surfacing	-23
Wirral Way Widening	-180
	-7,593
Regeneration & Place	
65 The Village	-19
Active Travel Tranche 1	-1
Active Travel Tranche 2	-97
Aids, Adaptations and Disabled Facility Grants	-1,900
Birkenhead Park Depot Resurfacing	-30
Birkenhead Regeneration Delivery Fund	-3,377
Birkenhead Regeneration Framework	-385
Business Investment Fund	-685
Capitalisation of Regen Salaries	-1,384
Castleway & Leasowe Early Years	-28
Clearance	-8

Scheme	Year End Slippage to 22/23
Regeneration (Continued)	
Concerto Asset Management System	-26
Connecting Wirral Waters: Detailed Design	-60
Depot Welfare Improvements	-2
Empty Property Grant Scheme	-58
Future High Streets Fund - New Ferry 21-22	-504
Future High Streets - Birkenhead	-3,319
Health & Safety - Condition Surveys	-1
Hind Street Movement Strategy Project 21-22	-69
Housing Infrastructure Fund (Enabling Infrastructure)	-1
Hoylake Golf works depot demolish and replace	-29
Landican Chapels	-119
Legislative Compliance	-44
Leisure Capital Improvement Programme	-55
Liscard Town Centre Delivery	-72
Major Infrastructure Development & Strategic Transport Forward Planning	-71
Maritime Knowledge Hub	-1,701
Moreton Youth Club & Library	-20
New Brighton Masterplan for Marine Promenade	-65
New Ferry Regeneration Strategic Acquisitions	-616
Office Quarter Building Fit-Out	-148
Onstreet Residential Chargepoint Scheme	-102
Parks and Countryside - Equality Act	-17
Strategic Acquisition Fund	-740
Transport Advisory Group -A41 Corridor North	-1
Transport Advisory Group -Wirral Waters outline	-179
Town Centre scheme - Liscard	-18
Town Centre scheme - New Ferry	-11
Town Fund Birkenhead	-53
West Kirby Marine Lake/Sailing Centre	-197
Wirral Waters Investment Fund	-1,605
	-17,817

Scheme	Year End Slippage to 22/23
Resources	
Customer Experience Improvements Project	-692
Digital Corporate Storage - Upgrade & Refresh technologies	-1
Enterprise Resource Project	-10
Legal Case Management System	-60
Replacement of I.T Service Management System	-61
Upgrade of WIFI Network	-80
	-945
Total Additional Reprofilng as at 31 March 2022	-30,358

Appendix 3

Proposed Virements

Area	Scheme	Proposed Virement £m	Proposed Reallocation
Neighbourhoods	Combined Authority Transport Plan (CATP)	0.094	North West Bank Cycle Scheme
Neighbourhoods	Key Route Network (LGF3)	0.009	Key Route Network
Neighbourhoods	Key Route Network (LGF3)	0.186	Key Route Network 21-22
Regeneration & Place	Floral Pavilion	0.020	Catering Provision
Regeneration & Place	Health & Safety - Condition Surveys	0.300	Williamson Art Gallery ventilation
Regeneration & Place	Arrowe Country Park New Machine Shed and Washbay	0.065	Wirral Way Widening
Regeneration & Place	Leasowe Leisure Evolutions	0.040	Leasowe 3G Pitches
Regeneration & Place	Empty Property Grant Scheme	0.120	Aids, Adaptions and Disabled Facilities Grant
Regeneration & Place	Birkenhead Regeneration Delivery Fund	0.157	Housing Infrastructure Fund (enabling infrastructure)
Children, Families & Education	Condition/Modernisation (SCA)	0.007	Eastham Youth Hub
Children, Families & Education	Healthy Pupil Capital Fund	0.018	Condition/Modernisation (SCA)
Children, Families & Education	Condition/Modernisation (SCA)	0.133	High Needs Provision Capital

Appendix 4 - Revised 2022/23 Capital Programme

	Revised 22/23 Programme £'000	Borrowing £'000	Capital Receipts £'000	Grants £'000	Other £'000	Total Funding £'000
2022-23 PROGRAMME						
Adult Care and Health						
Better Care Fund (Disabled Facilities Grant)	433			433		433
Citizen and Provider Portal/Integrated I.T.	76	52		24		76
Extra Care Housing	5,231	3,586		1,645		5,231
Liquidlogic - Early Intervention & Prevention	219	219				219
Telecare & Telehealth Ecosystem	1,364			1,364		1,364
Total Adult Care and Health	7,323	3,857	-	3,466	-	7,323
Children, Families & Education						
Basic Needs	354			354		354
Children's System Development	1,107	1,107				1,107
Family support	157	157				157
High Needs Provision Capital	2,871			2,871		2,871
PFI	52	52				52
School Condition/Modernisation	9,929			9,929		9,929
School Place Planning	511	511				511
Special Educational Needs and Disabilities	799			799		799
Transforming Care - Therapeutic Short Breaks	864			864		864
Total Children, Families & Education	16,644	1,827	-	14,817	-	16,644
Corporate Schemes						
Capitalisation of Legal Salaries	200	200				200
Transformational Capitalisation	5,704		5,704			5,704
Total Corporate Schemes	5,904	200	5,704	-	-	5,904

	Revised 22/23 Programme £'000	Borrowing £'000	Capital Receipts £'000	Grants £'000	Other £'000	Total Funding £'000
2022-23 PROGRAMME						
Neighbourhoods						
Aids to Navigation	40	40				40
Allotment Sites Expansion	125	125				125
Arrowe Park Sports Village Redevelopment Feasibility Study	1	1				1
Ashton Park Lake	147	147				147
Beach Cleaning - Replacement of equipment	94	94				94
Birkenhead Park World Heritage Project Team	85	85				85
Bridges excluding Dock Bridge	580	580				580
Cemetery Extension & Improvements (Frankby)	142	142				142
Coastal Defence - Meols Feasibility Study	100			100		100
Combined Authority Transport Plan	1,529	529		1,000		1,529
Coronation Park Sustainable Drainage	222	40		182		222
Defibrillators	67	67				67
Dock Bridges replacement	500	500				500
Essential H&S Access Improvements - Wirral Country Park	64	64				64
Fitness Equipment	4	4				4
Future Golf - Project 1.1	420	420				420
Highway Maintenance	482	429		53		482
Highways Asset Management System	49	49				49
Key Route Network (LGF3) - Operate Key Roads / Routes	166	36		130		166
Lyndale Ave Parking & Safety Measures	125	125				125
Modernisation of CCTV System	120	120				120
Moreton Sandbrook Drainage	433	433				433
New Brighton Gym Equipment	59	59				59

	Revised 22/23 Programme £'000	Borrowing £'000	Capital Receipts £'000	Grants £'000	Other £'000	Total Funding £'000
2022-23 PROGRAMME						
Neighbourhoods (Continued)						
New Ferry Rangers Community Clubhouse	1,042	792		250		1,042
Northbank West Cycle Scheme	1	1				1
Parks Machinery	2,635	2,635				2,635
Parks Vehicles	1,071	1,071				1,071
Play Area Improvements	327	327				327
Plymyard Cemetery Roadways	75	75				75
Plymyard Playing Field	147				147	147
Quick Win Levy	45			45		45
Removal of remaining analogue CCTV circuits-21-22	79	79				79
Solar Campus 3G	30	30				30
Street Lighting Column - Replacement or Upgrade	1,070	1,070				1,070
Street Lighting -Illuminated Lighting and Signage	294	294				294
Studio refurbishment Les Mills classes	138	138				138
Studio refurbishment Les Mills classes Stage 2	30	30				30
Surface Water Management Scheme	83			83		83
Sustainable Transport Enhancement Programme	16	6		10		16
Tower Road National Productivity Investment Fund	393	393				393
Town Link Viaduct	332	332				332
Tree Strategy	121	121				121
Urban Tree Challenge Fund	409	198		211		409
Wallasey Embankment Toe Reinforcement	100			100		100
West Kirby Flood alleviation	8,802	2,397		6,405		8,802
Williamson Art Gallery Catalogue	73	73				73

	Revised 22/23 Programme £'000	Borrowing £'000	Capital Receipts £'000	Grants £'000	Other £'000	Total Funding £'000
2022-23 PROGRAMME						
Neighbourhoods (Continued)						
Williamson Art Gallery Ventilation 21-22	288	288				288
Wirral Country Park Car Park Surfacing	63	63				63
Wirral Tennis Centre - 3G Pitch	1,000	240		760		1,000
Wirral Way Widening	180	180				180
Woodchurch Rd Drainage	80	80				80
Woodchurch Sports Pavillion	1,600	600		1,000		1,600
Total Neighbourhoods	26,078	15,602	-	10,329	147	26,078
Regeneration & Place						
65 The Village	19	19				19
Active Travel Tranche 1	86			86		86
Active Travel Tranche 2	1,597			1,597		1,597
Aids, Adaptations and Disabled Facility Grants	3,500			3,500		3,500
Arrowe Country Park - New Machine Shed & Wash Bay	121	121				121
Arrowe Country Park Depot: Re-Surfacing, Material Bays	38	38				38
Bebington Oval Facility Upgrade	690	690				690
Birkenhead Park Depot Resurfacing	30	30				30
Birkenhead Park Event Infrastructure	164	164				164
Birkenhead Regeneration Delivery Fund	10,128	3,309		6,819		10,128
Birkenhead Regeneration Framework	470	470				470
Birkenhead Town Centre Masterplanning & Housing Delivery	135	135				135
Business Investment Fund	685	685				685
Capitalisation of Regeneration Salaries	2,984	2,984				2,984

	Revised 22/23 Programme £'000	Borrowing £'000	Capital Receipts £'000	Grants £'000	Other £'000	Total Funding £'000
2022-23 PROGRAMME						
Regeneration (Continued)						
Castleway & Leasowe Early Years	1,198	1,198				1,198
Changing Places Toilets	100			100		100
Clearance	388	200		188		388
Concerto Asset Management System	26	26				26
Connecting Wirral Waters: Detailed Design	610	610				610
Consolidated Library Works Fund	279	279				279
Depot Welfare Improvements	232	232				232
Empty Property Grant Scheme	318	318				318
Energy efficient buildings	900	900				900
Future High Streets Fund New Ferry 21-22	3,189			3,189		3,189
Floral Pavilion	155	155				155
Future High Streets - Birkenhead	10,452			10,452		10,452
Health & Safety - Condition Surveys	2,804	2,804				2,804
Heswall Day Centre (part only)	127	127				127
Hind Street Movement Strategy Project 21-22	69			69		69
Housing Infrastructure Fund (Enabling Infrastructure)	1	1				1
Hoylake Golf works depot demolish and replace	83	83				83
Landican Chapels	119	119				119
Leasowe Leisure Centre/Evolutions	1,679	1,679				1,679
Legislative Compliance	44	44				44
Leisure Capital Improvement Programme	715	715				715
Lever Sports Pavilion	80	80				80
Liscard Town Centre Delivery	172	100		72		172

	Revised 22/23 Programme £'000	Borrowing £'000	Capital Receipts £'000	Grants £'000	Other £'000	Total Funding £'000
2022-23 PROGRAMME						
Regeneration (Continued)						
Major Infrastructure Development & Strategic Transport Planni	333	333				333
Maritime Knowledge Hub	12,351	7,926		4,425		12,351
Moreton Youth Club & Library	1,000	1,000				1,000
New Brighton Masterplan for Marine Promenade	65	65				65
New Ferry Regeneration Strategic Acquisitions	1,054	1,054				1,054
Office Quarter Building Fit-Out	808	808				808
Onstreet Residential Chargepoint Scheme	102	25		77		102
Parks and Countryside - Equality Act	447	447				447
People's Pool Feasibility Study	52	52				52
Pool Covers	72	72				72
Property Pooled Plus I.T System	70	70				70
Soft Play Areas Leisure Centres	410	410				410
Strategic Acquisition Fund	3,359	3,359				3,359
SUD - Leasowe to Seacombe Corridor	931			931		931
Transport Advisory Group -A41 Corridor North	192			192		192
Transport Advisory Group -Wirral Waters outline	179			179		179
Town Centre scheme - Liscard	18			18		18
Town Centre scheme - New Ferry	11			11		11
Town Deal Fund - Birkenhead	16,277			16,277		16,277
Town Fund Birkenhead	53			53		53
West Kirby Concourse/Guinea Gap Reception upgrade	351	351				351
West Kirby Marine Lake/Sailing Centre	197	197				197
West Kirby Masterplan	70	70				70

	Revised 22/23 Programme £'000	Borrowing £'000	Capital Receipts £'000	Grants £'000	Other £'000	Total Funding £'000
2022-23 PROGRAMME						
Regeneration (Continued)						
Wirral Tennis & Sports Centre	1,364	1,364				1,364
Wirral Tennis Centre - Facility Upgrade	765	765				765
Wirral Waters Investment Fund	3,250	3,250				3,250
Total Regeneration & Place	88,168	39,933	-	48,235	-	88,168
Resources						
Creative & Digital Team - specialist software and hardware	15	15				15
Customer Experience Improvements Project	1,304	1,304				1,304
Digital Corporate Storage - upgrade & refresh technologies	1	1				1
Enterprise Resource Planning	5,664	5,664				5,664
Legal Case Management System	60	60				60
Local Digital Cyber Fund	175			175		175
Replacement of IT Service Management System	392	392				392
Upgrade of WIFI Network	202	202				202
Total Resources	7,813	7,638	-	175	-	7,854
Total Programme	151,930	69,057	5,704	77,022	147	151,930

APPENDIX 5

PRUDENTIAL INDICATORS 2021/22

(a) Adoption of the CIPFA Treasury Management Code

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

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

(b) Capital Expenditure

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

Expenditure	31/03/2022	31/03/2023	31/03/2024
	Actual	Estimate	Estimate
	£'000	£'000	£'000
General Fund	45,553	151,971	73,284
Capital expenditure has or will be funded as follows:			
Capital Financing	31/03/2022	31/03/2023	31/03/2024
	Actual	Estimate	Estimate
	£'000	£'000	£'000
Capital receipts	-	5,704	-
Grants and Contributions	22,096	77,022	46,504
Revenue and Reserves	158	147	-
Borrowing	23,299	69,098	26,780
Total Funding	45,553	151,971	73,284

(c) Capital Financing Requirement (CFR)

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

Capital Financing Requirement	31/03/2022	31/03/2023	31/03/2024
	Actual	Estimate	Estimate
	£m	£m	£m
General Fund	374.0	437.2	447.7

(d) Gross Debt and the Capital Financing Requirement:

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

This is a key indicator of prudence.

Debt	31/03/2022	31/03/2023	31/03/2023
	Actual	Estimate	Estimate
	£m	£m	£m
Borrowing	221.6	293.1	319.0
PFI liabilities	34.5	31.3	28.0
Total Debt	256.0	324.4	347.0
Borrowing in excess of CFR?	No	No	No

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

(e) Authorised Limit and Operational Boundary for External Debt

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

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

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

	Operational Boundary (Approved) 31/03/2022	Authorised Limit (Approved) 31/03/2022	Actual External Debt 31/03/2022
	£m	£m	£m
Borrowing	471.0	481.0	221.5
Other Long-term Liabilities	55.0	60.0	34.5
Total	526.0	541.0	256.0

(f) Ratio of financing costs to net revenue stream

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

Ratio of Finance Costs to Net Revenue Stream	2021/22	2022/23	2023/24
	Actual	Estimate	Estimate
	%	%	%
Ratio	5.240	6.10	7.00



POLICY AND RESOURCES COMMITTEE

Wednesday, 8 June 2022

REPORT TITLE:	CAPITAL PROGRAMME - VIREMENTS
REPORT OF:	DIRECTOR OF RESOURCES (S151 OFFICER)

REPORT SUMMARY

Budget Council on 28th February 2022 agreed that funding would be identified within the 2022/23 Capital Programme to provide capital resource for community asset transfer of up to £500,000 in respect of library facilities and Climate Emergency Budget support of up to £125,000.

This report recommends that monies are vired from the property related Health and Safety Condition Surveys Budget.

The Wirral Plan 2021-2026 sets out the Councils vision to secure the best possible future for our residents, defined by the community prosperity we create and supported by our excellent people and services. This proposal directly supports the following key themes within that plan:

- Sustainable Environment: Working towards a clean-energy, sustainable borough that leads the way in its response to the climate emergency and is environmentally friendly.
- Safe and Pleasant Communities: Working for safe and pleasant communities where our residents feel safe, and are proud to live and raise their families.
- Active and Healthy Lives: Working to provide happy, active and healthy lives for all, with the right care, at the right time to enable residents to live longer and healthier lives.

This is a key decision as the value exceeds £0.5 million.

This matter affects all wards within the Borough.

RECOMMENDATION/S

The Policy and Resources Committee is recommended to agree a virement of capital funding of £625,000 from the Health and Safety Condition Survey programme. This will fund eligible capital works in relation to community asset transfer of up to £500,000 and to fund eligible capital works in relation to the climate emergency budget of up to £125,000.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION

- 1.1 To enable resources to be available for capital schemes in accordance with the decisions made by Budget Council on 28th February 2022.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The option of not viring monies could be considered but would be against the decision of Budget Council. Alternative options to vire from different capital schemes were considered but the condition survey heading is deemed the most appropriate source.

3.0 BACKGROUND INFORMATION

- 3.1 Budget Council met on 28th February 2022 and agreed the Council's revenue and capital budget for 2022/23. The agreed budget included the following:
- an allocation from within the 2022/23 capital programme be identified, where necessary, to enable expressions of interest in community asset transfer of the libraries that may be closed to be supported in assisting the production and implementation of business cases at a cost of £500k.
 - That an allocation of £125,000 from within the 2022/23 capital programme be identified to enable the total Climate Emergency Budget to remain at £250,000 from revenue and capital for 2022/23. This is in recognition of the increasing concern over the continuing pattern of severe weather and just recently, the worst storms we have seen in decades. We have an obligation to ensure our assets can be fit for purpose and remain in good order so that when such events occur again, we can continue to operate vital council services for residents, with no or minimal disruption.
- 3.2 The Health & Safety Condition Survey capital budget was established in 2020/21 and was a multi-year budget which totalled £9.5 million. The budget was created as demand was identified for a programme of essential Health & Safety works relating to Council assets relating to the outcome of a series of condition surveys being undertaken. This also linked to the asset review which would help to form the programme of works and determine use of buildings ahead of the Birkenhead Commercial District becoming operational.
- 3.3 The Health and Safety Condition Survey Budget contains £2.8m in 2022/23 with a further £2.5m earmarked against 2023/24 and 2024/25. The programme and values were based upon pre-pandemic assumptions. A full programme of works is yet to be finalised and will be dependent on future surveys and decisions regarding building use. The impact of Covid-19 and hybrid working will lead to a reduction in building need and therefore the level of works required will be reduced. The Birkenhead Commercial District will also impact on building use. Therefore the full budget is unlikely to be required in 2022/23. This budget is property related and is the most

suitable place to provide the funds for virement against the above property related schemes.

4.0 FINANCIAL IMPLICATIONS

- 4.1 As this is a virement there will be no increase in the size of the overall capital programme. Capital expenditure funded from borrowing incurs a cost to the revenue budget through repayment of loan interest and Minimum Revenue Provision (de-facto Principal). Minimum Revenue Provision is spread and charged over the life of the capital asset i.e. short life assets e.g. equipment tend have higher in year charges but for a shorter period when compared to longer life assets such as buildings. As the virement is to and from property based schemes there is likely to be negligible impact on revenue from this virement.
- 4.2 Capital expenditure must comply with capital accounting regulations that apply to Local Government. Therefore use must comply with requirements for asset creation or enhancement. These funds cannot be used for revenue purposes including maintenance

5.0 LEGAL IMPLICATIONS

- 5.1 The use of capital must comply with the relevant accounting regulations and guidance that applies to local government. This report has been written in compliance with the Council's constitution and rules relating to virements.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 The virement proposal provides funding to support Community Asset Transfer and deal with building related climate issues. There is no direct impact on staffing and ICT arising from this report.

7.0 RELEVANT RISKS

- 7.1 The virement of funds in itself does not involve risk unless the Health and Safety Condition Survey budget is left underfunded to deliver its requirements. The risks will relate to the use of vired funds not achieving the desired aims of the funding provided in respect of community asset transfers and climate change works.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 The virement proposals are in response to the agreed budget which included consultation. The large virement involves providing possible funding for communities to take control and run Council assets. This is subject to engagement and consultation with business cases invited.

9.0 EQUALITY IMPLICATIONS

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

9.2 There are no direct equality implications arising from this report

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 The capital allocation demonstrates the Councils commitment to supporting the actions contained within the Climate Emergency Action Plan, which forms part of the Councils response to the climate emergency. The virement of monies includes £125,000 to support the climate emergency budget. These monies will be deployed to assist combat environmental and climate challenges.

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 The provision of funding to support Community Asset transfers will enhance community wealth building. The control and running of assets in the community will enable local service delivery and support communities.

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APPENDICES

None

BACKGROUND PAPERS

Budget Papers Policy and Resources and Council February 2022
Council Constitution

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Budget Council	28 th February 2022
Policy and Resources Committee	15 th February 2022



POLICY AND RESOURCES COMMITTEE

Wednesday, 8 June 2022

REPORT TITLE:	APPOINTMENT OF SUB-COMMITTEE AND WORKING GROUP MEMBERS
REPORT OF:	DIRECTOR OF LAW AND GOVERNANCE (MONITORING OFFICER)

REPORT SUMMARY

The purpose of the report is to enable the Policy and Resources Committee, in accordance with the relevant statutory provisions and the terms of the Constitution, to appoint Members to the three Sub-Committees of the Policy and Resources Committee for 2022 / 2023, these are:

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

Unless appointed as full members; the Leaders and Deputy Leaders of the political groups represented on the Council are entitled to attend meetings of all Committees, Sub-Committees and Panels, with the right to speak at the invitation of the Chair (Part 3 (B) Section 1 of the Council’s constitution).

The Committee is also requested to re-appoint the Contain Outbreak Management Fund Working Group, first appointed by this Committee on 9 June, 2021 (minute 10 refers).

The decisions of the Committee regarding this report are not considered to be Key Decisions.

RECOMMENDATION/S

The Policy and Resources Committee is requested to:-

- (1) (a) confirm that the Senior Officer Appointments and Staffing Sub-Committee be appointed for 2022-23 with the terms of reference as referred to in paragraph 3.1 of this report and will consist of:
 - (i) the Leader (Chair of Policy & Resources Committee), or in their absence the Deputy Leader (Vice-Chair), who shall chair the Sub-Committee;
 - (ii) a member from each of the other Political Groups represented on the Policy & Resources Committee; and

(iii) the Chair, or in their absence the Vice-Chair, of the Policy & Services Committee with terms of reference most closely associated with the post concerned (or if that committee concerned is deemed to be the Policy & Resources Committee then the Deputy Leader (Vice-Chair).

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

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

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

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

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

(4) (a) confirm that the Contain Outbreak Management Fund Working Group be appointed for 2022/23 with the terms of reference identified.

(b) appoint Members to serve on the Contain Outbreak Management Fund in 2022-23, including the appointment of named deputies.

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

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

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

2.0 OTHER OPTIONS CONSIDERED

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

3.0 BACKGROUND INFORMATION

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

Senior Officer Appointments and Staffing Sub-Committee

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

Finance Sub-Committee

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

Shareholder Board

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

Contain Outbreak Management Fund Working Group

A working group of some five (5) to eight (8) members of the Policy and Resources Committee which provides oversight to future spending proposals for this fund, linked to other existing Covid-19 funding and the wider recovery and renewal priorities for Wirral. As a working group, membership is not subject to political balance.

3.2 Proportionality:

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

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

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

2 Labour Members
2 Conservative Members
1 Green Member

Shareholder Board is recommended to be kept to a minimum of 3 members and the political balance should be:

1 Labour Member
1 Conservative Member
1 Green Member

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

3.3 The Finance and Shareholder Board Sub-Committees are subject to political balance regulation (S15 of the Local Government and Housing Act 1989).

- 3.4 It is noted that the Senior Officer Appointments and Staffing Sub-Committee's primary function is to make appointments or recommendations to Council on appointments regarding chief officers of the Council. In its alternative form the sub-committee exists to deal with disciplinary matters and appeals. There was considered to be an optimum size for such sub-committees and it was unanimously agreed at Annual Council on 28 September 2020 that this Sub-Committee be exempt from political proportionality. It was felt by all group leaders that it was important that all political groups on the Council had a vote on these matters.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The Chair of the Finance Sub-Committee is entitled to a special responsibility allowance (SRA) of £4,800 under Part 6 of the Constitution – Members' Allowances Scheme. These funds are accounted for within the Members' Allowances Scheme.
- 4.2 It should be noted that under the Members' Allowances Scheme, no councillor shall be entitled to receive more than one payment by way of a special responsibility allowance. Any councillor who is already receiving an SRA as Chair of a Policy and Services Committee, Group Leader etc shall not be entitled to additional payment as Chair of the Sub-Committee mentioned above as per paragraph 4.3 of the Members' Allowances Scheme.

5.0 LEGAL IMPLICATIONS

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

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

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

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

7.0 RELEVANT RISKS

7.1 There are no direct risks arising from this report.

8.0 ENGAGEMENT/CONSULTATION

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

9.0 EQUALITY IMPLICATIONS

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

9.2 There are no equality implications arising directly from this report.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

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

11.0 COMMUNITY WEALTH BUILDING IMPLICATIONS

11.1 There are none arising directly from this report.

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BACKGROUND PAPERS

The Constitution of the Council
Members' Allowances Scheme

SUBJECT HISTORY (last 3 years)

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

POLICY AND RESOURCES COMMITTEE
Wednesday, 8 June 2022

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

REPORT SUMMARY

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

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

RECOMMENDATION/S

The Policy & Resources Committee is invited to comment on and note the proposed Policy and Resources Committee work programme for the 2022/23 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.

11.0 COMMUNITY WEALTH BUILDING

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

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APPENDICES

Appendix 1: Policy and Resources Committee Work Plan

BACKGROUND PAPERS

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

Subject History (last three years)

Council Meeting	Date
Policy and Resources Committee	7 October 2020
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
Policy and Resources Committee	01 September 2021
Policy and Resources Committee	07 October 2021
Policy and Resources Committee (Special Meeting)	25 October 2021
Policy and Resources Committee	10 November 2021
Policy and Resources Committee (Special Meeting)	30 November 2021
Policy and Resources Committee	01 December 2021
Policy and Resources Committee	17 January 2022
Policy and Resources Committee (Budget)	15 February 2022
Policy and Resources Committee	16 March 2022

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POLICY AND RESOURCES COMMITTEE

WORK PROGRAMME 2022/23

8 June 2022

Contact Officer/s: Dan Sharples
Tel: 0151 666 3791
e-mail: Danielsharples@wirral.gov.uk
Website: www.wirral.gov.uk

KEY DECISIONS

Item	Brief Description	Approximate timescale	Lead Departmental Officer
Liverpool City Region Enabling Powers and Associated Issues Key	Various matters which may require the consent of this Authority as one of the constituent authorities of the Liverpool City Region Combined Authority	Between April 2022 and July 2022	Director of Law and Governance
Wirral Local Plan 2021 to 2037: Publication of Submission Draft Plan (Regulation 19) and Submission to Secretary of State for Examination (Regulation 22) Key		Between April 2022 and July 2022	Director of Regeneration and Place
Strategic Asset Acquisitions Key	Approval to acquire key assets as part of the Council's growth strategy	Between April 2022 and July 2022	Director of Regeneration and Place
Property and Land Disposals Key	TBC	Between April 2022 and July 2022	Director of Regeneration and Place
Loan / Loan Facility	To agree a business	Between April	Director of

Application Key	loan application relating to a local business	2022 and July 2022	Resources
Edsential Update and Finance Key	Update and decisions on Edsential	Between April 2022 and July 2022	Director of Resources
One Wirral Change Programme Key	This report provides an overview of the Council's emerging change programme.	Between April 2022 and July 2022	Director of Resources
Discretionary Rate Relief Policy Key	Proposed changes to Discretionary Rate Relief Policy (Section 47 LGFA 1988) to reflect changes made by Central Government to existing provisions and guidance.		
Enterprise Resource Planning (ERP) – SmartBusiness Key	To approve the full business case for delivery of phase 2 of the project (Human Resources & Payroll).	Between April 2022 and July 2022	Director of Resources
Community Asset Transfer Key	Agree expressions of interest for Community Asset Transfer to full Business Case.	Between April 2022 and July 2022	Director of Resources
Community Asset Transfer Capital Funding Key	Agree virements to enable an allocation of Capital Community Asset Transfer Funding.	Between April 2022 and July 2022	Director of Resources

ADDITIONAL AGENDA ITEMS – WAITING TO BE SCHEDULED

Item	Brief Description	Approximate timescale	Lead Departmental Officer
Application for National Non Domestic Rate Relief	From time to time an organisation or body that may qualify for Discretionary Rates Relief to reduce their liability for paying Rates will apply to the Council	Between April 2022 and July 2022	Director of Resources

	for such support which requires a formal decision.		
Income Generation	Added at request of P&R Committee	Between April 2022 and July 2022	Director of Resources
Refugees and Asylum Seekers	Referred from Council on 22 March 2021	Between April 2022 and July 2022	Director of Regeneration and Place
Wirral Growth Company Limited Liability Partnership Accounts	TBC	Between April 2022 and July 2022	Director of Resources
Community Bonds	TBC	Between April 2022 and July 2022	Director of Resources
Annual Audit Report	TBC	Between September 2022 and November 2022	Director of Resources

STANDING ITEMS AND MONITORING REPORTS

Item	Reporting Frequency	Lead Departmental Officer
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
Working Groups/ Sub Committees				
Task and Finish work				

Spotlight sessions / workshops				
Corporate scrutiny / Other				